OFFICIAL STATEMENT DATED JANUARY 30, 2018

NEW ISSUE – Book-Entry Only **Ratings: See "RATINGS" herein**

In the opinion of Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey ("Bond Counsel"), under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance with certain covenants described herein, interest on the Bonds (as herein defined) (i) is not includable in gross income for Federal income tax purposes pursuant to section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) is not treated as a preference item under Section 57 of the Code for purposes of computing the Federal alternative minimum tax imposed on individuals. Bond Counsel is further of the opinion that, under existing laws of the State of New Jersey, interest on the Bonds and any gain on the sale thereof are not includable in gross income under the New Jersey Gross Income Tax Act, as amended. See "TAX EXEMPTION" herein.

$23,758,000
SCHOOL BONDS, SERIES 2018
THE BOARD OF EDUCATION OF THE BOROUGH OF GLEN RIDGE IN THE COUNTY OF ESSEX, NEW JERSEY
(New Jersey School Bond Reserve Act, 1980 N.J. Laws c. 72, as amended)

CALLABLE

Dated: Date of Delivery **Due: August 15, as shown on inside cover**

The $23,758,000 aggregate principal amount of School Bonds, Series 2018 (the "Bonds"), of The Board of Education of the Borough of Glen Ridge in the County of Essex, New Jersey (the "Board" when referring to the governing body and the "School District" when referring to the territorial boundaries governed by the Board) are valid and legally binding general obligations of the Board, and unless paid from other sources, are payable from *ad valorem* taxes levied upon all the taxable real property within the School District for the payment of the Bonds and the interest thereon without limitation as to rate or amount. Payment of the principal of and interest on the Bonds is also secured under the provisions of the New Jersey School Bond Reserve Act, 1980 N.J. Laws c. 72, as amended.

The Bonds will be issued as fully registered bonds in book-entry only form (without certificates) in the form of one certificate for the aggregate principal amount of the Bonds maturing in each year and when issued will be registered in the name of and held by Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Individual purchases may be made in the principal amount of $1,000 each or any integral multiple thereof with a minimum purchase of $5,000 required, through book-entries made on the books and records of DTC and its participants. Individual purchasers of the Bonds will not receive certificates representing their beneficial ownership interests in the Bonds, but each book-entry Bond owner will receive a credit balance on the books of its nominee, and this credit balance will be confirmed by an initial transaction statement stating the details of the Bonds purchased. *See* "BOOK-ENTRY ONLY SYSTEM" herein.

The Bonds shall bear interest from their date of delivery, which interest shall be payable semi-annually on the fifteenth day of February and August in each year, commencing August 15, 2018, until maturity or prior redemption. Interest on the Bonds will be credited to the participants of DTC as listed on the records of DTC as of each immediately preceding August 1 and February 1 (the "Record Dates" for the payment of interest on the Bonds).

The Bonds are subject to redemption prior to their stated maturities as set forth herein. *See* "DESCRIPTION OF THE BONDS – Redemption" herein.

The Bonds are offered when, as and if issued and delivered to the Underwriter, subject to prior sale, to withdrawal or modification of the offer without notice and to approval of legality by the law firm of Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey, Bond Counsel to the Board, and certain other conditions described herein. Certain legal matters will be passed upon for the Board by Sciarrillo, Cornell, Merlino, McKeever & Osborne, LLC, Westfield, New Jersey, General Counsel to the Board. Phoenix Advisors, LLC, Bordentown, New Jersey, served as Municipal Advisor in connection with the Bonds. Delivery of the Bonds in definitive form to DTC in Jersey City, New Jersey, is anticipated to occur on or about February 14, 2018.

CITIGROUP

$23,758,000
THE BOARD OF EDUCATION OF THE
BOROUGH OF GLEN RIDGE
IN THE COUNTY OF ESSEX, NEW JERSEY
SCHOOL BONDS, SERIES 2018

(New Jersey School Bond Reserve Act, 1980 N.J. Laws c. 72, as amended)

CALLABLE

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND CUSIP NUMBERS

Maturity (August 15)	Principal Amounts	Interest Rates	Yields	CUSIP Numbers*
2019	$ 680,000	2.500%	1.450%	377748DP0
2020	680,000	3.000	1.600	377748DQ8
2021	680,000	3.000	1.700	377748DR6
2022	1,360,000	3.000	1.860	377748DS4
2023	1,360,000	3.000	1.900	377748DT2
2024	1,360,000	3.000	2.150	377748DU9
2025	1,360,000	3.000	2.260	377748DV7
2026**	1,360,000	3.000	2.450	377748DW5
2027**	1,360,000	3.000	2.550	377748DX3
2028**	1,360,000	3.000	2.700	377748DY1
2029**	1,360,000	3.000	2.800	377748DZ8
2030**	1,360,000	3.000	2.900	377748EA2
2031	1,360,000	3.000	3.000	377748EB0
2032	1,360,000	3.000	3.050	377748EC8
2033	1,360,000	3.000	3.100	377748ED6
2034	1,360,000	3.125	3.150	377748EE4
2035	1,360,000	3.125	3.200	377748EF1
2036	1,360,000	3.250	3.250	377748EG9
2037	1,318,000	3.250	3.300	377748EH7

* A registered trademark of the American Bankers Association. CUSIP data herein are provided by Standard & Poor's CUSIP Service Bureau, a Standard & Poor's Financial Services LLC business. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the Bonds and the Board does not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

** Priced at stated yield to the first optional redemption date of August 15, 2025 at the redemption price of 100%.

**THE BOARD OF EDUCATION OF THE
BOROUGH OF GLEN RIDGE
IN THE COUNTY OF ESSEX, NEW JERSEY**

BOARD MEMBERS

President – Elisabeth Ginsburg
First Vice President – Timothy Keppel
Second Vice President – Michael de Leeuw

David Campbell
Alexandra Hilberth
Alison Lang
Paul Romano
Tracey St. Auburn
Dr. Heather Yaros-Ramos

SUPERINTENDENT

Dirk Phillips

BUSINESS ADMINISTRATOR/BOARD SECRETARY

Peter R. Caprio

BOARD ATTORNEY

Sciarrillo, Cornell, Merlino, McKeever & Osborne, LLC
Westfield, New Jersey

BOARD AUDITOR

Nisivoccia LLP
Mount Arlington, New Jersey

MUNICIPAL ADVISOR

Phoenix Advisors, LLC
Bordentown, New Jersey

BOND COUNSEL

Wilentz, Goldman & Spitzer, P.A.
Woodbridge, New Jersey

No broker, dealer, salesperson or other person has been authorized by the Board to give any information or to make any representations with respect to the Bonds, other than those contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by the Board. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale.

The information contained herein has been provided by the Board, DTC and other sources deemed reliable by the Board; however, such information is not guaranteed as to its accuracy or completeness and such information is not to be construed as a representation or warranty by the Board, as to information from sources other than itself. The Board has not confirmed the accuracy or completeness of information relating to DTC, which information has been provided by DTC.

This Official Statement is not to be construed as a contract or agreement among the Board, the Underwriter and the owners of any of the Bonds. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in any of the information herein since the date hereof, or the date as of which such information is given, if earlier.

References in this Official Statement to the Constitution of the State of New Jersey, laws, rules, regulations, resolutions, agreements, reports and documents do not purport to be comprehensive or definitive. All references to such documents or laws are qualified in their entirety by reference to the particular source, the full text of which may contain qualifications of and exceptions to statements made herein, and copies of which may be inspected at the offices of the Board during normal business hours.

The order and placement of materials in this Official Statement, including the Appendices, are not to be deemed to be a determination of relevance, materiality or importance, and this Official Statement, including the Appendices, must be considered in its entirety.

In order to facilitate the distribution of the Bonds, the Underwriter may engage in transactions intended to stabilize the price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities law, but the Underwriter does not guarantee the accuracy or completeness of such information.

TABLE OF CONTENTS

[THIS PAGE INTENTIONALLY LEFT BLANK]

OFFICIAL STATEMENT

OF

THE BOARD OF EDUCATION OF THE BOROUGH OF GLEN RIDGE IN THE COUNTY OF ESSEX, NEW JERSEY

$23,758,000
SCHOOL BONDS, SERIES 2018
(NEW JERSEY SCHOOL BOND RESERVE ACT, 1980 N.J. Laws c. 72, as amended)

CALLABLE

INTRODUCTION

This Official Statement, which includes the cover page and the appendices attached hereto, has been prepared by The Board of Education of the Borough of Glen Ridge in the County of Essex, New Jersey (the "Board" when referring to the governing body and the "School District" when referring to the territorial boundaries governed by the Board) in connection with the offering, sale and issuance of its $23,758,000 aggregate principal amount of School Bonds, Series 2018 (the "Bonds"). This Official Statement has been executed by and on behalf of the Board by the Business Administrator/Board Secretary and its distribution and use in connection with the offering and sale of the Bonds have been authorized by the Board.

This Official Statement contains specific information relating to the Bonds including their general description, certain matters affecting the financing, certain legal matters, historical financial information and other information pertinent to this issue. This Official Statement should be read in its entirety.

All financial and other information presented herein has been provided by the Board from its records, except for information expressly attributed to other sources. The presentation of information is intended to show recent historic information and, but only to the extent specifically provided herein, certain projections into the immediate future, and is not necessarily indicative of future or continuing trends in the financial position of the Board.

DESCRIPTION OF THE BONDS

The following is a summary of certain provisions of the Bonds. Reference is made to the Bonds themselves for the complete text thereof, and the discussion herein is qualified in its entirety by such reference.

Terms and Interest Payment Dates

The Bonds shall be dated their date of delivery and shall mature on August 15 in each of the years and in the amounts set forth on the inside front cover page hereof. The Bonds shall bear interest from their date of delivery which interest shall be payable semi-annually on the fifteenth day of February and August (each an "Interest Payment Date"), commencing on August 15, 2018, in each of the years and at the interest rates set forth on the cover page hereof until maturity or prior redemption by check mailed by the Board or a duly appointed paying agent to the registered owners of the Bonds as of each August 1 and February 1 immediately preceding the respective Interest Payment Date (the "Record Dates"). So long as The Depository Trust Company, New York, New York ("DTC"), or its nominee is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made by the Board or a designated paying agent directly to DTC or its nominee, Cede & Co., which will in turn remit such payments to DTC participants, which will in turn remit such payments to the beneficial owners of the Bonds. *See* "BOOK-ENTRY ONLY SYSTEM" herein.

The Bonds will be issued in fully registered book-entry only form, without certificates. One certificate shall be issued for the aggregate principal amount of the Bonds maturing in each year, and when issued, will be registered in the name of and held by Cede & Co., as nominee of DTC. DTC will act as Securities Depository for the Bonds (the "Securities Depository"). The certificates will be on deposit with DTC. DTC will be responsible for maintaining a book-entry system for recording the interests of its participants and transfers of the interests among its participants. The participants will be responsible for maintaining records regarding the beneficial ownership interests in the Bonds on behalf of the individual purchasers. Individual purchases may be made in the principal amount of $1,000 each, or any integral multiple thereof with a minimum purchase of $5,000 required, through book-entries made on the books and records of DTC and its participants. Individual purchasers of the Bonds will not receive certificates representing their beneficial ownership interests in the Bonds, but each book-entry owner will receive a credit balance on the books of its nominee, and this credit balance will be confirmed by an initial transaction statement stating the details of the Bonds purchased. *See* "BOOK-ENTRY ONLY SYSTEM" herein.

Redemption

The Bonds of this issue maturing prior to August 15, 2026 are not subject to redemption prior to their stated maturities. The Bonds of this issue maturing on or after August 15, 2026 are redeemable at the option of the Board in whole or in part on any date on or after August 15, 2025 upon notice as required herein at one hundred percent (100%) of the principal amount being redeemed (the "Redemption Price"), plus accrued interest to the date fixed for redemption.

Notice of Redemption

Notice of redemption ("Notice of Redemption") shall be given by mailing such notice at least thirty (30) days but not more than sixty (60) days before the date fixed for redemption by first class mail in a sealed envelope with postage prepaid to the registered owners of such Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the Board or a duly appointed Bond Registrar. So long as DTC (or any successor thereto) acts as Securities Depository for the Bonds, Notice of Redemption shall be sent to such Securities Depository and shall not be sent to the beneficial owners of the Bonds. Any failure of the Securities Depository to advise any of its participants or any failure of any participant to notify any beneficial owner of any Notice of Redemption shall not affect the validity of the redemption proceedings. If the Board determines to redeem a portion of the Bonds prior to maturity, such Bonds shall be selected by the Board; the Bonds to be redeemed having the same maturity shall be selected by the Securities Depository in accordance with its regulations.

If Notice of Redemption has been given as provided herein, the Bonds or the portion thereof called for redemption shall be due and payable on the date fixed for redemption at the Redemption Price, together with accrued interest to the date fixed for redemption. Interest shall cease to accrue on the Bonds after the date fixed for redemption.

Security for the Bonds

The Bonds are valid and legally binding general obligations of the Board, and the Board has irrevocably pledged its full faith and credit for the payment of the principal of and interest on the Bonds. Unless paid from other sources, the principal of and interest on the Bonds are payable from *ad valorem* taxes levied upon all the taxable real property within the School District without limitation as to rate or amount. The Bonds are additionally secured by the New Jersey School Bond Reserve Act, 1980 N.J. Laws c. 72, as amended.

School Bond Reserve Act (1980 N.J. Laws c. 72)

All school bonds are secured by the School Bond Reserve (the "School Bond Reserve") established in the Fund for the Support of Free Public Schools of the State of New Jersey (the "Fund") in accordance with the New Jersey School Bond Reserve Act, N.J.S.A. 18A:56-17 et seq. (P.L. 1980, c. 72, approved July 16, 1980, as amended by P.L. 2003, c. 118, approved July 1, 2003 (the "Act")). The 2003 amendments to the Act provide that the Fund will be divided into two School Bond Reserve accounts. All bonds issued prior to July 1, 2003 shall be benefited by a School Bond Reserve account funded in an amount equal to 1-1/2% of the aggregate issued and outstanding bonded indebtedness of counties, municipalities or school districts for school purposes (the "Old School Bond Reserve Account") and all bonds, including the Bonds, issued on or after July 1, 2003 shall be benefited by a School Bond Reserve account funded in an amount equal to 1% of the aggregate issued and outstanding bonded indebtedness of counties, municipalities or school districts for school purposes (the "New School Bond Reserve Account"), provided such amounts do not exceed the moneys available in the Fund. If a municipality, county or school district is unable to make payment of principal of or interest on any of its bonds issued for school purposes, the trustees of the Fund will purchase such bonds at par value and will pay to the bondholders the interest due or to become due within the limits of funds available in the applicable School Bond Reserve account in accordance with the provisions of the Act.

The Act provides that the School Bond Reserve shall be composed entirely of direct obligations of the United States government or obligations guaranteed by the full faith and credit of the United States government. Securities representing at least one-third of the minimal market value to be held in the School Bond Reserve shall be due to mature within one year of issuance or purchase. Beginning with the fiscal year ending on June 30, 2003 and continuing on each June 30 thereafter, the State Treasurer shall calculate the amount necessary to fully fund the Old School Bond Reserve Account and the New School Bond Reserve Account as required pursuant to the Act. To the extent moneys are insufficient to maintain each account in the School Bond Reserve at the required levels, the State agrees that the Treasurer of the State of New Jersey (the "State") shall, no later than September 15 of the fiscal year following the June 30 calculation date, pay to the trustees for deposit in the School Bond Reserve such amounts as may be necessary to maintain the Old School Bond Reserve Account and the New School Bond Reserve Account at the levels required by the Act. No moneys may be borrowed from the Fund to provide liquidity to the State unless the Old School Bond Reserve Account and the New School Bond Reserve Account each are at the levels certified as full funding on the most recent June 30 calculation date. The amount of the School Bond Reserve in each account is pledged as security for the prompt payment to holders of bonds benefited by such account of the principal of and the interest on such bonds in the event of the inability of the issuer to make such payments. In the event the amounts in either the Old School Bond Reserve Account or the New School Bond Reserve Account fall below the amount required to make payments on bonds, the amounts in both accounts are available to make payments for bonds secured by the School Bond Reserve.

The Act further provides that the amount of any payment of interest or purchase price of school bonds paid pursuant to the Act shall be deducted from the appropriation or apportionment of State aid, other than certain State aid which may be otherwise restricted pursuant to law, payable to the school district, county or municipality and shall not obligate the State to make, nor entitle the school district, county or municipality to receive, any additional appropriation or apportionment. Any amount so deducted shall be applied by the State Treasurer to satisfy the obligation of the school district, county or municipality arising as a result of the payment of interest or purchase price of bonds pursuant to the Act.

Authorization and Purpose

The Bonds have been authorized and are issued pursuant to (i) Title 18A, Chapter 24 of the New Jersey Statutes, Chapter 271 of the Laws of 1967, as amended and supplemented, (ii) a proposal adopted by the Board on January 27, 2017, and approved by the affirmative vote of a majority of the legal voters present and voting at a special school district election held on March 28, 2017 and (iii) a resolution duly adopted by the Board on January 3, 2018 (the "Resolution").

The proceeds of the Bonds will be used to finance various capital improvements in and for the School District (the "Project") and to pay the costs of issuance associated with the issuance of the Bonds. The State has awarded the School District aid for the Project in the amount of 40% of the eligible costs of such Project. As such, the State has agreed to pay 40% of the annual debt service on the eligible costs financed by the Bonds each year.

BOOK-ENTRY ONLY SYSTEM

The description which follows of the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal and interest, and other payments on the Bonds to DTC Participants or Beneficial Owners (as such terms are defined or used herein), confirmation and transfer of beneficial ownership interests in the Bonds and other related transactions by and between DTC, DTC Participants and Beneficial Owners, is based on certain information furnished by DTC to the Board. Accordingly, the Board does not make any representations concerning these matters.

DTC will act as Securities Depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Bonds, as set forth on the inside front cover hereof, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Direct and Indirect Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners, or in the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Notices of Redemption shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds, unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Board as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Board or Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct and Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Direct and Indirect Participant and not of DTC, nor its nominee, Paying Agent or the Board, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Board or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as Securities Depository with respect to the Bonds at any time by giving reasonable notice to the Board or Paying Agent. Under such circumstances, in the event that a successor Securities Depository is not obtained, Bond certificates are required to be printed and delivered.

The Paying Agent, upon direction of the Board, may decide to discontinue use of the system of book-entry transfers through DTC (or a successor Securities Depository). In that event, Bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Board believes to be reliable, but the Board takes no responsibility for the accuracy thereof.

Discontinuance of Book-Entry Only System

In the event that the book-entry-only system is discontinued and the Beneficial Owners become registered owners of the Bonds, the following provisions apply: (i) the Bonds may be exchanged for an equal aggregate principal amount of Bonds in other authorized denominations and of the same maturity, upon surrender thereof at the office of the Board or its paying agent; (ii) the transfer of any Bonds may be registered on the books maintained by the registrar for such purposes only upon the surrender thereof to the Board or its paying agent together with the duly executed assignment in form satisfactory to the Board or its paying agent; and (iii) for every exchange or registration of transfer of Bonds, the Board or its paying agent may make a charge sufficient to reimburse for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer of the Bonds. Interest on the Bonds will be payable by check or draft mailed on each Interest Payment Date to the registered owners thereof as of the close of business on the Record Dates.

THE SCHOOL DISTRICT AND THE BOARD

The Board is a nine (9) member board with members elected for staggered three (3) year terms. The Superintendent of Schools is the chief administrative officer of the School District. The Business Administrator/Board Secretary is the chief financial officer of the School District and oversees the Board's business functions. The Business Administrator/Board Secretary reports to the Superintendent of Schools.

The School District provides a full range of educational services appropriate to Kindergarten (K) through grade twelve (12), including regular and special education programs for students in the Borough of Glen Ridge, in the County of Essex (the "Borough"). The School District operates two (2) lower elementary schools, one (1) upper elementary school and one (1) high school. *See* "APPENDIX A – Economic and Demographic Information Relating to the Glen Ridge School District."

THE STATE'S ROLE IN PUBLIC EDUCATION

The Constitution of the State of New Jersey provides that the State shall provide for the maintenance and support of a thorough and efficient ("T&E") system of free public schools for the instruction of all children between the ages of 5 and 18 years. Case law has expanded the responsibility to include children between the ages of 3 and 21.

The responsibilities of the State with respect to the general supervision and control of public education have been delegated to the New Jersey Department of Education (the "Department"), which is a part of the executive branch of the State government and was created by the State Legislature. The Department is governed and guided by the policies set forth by the New Jersey State Board of Education (the "State Board"). The State Board is responsible for the general supervision and control of public education and is obligated to formulate plans and to make recommendations for the unified, continuous and efficient development of public education of all people of all ages within the State. To fulfill these responsibilities, the State Board has the power, *inter alia*, to adopt rules and regulations that have the effect of law and that are binding upon school districts, to acquire land and other property.

The Commissioner of Education (the "Commissioner") is the chief executive and administrative officer of the Department. The Commissioner is appointed by the Governor of the State with the advice and consent of the State Senate, and serves at the pleasure of the Governor during the Governor's term of office. The Commissioner is Secretary and Chief Executive Officer of the State Board and is responsible for the supervision of all school districts in the State and is obligated to enforce the rules and regulations of the State Board. The Commissioner has the authority to recommend the withholding of State financial aid and the Commissioner's consent is required for authorization to sell school bonds that exceed the debt limit of the municipality in which the school district is located and may also set the amount to be raised by taxation for a board of education if a school budget has not been approved by a board of school estimate or by the voters.

An Executive County Superintendent of Schools (the "County Superintendent") is appointed for each county in the State by the Governor, upon the recommendation of the Commissioner with the advice and consent of the State Senate. The County Superintendent is the local representative of the Commissioner. The County Superintendent is responsible for the daily supervision of the school districts in the county and is charged with the enforcement of rules pertaining to the certification of teachers, pupil registers and financial reports and the review of budgets. Under the Uniform Shared Services and Consolidation Act, P.L. 2007, c. 63, approved April 3, 2007 (A4), the role of the County Superintendent was changed to create the post of the Executive County Superintendent with expanded powers for the operation and management of school districts to, among other things, promote administrative and operational efficiencies, eliminate non-operating school districts and recommend a school district consolidation plan to eliminate districts through the establishment or enlargement of regional school districts, subject to voter approval.

STRUCTURE OF SCHOOL DISTRICTS IN NEW JERSEY

Categories of School Districts

State school districts are characterized by the manner in which the board of education or the governing body takes office. School districts are principally classified in the following categories:

(1) Type I, in which the mayor or chief executive officer ("CEO") of a municipality appoints the members of a board of education and a board of school estimate. The board of school estimate consists of two (2) members of the board of education, two (2) members of the governing body of the municipality and the mayor or CEO of the municipality comprising the school district, and approves all fiscal matters;

(2) Type II, in which the registered voters within a school district elect the members of a board of education and either (a) the registered voters also vote upon all fiscal matters with the exception set forth in the new Budget Election Law (as hereinafter defined in "School Budgetary Process"), or (b) a board of school estimate, consisting of two (2) members of the governing body of and the CEO of each municipality within the school district and the president of and one member of the board of education, and approves all fiscal matters;

(3) Regional and consolidated school districts comprising the territorial boundaries of more than one municipality in which the registered voters within the school district elect members of the board of education and vote upon all fiscal matters with certain exceptions. Regional school districts may be "All Purpose Regional School Districts" or "Limited Purpose Regional School Districts";

(4) State-operated school districts created by the State Board, pursuant to State law, when a local board of education cannot or will not correct severe educational deficiencies;

(5) County vocational school districts have boards of education consisting of the County Superintendent and four (4) members unless it is a county of the first class, which adopted an ordinance, in which case it can have a board consisting of seven (7) appointed members which the board of chosen freeholders of the county appoints. Such vocational school districts shall also have a board of school estimate, consisting of two (2) members appointed by the board of education of the school district, two (2) members appointed by the board of chosen freeholders and a fifth member being the county executive or the director of the board of chosen freeholders of the county, which approves all fiscal matters; and

(6) County special services school districts have boards of education consisting of the County Superintendent and six (6) persons appointed by the board of chosen freeholders of the county. Such special services school districts shall also have a board of school estimate, consisting of two (2) members appointed by the board of education of the school, two (2) members appointed by the board of chosen freeholders and a fifth member being the freeholder-director of the board of chosen freeholders, which approves all fiscal matters.

There is a procedure whereby a Type I school district or a Type II school district may change from one type to the other after an approving public referendum. Such a public referendum must be held whenever directed by the municipal governing body or board of education in a Type I district, or the board of education in a Type II district, or when petitioned for by fifteen percent (15%) of the voters of any school district. The School District is a Type II school district.

School Budgetary Process (N.J.S.A. 18A:22-1 et seq.)

In a Type I school district, a separate body from the school district, known as the board of school estimate, examines the budget requests and fixes the appropriation amounts for the next year's operating budget at or after a public hearing. This board, whose composition is fixed by statute, certifies the budget to the municipal governing body or board of education. If the board of education disagrees with the certified budget of the board of school estimate, then it can appeal to the Commissioner to request changes if such certified budget is less than or equal to the maximum T&E budget and may appeal to the Commissioner if such certified budget amount is in excess of the maximum T&E budget. *See* "SUMMARY OF STATE AID TO SCHOOL DISTRICTS" herein.

In a Type II school district, the elected board of education develops the budget proposal and, at or after a public hearing, submits it for voter approval. Debt service provisions are not subject to public referendum. If approved, the budget goes into effect. If defeated, the governing bodies of the constituent municipalities must develop the school budget by May 19 of each year. Should the governing bodies be unable to do so, the Commissioner establishes the local school budget.

The New Budget Election Law (P.L. 2011, c. 202, effective January 17, 2012) (the "Budget Election Law") establishes procedures that allow the date of the annual school election of a Type II school district, without a board of school estimate, to be moved from April to the first Tuesday after the first Monday in November, to be held simultaneously with the general election. Such change in the annual school election date must be authorized by resolution of either the board of education or the governing body of the municipality, or by an affirmative vote of a majority of the voters whenever a petition, signed by at least fifteen percent (15%) of the legally qualified voters, is filed with the board of education. Once the annual school election is moved to November, such election may not be changed back to an April annual school election for four (4) years.

School districts that opt to move the annual school election to November would no longer be required to submit the budget to the voters for approval if the budget is at or below the two percent (2%) property tax levy cap as provided in the New Cap Law (as hereinafter defined). For school districts that opt to change the annual school election date to November, proposals to spend above the two percent (2%) property tax levy cap would be presented to voters at the annual school election in November.

SUMMARY OF CERTAIN PROVISIONS FOR THE PROTECTION OF SCHOOL DEBT

Levy and Collection of Taxes

School districts in the State do not levy or collect taxes to pay those budgeted amounts which are not provided by the State. The municipality within which a school district is situated levies or collects the required taxes and must remit them in full to the school district.

Budgets and Appropriations

School districts in the State must operate on an annual cash basis budget. Each school district must adopt an annual budget in such detail and upon forms as prescribed by the Commissioner, to which must be attached an itemized statement showing revenues, including State and Federal aid, and expenditures. The Commissioner must approve a budget prior to its final adoption and has the power to increase or decrease individual line items in a budget. Any amendments to a school district's budget must be approved by the board of education or the board of school estimate, as the case may be. Every budget submitted must provide no less than the minimum permissible amount deemed necessary under State law to provide for a thorough and efficient education as mandated by the State Constitution. The Commissioner may not approve any budget unless the Commissioner is satisfied that the school district has adequately implemented within the budget the Core Curriculum Content Standards (as defined herein) required by State law. If necessary, the Commissioner is authorized to order changes in the local school district's budget. The Commissioner will also ensure that other provisions of law are met including the limitations on taxes and spending explained below.

Tax and Spending Limitations

The Public School Education Act of 1975, N.J.S.A. 18A:7A-1 et seq., P.L. 1975, c. 212 (as amended and partially repealed), first limited the amount of funds that could be raised by a local school district. It limited the annual increase of any school district's net current expense budget. The budgetary limitations were known as a "CAP" on expenditures. The "CAP" was intended to control the growth in local property taxes. Subsequently there have been numerous legislative changes as to how the spending limitations would be applied.

The Quality Education Act of 1990, N.J.S.A. 18A:7D-1 et seq., P.L. 1990, c. 52 (the "QEA") (now repealed), also limited the annual increase in the school district's current expense and capital outlay budgets by a statutory formula linked to the annual percentage increase in per capita income. The QEA was amended and revised by chapter 62 of the Laws of New Jersey of 1991, and further amended by chapter 7 of the Laws of New Jersey of 1993.

The Comprehensive Educational Improvement and Financing Act of 1996, N.J.S.A. 18A:7F-1 et seq., P.L. 1996, c. 138 (the "CEIFA"), as amended by P.L. 2004, c. 732, effective July 1, 2004 and P.L. 2010, c. 44, effective July 13, 2010, which followed QEA, also limits the annual increase in a school district's general fund tax levy which does not exceed the school district's adjusted tax levy, defined as the amount raised by property taxation for the purposes of the school district, excluding any debt service payments (the "Adjusted Tax Levy"). The CEIFA limited the amount school districts can increase their annual current expense and capital outlay budgets (the "Spending Growth Limitations"). Generally, budgets could increase either by two and one-half percent (2.5%) or the consumer price index, whichever is greater. Prior amendments to the CEIFA decreased the budget cap to two and one-half percent (2.5%) from three percent (3%). As a result of recent amendments to CEIFA, the budget presented to the voters may not have an increase in the Adjusted Tax Levy that exceeds the pre-budget year Adjusted Tax Levy and an adjustment for enrollment by two percent (2%). See the description of the New Cap Law (as defined herein) below. A school district is required to submit, as applicable, to the board of school estimate or to the voters of the district at the annual school budget election, a general fund tax levy if it exceeds the school district's Adjusted Tax Levy as calculated by N.J.S.A. 18A:7F-38 and 39. Any school district may also submit at the annual school budget election, a separate proposal or proposals for additional funds, including interpretive statements, specifically identifying the program purposes for which the proposed funds shall be used. The Executive County Superintendent may prohibit the submission of such a separate proposal if he or she determines that the district has not implemented all potential efficiencies in the administrative operations of the district, which efficiencies would eliminate the need for such additional funds. Parts of the CEIFA have been found to be unconstitutional. *See* "SUMMARY OF STATE AID TO SCHOOL DISTRICTS" herein.

P.L. 2010, c. 44, effective July 13, 2010 (the "New Cap Law"), further provides limitations on school district spending by limiting the amount a school district can raise for school district purposes through the property tax levy by two percent (2%) over the prior year's tax levy. *See* "SUMMARY OF STATE AID TO SCHOOL DISTRICTS" herein. The New Cap Law provides for certain adjustments to the tax levy cap for specific circumstances relating to enrollment increases, health care cost increases and increases in amounts for certain normal and accrued liability pension contributions.

The New Cap Law provides that school districts may submit to voters during April school elections or on other dates set by regulation of the Commissioner, a proposal or proposals to increase the Adjusted Tax Levy by more than the allowable amount authorized pursuant to N.J.S.A. 18A:7F-38. The proposal or proposals to increase the Adjusted Tax Levy shall be approved if a majority of the people voting shall vote affirmatively. For school districts with boards of school estimate, the additional Adjusted Tax Levy shall be authorized only if a quorum is present for the vote and a majority of those board members who are present vote affirmatively to authorize the Adjusted Tax Levy.

Debt service on bonds, such as the Bonds, is not limited either by the two percent (2%) cap on the tax levy increase imposed by the New Cap Law.

Issuance of Debt

Among the provisions for the issuance of school debt are the following requirements: (i) bonds must mature in serial installments within the statutory period of usefulness of the projects being financed but not exceeding forty (40) years, (ii) debt must be authorized by a resolution of a board of education (and approved by a board of school estimate in a Type I school district), and (iii) there must be filed with the State by each municipality comprising a school district a Supplemental Debt Statement and a school debt statement setting forth the amount of bonds and notes authorized but unissued and outstanding for such school district.

Temporary Financing (N.J.S.A. 18A:24-3)

Temporary notes may be issued in anticipation of the issuance of permanent bonds for a capital improvement or capital project. Such temporary notes may not exceed in the aggregate the amount of bonds authorized for such improvement or project. A school district's temporary notes may be issued for one (1) year periods, with the final maturity not exceeding five (5) years from the date of original issuance; provided, however, that no such notes shall be renewed beyond the third anniversary date of the original notes unless an amount of such notes, at least equal to the first legally payable installment of the bonds in anticipation of which said notes are issued, is paid and retired subsequent to such third anniversary date from funds other than the proceeds of obligations. School districts must include in each annual budget the amount of interest due and payable in each fiscal year on all outstanding temporary notes.

Capital Lease Financing

School districts are permitted to enter into lease purchase agreements for the acquisition of equipment or for the improvement of school buildings. Generally, lease purchase agreements cannot exceed five (5) years except for certain energy-saving equipment which may be leased for up to fifteen (15) years if paid from energy savings. Lease purchase agreements for a term of five (5) years or less must be approved by the Commissioner. The Educational Facilities Construction and Financing Act, P.L. 2000, c. 72, repealed the authorization to enter into facilities leases in excess of five (5) years. The payment of rent on an equipment lease and on a five (5) year and under facilities lease is treated as a current expense and within the cap on the school district’s budget. Under the CEIFA, lease purchase payments on leases in excess of five (5) years issued under prior law are treated as debt service payments and, therefore, will receive debt service aid if the school district is entitled and are outside the school district’s tax levy cap.

Debt Limitation (N.J.S.A. 18A:24-19)

Except as provided below, no additional debt shall be authorized if the principal amount, when added to the net debt previously authorized, exceeds a statutory percentage of the average equalized valuation of taxable property in a school district. As a Kindergarten (K) through grade twelve (12) school district, the School District can borrow up to 4% of the average equalized valuation of taxable property in the School District. The School District has not exceeded its 4% debt limit. *See* “APPENDIX A – Economic and Demographic Information Relating to the Glen Ridge School District.”

Exceptions to Debt Limitation

A Type II school district (other than a regional district) may also utilize its constituent municipality’s remaining statutory borrowing power (i.e. the excess of 3.5% of the average equalized valuation of taxable property within the constituent municipality over the constituent municipality's net debt). A school district may also authorize debt in excess of this limit with the consent of the Commissioner and the Local Finance Board.

Energy Saving Obligations

Under P.L. 2009, c. 4, approved January 21, 2009 and effective 60 days thereafter, school districts may issue "energy savings obligations" without voter approval to fund certain improvements that result in reduced energy use, facilities for production of renewable energy or water conservation improvements provided that the amount of the savings will cover the cost of the improvements.

SUMMARY OF STATE AID TO SCHOOL DISTRICTS

In 1973, the Supreme Court of the State of New Jersey (the "Court") ruled in Robinson v. Cahill that the method then used to finance public education principally through property taxation was unconstitutional. Pursuant to the Court's ruling, the Legislature enacted the Public School Education Act of 1975, N.J.S.A. 18A:7A-1 et seq., P.L. 1975, c. 212 (the "Public School Education Act") (as amended and partially repealed), which required funding of the State's school aid through the New Jersey Gross Income Tax Act, P.L. 1976, c. 47, as amended and supplemented, enacted for the purpose of providing property tax relief.

On June 5, 1990, the Court ruled in Abbott v. Burke that the school aid formula enacted under the Public School Education Act was unconstitutional as applied. The Court found that poorer urban school districts (previously called "Abbott Districts", now referred to as "SDA Districts") were significantly disadvantaged under that school funding formula because school revenues were derived primarily from property taxes. The Court found that wealthy school districts were able to spend more, yet tax less for educational purposes.

The School District is not an "SDA District".

The legislative response to Abbott v. Burke was the passage of the QEA (now repealed). The QEA established a new formula for the distribution of State aid for public education, beginning with the 1991-92 fiscal year. The QEA provided a formula that took into account property values and personal income to determine a school district's capacity to raise money for public education. A budgetary limitation, or "CAP" on expenditures, was also provided in the law. The "CAP" was intended to control the growth in local property taxes. The QEA was amended and revised by chapter 62 of the Laws of New Jersey of 1991, and further amended by chapter 7 of the Laws of New Jersey of 1993.

On July 12, 1994, the Court declared the school aid formula under the QEA unconstitutional on several grounds as it applied to the 28 SDA Districts in the ongoing litigation commonly known as Abbott v. Burke II. No specific remediation was ordered, but the Court ultimately held that the Legislature and the Governor were required to have a new funding formula in effect by December 31, 1996 so that any new formula would be implemented during the 1997-1998 fiscal period and thereafter.

In keeping with the Court's deadline, the Governor signed the CEIFA into law on December 20, 1996. The CEIFA departed from other funding formulas adopted in the State by defining what constituted a "thorough and efficient" education, as is required by the Constitution of the State. The CEIFA further established the costs necessary provide each student with such an education.

In defining what constitutes a "thorough" education, the State Board adopted a set of Core Curriculum Content Standards (the "Core Curriculum Content Standards"). The purpose of the Core Curriculum Content Standards is to provide all students with the knowledge and skills that will enable them to be productive citizens when they graduate from any State high school, regardless of the school's location or socioeconomic condition. The CEIFA provided State funding assistance in the form of Core Curriculum Content Standards Aid based on a school district's financial ability to raise sufficient tax revenue for its students to achieve the Core Curriculum Content Standards.

On May 14, 1997, the Court held that the CEIFA was unconstitutional as applied to the SDA Districts because (1) its funding provisions failed to assure that students in such districts would receive a thorough and efficient education and (2) supplemental programs to increase student performance in such districts were neither adequately identified nor funded. The Court recognized the Core Curriculum

Content Standards as a valid means of identifying a "thorough and efficient" education under the State Constitution, but found that the State did not adequately determine or provide the adequate funding level to allow those standards to be met in the SDA Districts. To bridge the gap between SDA Districts and non-special needs districts, the Court ordered the parity remedy, designed as an interim remedy whereby the State would provide parity aid and supplemental funding to SDA Districts. The CEIFA has not been used to calculate State aid for public schools since the 2001-2002 school year.

Pursuant to the Educational Facilities Construction and Financing Act, P.L. 2000, c. 72 (the "EFCFA"), which became law on July 18, 2000, the State provides aid to school facilities projects. Under the EFCFA, the State provides one hundred percent (100%) State funding for school facilities projects undertaken by SDA Districts; for non-SDA Districts, the State provides aid in an amount equal to the greater of the district aid percentage or forty percent (40%) times the eligible costs determined by the Commissioner either in the form of a grant or debt service aid as determined under the EFCFA. The amount of the aid is established prior to the authorization of the project.

Since the 2010-2011 fiscal year, the State has funded debt service aid at eighty-five (85%) of the amount that school districts were entitled to receive under the EFCFA. *See* "Recent Developments in the Reduction of State Aid" herein.

The School Funding Reform Act of 2008

The School Funding Reform Act of 2008 (the "SFRA") was signed into law in January 2008 and is a five-year product of the State's latest effort to craft a redesigned school funding formula that satisfies the constitutional standard. While the SFRA maintains the Core Curriculum Content Standards established by the CEIFA, it repeals the provisions of the CEIFA which established State aid formulas for programs to support the Core Curriculum Content Standards and has established new formulas. Essentially, the SFRA provides State aid to school districts while also requiring certain levels of local funding. It is a weighted school funding formula which identifies a base cost associated with the education of an elementary pupil without any particular special needs. Once the per-pupil amount is identified, the amount is increased to reflect factors that increase the cost of education, such as (i) grade level, and whether the pupil is (ii) an at-risk pupil (eligible for free or reduced-price lunch), (iii) a Limited English Proficiency ("LEP") pupil, or (iv) a special education student of mild, moderate or severe classification.

The formula is further comprised of several funding mechanisms, the central component being the Adequacy Budget, a wealth equalized budget based on the school district's ability to provide funding through local resources (the "Adequacy Budget"). The Adequacy Report (the "Adequacy Report") establishes the base pupil cost necessary to provide the thorough and efficient education for an elementary school student. Such amount will be adjusted to reflect the differing cost of education a student at the middle and high school levels and various other factors as set forth in the SFRA. Based upon the school district's property and personal income wealth, a local share of such Adequacy Budget is determined. State aid will be provided for that portion of the Adequacy Budget which cannot be supported locally. The SFRA guarantees a minimum two percent (2%) increase in State aid for each school district.

The Department must provide an Adequacy Report every three (3) years addressing the weighted factors that comprise the Adequacy Budget and the various additional components of the SFRA: equalization aid, categorical aid, preschool aid, extraordinary aid, adjustment aid and education adequacy aid.

The constitutionality of the SFRA was challenged and was held to be constitutional by the Court on May 28, 2009.

Recent Developments in the Reduction of State Aid

The State provides aid to school districts in accordance with amounts provided annually in the State budget. Such aid includes equalization aid, special education categorical aid, transportation aid, preschool education aid, supplemental core curriculum standards aid, choice aid, education adequacy aid, security aid, adjustment aid and other aid as determined in the discretion of the Commissioner.

The State has reduced debt service aid by fifteen percent (15%) since fiscal year 2011. As a result of the debt service aid reduction for such years, school districts received eighty-five percent (85%) of the debt service aid that they would have otherwise received. In addition, for such years, school districts which received grants under the EFCFA, which grants were financed through the New Jersey Economic Development Authority (the "EDA"), were assessed an amount in such years' budgets representing fifteen percent (15%) of the school district's proportionate share of such respective years' principal and interest payments on the outstanding EDA bonds issued to fund such grants.

SUMMARY OF FEDERAL AID TO SCHOOL DISTRICTS

Federal funds are available for certain programs approved by the Federal government with allocation decided by the State, which assigns a proportion to each local school district. The Every Student Succeeds Act of 2015, enacted December 10, 2015, is a Federal assistance program for which a school district qualifies to receive aid. A remedial enrichment program for children of low income families is available under Chapter 1 Aid. Such Federal aid is generally received in the form of block grants. Aid is also provided under the Individuals with Disabilities Education Act although never in the amounts federal law required.

MUNICIPAL FINANCE - FINANCIAL REGULATION OF COUNTIES AND MUNICIPALITIES

Local Bond Law (N.J.S.A. 40A:2-1 et seq.)

The Local Bond Law, N.J.S.A. 40A:2-1 et seq. (the "Local Bond Law"), governs the issuance of bonds and notes to finance certain municipal and utility capital expenditures. Among its provisions are requirements that bonds must mature within the statutory period of usefulness of the projects financed and that bonds be retired in serial installments. A five percent (5%) cash down payment is generally required toward the financing of expenditures for municipal purposes. All bonds and notes issued by the Borough are general full faith and credit obligations.

The authorized bonded indebtedness of the Borough is limited by statute, subject to certain exceptions noted below, to an amount equal to 3.5% of its average equalized valuation basis. The average for the last three (3) years of the equalized value of all taxable real property and improvements and certain Class II railroad property within the Borough as annually determined by the New Jersey Board of Taxation are set forth in APPENDIX A.

Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit.

A municipality may exceed its debt limit with the approval of the Local Finance Board, and as permitted by other statutory exceptions. If all or any part of a proposed debt authorization would exceed its debt limit, a municipality may apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines that a proposed debt authorization would not materially impair the credit of the municipality or substantially reduce the ability of the municipality to meet its obligations or to provide essential public improvements and services, or makes certain other statutory determinations, approval is granted. In addition, debt in excess of the statutory limit may be issued by the municipality to fund certain notes, to provide for self-liquidating purposes, and, in each fiscal year, in an amount not exceeding 2/3 of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of utility and assessment obligations).

A municipality may sell "bond anticipation notes" to temporarily finance a capital improvement or project in anticipation of the issuance of bonds, if the bond ordinance or subsequent resolution so provides. Bond anticipation notes for capital improvements may be issued in an aggregate amount not exceeding the amount specified in the bond ordinance, as it may be amended and supplemented, creating such capital expenditure. A local unit's bond anticipation notes may be issued for periods not exceeding one (1) year. Generally, bond anticipation notes may not be outstanding for longer than ten (10) years. An additional period may be available following the tenth anniversary date equal to the period from the notes' maturity to the end of the tenth fiscal year in which the notes mature plus four (4) months in the next following fiscal year from the date of original issuance. Beginning in the third year, the amount of notes that may be issued is decreased by the minimum amount required for the first year's principal payment for a bond issue.

Local Budget Law (N.J.S.A. 40A:4-1 et seq.)

The foundation of the State local finance system is the annual cash basis budget. Every local unit must adopt an annual operating budget in the form required by the Division of Local Government Services, New Jersey Department of Community Affairs (the "Division"). Certain items of revenue and appropriation are regulated by law and the proposed budget cannot be finally adopted until it has been certified by the Director of the Division (the "Director"), or in the case of a local unit's examination of its own budget, such budget cannot be finally adopted until a local examination certificate has been approved by the Chief Financial Officer and governing body of the local unit. The Local Budget Law, N.J.S.A. 40A:4-1 et seq. (the "Local Budget Law") requires each local unit to appropriate sufficient funds for the payment of current debt service, and the Director or, in the case of local examination, the local unit, may review the adequacy of such appropriations.

Tax anticipation notes are limited in amount by law and must be paid off in full within 120 days of the close of the fiscal year in which they were issued.

The Director has no authority over individual operating appropriations, unless a specific amount is required by law, but the budgetary review functions focusing on anticipated revenues serve to protect the solvency of all local units.

The cash basis budgets of local units must be in balance, i.e., the total of anticipated revenues must equal the total of appropriations. N.J.S.A. 40A:4-22. If in any year a local unit's expenditures exceed its realized revenues for that year, then such excess must be raised in the succeeding year's budget.

A provision in the Local Budget Law, N.J.S.A. 40A:4-26, provides that: "[n]o miscellaneous revenues from any source shall be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the director shall determine upon application by the governing body that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and shall certify such determination, in writing, to the local unit."

No budget or amendment thereof shall be adopted unless the Director shall have previously certified his approval of such anticipated revenues, except that categorical grants-in-aid contracts may be included for their face amount with an offsetting appropriation. The fiscal years for such grants rarely coincide with a municipality's calendar fiscal year. However, grant revenue is generally not realized until received in cash.

The same general principle that revenue cannot be anticipated in a budget in excess of that realized in the preceding year applies to property taxes. The maximum amount of delinquent taxes that may be anticipated is limited by a statutory formula, which allows the local unit to anticipate collection at the same rate realized for the collection of delinquent taxes in the previous year. Also the local unit is required to make an appropriation for a "reserve for uncollected taxes" in accordance with a statutory formula to provide for a tax collection in an amount that does not exceed the percentage of taxes levied and payable in the preceding fiscal year that was received in cash by December 31 of that year. The budget also must provide for any cash deficits of the prior year.

Emergency appropriations (those made after the adoption of the budget and the determination of the tax rate) may be authorized by the governing body. However, with minor exceptions, such appropriations must be included in full in the following year's budget. When such appropriations exceed three percent (3%) of the adopted operating budget, consent of the Director must be obtained.

The exceptions are certain enumerated quasi-capital projects ("special emergencies") such as (i) the repair and reconstruction of streets, roads or bridges damaged by snow, ice, frost, or floods, which may be amortized over three (3) years, and (ii) the repair and reconstruction of streets, roads, bridges or other public property damaged by flood or hurricane, where such expense was unforeseen at the time of budget adoption, the repair and reconstruction of private property damaged by flood or hurricane, tax map preparation, re-evaluation programs, revision and codification of ordinances, master plan preparations, drainage map preparation for flood control purposes, studies and planning associated with the construction and installation of sanitary sewers, authorized expenses of a consolidated commission, contractually required severance liabilities resulting from the layoff or retirement of employees and the preparation of sanitary and storm system maps, all of which projects set forth in this section (ii) may be amortized over five (5) years. N.J.S.A. 40A:4-53, -54, -55, -55.1. Emergency appropriations for capital projects may be financed through the adoption of a bond ordinance and amortized over the useful life of the project as described above.

Budget transfers provide a degree of flexibility and afford a control mechanism. Pursuant to N.J.S.A. 40A:4-58, transfers between appropriation accounts are prohibited until the last two (2) months of the year. Appropriation reserves may be transferred during the first three (3) months of the year, to the previous year's budget. N.J.S.A. 40A:4-59. Both types of transfers require a 2/3 vote of the full membership of the governing body. Although sub-accounts within an appropriation are not subject to the same year-end transfer restriction, they are subject to internal review and approval. Certain types of appropriations are excluded from the provisions permitting transfers. Generally, transfers cannot be made from the down payment account, interest or debt redemption charges or the capital improvement fund or for contingent expenses.

Municipal public utilities are supported by the revenues generated by the respective operations of the utilities, in addition to the general taxing power upon taxable property. For each utility, there is established a separate budget. The anticipated revenues and appropriations for each utility are set forth in the separate budget. The budget is required to be balanced and to provide fully for debt service. The regulations regarding anticipation of revenues and deferral of charges apply equally to the budgets of the utilities. Deficits or anticipated deficits in utility operations which cannot be provided for from utility surplus, if any, are required to be raised in the "Current" or operating budget.

In accordance with the Local Budget Law, each local unit must adopt and may from time to time amend rules and regulations for capital budgets, which rules and regulations must require a statement of capital undertakings underway or projected for a period not greater than over the next ensuing six (6) years as a general improvement program. The capital budget, when adopted, does not constitute the approval or appropriation of funds, but sets forth a plan of the possible capital expenditures which the local unit may contemplate over the next six (6) years. Expenditures for capital purposes may be made either by ordinances adopted by the governing body setting forth the items and the method of financing or from the annual operating budget if the terms were detailed.

Annual Audit (N.J.S.A. 18A:23-1 <u>et</u> <u>seq</u>.)

Every board of education is required to provide an annual audit of the school district's accounts and financial transactions. The audit must be performed by a licensed public school accountant no later than five (5) months after the end of the school fiscal year. The audit, in conformity with statutory requirements, must be filed with the board of education and the Commissioner. Additionally, the audit must be summarized and discussed at a regular public meeting of the local board of education within thirty (30) days following receipt of the annual audit by such board of education.

Fiscal Year Adjustment Law (1991 N.J. Laws c. 75)

Chapter 75 of the Laws of New Jersey of 1991, requires certain municipalities and permits all other municipalities to adopt the State fiscal year in place of the existing calendar fiscal year.

Municipalities that change fiscal years must adopt a six (6) month transition budget for January 1 through June 30. Since expenditures would be expected to exceed revenues primarily because State aid for the calendar year would not be received by the municipality until after the end of the transition year budget, the act authorizes the issuance of Fiscal Year Adjustment Bonds to fund the one time deficit for the six (6) month transition budget. The law provides that the deficit in the six (6) month transition budget may be funded initially with bond anticipation notes based on the estimated deficit in the six (6) month transition budget. Notes issued in anticipation of Fiscal Year Adjustment Bonds, including renewals, can only be issued for up to one (1) year unless the Local Finance Board permits the municipality to renew them for a longer period of time. The Local Finance Board must confirm the actual deficit experienced by the municipality. The municipality then may issue Fiscal Year Adjustment Bonds to finance the deficit on a permanent basis. The purpose of the act is to assist municipalities that are heavily dependent on State aid and that have had to issue tax anticipation notes to fund operating cash flow deficits each year. While the law does not authorize counties to change their fiscal years, it does provide that counties with cash flow deficits may issue Fiscal Year Adjustment Bonds as well.

State Supervision

State law authorizes State officials to supervise fiscal administration in any municipality which is in default on its obligations; which experiences severe tax collection problems for two (2) successive years; which has a deficit greater than four percent (4%) of its tax levy for two (2) successive years; which has failed to make payments due and owing to the State, county, school district or special district for two (2) consecutive years; which has an appropriation in its annual budget for the liquidation of debt which exceeds twenty-five percent (25%) of its total operating appropriations (except dedicated revenue appropriations) for the previous budget year; or which has been subject to a judicial determination of gross failure to comply with the Local Bond Law, the Local Budget Law, or the Local Fiscal Affairs Law, N.J.S.A. 40A:5-1 et seq., which substantially jeopardizes its fiscal integrity. State officials are authorized to continue such supervision for as long as any of the conditions exist and until the municipality operates for a fiscal year without incurring a cash deficit.

Appropriations "Cap"

The New Jersey "Cap Law" (the "Cap Law") (N.J.S.A. 40A:4-45.1 et seq.) places limits on municipal tax levies and expenditures. The Cap Law provides that a local unit shall limit any increase in its budget to two and one-half percent (2.5%) or the Cost-Of-Living Adjustment (as defined in the Cap Law), whichever is less, of the previous year's final appropriations, subject to certain exceptions. The Cost-Of-Living Adjustment is defined as the rate of annual percentage increase, rounded to the nearest half percent, in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services produced by the United States Department of Commerce for the year preceding the current year as announced by the Director. However, in each year in which the Cost-Of-Living Adjustment is equal to or less than two and one-half percent (2.5%), a local unit may, by ordinance, approved by a majority vote of the full membership of the governing body, provide that the final appropriations of the local unit for such year be increased by a percentage rate that is greater than the Cost-Of-Living Adjustment, but not more than three and one-half percent (3.5%) over the previous year's final appropriations. In addition, N.J.S.A. 40A:4-45.15a restored "CAP" banking to the Local Budget Law. Municipalities are permitted to appropriate available "CAP Bank" in either of the next two (2) succeeding years' final appropriations. Along with the permitted increases for total general appropriations there are certain items that are allowed to increase outside the "CAP".

Additionally, P.L. 2010, c.44, effective July 13, 2010, imposes a two percent (2%) cap on the tax levy of a municipality, county, fire district or solid waste collection district, with certain exceptions and subject to a number of adjustments. The exclusions from the limit include increases required to be raised for capital expenditures, including debt service, increases in pension contributions in excess of 2%, certain increases in health care over 2%, and extraordinary costs incurred by a local unit directly related to a declared emergency. The governing body of a local unit may request approval, through a public question submitted to the legal voters residing in its territory, to increase the amount to be raised by taxation, and voters may approve increases above 2% not otherwise permitted under the law by an affirmative vote of 50%.

The Division has advised that counties and municipalities must comply with both the budget "CAP" and the tax levy limitation. Neither the tax levy limitation nor the "CAP" law, however, limits the obligation of the county or municipality to levy *ad valorem* taxes upon all taxable property within its boundaries to pay debt service on it bonds and notes.

Tax Assessment and Collection Procedure

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income (where appropriate). Current assessments are the result of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners. However, a divergence of the assessment ratio to true value is typically due to changes in market value over time.

Upon the filing of certified adopted budgets by the local unit, the local school district and the county, the tax rate is struck by the county Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provisions for the assessment of property, the levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4-1 et seq. Special taxing districts are permitted in the State for various special services rendered to the properties located within the special districts.

Generally, tax bills are mailed annually in June of the current fiscal year. The taxes are payable in four quarterly installments on February 1, May 1, August 1 and November 1. The August and November tax bills are determined as the full tax levied for municipal, county and school purposes for the current municipal fiscal year, less the amount charged for the February and May installments for municipal, county and school purposes in the current fiscal year. The amounts due for the February and May installments are determined by the municipal governing body as either one-quarter or one-half of the full tax levied for municipal, county and school purposes for the preceding fiscal year.

Tax installments not paid on or before the due date are subject to interest penalties of eight percent (8%) per annum on the first $1,500.00 of the delinquency and eighteen percent (18%) per annum on any amount in excess of $1,500.00. Pursuant to 1991 N.J. Laws c. 75, the governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of $10,000.00 who fails to pay that delinquency prior to the end of the calendar year. The penalty so fixed shall not exceed six percent (6%) of the amount of the delinquency. These penalties and interest rates are the highest permitted under State statutes. Delinquent taxes open for one (1) year or more are annually included in a tax sale in accordance with State statutes.

Tax Appeals

State statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. The taxpayer has a right to petition the county Board of Taxation on or before April 1 of the current year for review. The county Board of Taxation has the authority after a hearing to decrease or reject the appeal petition. These adjustments are usually concluded within the current tax year and reductions are shown as canceled or remitted taxes for that year. If the taxpayer feels his petition was unsatisfactorily reviewed by the county Board of Taxation, appeal may be made to the Tax Court of the State of New Jersey (the "State Tax Court") for further hearing. Some State Tax Court appeals may take several years prior to settlement and any losses in tax collections from prior years are charged directly to operations.

Local Fiscal Affairs Law (N.J.S.A. 40A:5-1 et seq.)

This law regulates the nonbudgetary financial activities of local governments. The chief financial officer of every local unit must file annually with the Director a verified statement of the financial condition of the local unit and all constituent boards, agencies or commissions.

An independent examination of each local unit's accounts must be performed annually by a licensed registered municipal accountant. The audit, conforming to the Division's "Requirements of Audit," includes recommendations for improvement of the local unit's financial procedures. The audit report must be filed with the Director. A synopsis of the report, together with all recommendations made, must be published in a local newspaper within thirty (30) days of the local unit's receipt of the audit report.

FINANCIAL STATEMENTS

The audited financial statements of the Board as of and for the fiscal year ended June 30, 2017 together with the notes to the financial statements have been provided by Nisivoccia LLP, Mount Arlington, New Jersey (the "Auditor"), and are presented in APPENDIX B to this Official Statement (the "Financial Statements"). *See* "APPENDIX B – Audited Financial Statements for the Years Ending June 30, 2017 and 2016."

MUNICIPAL ADVISOR

Phoenix Advisors, LLC, Bordentown, New Jersey, has served as Municipal Advisor to the Board with respect to the issuance of the Bonds (the "Municipal Advisor"). The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of, or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement and the Appendices hereto. The Municipal Advisor is an independent firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

LITIGATION

To the knowledge of the Board Attorney, Sciarrillo, Cornell, Merlino, McKeever & Osborne, LLC, Westfield, New Jersey (the "Board Attorney"), without independent inquiry or investigation and based upon the representation of the Board's Business Administrator/Board Secretary, there is no litigation of any nature now pending or threatened against the Board, restraining or enjoining the issuance or the delivery of the Bonds, or the levy or the collection of any taxes to pay the principal of or the interest on the Bonds, or in any manner questioning the authority or the proceedings for the issuance of the Bonds or for the levy or the collection of taxes, or contesting the corporate existence or the boundaries of the Board or the School District or the title of any of the present officers. To the knowledge of the Board Attorney, without independent inquiry or investigation and based upon the representation of the Board's Business Administrator/Board Secretary, no litigation is presently pending or threatened that, in the opinion of the Board Attorney, would have a materially adverse impact on the financial condition of the Board if adversely decided. A certificate to such effect will be executed by the Board Attorney and delivered to the Underwriter (as hereinafter defined) of the Bonds at the closing.

TAX EXEMPTION

Federal Income Tax Treatment

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements which must be met at the time of, and on a continuing basis subsequent to, the issuance of the Bonds in order for the interest thereon to be and remain excluded from gross income for Federal income tax purposes under Section 103 of the Code. Noncompliance with such requirements could cause such interest to be included in gross income for Federal income tax purposes retroactive to the date of issuance of the Bonds. The Board has covenanted to comply with the provisions of the Code applicable to the Bonds, and has covenanted not to take any action or fail to take any action that would cause interest on the Bonds to lose the exclusion from gross income under Section 103 of the Code.

In the opinion of Wilentz, Goldman & Spitzer, P.A., Bond Counsel, under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance by the Board with the requirements of the Code described above, interest on the Bonds is not includable in gross income for

Federal income tax purposes pursuant to Section 103 of the Code and is not treated as a preference item under Section 57 of the Code for purposes of computing the Federal alternative minimum tax imposed on individuals.

Premium Bonds

The Bonds maturing on August 15 of the years 2019 through 2030, inclusive (collectively, the "Premium Bonds"), have been sold to the public at a premium. Section 171 of the Code provides rules under which a bond premium may be amortized and a deduction allowed for the amount of the amortizable bond premium for a taxable year. Under Section 171(a)(2) of the Code, however, no deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excludable from gross income. Under Section 1016(a)(5) of the Code, the purchaser's basis in a Premium Bond will be reduced by the amount of the amortizable bond premium disallowable as a deduction under Section 171(2) of the Code. Proceeds received from the sale, exchange, redemption or payment of a Premium Bond in excess of the owner's adjusted basis (as reduced pursuant to Section 1016(a)(5) of the Code), will be treated as a gain from the sale or exchange of such Premium Bonds and not as interest.

Discount Bonds

Bond Counsel is also of the opinion that the difference between the stated principal amount of the Bonds maturing on August 15 in the years 2032 through 2035, inclusive and 2037 (collectively, the “Discount Bonds”) and their respective initial public offering prices to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which prices a substantial amount of the Discount Bonds of the same maturity and interest rate were sold, constitutes original issue discount which is excluded from gross income for federal income tax purposes to the same extent as interest on the Bonds. In the case of any holder of the Discount Bonds, the amount of such original issue discount which is treated as having accrued with respect to the Discount Bonds is added to the cost basis of the holder in determining, for federal income tax purposes, gain or loss upon disposition (including sale, redemption or payment at maturity). Holders of the Discount Bonds should consult their tax advisors for an explanation of the original issue discount rules.

Additional Federal Income Tax Consequences Relating to Bonds

Prospective purchasers of the Bonds should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the Bonds, may have additional Federal income tax consequences for certain taxpayers, including, without limitation, taxpayers eligible for the earned income credit, recipients of certain Social Security and Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, property and casualty insurance companies, foreign corporations and certain S corporations. Prospective purchasers of the Bonds should also consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

State Taxation

Bond Counsel is also of the opinion that interest on the Bonds, and any gain on the sale of the Bonds, are not includable in gross income under the existing New Jersey Gross Income Tax Act, 1976 N.J. Laws c. 47, as amended. Except as provided above, no opinion is expressed with respect to other State and local tax consequences of owning the Bonds. *See* “APPENDIX C – Form of Approving Legal Opinion” for the complete text of the proposed form of Bond Counsel's approving legal opinion.

Prospective Tax Law Changes

Federal, state or local legislation, administrative pronouncements or court decisions may affect the Federal and State tax-exempt status of interest on the Bonds and the State tax-exempt status of interest on the Bonds, gain from the sale or other disposition of the Bonds, the market value of the Bonds or the marketability of the Bonds. The effect of any legislation, administrative pronouncements or court decisions cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisors regarding such matters.

Other Tax Consequences

Except as described above, Bond Counsel expresses no opinion with respect to any Federal, State, local or foreign tax consequences of ownership of the Bonds. Bond Counsel renders its opinion under existing statutes, regulations, rulings and court decisions as of the date of issuance of the Bonds and assumes no obligation to update its opinion after such date of issuance to reflect any future action, fact, circumstance, change in law or interpretation, or otherwise. Bond Counsel expresses no opinion as to the effect, if any, on the tax status of the interest on the Bonds paid or to be paid as a result of any action hereafter taken or not taken in reliance upon an opinion of other counsel.

See APPENDIX C for the complete text of the proposed form of Bond Counsel's legal opinion with respect to the Bonds.

PROSPECTIVE PURCHASERS OF THE BONDS SHOULD CONSULT THEIR TAX ADVISORS WITH RESPECT TO ALL TAX CONSEQUENCES (INCLUDING BUT NOT LIMITED TO THOSE LISTED ABOVE) OF HOLDING THE BONDS.

RISK TO HOLDERS OF BONDS

It is understood that the rights of the holders of the Bonds, and the enforceability thereof, may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

Municipal Bankruptcy

THE BOARD HAS NOT AUTHORIZED THE FILING OF A BANKRUPTCY PETITION. THIS REFERENCE TO THE BANKRUPTCY CODE OR THE STATE STATUTE SHOULD NOT CREATE ANY IMPLICATION THAT THE BOARD EXPECTS TO UTILIZE THE BENEFITS OF ITS PROVISIONS, OR THAT IF UTILIZED, SUCH ACTION WOULD BE APPROVED BY THE LOCAL FINANCE BOARD, OR THAT ANY PROPOSED PLAN WOULD INCLUDE A DILUTION OF THE SOURCE OF PAYMENT OF AND SECURITY FOR THE BONDS, OR THAT THE BANKRUPTCY CODE COULD NOT BE AMENDED AFTER THE DATE HEREOF.

The undertakings of the Board should be considered with reference to 11 U.S.C. §101 et seq., as amended and supplemented (the "Bankruptcy Code"), and other bankruptcy laws affecting creditors' rights and municipalities in general. The Bankruptcy Code permits the State or any political subdivision, public agency, or instrumentality that is insolvent or unable to meet its debts to commence a voluntary bankruptcy case by filing a petition with a bankruptcy court for the purpose of effecting a plan to adjust its debts; directs such a petitioner to file with the court a list of petitioner's creditors; provides that a petition filed under this chapter shall operate as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; grants priority to certain debts owed, and provides that the plan must be accepted in writing by or on behalf of creditors holding at least two-thirds in amount and more than one-half in number of the allowed claims of at least one (1) impaired class. The Bankruptcy Code specifically does not limit or impair the power of a state to control, by legislation or otherwise, the procedures that a political subdivision must follow in order to take advantage of the provisions of the Bankruptcy Code.

The Bankruptcy Code provides that special revenue acquired by the debtor after the commencement of the case shall remain subject to any lien resulting from any security agreement entered into by such debtor before the commencement of such bankruptcy case. However, special revenues acquired by the debtor after commencement of the case shall continue to be available to pay debt service secured by those revenues. Furthermore, the Bankruptcy Code provides that a transfer of property of a debtor to or for the benefit of any holder of a bond or note, on account of such bond or note, may be avoided pursuant to certain preferential transfer provisions set forth in such act.

Reference should also be made to N.J.S.A. 52:27-40 et seq. which provides that a political subdivision, including the Board, has the power to file a petition in bankruptcy with any United States Court or court in bankruptcy under the provisions of the Bankruptcy Code, for the purpose of effecting a plan of readjustment of its debts or for the composition of its debts; provided, however, the approval of the Local Finance Board, as successor to the Municipal Finance Commission, must be obtained.

APPROVAL OF LEGAL PROCEEDINGS

All legal matters incident to the authorization, the issuance, the sale and the delivery of the Bonds are subject to the approval of Bond Counsel to the Board, whose approving legal opinion will be delivered with the Bonds substantially in the form set forth as APPENDIX C. Certain legal matters will be passed upon for the Board by its Board Attorney.

PREPARATION OF OFFICIAL STATEMENT

The Board hereby states that the descriptions and statements herein, including the Financial Statements, are true and correct in all material respects, and it will confirm same to the Underwriter by a certificate signed by the Board President and Business Administrator/Board Secretary. *See* "CERTIFICATE WITH RESPECT TO THE OFFICIAL STATEMENT" herein.

Bond Counsel has participated in the preparation and review of this Official Statement but has not participated in the collection of financial, statistical or demographic information contained in this Official Statement nor verified the accuracy, completeness or fairness thereof, and, accordingly, expresses no opinion or other assurance with respect thereto.

The Municipal Advisor has participated in the review of this Official Statement but has not participated in the preparation of this Official Statement or in the collection of financial, statistical or demographic information contained in this Official Statement nor verified the accuracy, completeness or fairness thereof, and, accordingly, takes no responsibility and expresses no opinion with respect thereto.

The Auditor has participated in the preparation of the information contained in APPENDIX A hereto and also takes responsibility for the Financial Statements to the extent specified in the Independent Auditors' Report appearing in APPENDIX B hereto.

The Board Attorney has not participated in the preparation of the information contained in this Official Statement, nor has he verified the accuracy, completeness or fairness thereof, and, accordingly, expresses no opinion or other assurance with respect thereto, but has reviewed the section under the caption entitled "LITIGATION" and expresses no opinion or assurance other than that which is specifically set forth therein with respect thereto.

All other information has been obtained from sources which the Board considers to be reliable, but it makes no warranty, guarantee or other representation with respect to the accuracy and completeness of such information.

RATINGS

S&P Global Ratings, acting through Standard & Poor's Financial Services LLC (the "Rating Agency"), has assigned an underlying rating of "AA+" (stable outlook) to the Bonds based upon the creditworthiness of the School District. The Bonds are additionally secured by the New Jersey School Bond Reserve Act, and the Rating Agency has also assigned a rating of "A-" (stable outlook) based solely upon such Act.

The ratings reflect only the views of the Rating Agency and an explanation of the significance of such ratings may only be obtained from the Rating Agency. The Board forwarded to the Rating Agency certain information and materials concerning the Bonds and the School District. There can be no assurance that the ratings will be maintained for any given period of time or that the ratings will not be raised, lowered or withdrawn entirely if, in the Rating Agency's judgment, circumstances so warrant. Any downward change in or withdrawal of such ratings may have an adverse effect on the marketability or market price of the Bonds.

The inclusion of the Rating Agency's “Outlook”, if any, has been provided herein for informational purposes only and is not part of the “Rating” described in the above paragraphs. The “Outlook” is only the Rating Agency's forward-looking view of the School District. The School District has no obligation to treat any change in the “Outlook” as a “Material Event”, as defined and described under the SEC Rule (as hereinafter defined) or under the provisions of the School District's Continuing Disclosure Agreement, or to notify Bondholders as to any changes to the “Outlook” after the date hereof.

UNDERWRITING

The Bonds are being purchased from the Board by Citigroup Global Markets Inc. (the “Underwriter”), at a price of $23,758,000.00. The purchase price of the Bonds reflects the par amount of Bonds equal to $23,758,000.00, minus an Underwriter's discount of $442,613.10 plus a net original issue premium of $442,613.10. The Underwriter is obligated to purchase all of the Bonds if any Bonds are so purchased.

The Underwriter intends to offer the Bonds to the public initially at the offering yields set forth on the cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with dealers and other underwriters in offering the Bonds to the public. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) at yields higher than the public offering yields set forth on the cover page, and such public offering yields may be changed, from time to time, by the Underwriter without prior notice. The Underwriter may also receive a fee for conducting a competitive bidding process regarding the investment of certain proceeds of the Bonds.

SECONDARY MARKET DISCLOSURE

The Board has covenanted for the benefit of the holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the Board by no later than each January 31 after the end of each fiscal year, commencing with the fiscal year ending June 30, 2018 (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events, if material. The Annual Report will be filed by the Board with the Municipal Securities Rulemaking Board (the “MSRB”) or any other entity designated by the MSRB. The notices of material events will be filed by the Board with the MSRB through its Electronic Municipal Market Access (“EMMA”) system and with any other entity designated by the MSRB, as applicable. The nature of the information to be contained in the Annual Report or the notices of material events is set forth in "APPENDIX D - Form of Continuing Disclosure Certificate." These covenants have been made in order to assist the underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the “SEC Rule”).

During the five (5) year period preceding the date of this Official Statement, the Board previously failed to file an event notice in connection with a certain program rating change. Such notice of the event has since been filed on EMMA. The Board appointed Phoenix Advisors, LLC in October of 2014 to serve as continuing disclosure agent.

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including information additional to that contained herein, may be directed to the Business Administrator/Board Secretary, Peter R. Caprio, (973) 429-8304, or to Lisa A. Gorab, Esq., Wilentz, Goldman & Spitzer, P.A., Bond Counsel to the Board, (732) 855-6459.

CERTIFICATE WITH RESPECT TO THE OFFICIAL STATEMENT

At the time of the original delivery of the Bonds, the Board will deliver a certificate of one or more of its authorized officials to the effect that he/she has examined this Official Statement (including the Appendices) and the financial and other data concerning the School District contained herein and that, to the best of his knowledge and belief, (i) this Official Statement, both as of its date and as of the date of delivery of the Bonds, does not contain any untrue statement of a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading and (ii) between the date of this Official Statement and the date of delivery of the Bonds, there has been no material adverse change in the affairs (financial or otherwise), financial condition or results or operations of the Board except as set forth in or contemplated by this Official Statement.

MISCELLANEOUS

This Official Statement is not to be construed as a contract or agreement among the Board, the Underwriter and the holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of the Bonds made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs (financial or otherwise) of the Board since the date hereof.

The Board has authorized the preparation of this final Official Statement containing pertinent information relative to the Bonds, and this Official Statement is deemed to be the final Official Statement as required by Rule 15c2-12, promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended and supplemented. By awarding the Bonds to the Underwriter, the Board agrees that, within the earlier of seven (7) business days following the date of such award or to accompany the purchasers' confirmations requesting payment for the Bonds, it shall provide without cost to the Underwriter, for distribution purposes, copies of this final Official Statement. The underwriter agrees that (i) it shall accept such designation, and (ii) it shall assure the distribution of the final Official Statement.

THE BOARD OF EDUCATION OF THE BOROUGH OF GLEN RIDGE IN THE COUNTY OF ESSEX, NEW JERSEY

/s/ Peter R. Caprio
PETER R. CAPRIO,
Business Administrator/Board Secretary

DATED: January 30, 2018

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX A

Economic and Demographic Information Relating to the Glen Ridge School District

STATISTICAL SECTION
(UNAUDITED)

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

Contents

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

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

	June 30, 2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental Activities:										
Net Investment in Capital Assets	$ 5,572,690	$ 5,142,448	$ 6,011,082	$ 6,575,230	$ 7,027,583	$ 7,383,893	$ 7,583,315	$ 9,067,199	$ 9,229,068	$ 9,435,185
Restricted	1,889,351	2,265,608	1,825,116	3,051,335	4,147,272	4,017,874	2,829,301	3,292,295	3,451,188	3,891,683
Unrestricted / (Deficit)	(34,584)	(49,264)	52,210	252,501	149,382	28,744	(6,232,267)	(6,726,293)	(6,884,950)	(7,366,537)
Total governmental activities net position	$ 7,427,457	$ 7,358,792	$ 7,888,408	$ 9,879,066	$ 11,324,237	$ 11,430,511	$ 4,180,349	$ 5,633,201	$ 5,795,306	$ 5,960,331
Business-type Activities:										
Net Investment in Capital Assets	$ 28,796	$ 30,945	$ 29,405	$ 25,320	$ 22,029	$ 22,490	$ 22,977	$ 20,888	$ 18,799	$ 23,327
Unrestricted	87,785	113,641	122,341	127,584	149,799	124,516	108,218	180,228	176,359	191,913
Total business-type activities net position	$ 116,581	$ 144,586	$ 151,746	$ 152,904	$ 171,828	$ 147,006	$ 131,195	$ 201,116	$ 195,158	$ 215,240
District-wide:										
Investment in Capital Assets	$ 5,601,486	$ 5,173,393	$ 6,040,487	$ 6,600,550	$ 7,049,612	$ 7,406,383	$ 7,606,292	$ 9,088,087	$ 9,247,867	$ 9,458,512
Restricted	1,889,351	2,265,608	1,825,116	3,051,335	4,147,272	4,017,874	2,829,301	3,292,295	3,451,188	3,891,683
Unrestricted / (Deficit)	53,201	64,377	174,551	380,085	299,181	153,260	(6,124,049)	(6,546,065)	(6,708,591)	(7,174,624)
Total District Net Position	$ 7,544,038	$ 7,503,378	$ 8,040,154	$ 10,031,970	$ 11,496,065	$ 11,577,517	$ 4,311,544	$ 5,834,317	$ 5,990,464	$ 6,175,571

Source: School District Financial Reports.

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

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental Activities:										
Instruction:										
Regular	$ 12,916,246	$ 13,729,905	$ 13,203,439	$ 12,626,948	$ 13,210,211	$ 13,757,682	$ 14,352,234	$ 15,125,388	$ 17,750,208	$ 20,234,338
Special Education	2,253,979	2,317,859	2,761,131	2,884,656	3,381,303	3,638,143	3,665,019	3,984,945	4,404,819	4,953,818
Other Special Instruction	485,905	473,687	472,657	410,050	418,083	481,996	419,442	596,961	518,273	578,737
School Sponsored Other Instruction	895,851	1,039,444	1,096,059	899,324	997,945	1,018,513	1,012,092	1,223,311	1,315,308	1,402,423
Support Services:										
Tuition	465,624	547,777	642,026	565,261	729,571	1,257,636	1,241,988	1,774,916	1,841,300	1,521,161
Student & Instruction Related Services	2,789,871	2,997,101	3,110,107	3,234,169	3,090,307	3,596,196	3,667,139	3,764,773	3,874,442	4,226,341
General Administrative Services	810,744	855,088	867,867	755,488	802,334	701,273	792,211	754,711	932,265	1,298,154
School Administrative Services	1,857,277	1,860,047	1,850,831	1,801,705	2,190,587	2,147,754	2,209,187	2,653,631	2,695,662	2,852,837
Central Services	449,035	493,326	527,979	497,867	508,690	527,167	538,581	574,446	654,400	638,095
Administration Information Technology	222,705	235,262	246,275	278,101	300,360	364,018	327,750	337,399	342,441	360,708
Plant Operations and Maintenance	2,557,176	2,526,151	2,622,379	2,411,118	2,463,284	2,565,377	2,680,745	2,758,792	2,670,572	2,440,698
Pupil Transportation	462,156	491,533	490,377	494,636	502,488	581,905	622,782	568,312	625,130	660,513
Interest on Long-term Debt	390,253	362,957	306,952	250,503	211,424	200,849	174,649	159,524	144,038	124,724
Capital Outlay								49,140		
Unallocated Depreciation	424,094									
Total Governmental Activities Expenses	26,980,916	27,930,137	28,198,079	27,109,826	28,806,587	30,838,509	31,703,819	34,326,249	37,768,858	41,292,547
Business-type Activities:										
Food Service	413,620	413,662	397,527	369,111	330,192	373,264	372,782	339,945	368,247	387,669
After School and Summer Programs	308,789	352,872	323,466	232,712	248,786	250,110	272,912	305,125	291,103	299,673
Total Business-type Activities Expenses	734,909	766,664	720,993	601,823	578,978	623,374	645,694	645,070	659,350	687,342

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

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Total District Expenses	$ 27,715,825	$ 28,696,801	$ 28,919,072	$ 27,711,649	$ 29,385,565	$ 31,461,883	$ 32,349,513	$ 34,971,319	$ 38,428,208	$ 41,979,889
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instruction (Regular)		201,191	237,365	346,301	558,027	591,448	488,530	473,942	574,555	528,379
Operating Grants and Contributions	3,516,682	3,206,933	3,296,372	2,521,449	3,290,092	3,945,854	3,786,877	7,183,317	8,694,591	11,584,083
Total Governmental Activities Program Revenues	3,516,682	3,408,124	3,533,737	2,867,750	3,848,119	4,537,302	4,275,407	7,657,259	9,269,146	12,112,462
Business-type Activities:										
Charges for Services:										
Food Service	416,494	416,169	401,666	364,194	336,954	344,190	350,555	332,243	350,186	396,109
After School and Summer Programs	312,462	372,149	327,454	238,787	260,948	254,362	280,242	382,748	303,206	313,247
Total Business-type Activities Revenues	745,831	788,318	729,120	602,981	597,902	598,552	630,797	714,991	653,392	709,356
Total District Program Revenues	4,262,513	4,196,442	4,262,857	3,470,731	4,446,021	5,135,854	4,906,204	8,372,250	9,922,538	12,821,818
Net (Expense)/Revenue										
Governmental Activities	(23,464,234)	(24,522,013)	(24,664,342)	(24,242,076)	(24,958,468)	(26,301,207)	(27,428,412)	(26,668,990)	(28,499,712)	(29,180,085)
Business-type Activities	10,922	21,654	8,127	1,158	18,924	(24,822)	(14,897)	69,921	(5,958)	22,014
Total District-wide Net (Expense)/Revenue	(23,453,312)	(24,500,359)	(24,656,215)	(24,240,918)	(24,939,544)	(26,326,029)	(27,443,309)	(26,599,069)	(28,505,670)	(29,158,071)

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

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	$ 22,076,813	$ 23,244,935	$ 24,146,288	$ 24,933,275	$ 25,163,894	$ 25,667,172	$ 26,180,515	$ 27,169,504	$ 27,712,894	$ 28,371,002
Taxes Levied for Debt Service	940,745	926,742	726,589	877,377	866,612	676,937	677,137	672,138	671,838	671,087
Unrestricted Grants and Contributions	303,850	73,294	87,700	13,449	41,527			60,874	67,198	88,121
Tuition Charges	189,188									
Investment Earnings	122,791	24,103	21					83	268	831
Miscellaneous Income	106,199	184,274	233,360	408,633	331,606	189,148	169,066	219,243	209,619	214,069
Transfers	(58,629)									
Total Governmental Activities	23,680,957	24,453,348	25,193,958	26,232,734	26,403,639	26,533,257	27,026,718	28,121,842	28,661,817	29,345,110
Business-type Activities:										
Miscellaneous Income/(Expenses)		6,351								
Capital (Disposals)-Special Item			(967)				(914)			(1,932)
Total Business-type Activities		6,351	(967)				(914)			(1,932)
Total District-wide	23,680,957	24,459,699	25,192,991	26,232,734	26,403,639	26,533,257	27,025,804	28,121,842	28,661,817	29,343,178
Change in Net Position										
Governmental Activities	216,723	(68,665)	529,616	1,990,658	1,445,171	232,050	(401,694)	1,452,852	162,105	165,025
Business-type Activities	10,922	28,005	7,160	1,158	18,924	(24,822)	(15,811)	69,921	(5,958)	20,082
Total District	$ 227,645	$ (40,660)	$ 536,776	$ 1,991,816	$ 1,464,095	$ 207,228	$ (417,505)	$ 1,522,773	$ 156,147	$ 185,107

Source: School District Financial Reports.

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

	June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund:										
Reserved	$ 1,600,334	$ 2,006,111	$ 1,828,377							
Unreserved	457,785	498,606	447,733							
Restricted				$ 2,923,456	$ 3,912,321	$ 2,961,173	$ 2,829,301	$ 3,292,294	$ 3,451,187	$ 3,891,682
Assigned				126,180	280,520	1,114,943	494,599	170,718	150,945	367,715
Unassigned				566,715	531,364	568,196	587,957	591,418	652,509	583,349
Total General Fund	$ 2,058,119	$ 2,504,717	$ 2,276,110	$ 3,616,351	$ 4,724,205	$ 4,644,312	$ 3,911,857	$ 4,054,430	$ 4,254,641	$ 4,842,746
All Other Governmental Funds:										
Reserved			$ 189,410							
Unreserved/(Deficit), Reported in:										
Capital Projects Fund	$ 207,475	$ 189,975	(172,992)							
Debt Service Fund	5,161	736	21		$ 1					
Debt Service - Designated for Subsequent Year's Expenditures	7,683	5,161	736							
Restricted				$ 22				$ 1	$ 1	$ 1
Unassigned/(Deficit)				(147,338)	(147,338)	$ (147,338)	$ (147,338)	(147,338)	(147,338)	(237,579)
Total All Other Governmental Funds/(Deficit)	$ 220,319	$ 195,872	$ 17,175	$ (147,316)	$ (147,337)	$ (147,338)	$ (147,338)	$ (147,337)	$ (147,337)	$ (237,578)
Total All Governmental Funds:										
Reserved	$ 1,600,334	$ 2,006,111	$ 2,017,787							
Unreserved	678,104	694,478	275,498							
Restricted				$ 2,923,478	$ 3,912,322	$ 2,961,173	$ 2,829,301	$ 3,292,295	$ 3,451,188	$ 3,891,683
Assigned				126,180	280,520	1,114,943	494,599	170,718	150,945	367,715
Unassigned				419,377	384,026	420,858	440,619	444,080	505,171	345,770
Total All Governmental Funds	$ 2,278,438	$ 2,700,589	$ 2,293,285	$ 3,469,035	$ 4,576,868	$ 4,496,974	$ 3,764,519	$ 3,907,093	$ 4,107,304	$ 4,605,168

Source: School District Financial Reports.

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

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Tax Levy	$ 23,017,558	$ 24,171,677	$ 24,872,877	$ 25,810,652	$ 26,030,506	$ 26,344,109	$ 26,857,652	$ 27,841,642	$ 28,384,732	$ 29,042,089
Tuition Charges	189,188	201,191	237,365	346,301	558,027	591,448	488,530	473,942	574,555	528,379
Interest Earnings		3,630								
Miscellaneous	241,999	240,859	265,488	438,389	438,593	201,217	276,299	238,363	247,036	230,276
State Sources	3,460,525	2,894,309	2,753,443	2,034,345	2,792,432	3,560,427	3,318,029	3,699,357	4,254,750	4,628,708
Federal Sources	346,998	349,806	598,522	470,797	432,200	373,358	361,615	382,599	393,153	457,162
Total Revenues	27,256,268	27,861,472	28,727,695	29,100,484	30,251,758	31,070,559	31,302,125	32,635,903	33,854,226	34,886,614
Expenditures										
Instruction:										
Regular Instruction	9,226,473	9,660,384	9,716,849	9,278,286	9,592,245	9,841,153	9,862,163	9,989,967	10,424,610	10,675,337
Special Education Instruction	1,668,212	1,795,927	2,283,545	2,137,197	2,485,282	2,607,089	2,679,951	2,423,779	2,498,702	2,508,164
Other Special Instruction	342,047	349,730	344,923	297,890	299,575	338,316	299,820	364,839	292,955	297,392
School Sponsored Other Instruction	718,451	810,209	843,616	694,481	771,303	770,109	776,961	829,078	840,692	815,605
Support Services:										
Tuition	465,624	547,777	642,026	565,261	729,571	1,257,636	1,241,988	1,774,916	1,841,300	1,521,161
Student & Instruction Related Services	2,217,858	2,418,456	2,492,648	2,535,505	2,379,373	2,782,245	2,873,593	2,861,735	2,824,295	2,920,170
General Administrative Services	721,372	720,091	750,230	669,635	700,292	673,822	685,365	712,547	804,247	1,008,324
School Administrative Services	1,379,083	1,431,663	1,439,063	1,336,269	1,560,548	1,562,614	1,643,665	1,709,929	1,679,582	1,583,245
Central Services	374,261	407,504	408,503	408,738	418,146	436,950	449,354	481,746	549,443	527,194
Administration Information Technology	194,746	206,861	214,265	244,059	265,359	309,827	290,598	301,449	301,189	318,258
Plant Operations and Maintenance	2,342,425	2,219,198	2,255,365	2,083,797	2,143,163	2,201,074	2,342,941	2,470,637	2,315,107	2,388,180
Pupil Transportation	446,865	478,176	450,326	462,047	448,921	517,870	575,069	535,573	574,498	575,194
Unallocated Benefits	5,874,512	5,431,852	5,885,288	5,779,795	6,317,335	6,887,184	6,536,657	7,010,082	7,940,695	8,050,391
Capital Outlay	195,301	27,068	769,777	619,104	166,179	287,626	1,099,318	354,915	94,862	979,358
Debt Service:										
Principal	550,000	565,000	580,000	640,000	665,000	490,000	500,000	510,000	525,000	540,000
Interest and Other Charges	396,435	369,425	341,725	238,112	201,633	186,938	177,137	162,137	146,838	131,087
Total Expenditures	27,113,665	27,439,321	29,418,149	27,990,176	29,143,925	31,150,453	32,034,580	32,493,329	33,654,015	34,839,060
Excess (Deficiency) of Revenues Over (Under) Expenditures	142,603	422,151	(690,454)	1,110,308	1,107,833	(79,894)	(732,455)	142,574	200,211	47,554

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

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Other Financing Sources (Uses)										
Capital Leases (non-budgeted)			$ 283,150	$ 65,442						$ 450,310
Serial Bonds Issued			(6,085,000)							
Serial Bonds Defeased			5,917,000							
Bond Issuance Costs			119,083							
Bond Premium			(204,654)							
Deferred Interest			253,571							
Transfers In	$ 5,161	$ 736	598,104							
Transfers Out	(5,161)	(736)	(598,104)							
Total Other Financing Sources (Uses)	-0-	-0-	283,150	65,442	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-	$ 450,310
Net Change in Fund Balances	$ 142,603	$ 422,151	$ (407,304)	$ 1,175,750	$ 1,107,833	$ (79,894)	$ (732,455)	$ 142,574	$ 200,211	$ 497,864
Debt Service as a Percentage of Noncapital Expenditures	3.6%	3.5%	3.3%	3.3%	3.1%	2.2%	2.2%	2.1%	2.0%	2.0%

Source: School District Financial Reports.

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

Fiscal Year Ending June 30,	Tuition	Interest on Investments	Prior Year Refunds	Rentals - Use of Facilities	Other	Total
2008	$ 189,188	$ 114,798	$ 75	$ 24,037	$ 84,919	$ 413,017
2009	201,191	24,103	59,636	6,800	117,102	408,832
2010	237,365	9,540	35,171	18,903	169,746	470,725
2011	346,301	982	49,859	4,400	353,392	754,934
2012	558,026	93	44,995	11,559	274,960	889,633
2013	591,448	81	44,582	8,630	135,855	780,596
2014	488,530	75	52,282	6,213	110,496	657,596
2015	473,942	83	14,010	21,145	184,088	693,268
2016	574,555	268	89,825	25,227	94,567	784,442
2017	528,379	831	61,608	7,368	145,093	743,279

Source: Borough of Glen Ridge School District records.

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

Year Ended December 31,	Vacant Land	Residential	Commercial	Apartment	Total Assessed Value	Tax-Exempt Property	Add: Public Utilities [a]	Net Valuation Taxable	Total Direct School Tax Rate [b]	Estimated Actual (County Equalized Value)
2007	$ 130,000	$ 220,588,900	$ 8,142,700	$ 5,689,000	$ 234,550,600	$ 24,585,900	$ 78,885	$ 234,629,485	$ 9.810	$ 1,520,605,865
2008 *	1,339,900	1,349,284,700	66,372,700	25,705,300	1,442,702,600	91,701,200	492,991	1,443,195,591	1.675	1,582,624,839
2009	815,200	1,432,728,300	67,533,800	25,705,300	1,526,782,600	91,224,700	485,429	1,527,268,029	1.731	1,577,767,832
2010	1,106,100	1,334,332,900	61,982,300	25,705,300	1,423,126,600	90,642,200	501,732	1,423,628,332	1.813	1,555,624,133
2011	605,100	1,330,347,600	62,083,000	25,705,300	1,418,741,000	90,642,200	472,439	1,419,213,439	1.834	1,496,091,333
2012	485,100	1,322,815,600	62,299,600	24,056,700	1,409,657,000	91,236,600	503,201	1,410,160,201	1.868	1,453,453,496
2013	448,900	1,236,037,100	111,991,000	20,266,700	1,368,743,700	113,202,810	537,600	1,369,281,300	1.961	1,469,148,346
2014	448,900	1,238,234,100	111,891,000	20,266,700	1,370,840,700	113,380,210	507,600	1,371,348,300	2.030	1,484,045,317
2015	448,900	1,243,644,600	111,891,000	20,266,700	1,376,251,200	113,380,210	494,800	1,376,746,000	2.062	1,508,576,458
2016	950,600	1,246,910,800	111,891,000	20,266,700	1,380,019,100	113,610,610	490,800	1,380,509,900	2.104	1,565,063,528

* - Revaluation Year

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

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

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

Source: Municipal Tax Assessor.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
UNAUDITED

(Rate per $100 of Assessed Value)

		Borough of Glen Ridge School District Direct Rate			Overlapping Rates		
Year Ended		Basic Rate [a]	General	Total Direct	Borough of	Essex County	Total Direct
2007		9.41	0.40	9.81	3.44	2.36	15.61
2008	*	1.61	0.06	1.68	0.59	0.42	2.69
2009		1.68	0.05	1.73	0.62	0.43	2.78
2010		1.75	0.06	1.81	0.65	0.44	2.91
2011		1.77	0.06	1.83	0.67	0.46	2.97
2012		1.82	0.05	1.87	0.71	0.48	3.05
2013		1.91	0.05	1.96	0.76	0.53	3.25
2014		1.98	0.05	2.03	0.78	0.57	3.37
2015		2.01	0.05	2.06	0.79	0.57	3.43
2016		2.06	0.05	2.10	0.79	0.57	3.47

* - Revaluation Year

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

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

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

Source: Municipal Tax Collector and School Business Administrator.

PRINCIPAL PROPERTY TAX PAYERS, CURRENT YEAR AND NINE YEARS AGO UNAUDITED

	2016		
Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
MPT Legacy of Montclair, LLC	$ 74,503,196	1	5.40%
Glen Ridge Country Club	14,478,700	2	1.05%
TAP Property Management	10,560,000	3	0.76%
Domus Augusta Family, LP	5,077,700	4	0.37%
Mountainside Hospital	5,036,100	5	0.36%
Ko & Ko Investments	4,715,000	6	0.34%
Rey Associates	3,168,300	7	0.23%
Glenmond RR Crossing c/o Gary Heller	3,115,900	8	0.23%
Preservations Partners LLC	3,090,400	9	0.22%
855 Bloomfield, LLC	2,783,500	10	0.20%
Total	$ 126,528,796		9.17%

	2007		
Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Mountainside Hospital	$ 18,966,400	1	8.08%
TAP Property Management	15,426,500	2	6.57%
Glen Ridge County Club	12,601,800	3	5.37%
Glen Ridge Manor	6,778,800	4	2.89%
Ko & Ko Investments	6,287,000	5	2.68%
Domus Augusta Family, LP	4,893,400	6	2.09%
FUNB, Corp Re	4,642,600	7	1.98%
Rey Associates	3,379,400	8	1.44%
Individual Taxpayer #4	2,985,800	9	1.27%
230 Sherman Avenue Investors, LLC	2,900,000	10	1.24%
Total	$ 78,861,700		33.61%

Note - A revaluation was effective in 2008.

Source: Essex County Board of Taxation

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy [a]		Collections in Subsequent Years
		Amount	Percentage of Levy	
2008	$ 23,017,558	$ 23,017,558	100.00%	-0-
2009	24,171,677	24,171,677	100.00%	-0-
2010	24,872,877	24,872,877	100.00%	-0-
2011	25,810,652	25,810,652	100.00%	-0-
2012	26,030,506	26,030,506	100.00%	-0-
2013	26,344,109	26,344,109	100.00%	-0-
2014	26,857,652	26,857,652	100.00%	-0-
2015	27,841,642	27,841,642	100.00%	-0-
2016	28,384,732	28,384,732	100.00%	-0-
2017	29,042,089	29,042,089	100.00%	-0-

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

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

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

	Governmental Activities				
Fiscal Year Ended June 30,	General Obligation Bonds	Capital Leases	Total District	Percentage of Personal Income [a]	Per Capita [a]
2008	$ 7,837,000	$ 16,603	$ 7,853,603	2.27%	$ 1,170.96
2009	7,272,000	-0-	7,272,000	2.08%	1,093.37
2010	6,860,000	261,136	7,121,136	2.08%	1,069.72
2011	6,220,000	228,381	6,448,381	1.65%	857.38
2012	5,555,000	117,521	5,672,521	1.38%	750.83
2013	5,065,000	26,396	5,091,396	1.23%	673.55
2014	4,565,000	154,780	4,719,780	1.12%	622.99
2015	4,055,000	77,077	4,132,077	0.94%	542.34
2016	3,530,000	6,032	3,536,032	0.77%	463.74
2017	2,990,000	349,319	3,339,319	0.73%	436.97

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

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

Source: School District Financial Reports.

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

	General Bonded Debt Outstanding				
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value [a] of Property	Per Capita [b]
2008	$ 7,837,000	$ -0-	$ 7,837,000	3.340%	$ 1,168.48
2009	7,272,000	-0-	7,272,000	0.504%	1,093.37
2010	6,860,000	-0-	6,860,000	0.449%	1,030.49
2011	6,220,000	-0-	6,220,000	0.437%	827.02
2012	5,555,000	-0-	5,555,000	0.391%	735.27
2013	5,065,000	-0-	5,065,000	0.359%	670.06
2014	4,565,000	-0-	4,565,000	0.333%	602.56
2015	4,055,000	-0-	4,055,000	0.296%	532.22
2016	3,530,000	-0-	3,530,000	0.256%	462.95
2017	2,990,000	-0-	2,990,000	0.217%	391.26

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

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

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

Source: School District Financial Reports.

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

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable [a]	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes:			
Borough of Glen Ridge	$ 5,196,824	100.00%	$ 5,196,824
Essex County General Obligation Debt	489,730,689	1.86%	9,096,986
Subtotal, Overlapping Debt			14,293,810
Borough of Glen Ridge School District Direct Debt			3,530,000
Total Direct and Overlapping Debt			$ 17,823,810

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 1899

Year Ended December 31,		Equalized Valuation Basis
2014	$	1,500,810,926
2015		1,558,961,486
2016		1,641,902,558
	$	4,701,674,970
Average Equalized Valuation of Taxable Property	$	1,567,224,990
Debt Limit (4% of Average Equalization Value)	$	62,689,000 **a**
Net Bonded School Debt		2,990,000
Legal Debt Margin	$	59,699,000

	Fiscal Year 2008	2009	2010	2011	2012
Debt Limit	$ 56,182,966	$ 60,105,061	$ 62,281,033	$ 60,875,824	$ 60,371,202
Total Net Debt Applicable to Limit	7,837,000	7,272,000	6,860,000	6,220,000	5,555,000
Legal Debt Margin	$ 48,345,966	$ 52,833,061	$ 55,421,033	$ 54,655,824	$ 54,816,202
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	13.95%	12.10%	11.01%	10.22%	9.20%

	Fiscal Year 2013	2014	2015	2016	2017
Debt Limit	$ 58,480,252	$ 58,960,995	$ 59,243,961	$ 60,528,738	$ 62,689,000
Total Net Debt Applicable to Limit	5,065,000	4,565,000	4,055,000	3,530,000	2,990,000
Legal Debt Margin	$ 53,415,252	$ 54,395,995	$ 55,188,961	$ 56,998,738	$ 59,699,000
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	8.66%	7.74%	6.84%	5.83%	4.77%

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

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

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

Year	Population [a]	Personal Income [b]	Essex County Per Capita Personal Income [c]	Unemployment Rate [d]
2008	6,651	349,862,553	52,603	3.30%
2009	6,657	342,489,336	51,448	6.70%
2010	7,521	390,114,270	51,870	6.80%
2011	7,555	410,553,810	54,342	6.50%
2012	7,559	414,482,647	54,833	6.70%
2013	7,576	419,604,336	55,386	4.60%
2014	7,619	439,418,206	57,674	3.80%
2015	7,625	457,728,750	60,030	3.20%
2016	7,642	458,749,260	60,030 **	3.10%
2017	7,642 *	458,749,260 ***	60,030 **	N/A

N/A - Not Available

* - Latest population data available (2016) was used for calculation purposes.
** - Latest Essex County per capita personal income available (2015) was used for calculation purposes.
*** - Latest availablepopulation data (2016) and latest available Essex County per capita personal income (2015) was used for calculation purposes.

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

PRINCIPAL EMPLOYERS - COUNTY OF ESSEX
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

	2016		
Employer	Employees	Rank	Percentage of Total Employment
St. Barnabas Health Care System	21,000	1	6.02%
Rutgers University-Newark Campus	15,500	2	4.44%
Verizon	15,000	3	4.30%
New Jersey Transit	11,500	4	3.30%
Public Service Electric & Gas	10,000	5	2.87%
Prudential Ins. Co. of America	8,743	6	2.51%
Montclair State University	7,525	7	2.16%
Newark Board of Education	7,050	8	2.02%
Gateway Group One	6,250	9	1.79%
Automatic Data Processing	5,649	10	1.62%
	108,217		31.02%
Total Employment	348,806		

	2007		
Employer	Employees	Rank (Optional)	Percentage of Total Employment
Verizon Communications	17,996	1	5.16%
Continental Airlines	13,752	2	3.94%
PSE&G	10,500	3	3.01%
Prudential Financial	8,143	4	2.33%
Horizon Blue Cross/Blue Shield	5,000	5	1.43%
JP Morgan Chase	4,764	6	1.37%
Automatic Data Processing	4,739	7	1.36%
Roche	3,266	8	0.94%
KPMG	2,197	9	0.63%
Ricoh American Corp	1,375	10	0.39%
	71,732		20.57%
Total Employment	343,281		

Note: 2007 Principal employers of that of Essex County

Source: Essex County Economic Development Corporation

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

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Instruction:										
Regular	128.0	134.2	133.2	133.1	136.3	134.7	128.0	127.6	129.3	130.3
Special Education	26.0	27.8	28.5	32.2	40.5	44.4	46.7	46.4	48.1	46.6
Other Special Instruction	8.7	9.4	9.4	6.5	6.0	6.5	6.0	6.0	6.0	6.0
Support Services:										
Student & Instruction Related Services	21.8	24.8	24.8	24.8	23.8	26.3	26.3	25.4	25.4	25.1
General Administrative Services	3.1	3.1	3.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1
School Administrative Services	14.0	14.0	14.0	12.0	13.0	12.0	12.0	12.0	12.0	12.0
Central Services	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Plant Operations and Maintenance	18.2	19.2	18.2	17.2	17.2	17.7	17.7	17.8	17.7	17.2
Pupil Transportation	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Child Care	15.0	13.6	14.0	14.0	6.5	8.7	8.7	8.7	8.7	9.3
Total	241.5	252.8	251.9	248.6	252.1	259.1	254.2	252.7	256.0	255.3

Source: District Personnel Records.

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

						Pupil/Teacher Ratio							
						Elementary		Elementary/ Middle	Middle/ High School				
Fiscal Year	Enrollment	Operating Expenditures [a]	Cost Per Pupil [d]	Percentage Change	Teaching Staff [b]	Forest Avenue	Linden Avenue	Ridgewood Avenue	Glen Ridge	Average Daily Enrollment (ADE) [c]	Average Daily Attendance (ADA) [c]	% Change in Average Daily Enrollment	Student Attendance Percentage
2008	1,878	25,971,929	13,830	1.41%	143.3	14.7:1	17.0:1	13.6:1	11.4:1	1,875	1,800	2.74%	96.00%
2009	1,903	26,477,828	13,914	0.61%	147.8	16.0:1	15.9:1	12.3:1	11.7:1	1,905	1,816	1.60%	95.33%
2010	1,909	27,726,647	14,524	4.39%	147.9	14.8:1	15.4:1	12.4:1	12.1:1	1,926	1,841	1.10%	95.59%
2011	1,945	26,492,960	13,621	-6.22%	143.2	16.5:1	17.8:1	12.8:1	12.5:1	1,931	1,834	0.26%	94.98%
2012	1,950	28,111,113	14,416	5.84%	148.5	16.3:1	16.6:1	12.6:1	12.0:1	1,945	1,867	0.73%	95.99%
2013	1,959	30,185,889	15,409	6.89%	151.4	16.3:1	14.5:1	13.3:1	11.6:1	1,955	1,870	0.51%	95.65%
2014	1,934	30,258,125	15,645	1.54%	148.5	14.1:1	15.5:1	13.9:1	11.7:1	1,933	1,847	-1.13%	95.55%
2015	1,908	31,466,277	16,492	5.41%	147.4	15.4:1	16.1:1	13.7:1	11.3:1	1,908	1,822	-1.29%	95.49%
2016	1,893	32,887,315	17,373	5.34%	149.3	15.8:1	16.1:1	12.8:1	11.2:1	1,893	1,799	-0.79%	95.03%
2017	1,905	33,188,615	17,422	0.28%	151.6	14:3:1	14.0:1	13.2:1	11.4:1	1,906	1,845	0.69%	96.80%

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

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

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

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

Note: Enrollment based on annual October District count.

Source: Borough of Glen Ridge School District records.

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

District Building	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Forest Avenue School (1928)										
Square Feet	32,093	32,093	32,093	32,093	32,093	32,093	32,093	32,093	32,093	32,093
Capacity (students)	327	327	327	327	327	327	327	327	327	327
Enrollment	248	262	258	262	260	261	233	241	248	239
Linden Avenue School (1911)										
Square Feet	31,999	31,999	31,999	31,999	31,999	31,999	31,999	31,999	31,999	31,999
Capacity (students)	333	333	333	333	333	333	333	333	333	333
Enrollment	287	292	284	274	280	268	260	267	250	235
Ridgewood Avenue School (1928)										
Square Feet	102,436	102,436	102,436	102,436	102,436	102,436	102,436	102,436	102,436	102,436
Capacity (students)	582	582	582	582	582	582	582	582	582	582
Enrollment	597	567	568	569	571	592	597	588	583	600
Glen Ridge High School (1968)										
Square Feet	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000
Capacity (students)	842	842	842	842	842	842	842	842	842	842
Enrollment	746	782	799	840	839	838	844	812	812	831
Board Office (2000)										
Square Feet	3,510	3,510	3,510	3,510	3,510	3,510	3,510	3,510	3,510	3,510

Number of Schools at June 30, 1899
Elementary (Grades Pre-K-2) = 2
Elementary/Middle School (Grades 3-6) = 1
Middle/High School (Grades 7-12) = 1
Other (Board Office) = 1

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

Source: Borough of Glen Ridge School District Facilities Office.

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

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

School Facilities*	Project # (s)	Fiscal Year Ended June 30, 2008	2009	2010	2011	2012
Glen Ridge High School	N/A	$ 270,682	$ 233,931	$ 227,818	$ 177,016	$ 206,582
Forest Avenue School	N/A	105,892	86,473	109,220	81,474	96,010
Ridgewood Avenue School	N/A	337,573	205,930	223,396	153,659	237,079
Linden Avenue School	N/A	100,201	75,147	105,353	75,410	124,767
Total School Facilities		814,348	601,481	665,787	487,559	664,438
Board Office		11,998	12,856	9,452	4,403	14,215
Grand Total		$ 826,346	$ 614,337	$ 675,239	$ 491,962	$ 678,653

School Facilities*	Project # (s)	Fiscal Year Ended June 30, 2013	2014	2015	2016	2017
Glen Ridge High School	N/A	$ 192,554	$ 181,789	$ 228,102	$ 204,511	$ 207,314
Forest Avenue School	N/A	90,171	125,774	121,323	114,399	113,315
Ridgewood Avenue School	N/A	210,828	214,949	215,362	200,038	202,164
Linden Avenue School	N/A	125,485	111,698	122,650	115,677	117,178
Total School Facilities		619,038	634,210	687,437	634,625	639,971
Board Office		4,461	7,779	6,497	4,474	3,863
Grand Total		$ 623,499	$ 641,989	$ 693,934	$ 639,099	$ 643,834

N/A - Not Applicable.

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

Source: Glen Ridge Board of Education records.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 1899
UNAUDITED

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

Source: Glen Ridge Board of Education records.

APPENDIX B

Audited Financial Statements for the Years Ending June 30, 2017 and 2016

GLEN RIDGE SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2017

FISCAL YEAR ENDED JUNE 30, 2016

NISIVOCCIA LLP
Certified Public Accountants & Advisors

Mount Arlington Corporate Center
200 Valley Road, Suite 300
Mt. Arlington, NJ 07856
973-328-1825 | 973-328-0507 Fax

Lawrence Business Park
11 Lawrence Road
Newton, NJ 07860
973-383-6699 | 973-383-6555 Fax

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Borough of Glen Ridge School District (the "District") in the County of Essex, as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Mount Arlington, New Jersey
November 17, 2017

NISIVOCCIA LLP

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2017

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	$ 3,772,700	$ 214,728	$ 3,987,428
Internal Balances	39,729	(39,729)	
Interfund Receivable - Payroll Agency	321,834		321,834
Receivables from State Government	116,185		116,185
Receivables from Federal Government	68,379		68,379
Other Receivables	62,580	50,457	113,037
Inventory		2,236	2,236
Prepaid Expenses	18,488		18,488
Restricted Assets:			
Capital Reserve Account - Cash and Cash Equivalents	736,655		736,655
Capital Assets, Net:			
Sites (Land) and Construction in Progress	1,382,540		1,382,540
Depreciable Site Improvements, Buildings and Building Improvements and Machinery and Equipment	11,294,433	23,327	11,317,760
Total Assets	17,813,523	251,019	18,064,542
DEFERRED OUTFLOW OF RESOURCES			
Deferred Amount on Refunding	97,531		97,531
Changes in Assumptions - Pensions	2,074,582		2,074,582
Changes in Proportion - Pensions	50,466		50,466
Difference Between Expected and Actual Experience - Pensions	186,249		186,249
Difference Between Projected and Actual Investment Earnings - Pensions	398,871		398,871
District Contribution Subsequent to the Measurement Date - Pensions	318,746		318,746
Total Deferred Outflows of Resources	3,126,445		3,126,445
LIABILITIES			
Current Liabilities:			
Accrued Interest Payable	44,495		44,495
Accounts Payable	797,291	25,753	823,044
Unearned Revenue	52,837	10,026	62,863
Noncurrent Liabilities:			
Due Within One Year	733,367		733,367
Due Beyond One Year	13,158,066		13,158,066
Total Liabilities	14,786,056	35,779	14,821,835
DEFERRED INFLOWS OF RESOURCES			
Changes in Proportion - Pensions	193,581		193,581
Total Deferred Inflows of Resources	193,581		193,581
NET POSITION			
Net Investment in Capital Assets	9,435,185	23,327	9,458,512
Restricted for:			
Capital Projects	736,655		736,655
Debt Service	1		1
Excess Surplus	3,155,027		3,155,027
Unrestricted/(Deficit)	(7,366,537)	191,913	(7,174,624)
Total Net Position	$ 5,960,331	$ 215,240	$ 6,175,571

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

		Program Revenues			Net (Expenses)/Revenues and Changes in Net Position		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	$ 20,234,338	$ 528,379	$ 6,943,993		$ (12,761,966)		$ (12,761,966)
Special Education	4,953,818		2,457,053		(2,496,765)		(2,496,765)
Other Special Instruction	578,737		204,897		(373,840)		(373,840)
School Sponsored/Other Instruction	1,402,423		427,366		(975,057)		(975,057)
Support Services:							
Tuition	1,521,161		341,254		(1,179,907)		(1,179,907)
Student & Instruction Related Services	4,226,341		365,048		(3,861,293)		(3,861,293)
General Administrative Services	1,298,154				(1,298,154)		(1,298,154)
School Administrative Services	2,852,837		810,316		(2,042,521)		(2,042,521)
Central Services	638,095				(638,095)		(638,095)
Administration Information Technology	360,708				(360,708)		(360,708)
Plant Operations and Maintenance	2,440,698				(2,440,698)		(2,440,698)
Pupil Transportation	660,513		34,156		(626,357)		(626,357)
Interest on Long-Term Debt	124,724				(124,724)		(124,724)
Total Governmental Activities	41,292,547	528,379	11,584,083		(29,180,085)		(29,180,085)
Business-Type Activities:							
Food Service	387,669	396,109				$ 8,440	8,440
After School and Summer Programs	299,673	313,247				13,574	13,574
Total Business-Type Activities	687,342	709,356				22,014	22,014
Total Primary Government	$ 41,979,889	$ 1,237,735	$ 11,584,083	$ -0-	$ (29,180,085)	$ 22,014	$ (29,158,071)

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Net (Expenses)/Revenues and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenues:			
Taxes:			
Property Taxes, Levied for General Purposes, Net	$ 28,371,002		$ 28,371,002
Taxes Levied for Debt Service	671,087		671,087
Federal and State Aid Not Restricted	88,121		88,121
Investment Earnings	831		831
Disposal of Capital Assets, Net of Depreciation		$ (1,932)	(1,932)
Miscellaneous Income	214,069		214,069
Total General Revenues	29,345,110	(1,932)	29,343,178
Change in Net Position	165,025	20,082	185,107
Net Position - Beginning	5,795,306	195,158	5,990,464
Net Position - Ending	$ 5,960,331	$ 215,240	$ 6,175,571

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	$ 3,772,699			$ 1	$ 3,772,700
Interfund Receivable	617,638				617,638
Receivable from State Government	116,185				116,185
Receivable from Federal Government		$ 68,379			68,379
Other Receivables	62,580				62,580
Prepaid Expenses	18,488				18,488
Restricted Cash and Cash Equivalents	736,655				736,655
Total Assets	$ 5,324,245	$ 68,379	$ -0-	$ 1	$ 5,392,625
LIABILITIES AND FUND BALANCES					
Liabilities:					
Interfund Payable		$ 18,496	$ 237,579		$ 256,075
Accounts Payable	$ 464,499	14,046			478,545
Unearned Revenue	17,000	35,837			52,837
Total Liabilities	481,499	68,379	237,579		787,457
Fund Balances:					
Restricted:					
Excess Surplus - 2018-2019	1,831,522				1,831,522
Excess Surplus - 2017-2018	1,323,505				1,323,505
Capital Reserve Account	736,655				736,655
Debt Service				$ 1	1
Assigned:					
Year-End Encumbrances	227,954				227,954
Designated for Subsequent Year's Expenditures	139,761				139,761
Unassigned / (Deficit)	583,349		(237,579)		345,770
Total Fund Balances/ (Deficit)	4,842,746		(237,579)	1	4,605,168
Total Liabilities and Fund Balances	$ 5,324,245	$ 68,379	$ -0-	$ 1	

Amounts Reported for *Governmental Activities* in the Statement of Net Position (A-1) are Different Because:

Capital Assets Used in Governmental Activities are not Financial Resources and Therefore are not Reported in the Funds. The cost of the assets is $22,180,424 and the accumulated depreciation is $9,503,451.	12,676,973
Long-Term Liabilities, Including Bonds Payable, are not due and Payable in the Current Period and Therefore are not Reported as Liabilities in the Funds (see Note 7).	(3,702,195)
Accrued Interest on Long-Term Liabilities, Including Bonds Payable, is not due and Payable in the Current Period and Therefore is not Reported as a Liability in the Funds.	(44,495)
Deferred Amount on Refunding is not Reported as Expenditure in the Governmental Funds in the Year of the Expenditure	97,531
Bond Issuance Premiums are Reported as Revenue in the Governmental Funds in the Year the Bonds are Sold. The Amount is $204,654 and the Accumulated Amortization is $125,944.	(78,710)
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(10,110,528)
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds:	
Deferred Outflows of Resources:	
Changes in Assumptions - Pensions	2,074,582
Changes in Proportions - Pensions	50,466
Difference Between Expected and Actual Experience - Pensions	186,249
Difference Between Projected and Actual Investment Easrnings - Pensions	398,871
Deferred Inflows of Resources:	
Changes in Proportions - Pensions	(193,581)
Net Position of Governmental Activities	$ 5,960,331

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources:					
Local Tax Levy	$ 28,371,002			$ 671,087	$ 29,042,089
Tuition from Individuals	521,811				521,811
Tuition from Other LEAs	6,568				6,568
Miscellaneous	214,900	$ 15,376			230,276
Total - Local Sources	29,114,281	15,376		671,087	29,800,744
State Sources	4,628,708				4,628,708
Federal Sources		457,162			457,162
Total Revenues	33,742,989	472,538		671,087	34,886,614
EXPENDITURES					
Current:					
Regular Instruction	10,598,693	76,644			10,675,337
Special Education Instruction	2,496,079	12,085			2,508,164
Other Special Instruction	297,392				297,392
School-Sponsored/Other Instruction	815,605				815,605
Support Services and Undistributed Costs:					
Tuition	1,179,907	341,254			1,521,161
Student & Instruction Related Services	2,877,615	42,555			2,920,170
General Administrative Services	1,008,324				1,008,324
School Administrative Services	1,583,245				1,583,245
Central Services	527,194				527,194
Administration Information Technology	318,258				318,258
Plant Operations and Maintenance	2,388,180				2,388,180
Pupil Transportation	575,194				575,194
Unallocated Benefits	8,050,391				8,050,391

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
EXPENDITURES					
Debt Service:					
Principal				$ 540,000	$ 540,000
Interest and Other Charges				131,087	131,087
Capital Outlay	$ 889,117		$ 90,241		979,358
Total Expenditures	33,605,194	$ 472,538	90,241	671,087	34,839,060
Excess of Revenues Over Expenditures	137,795	-0-	(90,241)		47,554
OTHER FINANCING SOURCES/(USES)					
Capital Leases (non-budgeted)	450,310				450,310
Total Other Financing Sources/(Uses)	450,310	-0-			450,310
Net Change in Fund Balances	588,105		(90,241)		497,864
Fund Balance/(Deficit)—July 1	4,254,641		(147,338)	1	4,107,304
Fund Balance/(Deficit)—June 30	$ 4,842,746	$ -0-	$ (237,579)	$ 1	$ 4,605,168

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Total Net Change in Fund Balances - Governmental Funds (from B-2)			$ 497,864
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:			
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation and deletion of capital assets differs from capital outlays in the period.			
Depreciation expense	$	(681,250)	
Deletion of Capital Assets, net of Accumulated Depreciation		(12,104)	
Capital outlays		722,263	28,909
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation (+).			53,097
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. When the accrued interest exceeds the interest paid, the difference is a reduction in the reconciliation (-); when the interest paid exceeds the accrued interest, the difference is an addition to the reconciliation (+).			10,125
Also, the governmental funds report the effect of the deferred amount on refunding when debt is first issued, whereas this amount is deferred and amortized in the statement of activities.			(19,505)
The governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.			15,743
Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. (+)			107,023
Capital leases entered into by the District are an other financing source in the Governmental Funds, but the acquisition increases Long-Term Liabilities in the Statement of Net Assets and is not reported in the Statement of Activities.			(450,310)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. (+)			540,000
The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:			
Change in Net Pension Liability			(2,162,877)
Change in Deferred Outflows:			
Changes in Assumptions - Pensions			1,230,755
Changes in Proportion - Pensions			(13,943)
Difference Between Expected and Actual Experience - Pensions			(1,202)
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments			522,927
Change in Deferred Inflows:			
Changes in Proportion			(193,581)
Change in Net Position of Governmental Activities (Exhibit A-2)			$ 165,025

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2017

	Business-Type Acticitues - Enterprise Funds		
	Major Fund		
	Food Service	Non-Major Funds	Total
ASSETS:			
Current Assets:			
Cash and Cash Equivalents		$ 214,728	$ 214,728
Other Accounts Receivable	$ 21,055	29,402	50,457
Inventory	2,236		2,236
Total Current Assets	23,291	244,130	267,421
Non-Current Assets:			
Capital Assets	107,345		107,345
Less: Accumulated Depreciation	(84,018)		(84,018)
Total Non-Current Assets	23,327		23,327
Total Assets	46,618	244,130	290,748
LIABILITIES:			
Current Liabilities:			
Interfund Payable - General Fund	39,729		39,729
Accounts Payable	25,753		25,753
Unearned Revenue	9,676	350	10,026
Total Current Liabilities	75,158	350	75,508
Total Liabilities	75,158	350	75,508
NET POSITION:			
Investment in Capital Assets	23,327		23,327
Unrestricted/(Deficit)	(51,867)	243,780	191,913
Total Net Position	$ (28,540)	$ 243,780	$ 215,240

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Business-Type Activities - Enterprise Funds		
	Major Funds		
	Food Service	Non-Major Funds	Totals
Operating Revenue:			
Charges for Services:			
Daily Sales - Non-Reimbursable Programs	$ 386,392		$ 386,392
Special Events	9,717		9,717
Program Fees		$ 313,247	313,247
Total Operating Revenue	396,109	313,247	709,356
Operating Expenses:			
Cost of Sales - Non-Reimbursable Programs	142,123		142,123
Salaries	158,145	239,901	398,046
Payroll Taxes		18,352	18,352
Employee Benefits		25,064	25,064
Purchased Professional Services	47,057		47,057
Supplies and Materials	38,519	16,356	54,875
Depreciation Expense	1,825		1,825
Total Operating Expenses	387,669	299,673	687,342
Operating Income	8,440	13,574	22,014
Disposal of Captial Assets, Net of Depreciation	(1,932)		(1,932)
Change in Net Position	6,508	13,574	20,082
Net Position/(Deficit) - Beginning of Year	(35,048)	230,206	195,158
Net Position/(Deficit) - End of Year	$ (28,540)	$ 243,780	$ 215,240

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Business-Type Activities - Enterprise Funds		
	Major Funds		
	Food Service	Non-Major Fund	Totals
Cash Flows from Operating Activities:			
Receipts from Customers	$ 375,054	$ 269,405	$ 644,459
Payments to Employees		(239,901)	(239,901)
Payments to Food Service Vendor	(353,596)		(353,596)
Payments to Suppliers		(17,152)	(17,152)
Payments to Other Vendors		(43,416)	(43,416)
Net Cash Provided by/(Used) for Operating Activities	21,458	(31,064)	(9,606)
Cash Flows from Noncapital Financing Activities:			
Interfund Advanced - General Fund	39,729		39,729
Interfund Returned - General Fund	(52,902)		(52,902)
Net Cash Used by Noncapital Financing Activities	(13,173)		(13,173)
Cash Flows from Capital and Related Financing Activities:			
Purchases of Capital Assets	(8,285)		(8,285)
Net Cash Used by Capital and Related Financing Activities	(8,285)		(8,285)
Net Decrease in Cash and Cash Equivalents		(31,064)	(31,064)
Cash and Cash Equivalents, July 1		245,792	245,792
Cash and Cash Equivalents, June 30	$ -0-	$ 214,728	$ 214,728
Adjustment to Reconcile Operating Income			
Net Cash Provided by/(Used) for Operating Activities:			
Operating Income	$ 8,440	$ 13,574	$ 22,014
Depreciation	1,825		1,825
Changes in Assets and Liabilities:			
(Increase) in Other Accounts Receivable	(21,055)	(18,305)	(39,360)
Increase/(Decrease) in Accounts Payable	25,753	(796)	24,957
Decrease in Inventory	2,355		2,355
Increase/(Decrease) in Unearned Revenue	4,140	(25,537)	(21,397)
Net Cash Provided by/(Used) for Operating Activities	$ 21,458	$ (31,064)	$ (9,606)

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2017

	Agency	Unemployment Compensation Trust
ASSETS:		
Cash and Cash Equivalents	$ 847,132	$ 150,500
Interfund Receivable - Agency		9,067
Total Assets	847,132	159,567
LIABILITIES:		
Payroll Deductions and Withholdings	338,952	
Due to Student Groups	177,279	
Interfund Payable:		
General Fund	321,834	
Unemployment Compensation Trust	9,067	
Total Liabilities	847,132	
NET POSITION:		
Held in Trust for Unemployment Claims		159,567
Total Net Position	$ -0-	$ 159,567

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Unemployment Compensation Trust
ADDITIONS:	
Contributions:	
Employee Contributions	$ 28,796
Total Contributions	28,796
Total Additions	28,796
DEDUCTIONS:	
Quarterly Contribution Reports and Claims	26,994
Total Deductions	26,994
Change in Net Position	1,802
Net Position - Beginning of the Year	157,765
Net Position - End of the Year	$ 159,567

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

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

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

B. Basis of Presentation:

District-Wide Financial Statements:

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

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

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

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

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

Fund Financial Statements:

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

The District reports the following governmental funds:

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

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

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

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

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

B. Basis of Presentation: (Cont'd)

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

The District reports the following proprietary fund:

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

Additionally, the District reports the following fund type:

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue and Debt Service Funds. The budget for the fiscal year ended June 30, 2017 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be made by School Board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

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

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

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

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

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	$ 33,741,190	$ 472,538
Difference - Budget to GAAP:		
Current Year State Aid Payments Recognized for GAAP Statements, Not Recognized for Budgetary Purposes	(69,361)	
Prior Year State Aid Payments Recognized for Budgetary Purposes, Not Recognized for GAAP Statements	71,160	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	$ 33,742,989	$ 472,538
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	$ 33,605,194	$ 472,538
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	$ 33,605,194	$ 472,538

	Capital Projects Fund Fund Balance
Amount per Summary Schedule of Revenue, Expenditures, and Charges in Fund Balance (Budgetary Basis) (per Exhibit F-1)	$ (15,401)
Reconciliation to Governmental Funds Statements (GAAP):	
SDA Grant Revenue/Receivable not Recognized on GAAP Basis	(222,178)
Deficit Fund Balance per Summary Schedule of Revenue, Expenditures, and Charges in Fund Balance - Governmental Funds (GAAP Basis) (per Exhibit B-2)	$ (237,579)

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

E. Cash and Cash Equivalents and Investments:

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

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

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

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

F. Interfund Transactions:

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

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

G. Allowance for Uncollectible Accounts:

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

H. Encumbrances:

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

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

H. Encumbrances: (Cont'd)

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

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

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2017.

K. Capital Assets:

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

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

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

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

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

L. Long Term Liabilities:

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

M. Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year; therefore, there are no accrued salaries and wages as of June 30, 2017.

N. 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 not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

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

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

O. Unearned Revenue:

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

P. Fund Balance Appropriated:

General Fund: Of the $4,842,746 General Fund fund balance at June 30, 2017, $227,954 is assigned for encumbrances; $736,655 is restricted in the capital reserve account; $1,831,522 is restricted as current year excess surplus and will be appropriated and included as anticipated revenue for the fiscal year ended June 30, 2019; $1,323,505 is restricted as prior year excess surplus and has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2018; $139,761 is assigned fund balance and has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2018 and unassigned fund balance is $583,349, which is $69,361 less than the calculated maximum unassigned fund balance due to the final two State Aid payments that are not recognized on GAAP basis until the fiscal year ending June 30, 2018.

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

P. Fund Balance Appropriated: (Cont'd)

Capital Projects Fund: The deficit fund balance of $237,579 in the Capital Projects Fund at June 30, 2017 is unassigned. This deficit is primarily due to the difference in the recognition of the SDA grant receivable of $222,178. The budgetary basis of accounting recognizes the grant revenue when the grant is awarded whereas the GAAP basis recognizes the SDA grant revenue when grant expenditures are submitted for reimbursement.

Debt Service Fund: The Debt Service Fund has a $1 fund balance at June 30, 2017 that is restricted.

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

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by $69,361 as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, Districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school Districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the school District cannot recognize the June state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the June state aid payments and not the fund balance reported on the fund statement which excludes the June state aid payments.

Q. Deficit Fund Balance/Net Position:

The District has a deficit in unrestricted net position of $7,366,537 in governmental activities, which is primarily due to $362,876 of compensated absences payable and the deferred inflows, deferred outflows and liabilities related to pensions. There is a deficit fund balance of $237,579 in the Capital Projects Fund as of June 30, 2017 as reported in the fund statements (modified accrual basis) primarily due to the School Development Authority grant receivable in the amount of $222,178 which is not recognized on a GAAP basis until these grant funds are expended and reported for reimbursement. The Food Service Enterprise Fund has a deficit in unrestricted net position of $51,867 primarily due to operating deficits in the last four years.

The deficits in Governmental Activities net position and the Capital Projects Fund fund balance do not indicate that the District is facing financial difficulties and is a permitted practice by generally accepted accounting principles.

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

R. Net Position:

Net Position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows of resources at June 30, 2017 for the deferred amount on refunding of debt related to the District's 2010 refunding bonds and deferred outflows and inflows of resources related to pensions at June 30, 2017.

The District had a deferred inflow of resources at June 30, 2017 for change in proportions in pensions.

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

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

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

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

S. Fund Balance Restrictions, Commitments and Assignments:

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

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

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District did not have committed resources on the GAAP basis at June 30, 2017.

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

S. Fund Balance Restrictions, Commitments and Assignments: (Cont'd)

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances and for amounts designated for subsequent year's expenditures in the General Fund at June 30, 2017.

T. Revenue - Exchange and Nonexchange Transactions:

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

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

U. Operating Revenue and Expenses:

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

V. Management Estimates:

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

W. Pensions

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

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

Deposits:

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

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

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

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

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

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

Investments:

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

(1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;

(2) Government money market mutual funds;

(3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;

(4) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units;

(5) Local government investment pools;

(6) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or

(7) Agreements for the repurchase of fully collateralized securities if:

   (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;

   (b) the custody of collateral is transferred to a third party;

   (c) the maturity of the agreement is not more than 30 days;

   (d) the underlying securities are purchased through a public depository as defined in statute section 1 of P.L. 1970, c.236 (C.17:9-41); and

   (e) a master repurchase agreement providing for the custody and security of collateral is executed.

As of June 30, 2017, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents	Restricted Cash and Cash Equivalents Capital Reserve Account	Total
Checking and Savings Accounts	$ 4,881,262	$ 736,655	$ 5,617,917
New Jersey Cash Management Fund	103,798		103,798
	$ 4,985,060	$ 736,655	$ 5,721,715

During the period ended June 30, 2017, the District did not hold any investments.

The carrying amount of the Board's cash and cash equivalents at June 30, 2017, was $5,721,715 and the bank balance was $6,344,162. The $103,798 in the New Jersey Cash Management Fund is uninsured and unregistered.

NOTE 4. CAPITAL RESERVE ACCOUNT

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

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

The activity of the capital reserve for the July 1, 2016 to June 30, 2017 fiscal year is as follows:

Beginning Balance, July 1, 2016	$ 931,745
Less:	
Budgeted Withdrawal	(195,090)
Ending Balance, June 30, 2017	$ 736,655

The balance in the capital reserve account at June 30, 2017 does not exceed the LRFP balance of local support costs of uncompleted capital projects.

NOTE 5: TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2017, the District transferred a total of $244,275 to the capital outlay accounts, of which $221,000 was transfered for an emergency contract under 18A:18A-7 for the replacement of the main switchboard and electrical repairs at the Glen Ridge High School. The District obtained the required approval from the County Superintendent. The District also transferred $23,275 for equipment which did not require approval from the County Superintendent.

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 6. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2017 were as follows:

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	$ 736,853			$ 736,853
Construction in Progress	555,446	$ 90,241		645,687
Total Capital Assets Not Being Depreciated	1,292,299	90,241		1,382,540
Capital Assets Being Depreciated:				
Site Improvements	423,903			423,903
Buildings and Building Improvements	17,673,043	385,850		18,058,893
Machinery and Equipment	2,142,970	246,172	$ (74,054)	2,315,088
Total Capital Assets Being Depreciated	20,239,916	632,022	(74,054)	20,797,884
Governmental Activities Capital Assets	21,532,215	722,263	(74,054)	22,180,424
Less Accumulated Depreciation for:				
Site Improvements	(284,706)	(18,930)		(303,636)
Buildings and Building Improvements	(7,323,971)	(474,669)		(7,798,640)
Machinery and Equipment	(1,275,474)	(187,651)	61,950	(1,401,175)
	(8,884,151)	(681,250)	61,950	(9,503,451)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	$ 12,648,064	$ 41,013	$ (12,104)	$ 12,676,973
Business-Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	$ 102,573	$ 8,285	$ (3,513)	$ 107,345
Less Accumulated Depreciation	(83,774)	(1,825)	1,581	(84,018)
Business-Type Activities Capital Assets, Net of Accumulated Depreciation	$ 18,799	$ 6,460	$ (1,932)	$ 23,327

The District expended $90,241 towards construction projects in progress during the fiscal year. As of June 30, 2017, the District has $645,687 in active construction in progress. Additionally, the District expended $632,022 from its current year capital budget and depreciated $681,250 from its govemmental activities. The District expended $8,285 from its business-type activities and depreciated 1,825 during the fiscal year.

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	$ 90,314
Special Education	41,666
Student and Instruction Related Services	206,443
General Administrative Services	169,366
School Administrative Services	48,764
Plant Operations and Maintenance	90,836
Pupil Transportation	33,861
	$ 681,250

NOTE 7. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2017, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2016	Accrued	Retired	Balance 6/30/2017
Serial Bonds Payable	$ 3,530,000		$ 540,000	$ 2,990,000
Capital Leases Payable	6,032	$ 450,310	107,023	349,319
Net Pension Liability	7,947,651	2,162,877		10,110,528
Compensated Absences Payable	415,973	3,241	56,338	362,876
Unamortized Bond Issuance Premium	94,453		15,743	78,710
	$ 11,994,109	$ 2,616,428	$ 719,104	$ 13,891,433

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds. The current portion of bonds at June 30, 2017 is $565,000 and the long-term portion is $2,425,000. The Debt Service Fund will be used to liquidate bonds payable.

The District had bonds outstanding as of June 30, 2017 as follows:

Purpose	Final Maturity	Interest Rate	Amount
Refunding Bonds	02/01/2022	2.75%-4.00%	$ 2,990,000

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2018	$ 565,000	$ 106,787	$ 671,787
2019	575,000	91,250	666,250
2020	590,000	74,000	664,000
2021	615,000	50,400	665,400
2022	645,000	25,800	670,800
	$ 2,990,000	$ 348,237	$ 3,338,237

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

A. Bonds Payable: (Cont'd)

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

As a result of the advance refunding, the District reduced its total debt service requirements by $367,254, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of $309,054. The deferred amount on the refunding was $253,571 upon issuance and $97,531 is deferred at June 30, 2017.

B. Bonds Authorized But Not Issued:

As of June 30, 2017, the Board had no bonds authorized but not issued.

C. Compensated Absences:

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities. The current portion of the compensated absences balance is $3,759 and the long-term liability balance of compensated absences is $359,117.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2017, no liability existed for compensated absences in the Enterprise Funds.

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

D. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2017 is $-0- and the long-term portion is $10,015,045. See Note 8 for further information on the PERS.

The Board of Education Employee's Pension Fund of Essex County's (the "Plan") net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2017 is $-0- and the long-term portion is $95,483. See Note 8 for further information on the Plan.

E. Unamortized Bond Premium

The unamortized bond issuance premium of the governmental fund types is recorded in the noncurrent liabilities. The current portion of the unamortized bond issuance premium balance of the governmental funds is $15,743 and is separated from the long-term liability balance of $62,967.

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

F. Capital Leases Payable:

The District is leasing photocopiers. The lease term is for four years. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2017.

Year Ending June 30,	Amount
2018	$ 157,478
2019	157,478
2020	47,658
	362,614
Less: Amount Representing Interest	(13,295)
Present Value of Net Minimum Lease Payments	$ 349,319

The current portion of Capital Leases payable at June 30, 2017 is $148,865 and the long-term portion is $200,454. Capital leases will be liquidated by the General Fund.

NOTE 8. PENSION PLANS

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

A. Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

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

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

NOTE 8. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to $306,778 for fiscal year 2017.

The employee contribution rate was 7.20% effective July 1, 2016. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

Pension Liabilities and Pension Expense

At June 30, 2017, the District reported a liability of $10,015,045 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015 which was rolled forward to June 30, 2016. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2016, the District's proportion was 0.034%, which was a decrease of 0.001% from its proportion measured as of June 30, 2015.

For the fiscal year ended June 30, 2017, the District recognized pension expense of $927,742. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

BOROUGH OF GLEN RIDGE SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

	Deferral Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	6.44	$ 125,891	
	2015	5.72	514,419	
	2016	5.57	1,434,272	
			2,074,582	
Difference Between Expected and Actual Experience	2015	5.72	142,723	
	2016	5.57	43,526	
			186,249	
Changes in Proportion	2014	6.44	17,198	
	2015	5.72	33,268	
	2016	5.57		$ 193,581
			50,466	193,581
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2014	5.00	(188,650)	
	2015	5.00	120,697	
	2016	5.57	449,836	
			381,883	
Contribution Made Subsequent to the Measurement Date	2016	1.00	305,993	
			$ 2,999,173	$ 193,581

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

Fiscal Year Ending June 30,	Total
2017	$ 594,983
2018	594,982
2019	689,308
2020	579,120
2021	184,321
	$ 2,642,714

Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015 which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions:

NOTE 8. PENSION PLANS (Cont'd)

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

Actuarial Assumptions (Cont'd)

Inflation Rate	3.08%
Salary Increases:	
Through 2026	1.65 – 4.15% based on age
Thereafter	2.65 – 5.15% based on age
Investment Rate of Return	7.65%

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

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected_returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%

NOTE 8. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex. U.S.	5.00%	-0.25%
REIT	5.25%	5.63%

Discount Rate

The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made the contribution rate in the most recent fiscal year. The local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2016 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2016		
	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
District's proportionate share of the Net Pension Liability	$ 12,272,269	$ 10,015,045	$ 8,151,512

NOTE 8. PENSION PLANS (Cont'd)

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

Pension Plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

Benefits Provided

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

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

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

NOTE 8. PENSION PLANS (Cont'd)

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2016, the State's pension contribution was less than the actuarially determined amount.

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2017, the State of New Jersey contributed $1,447,577 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of $7,820,820.

The employee contribution rate was 7.20% effective July 1, 2016. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

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

At June 30, 2017, the State's proportionate share of the net pension liability associated with the District was $104,008,738. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015 which was rolled forward to June 30, 2016. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2016, the District's proportion was 0.132%, which was a decrease of 0.00077% from its proportion measured as of June 30, 2015.

District's Proportionate Share of the Net Pension Liability	$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	104,008,738
Total	$ 104,008,738

For the fiscal year ended June 30, 2017, the State recognized pension expense on behalf of the District in the amount of $7,820,820 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2017 financial statements.

NOTE 8. PENSION PLANS (Cont'd)

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

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

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

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	8.5	$ 1,691,524,165	
	2015	8.3	4,488,602,746	
	2016	8.3	9,522,623,964	
			15,702,750,875	
Difference Between Expected and Actual Experience	2014	8.3		$ 16,110,615
	2015	8.5	277,221,464	
	2016	8.3		118,421,979
			277,221,464	134,532,594
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2014	5.0	(870,618,286)	
	2015	5.0	577,926,182	
	2016	5.0	1,727,420,767	
			1,434,728,663	
			$ 17,414,701,002	$ 134,532,594

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

Fiscal Year Ending June 30,	Total
2017	$ 2,538,535,636
2018	2,538,535,636
2019	2,973,844,781
2020	2,781,202,718
2021	2,349,347,527
Thereafter	4,098,702,110
	$ 17,280,168,408

Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015 which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

NOTE 8. PENSION PLANS (Cont'd)

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

Actuarial Assumptions (Cont'd)

Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.65%

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

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected_returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	0.39%
U.S. Government Bonds	1.50%	1.28%
U.S. Credit Bonds	13.00%	2.76%
U.S. Mortgages	2.00%	2.38%
U.S. Inflation-Indexed Bonds	1.50%	1.41%
U.S. High Yield Bonds	2.00%	4.70%
U.S. Equity Market	26.00%	5.14%
Foreign-Developed Equity	13.25%	5.91%
Emerging Market Equities	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private Equity	9.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds - MultiStrategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%

NOTE 8. PENSION PLANS (Cont'd)

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

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 3.22% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon contribution rate in the most recent fiscal year. The State contributed 30% of the actuarially determined contributions. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2029. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2029, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2016 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2016		
	1% Decrease (2.22%)	Current Discount Rate (3.22%)	1% Increase (4.22%)
Total Net Pension Liability	$ 124,305,215	$ 104,088,738	$ 87,579,376

Pension Plan Fiduciary Net Position

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

C. Defined Contribution Retirement Program (DCRP)

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

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

NOTE 8. PENSION PLANS (Cont'd)

C. Defined Contribution Retirement Program (DCRP) (Cont'd)

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

For DCRP, the District recognized pension expense of $33,491 for the fiscal year ended June 30, 2017. Employee contributions to DCRP amounted to $49,782 for the year ended June 30, 2017.

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

Plan Description

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

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

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

Benefits Provided

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

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

NOTE 8. PENSION PLANS (Cont'd)

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

Contributions

Contributions are made by the members at 3%, the maximum contribution rate required by statute, of their annual compensation. Contributions made by the Boards are determined annually based upon actuarial valuations. The Boards are required to reimburse the Plan for administrative expenses and cost of living increases associated with its retirees. Plan provisions and contribution requirements are established by New Jersey state statute assets. District contributions to the Plan amounted to $12,081 for fiscal year 2017.

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

At June 30, 2017, the District reported a liability of $95,483 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The District rolled forward the net pension liability to June 30, 2017 with no adjustments. At June 30, 2016, the District's proportion was 0.264%, which was an increase of 0.03% from its proportion measured as of June 30, 2015. The District utilized the proportion at June 30, 2016 for June 30, 2017 as there were no known changes to the proportion as of June 30, 2017.

At June 30, 2017, the District reported deferred outflows of resources related to pension from the sources noted in the below table. For the fiscal year ended June 30, 2017 we amortized the deferred outflow of resources at June 30, 2016 by the amount to be amortized for the fiscal year ended June 30, 2017 per the June 30, 2016 actuarial valuation. There were no deferred inflows of resources.

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2015	5	$ 1,923
	2016	5	15,065
			16,988
District Contribution Subsequent to the Measurement Date	2016	1	12,753
			$ 29,741

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

NOTE 8. PENSION PLANS (Cont'd)

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

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

Fiscal Year Ending June 30,	Total
2017	$ 4,407
2018	4,407
2019	4,407
2020	3,767
	$ 16,988

Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of June 30, 2016. The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.30%
Salary Increases	4.50%
Investment Rate of Return, net of Plan investment expense, including inflation	6.50%
Cost of Living Adjustments ("COLA")	2.00%

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

No changes to the actuarial assumptions as of June 30, 2016 are known as of June 30, 2017. Therefore, the actuarial assumptions as of June 30, 2016 were utilized for June 30, 2017.

Long Term Expected Rate of Return

The long-term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class including in the Plan's target asset allocation as of June 30, 2016 are summarized in the following table:

NOTE 8. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return *
U.S. Fixed Income	40.00%	1.75%
U.S. Large CAP Equities	50.00%	6.75%
U.S. Small CAP Equities	10.00%	6.75%

* - Net of 2.0% inflation assumption

No changes to the long term expected rate of return as of June 30, 2016 are known as of June 30, 2017. Therefore, the discount rate as of June 30, 2016 was utilized for June 30, 2017.

Discount Rate

The discount rate used to measure the total pension liability was 6.50% as of June 30, 2016. No changes to the discount rate as of June 30, 2016 are known as of June 30, 2017. Therefore, the discount rate as of June 30, 2016 was utilized for June 30, 2017.

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

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2016 calculated using the discount rate of 6.50%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2016		
	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
District's proportionate share of the Net Pension Liability	$ 127,544	$ 95,483	$ 67,620

NOTE 8. PENSION PLANS (Cont'd)

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

Pension Plan Fiduciary Net Position

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

NOTE 9. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. Chapter 103 of Public Law amended the law to eliminate the funding of post-retirement medical benefits through TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2016, there were 110,512 retirees receiving post-retirement medical benefits, and the State contributed $1.37 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides employer paid benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid $231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

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. The State of New Jersey Division of Pension and Benefits issues a publically available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained from the Treasury website at http:/www.nj.gov/treasury/pensions/pdf/financial 2015combinedpdf.

The State's on-behalf Post-Retirement Medical Contributions to TPAF for the District amounted to $1,249,862, $849,880 and $684,682 for 2017, 2016, and 2015, respectively.

NOTE 10. RISK MANAGEMENT

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

Property and Liability Insurance

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

NOTE 10. RISK MANAGEMENT (Cont'd)

Property and Liability Insurance (Cont'd)

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

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

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

The June 30, 2017 financial information for the Group and the Fund were not available as of the date of this audit report. Selected, and summarized financial information for the Group and the Fund as of June 30, 2016 are as follows:

	Morris-Essex Insurance Group	School Alliance Insurance Fund
Total Assets	$ 9,740,564	$ 38,579,014
Net Position	$ 7,012,792	$ 9,463,015
Total Revenue	$ 3,393,346	$ 29,115,999
Total Expenses	$ 1,680,814	$ 39,153,730
Change in Net Position	$ 1,712,532	$ (10,037,731)
Member Dividends	$ 802,365	$ -0-

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

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

NOTE 10. RISK MANAGEMENT (Cont'd)

New Jersey Unemployment Compensation Insurance

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

Fiscal Year	District Contributions	Interest Earned	Employee Contributions	Amount Reimbursed	Ending Balance
2016-2017	$ -0-	$ -0-	$ 28,796	$ 26,994	$ 159,567
2015-2016	30,000	-0-	31,433	20,609	157,765
2014-2015	-0-	-0-	59,964	27,321	116,941

NOTE 11. ECONOMIC DEPENDENCY

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

NOTE 12. INTERFUND RECEIVABLES AND PAYABLES

As of June 30, 2017 there were interfund receivables and payables as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	$ 617,638	
Special Revenue Fund		$ 18,496
Capital Projects Fund		237,579
Proprietary Fund - Food Service Fund		39,729
Fiduciary Fund - Unemployment Compensation Trust	9,067	
Fiduciary Fund - Agency		330,901
	$ 626,705	$ 626,705

The interfund receivable in the General Fund is comprised of $147,338 due from the Capital Projects Fund awaiting SDA grants reimbursement and $52,902 due from the Food Service Fund for a loan to cover the deficit in the Food Service Fund cash balance due to increased costs. The interfund receivable in the Unemployment Compensation Trust is due from Agency for current year unemployment employee contributions. The interfund in the Special Revenue Fund is due to General Fund for covering the deficit in Special Revenue Fund. The interfund in Agency is due to General Fund for Health Benefit Contributions.

NOTE 13. DEFERRED COMPENSATION

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

The plan administrators are as follows:

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

NOTE 14. TAX CALENDAR

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

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

NOTE 15. COMMITMENTS AND CONTINGENCIES

Litigation

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

Grant Programs

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

NOTE 15. COMMITMENTS AND CONTINGENCIES (Cont'd)

Encumbrances

At June 30, 2017, the District had $227,954 of encumbrances in the General Fund.

NOTE 16. ACCOUNTS PAYABLE

Payables as of June 30, 2017 were:

	Governmental Funds		District Contribution Subsequent to the Measurement Date	Total Governmental Fund Activities	Business-Type Activities
	General Fund	Special Revenue Fund			Food Service Fund
Due to State of New Jersey			$ 305,993	$ 305,993	
Due to Essex County Pension Plan			12,753	12,753	
Vendors	$ 464,499	$ 14,046		478,545	$ 25,753
	$ 464,499	$ 14,046	$ 318,746	$ 797,291	$ 25,753

NISIVOCCIA LLP
Certified Public Accountants & Advisors

Mount Arlington Corporate Center
200 Valley Road, Suite 300
Mt. Arlington, NJ 07856
973-328-1825 | 973-328-0507 Fax

Lawrence Business Park
11 Lawrence Road
Newton, NJ 07860
973-383-6699 | 973-383-6555 Fax

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Borough of Glen Ridge School District (the "District") in the County of Essex, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Borough of Glen Ridge School District, in the County of Essex, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Mount Arlington, New Jersey
October 28, 2016

NISIVOCCIA LLP

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

APPENDIX C

Form of Bond Counsel's Approving Legal Opinion

[THIS PAGE INTENTIONALLY LEFT BLANK]

WILENTZ
Attorneys at Law

90 Woodbridge Center Drive
Suite 900 Box 10
Woodbridge, NJ 07095-0958
732.636.8000

__________, 2018

The Board of Education of the
Borough of Glen Ridge
Glen Ridge, New Jersey

Ladies and Gentlemen:

We have served as bond counsel in connection with the authorization, sale and issuance of $23,758,000 aggregate principal amount of School Bonds, Series 2018 (the "Bonds") of The Board of Education of the Borough of Glen Ridge in the County of Essex, New Jersey (the "Board" when referring to the governing body and the "School District" when referring to the territorial boundaries governed by the Board).

The Bonds are issued pursuant to: (i) Title 18A, Chapter 24 of the New Jersey Statutes, as amended and supplemented (the "Education Law"); (ii) a proposal adopted by the Board on January 27, 2017 (the "Proposal") and approved by the affirmative vote of a majority of the legal voters present and voting at the special School District election held on March 28, 2017 and (iii) a resolution adopted by the Board on January 3, 2018 (the "Resolution").

The Bonds are issued in fully registered book-entry only form, without coupons, initially registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), an automated depository for securities and clearing house for securities transactions. Purchases of the Bonds will be made in book-entry only form in principal amounts of $1,000 each or any integral multiple thereof with a minimum purchase of $5,000 required, through book entries made on the books and records of DTC and its participants. So long as DTC or its nominee is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made by the Board directly to Cede & Co., as nominee for DTC. Disbursement of such payments to DTC participants is the responsibility of DTC and disbursement of such payments to the beneficial owners of the Bonds is the responsibility of DTC participants.

The Bonds are dated their date of delivery and shall bear interest from such date, which interest shall be payable commencing August 15, 2018 and semi-annually thereafter on the fifteenth day of February and August in each year until maturity or prior redemption, and shall mature on August 15 of the years and in the principal amounts as follows:

Year	Principal Amount	Interest Rate	Year	Principal Amount	Interest Rate
2019	$ 680,000	2.500%	2029	$1,360,000	3.000%
2020	680,000	3.000	2030	1,360,000	3.000
2021	680,000	3.000	2031	1,360,000	3.000
2022	1,360,000	3.000	2032	1,360,000	3.000
2023	1,360,000	3.000	2033	1,360,000	3.000
2024	1,360,000	3.000	2034	1,360,000	3.125
2025	1,360,000	3.000	2035	1,360,000	3.125
2026	1,360,000	3.000	2036	1,360,000	3.250
2027	1,360,000	3.000	2037	1,318,000	3.250
2028	1,360,000	3.000			

The Bonds of this issue are subject to optional redemption prior to their stated maturities.

We have examined such matters of law, certified copies of the proceedings, including the bond referendum proceedings, and other documents and proofs relative to the issuance and sale of the Bonds as we have deemed necessary or appropriate for the purposes of the opinion rendered below. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion we have, when relevant facts were not independently established, relied upon the aforesaid instruments, certificates and documents.

We are of the opinion that: (i) such proceedings and proofs show lawful authority for the sale and issuance of the Bonds pursuant to the Education Law, the Proposal and the Resolution; (ii) the Bonds are valid and legally binding obligations of the Board; and (iii) all the taxable real property within the School District is subject to the levy of *ad valorem* taxes, without limitation as to rate or amount, for the payment of principal of and interest on the Bonds.

The Internal Revenue Code of 1986, as amended (the "Code"), sets forth certain requirements which must be met subsequent to the issuance and delivery of the Bonds for the interest thereon to be and remain excludable from gross income for Federal income tax purposes. Noncompliance with such requirements could cause interest on the Bonds to be included in gross income for Federal income tax purposes retroactive to the date of the issuance of the Bonds. The Board has covenanted to maintain the exclusion of the interest on the Bonds from gross income for Federal income tax purposes pursuant to Section 103(a) of the Code.

In our opinion, under existing law, and assuming continuing compliance by the Board with the aforementioned covenant, under existing statutes, regulations, rulings and court decisions, interest on the Bonds is not includable for Federal income tax purposes in the gross income of the owners of the Bonds pursuant to Section 103 of the Code. The Bonds are not “specified private activity bonds” within the meaning of Section 57 of the Code and, therefore, the interest on the Bonds will not be treated as a preference item for purposes of computing the Federal alternative minimum tax imposed on individuals.

We are also of the opinion that, under existing laws of the State of New Jersey, interest on the Bonds and any gain on the sale thereof is not includable in gross income under the New Jersey Gross Income Tax Act, 1976 N.J. Laws c. 47, as amended and supplemented.

The Bonds maturing on August 15 in the years 2019 through 2030, inclusive (the “Premium Bonds”), have been sold to the public at a premium. Section 171 of the Code provides rules under which a bond premium may be amortized and a deduction allowed for the amount of the amortizable bond premium for a taxable year. Under Section 171(a)(2) of the Code, however, no deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excludable from gross income. Under Section 1016(a)(5) of the Code, the purchaser's basis in a Premium Bond will be reduced by the amount of the amortizable bond premium disallowable as a deduction under Section 171(2) of the Code. Proceeds received from the sale, exchange, redemption or payment of a Premium Bond in excess of the owner's adjusted basis (as reduced pursuant to Section 1016(a)(5) of the Code), will be treated as a gain from the sale or exchange of such Premium Bonds and not as interest.

We are also of the opinion that the difference between the stated principal amount of the Bonds maturing on August 15 in the years 2032 through 2035, inclusive and 2037 (the “Discount Bonds”) and their respective initial offering prices to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers), at which price a substantial amount of the Discount Bonds of the same maturity and interest rate were sold, constitutes original issue discount which is excluded from gross income for Federal income tax purposes to the same extent as interest on the Bonds. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each Discount Bond and the basis of each Discount Bond acquired at such initial offering price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount.

Except as stated in the preceding four (4) paragraphs, we express no opinion as to any Federal, state or local tax consequences of the ownership or disposition of the Bonds. Furthermore, we express no opinion as to any Federal, state or local tax law consequences with respect to the Bonds, or the interest thereon, if any action is taken with respect to the Bonds or the proceeds thereof upon the advice or approval of other bond counsel.

This opinion is qualified to the extent that the enforceability of the rights or remedies with respect to the Bonds may be limited by bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights or remedies heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We have examined one of the executed Bonds and, in our opinion, its form and execution are regular and proper.

Very truly yours,

WILENTZ, GOLDMAN & SPITZER, P.A.

APPENDIX D

Form of Continuing Disclosure Certificate

[THIS PAGE INTENTIONALLY LEFT BLANK]

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate dated as of February 14, 2018 (the "Disclosure Certificate") is executed and delivered by The Board of Education of the Borough of Glen Ridge in the County of Essex, New Jersey (the "Board" when referring to the governing body and the "School District" when referring to the territorial boundaries governed by the Board) in connection with the issuance of its $23,758,000 aggregate principal amount of School Bonds, Series 2018 dated their date of delivery (the "Bonds"). The Bonds are being by virtue of a proposal adopted by the Board on January 27, 2017 and approved by the affirmative vote of a majority of the legal voters present and voting at the special School District election held on March 28, 2017 and pursuant to a resolution entitled, "RESOLUTION DETERMINING THE FORM AND OTHER DETAILS OF $23,758,000 AGGREGATE PRINCIPAL AMOUNT OF SCHOOL BONDS, SERIES 2018 OF THE BOARD OF EDUCATION OF THE BOROUGH OF GLEN RIDGE IN THE COUNTY OF ESSEX, NEW JERSEY, PROVIDING FOR THEIR SALE AND DETERMINING OTHER MATTERS IN CONNECTION THEREWITH", duly adopted by the Board on January 3, 2018 (the "Bond Resolution"). The Board covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Board for the benefit of the Bondholders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter(s) in complying with the Rule (as defined below). The Board acknowledges it is an "Obligated Person" under the Rule (as defined below).

SECTION 2. Definitions. In addition to the definitions set forth in the Bond Resolution which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Board pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of any Bonds, as applicable (including persons holding Bonds, as applicable through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds, as applicable, for Federal income tax purposes.

"Continuing Disclosure Information" shall mean, collectively, (i) each Annual Report, (ii) any notice required to be filed by the Board with the EMMA (as defined herein) pursuant to Section 3 of this Disclosure Agreement, and (iii) any notice of a Listed Event required to be filed by the Authority with EMMA pursuant to Section 5 of this Disclosure Agreement.

"Disclosure Representative" shall mean the Business Administrator/Board Secretary of the Board or his/her designee, or such other person as the Board shall designate in writing from time to time for the purposes of this Disclosure Certificate.

"Dissemination Agent" shall mean, initially, the Board or any Dissemination Agent subsequently designated in writing by the Board which has filed with the Board a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access system, a website created by the MSRB (as defined herein) and approved by the SEC (as defined herein) to provide a central location where investors can obtain municipal bond information including disclosure documents. The Board or the Dissemination Agent shall submit disclosure documents to EMMA as a PDF file to www.emma.msrb.org.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission ("SEC") under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"SEC" shall mean the United States Securities and Exchange Commission.

"SEC Release No. 34-59062*"* shall mean Release No. 34-59062 of the SEC dated December 5, 2008.

"State" shall mean the State of New Jersey.

"Underwriters" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the purchase of the Bonds.

SECTION 3. Provision of Annual Reports. (a) The Board shall provide or cause to be provided to the Dissemination Agent not later than December 31 of each year, commencing December 31, 2018 (for the fiscal year ending June 30, 2018), an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Each Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Board may be submitted separately from the balance of the Annual Report; and provided, further, that if the audited financial statements of the Board are not available by December 31, the Board shall include unaudited financial statements with its Annual Report and when such audited financial statements become available to the Board, the same shall be submitted to the Dissemination Agent no later than thirty (30) days after the receipt of the same by the Board.

(b) Not later than January 31 of each year (commencing January 31, 2019) the Dissemination Agent shall provide to EMMA a copy of the Annual Report received by the Dissemination Agent pursuant to subsection (a) hereof.

(c) If the Board does not provide or is unable to provide an Annual Report by the applicable date required in subsection (a) above, such that the Dissemination Agent cannot file the Annual Report with EMMA in accordance with subsection (b) above, the Dissemination Agent shall send a notice of such event to EMMA in substantially the form attached hereto as Exhibit A, with copies to the Board (if the Dissemination Agent is not the Board).

(d) Each year the Dissemination Agent shall file a report with the Board (if the Dissemination Agent is not the Board), certifying that the Annual Report has been provided to EMMA pursuant to this Disclosure Certificate, stating the date it was provided.

(e) If the fiscal year of the Board changes, the Board shall give written notice of such change to the Dissemination Agent and the Dissemination Agent shall, within five (5) business days after the receipt thereof from the Board, forward a notice of such change to EMMA in the manner provided in Section 5(e) hereof.

SECTION 4. Content of Annual Reports. The Board's Annual Report shall contain or incorporate by reference the following:

(1) The audited financial statements of the Board.

The audited financial statements are to be prepared in accordance with generally accepted accounting principles (GAAP).

(2) The general financial information and operating data of the Board consistent with the information set forth in the Official Statement dated January 30, 2018, prepared in connection with the sale of the Bonds (the "Official Statement") in Appendix A.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the Board is an "Obligated Person" (as defined by the Rule), which have been filed with EMMA or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Board shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Significant Events. (a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Bonds:

(1) Principal and interest payment delinquencies;

(2) Nonpayment related defaults, if material;

(3) Unscheduled draws on debt service reserves reflecting financial difficulties;

(4) Unscheduled draws on credit enhancements reflecting financial difficulties;

(5) Substitution of credit or liquidity providers, or their failure to perform;

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(7) Modifications to rights of Bondholders, if material;

(8) Bond calls, if material, and tender offers;

(9) Defeasances of the Bonds;

(10) Release, substitution or sale of property securing repayment of the Bonds, if material;

(11) Ratings changes rating to the Bonds;

(12) Bankruptcy, insolvency, receivership or similar event of the Board;

(13) The consummation of a merger, consolidation, or acquisition involving the Board or the sale of all or substantially all of the assets of the Board, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(14) Appointment of a successor or additional trustee for the Bonds or the change of name of a trustee for the Bonds, if material.

The Board shall, in a timely manner not in excess of ten (10) business days after the occurrence of any Listed Event, file a notice of the occurrence of such Listed Event with the MSRB in accordance with the provisions of Section 5 of this Disclosure Certificate. In determining the materiality of any of the Listed Events specified in this subsection (a) of this section 5, the Board may, but shall not be required to, rely conclusively on an opinion of counsel.

(b) Whenever the Board has or obtains knowledge of the occurrence of any of the Listed Events, the Board shall, as soon as possible, determine if such event would constitute information material to the Beneficial Owners of the Bonds.

(c) If the Board determines that the occurrence of a Listed Event would be material to the Beneficial Owners of the Bonds, the Board shall promptly notify the Dissemination Agent in writing (if the Board is not the Dissemination Agent) and the Board shall instruct the Dissemination Agent to report such Listed Event and the Dissemination Agent shall report the occurrence of such Listed Event pursuant to subsection (e) hereof.

(d) If the Board determines that the occurrence of a Listed Event would not be material to the Beneficial Owners of the Bonds, the Board shall promptly notify the Dissemination Agent in writing (if the Dissemination Agent is not the Board) and the Dissemination Agent (if the Dissemination Agent is not the Board) shall be instructed by the Board not to report the occurrence.

(e) If the Dissemination Agent has been instructed in writing by the Board to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with EMMA, with a copy to the Board (if the Dissemination Agent is not the Board). Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(4) and (5) hereof need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the Beneficial Owner of the affected Bonds pursuant to the Bond Resolution.

SECTION 6. Termination of Reporting Obligation. The Board's obligations under this Disclosure Certificate shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds or when the Board is no longer an "Obligated Person" (as defined in the Rule). The Board shall file a notice of the termination of its reporting obligations pursuant to the provisions hereof with the Dissemination Agent, which notice shall be filed with EMMA in accordance with the provisions of Section 5(e) hereof.

SECTION 7. Compliance with the Rule. The Board had previously failed to comply with its previous undertakings, to provide secondary market disclosure pursuant to the Rule. As of the date hereof, however, the Board is in compliance.

SECTION 8. Dissemination Agent; Compensation. The Board may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be the Board. The Board shall compensate the Dissemination Agent (which shall be appointed) for the performance of its obligations hereunder in accordance with an agreed upon fee structure.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Board may amend this Disclosure Certificate and any provision of this Disclosure Certificate may be waived, if such amendment or waiver (supported by an opinion of counsel expert in Federal securities laws acceptable to the Board to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof) is (a) made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligated person, or type of business conducted; (b) the undertaking, as amended or waived, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (c) the amendment or waiver does not materially impair the interests of holders, as determined either by parties unaffiliated with the Board or "Obligated Person," or by approving vote of the Beneficial Owners of the Bonds, as applicable pursuant to the terms of the Bond Resolution at the time of the amendment. The Board shall give notice of such amendment or waiver to this Disclosure Certificate to the Dissemination Agent, which notice shall be filed in accordance with the provisions of Section 5 hereof. Notwithstanding the above, the addition of or change in the Dissemination Agent shall not be construed to be an amendment under the provisions hereof.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Board shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Board. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements (i) notice of such change shall be given in the same manner as a Listed Event under Section 5 hereof, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Board from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Board chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Certificate, the Board shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 11. Default. In the event of a failure of the Board to comply with any provision of this Disclosure Certificate, the Holders of at least 25% aggregate principal amount of Outstanding Bonds or any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Board to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default on the Bonds and the sole remedy under this Disclosure Certificate in the event of any failure of the Board to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 12. Duties, Immunities and Liabilities of the Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and, to the extent permitted by law, the Board agrees to indemnify and hold the Dissemination Agent (if the Dissemination Agent is not the Board) and its respective officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. To the extent permitted by law, the Board further releases the Dissemination Agent from any liability for the disclosure of any information required by the Rule and this Disclosure Certificate. The obligations of the Board under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Board, the Dissemination Agent, the Underwriters, and the Beneficial Owners of the Bonds, including Bondholders, and shall create no rights in any other person or entity.

SECTION 14. Notices. All notices and submissions required hereunder shall be given to the following, or their successors, by facsimile transmission (with written confirmation of receipt), followed by hard copy sent by certified or registered mail, personal delivery or recognized overnight delivery:

(a) If to the Board of Education:

The Board of Education of the
Borough of Glen Ridge
12 High Street
Glen Ridge, New Jersey 07028
Attention: Business Administrator/Board Secretary

(b) Copies of all notices to the Dissemination Agent from time to time with respect to the Bonds, initially:

The Board of Education of the
Borough of Glen Ridge
12 High Street
Glen Ridge, New Jersey 07028
Attention: Business Administrator/Board Secretary

Each party shall give notice from time to time to the other parties, in the manner specified herein, of any change of the identity or address of anyone listed herein.

SECTION 15. Counterparts. This Disclosure Certificate may be executed in any number of counterparts which shall be executed by authorized signatories of the Board and the Dissemination Agent, as applicable, and all of which together shall be regarded for all purposes as one original and shall constitute and be but one and the same.

SECTION 16. Severability. If any one or more of the covenants or agreements in this Disclosure Certificate to be performed on the part of the Board and the Dissemination Agent should be contrary to law, then such covenant or covenants, agreement or agreements, shall be deemed severable from the remaining covenants and agreements and shall in no way affect the validity of the other provisions of this Disclosure Certificate.

SECTION 17. Governing Law. This Disclosure Certificate shall be construed in accordance with and governed by the Laws of the United States of America and the State of New Jersey as applicable.

THE BOARD OF EDUCATION OF THE BOROUGH OF GLEN RIDGE

By:____________________________________

PETER R. CAPRIO,
Business Administrator/
Board Secretary

EXHIBIT A

NOTICE TO EMMA OF FAILURE
TO FILE ANNUAL REPORT

Name of Issuer:	The Board of Education of the Borough of Glen Ridge in the County of Essex, New Jersey
Name of Issue:	$23,758,000 School Bonds, Series 2018 Dated: February 14, 2018 (CUSIP Number: 377748EH7)
Date of Issuance:	February 14, 2018

NOTICE IS HEREBY GIVEN that the above designated Board has not provided an Annual Report with respect to the above-named Bonds as required by the Bond Resolution and a Continuing Disclosure Certificate for the Bonds dated as of February 14, 2018 executed by the Board.

DATED: ___________________________

____
DISSEMINATION AGENT
(on behalf of the Board)

cc: The Board

[THIS PAGE INTENTIONALLY LEFT BLANK]