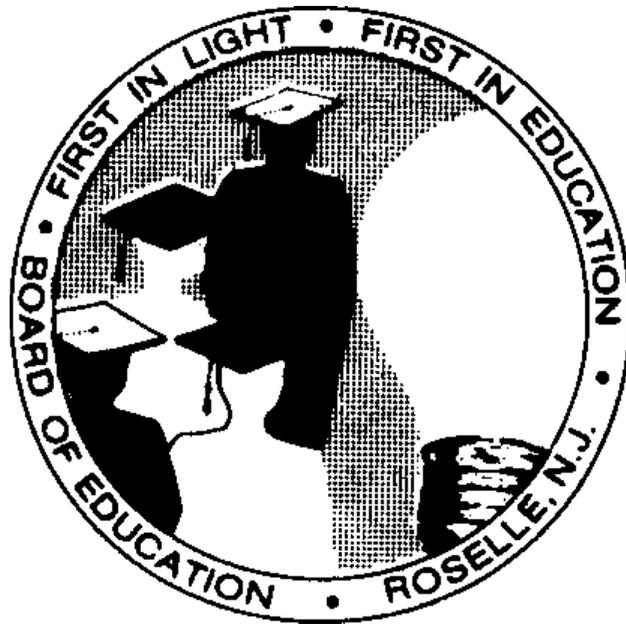


**BOROUGH OF  
ROSELLE SCHOOL DISTRICT  
ROSELLE, NEW JERSEY  
(COUNTY OF UNION)**



**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2009**

**BOROUGH OF ROSELLE SCHOOL DISTRICT  
ROSELLE, NEW JERSEY  
(COUNTY OF UNION)**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

**Prepared by:  
Borough of Roselle, Board of Education  
Luigi Campana  
Board Secretary / Business Administrator**

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
Comprehensive Annual Financial Report  
For the fiscal year ended June 30, 2009

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## **INTRODUCTORY SECTION**

# Roselle Public Schools

710 Locust Street  
Roselle, New Jersey 07203

**Dr. Elnardo J. Webster**  
*Superintendent of Schools*  
(908) 298-2040 x2041  
Superintendent Office Fax (908) 298-3353  
Personnel Office Fax (908) 620-1189

**Luigi Campana**  
*Business Administrator/Board Secretary*  
(908) 298-2040 x2036  
Fax (908) 298-8794

**Dr. Dorothy Dallah**  
*Administrative Assistant to the Superintendent*  
(908) 298-2040 x1502  
Fax (908) 298-1852

**Tamika Bauknight**  
*Director of Curriculum and Instruction K-12*  
(908) 298-2040 x2045  
Fax (908) 298-6928

October 27, 2009

Honorable President and  
Members of the Board of Education  
Roselle Borough  
Union County  
Roselle, New Jersey 07203

Dear Board Members:

The comprehensive annual financial report of the Roselle Borough School District (District) for the fiscal year ended June 30, 2009 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Roselle Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: Introductory, Financial, Statistical, and Single Audit. The Introductory Section includes this transmittal letter, the District's organizational chart and a list of principal officials. The Financial Section includes the general purpose financial statement and schedules, as well as the auditor's report thereon. The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments and Non-Profit Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendation, are included in the Single Audit Section of this report.



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

The District provides a full range of educational services appropriate to grade level K through 12. These include regular as well as special education for handicapped youngsters beginning with Pre-K. The District completed the 2008-2009 year with an enrollment of 2,894 students, which is 45 students above the previous year's enrollment.

The following details the changes in the student enrollment of the District over the last ten years:

<b><u>Fiscal Year</u></b>	<b><u>Actual Student Enrollment</u></b>	<b><u>Percent Change</u></b>
2008/2009	2,894	1.60
2007/2008	2,849	.01
2006/2007	2,847	.01
2005/2006	2,843	-1.30
2004/2005	2,879	-1.20
2003/2004	2,913	5.00
2002/2003	2,783	0.01
2001/2002	2,752	0.01
2000/2001	2,725	0.01
1999/2000	2,734	2.59

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

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

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

**BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The object of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2009.

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

**CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which 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. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

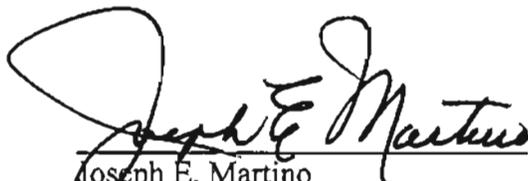
**RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability, and comprehensive/collision, hazard and theft insurance on property and contents and fidelity bonds.

**OTHER INFORMATION:**

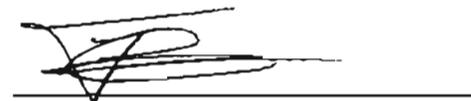
- A) **Independent Audit** – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Mitchell & Titus, LLP was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related OMB Circular A-133 and State Treasury Circular Letter 04-04 OMB. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit are included in the Single Audit Section of this report.

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

**Respectfully submitted,**



Joseph E. Martino  
Acting Superintendent of Schools



Luigi Campana  
Business Administrator/Board Secretary

**BOROUGH OF ROSELLE BOARD OF EDUCATION  
ROSELLE, NEW JERSEY**

**ROSTER OF OFFICIALS  
JUNE 30, 2009**

<b><u>Member of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Kerry Pogue-Napoleon, President	2011
Denise Edwards, Vice President	2010
Harry Wyatt, Jr.	2010
Michael Boyd	2012
Erick Cedano	2011
Shondalyn Gales	2012
Anthony Esposito	2012
Lorraine Brooks-Body	2011
Rev. James E. Moore	2010

**Other Officials**

Dr. Elnardo J. Webster, Superintendent of Schools

Luigi C. Campana, Board Secretary/School Business Administrator

Richard Biddulph, Treasurer

**BOROUGH OF ROSELLE BOARD OF EDUCATION**  
**Roselle, New Jersey**

**CONSULTANTS AND ADVISORS**

**ARCHITECT**

Gibson Tarquini  
764 Cuthbert Boulevard  
Cherry Hill, New Jersey 08002  
(856) 486-9800

**INDEPENDENT AUDITORS**

Mitchell & Titus, LLP  
201 Route 17 North  
Rutherford, New Jersey 07070-2574  
(201) 806-7900

**ATTORNEY**

Roth Horowitz, LLC  
150 Morris Avenue Suite 206  
Springfield, N.J. 07081  
Business (973) 258-1288  
Fax (973) 258-1171

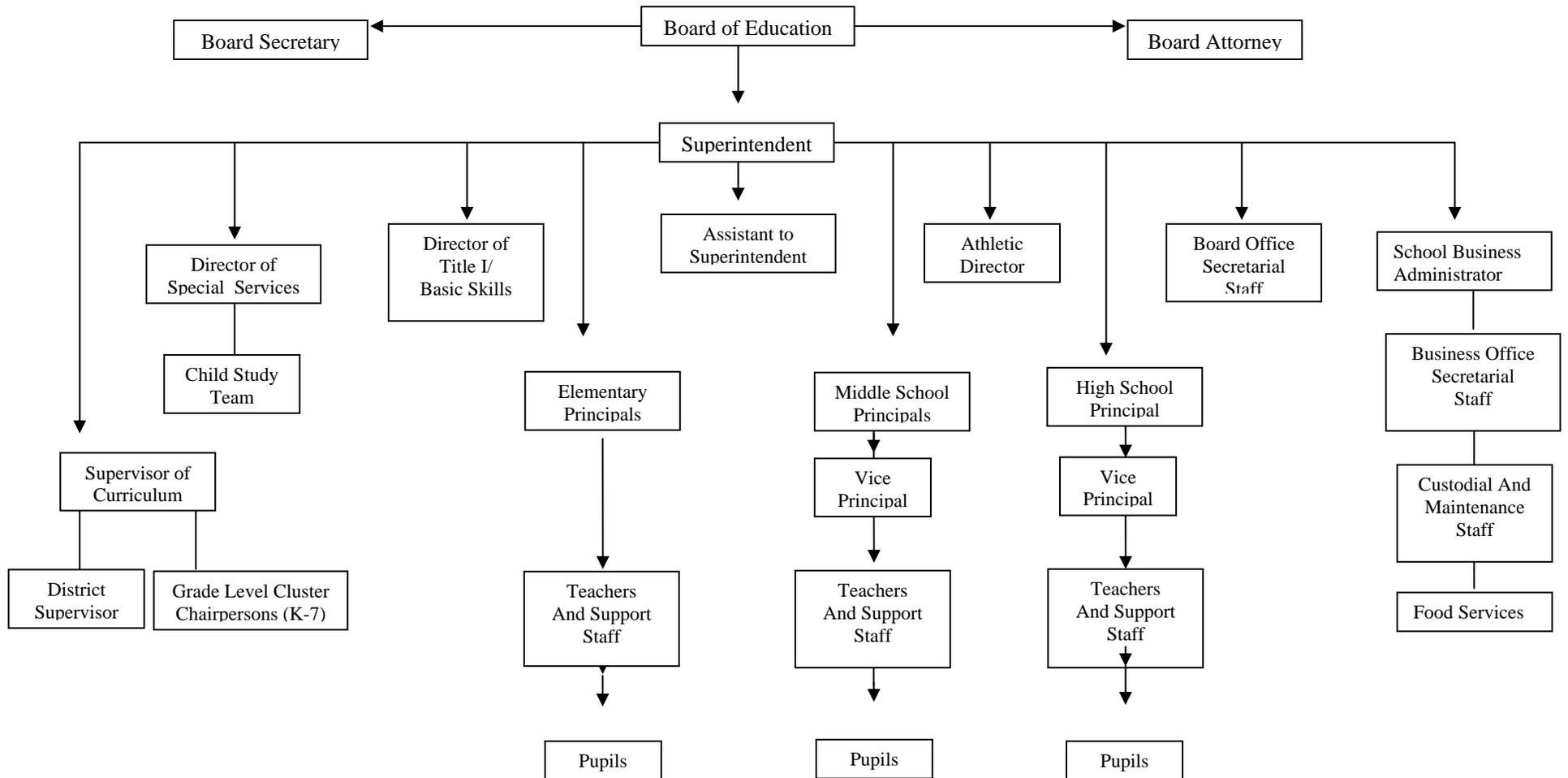
**OFFICIAL DEPOSITORY**

TD BANK

**OFFICIAL NEWSPAPERS**

The Star Ledger  
News Tribune  
Union County Local source

**ORGANIZATIONAL CHART  
BOROUGH OF ROSELLE SCHOOL DISTRICT  
2008-2009**



## **FINANCIAL SECTION**

## REPORT OF INDEPENDENT AUDITORS

Honorable President and Members  
of the Board of Education  
Borough of Roselle School District  
County of Union  
Roselle, New Jersey

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the Borough of Roselle School District (the "District"), in the County of Union, State of New Jersey, as of and for the fiscal year ended June 30, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Borough of Roselle School District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States, 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 Division of 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 of material misstatement. We were not engaged to perform an audit of the District's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Roselle School District, in the County of Union, State of New Jersey, as of June 30, 2009, and the respective changes in net assets and, where applicable, cash flows thereof for the year then ended in conformity with US generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2009, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting or on compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on

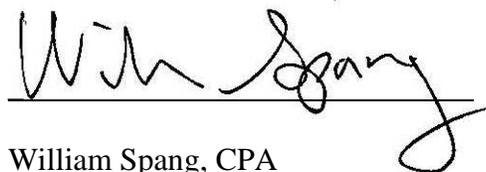
**REPORT OF INDEPENDENT AUDITOR'S** *(continued)*

compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and Budgetary Comparison Information on Pages 10 through 16 and 50 through 57 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Roselle School District's basic financial statements. The accompanying introductory section, and other supplementary information such as the combining and individual fund financial statements, financial schedules and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by US Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations and New Jersey OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants and State Grants and State Aid, respectively, are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



William Spang, CPA  
Licensed Public School Accountant  
No. 20CS00249500  
Mitchell & Titus, LLP  
November 18, 2009

**REQUIRED SUPPLEMENTARY INFORMATION  
PART I**

## **BOROUGH OF ROSELLE SCHOOL DISTRICT**

Management's Discussion & Analysis  
For the fiscal year ended June 30, 2009

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### **Fund Financial Statements**

Fund financial reports provide detailed information about the District's funds. The School District uses many funds, generally the governmental fund and the enterprise, to account for a multitude of financial transaction.

### **Governmental Funds**

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

### **Enterprise Fund**

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

### **FINANCIAL HIGHLIGHTS**

Key financial highlights for 2009 are as follows:

- ◆ In total, net assets increased \$2,855,998 which represents a 33% increase from 2008. (See Table 1, page 11)
- ◆ General revenues accounted for \$48,623,169 in revenue or 92.1% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$4,146,863 or 7.9% of total revenues of \$52,770,032. (See Table 2, page 12)
- ◆ The School District had \$49,914,034 in expenses; \$4,146,863 of these expenses was offset by program specific charges for services, grants or contributions. General revenues and operating grants were adequate to provide for these programs. (Table 2)
- ◆ Among governmental funds, the General Fund had \$50,036,899 in revenues and \$45,421,224 in expenditures, which for budgetary purposes, included state aid of \$2,209,180 received after June 30, 2009. The General Fund's fund balance increased by \$4,615,674. (Exhibit C-1) due mainly to increased state aid.

## BOROUGH OF ROSELLE SCHOOL DISTRICT

Management's Discussion & Analysis

For the fiscal year ended June 30, 2009

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### The School District as a Whole

The Statement of Net Assets provides the perspective of the School District as a whole. Net assets may serve over time as a useful indicator of a government's financial position. The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Table 1 provides a summary of the School District's net assets for 2009 compare to 2008.

**Table 1**  
**Net Assets**

	<u>2009</u>	<u>2008</u>	<u>Net Change</u>
<b>Assets:</b>			
Cash, Receivables and Inventory	\$ 10,537,450	\$ 6,783,841	
Capital Assets	<u>5,910,734</u>	<u>6,280,322</u>	
Total Assets	<u>16,448,184</u>	<u>13,064,163</u>	
<b>Liabilities</b>			
Accounts Payable and Other Current Liabilities	3,448,296	2,931,502	
Long Term Liabilities	<u>1,409,629</u>	<u>1,398,400</u>	
Total Liabilities	<u>4,857,925</u>	<u>4,329,902</u>	
<b>Net Assets:</b>			
Invested in Capital Assets, Net of Debt	5,910,734	6,280,322	
Restricted	4,259,390	2,543,461	
Capital Projects Fund	24,154	33,779	
Unrestricted	<u>1,395,981</u>	<u>(123,301)</u>	
Total Net Assets	<u>\$ 11,590,259</u>	<u>\$ 8,734,261</u>	<u>\$ 2,855,998</u>
Percent increase			<u>33%</u>

## BOROUGH OF ROSELLE SCHOOL DISTRICT

Management's Discussion & Analysis

For the fiscal year ended June 30, 2009

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Table 2 shows changes in net assets for fiscal year 2009 compared to 2008. There was an increase in net assets of \$2,855,998.

**Table 2**  
**Changes in Net Assets**

	<u>2009</u>	<u>2008</u>
<u>Revenues</u>		
Program Revenues:		
Charges for Services	\$ 266,802	\$ 323,365
Operating Grants and Contributions	<u>3,880,061</u>	<u>5,754,856</u>
	<u>4,146,863</u>	<u>6,078,221</u>
General Revenues:		
Property Taxes	23,438,800	22,538,275
Grants and Entitlements	24,902,428	20,428,848
Tuition and miscellaneous income	280,141	422,609
Other adjustments	<u>1,800</u>	<u>(44,031)</u>
	<u>48,623,169</u>	<u>43,345,701</u>
Total Revenues	<u>52,770,032</u>	<u>49,423,922</u>
<u>Expenses:</u>		
Program Expenses:		
Instruction	23,263,411	22,949,044
Support Services:		
Pupils and Instructional Staff	10,322,956	14,157,060
General Administration, School Administration, Business Operations and Maintenance of Facilities	11,921,833	8,914,510
Pupil Transportation	2,918,452	3,584,399
Business Type Activities	1,248,825	1,193,775
Capital Outlay and Other	<u>238,557</u>	<u>48,795</u>
Total Expenses	<u>49,914,034</u>	<u>50,847,583</u>
Change in Net Assets	<u>\$ 2,855,998</u>	<u>\$ (1,423,661)</u>

### **Governmental Activities**

The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for District operations. Property taxes made up 44 percent of revenues for governmental activities for the District for fiscal year 2009. The District's total revenues were \$52,770,032 for the year ended June 30, 2009.

## **BOROUGH OF ROSELLE SCHOOL DISTRICT**

Management's Discussion & Analysis  
For the fiscal year ended June 30, 2009

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### **Sources of Revenue for fiscal year 2009**

Operating Grants and Contributions	55 %
Property Taxes	44 %
Other	1%

The total cost of all program and services was \$49,914,034. Instruction comprised 47 percent of District expenses.

### **Expenses for fiscal year 2009**

Instruction-related	47 %
Administration, Operations and Maintenance	22 %
Student Support Services	21 %
Transportation	6 %
Other	4 %

### **Business-Type Activities**

Revenues for the District's business-type activities (Food Service and Community School programs) were comprised of charges for services and federal and state reimbursements.

- ◆ Expenses exceeded income by \$52,594.
- ◆ Federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast, and donated commodities was \$929,423.

### **Governmental Activities**

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions. Net cost of services in 2009 was \$998,014 or 2% greater than 2008. The increase was primarily due to increase in instructional costs and related support services.

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
Management's Discussion & Analysis  
For the fiscal year ended June 30, 2009

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**Table 3**

	<b>Total Cost of Services</b>	<b>Net Cost of Services</b>
Instruction	\$ 23,263,411	\$ 21,307,944
Support Services: Pupils and Instructional Staff	10,322,956	9,334,352
General Administration, School Administration, Business, Operations and Maintenance of Facilities	11,921,833	11,921,833
Pupil Transportation	2,918,452	2,918,452
Other	<u>238,557</u>	<u>231,996</u>
Total Expenses	<u>\$ 48,665,209</u>	<u>\$ 45,714,577</u>

- ◆ Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.
- ◆ Support Services: Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.
- ◆ General administration, school administration and business include expenses associated with administrative and financial supervision of the District.
- ◆ Operation and maintenance of facilities involve keeping the school grounds, buildings, and equipment in an effective working condition.
- ◆ Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by State law.
- ◆ Other includes special schools and unallocated depreciation.

**Fund Financial Statement**

All governmental funds (i.e., general fund, special revenue fund and capital projects fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$51,572,002 and expenditures were \$48,285,251 resulting in a surplus net change in fund balance of \$3,286,751. The surplus excludes the deferral of the last state aid payment of \$2,209,180 by the State of New Jersey.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

## BOROUGH OF ROSELLE SCHOOL DISTRICT

Management's Discussion & Analysis  
For the fiscal year ended June 30, 2009

The following schedules present a summary of the revenues of the governmental funds, excluding the Capital Projects Fund, for the fiscal year ended June 30, 2009, and the amount and percentage of increases and decreases in relation to prior year revenues.

<b>Revenue</b>	<b>2009 Amount</b>	<b>Percent of Total</b>	<b>Increase (Decrease) From 2008</b>	<b>Percent of Increase (Decrease)</b>
Local Sources	\$ 23,438,800	45%	\$ 900,525	4%
State Sources	25,813,679	50%	2,511,443	11%
Federal Sources	2,037,058	4%	(21,951)	(1%)
Other	<u>282,465</u>	1%	<u>(144,992)</u>	(34%)
Total	<u>\$ 51,572,002</u>		<u>\$ 3,245,025</u>	

The following schedule represents a summary of governmental fund expenditures for the fiscal year ended June 30, 2009, and the percentage of increases and decreases in relation to prior year amounts.

<b>Expenditures</b>	<b>2009 Amount</b>	<b>Percent of Total</b>	<b>Increase (Decrease) From 2008</b>	<b>Percent of Increase (Decrease)</b>
Current Expense:				
Instruction	\$ 17,035,353	35%	\$ 1,579,592	10%
Undistributed	28,211,987	58%	(1,063,520)	(4%)
Capital Outlay	183,509*	1%	(203,416)	(53%)
Special Revenues	<u>2,854,402</u>	6%	<u>(2,120,405)</u>	(43%)
Total	<u>\$ 48,285,251</u>		<u>\$(1,807,749)</u>	

\*Excludes \$6,561 which is included in special revenues

Changes in expenditures were the results of varying factors. Current expense increased due to additional staff and students, and increased health benefits and utility costs. Capital outlay decreased due to cap limitations on budget increases.

### General Fund Budgeting Highlights

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

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
Management's Discussion & Analysis  
For the fiscal year ended June 30, 2009

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**Capital Assets**

At the end of the fiscal year 2009, the District had \$5,910,734 invested in land, building, furniture and equipment, and vehicles. Table 4 shows fiscal year 2009 balances compared to 2008:

**Table 4**  
**Capital Assets (Net of Depreciation)**

	<u>2009</u>	<u>2008</u>
Site Improvements	\$ 86,356	\$ 86,356
Building and Building Improvements	5,315,894	5,592,652
Machinery and Equipment	<u>508,484</u>	<u>601,315</u>
<b>Total</b>	<u>\$ 5,910,734</u>	<u>\$ 6,280,323</u>

**For the Future**

The Borough of Roselle School District is in a sound financial condition during the 2008-2009 school year with the increased Department of Education state aid of 11%. A major concern is the continued enrollment growth within the District, resulting in increasing reliance on local property taxes.

The District's budget for 2008-2009 was initially voted down by the tax payers; however, it was subsequently amended and approved by the Borough of Roselle.

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

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact the office of the Business Administration/Board Secretary at Roselle Board of Education, Administration Building, 710 Locust Street, Roselle, New Jersey 07203. Please visit our website at [www.roselleschools.org](http://www.roselleschools.org).

**BASIC FINANCIAL STATEMENTS**

## BOROUGH OF ROSELLE SCHOOL DISTRICT

## Statement of Net Assets

June 30, 2009

	<u>Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 8,566,918	\$ 271,913	\$ 8,838,831
Receivables:			
Federal	572,538	65,701	638,239
State	1,012,986	3,154	1,016,140
Inventory		9,614	9,614
Other Receivable	34,626		34,626
Interfund Receivable	5,412	(5,412)	-
Capital Assets, Net (Note 3)	5,856,819	53,915	5,910,734
Total Assets	<u>16,049,299</u>	<u>398,885</u>	<u>16,448,184</u>
<b>LIABILITIES</b>			
Current:			
Accounts Payable	2,874,610	110,563	2,985,173
Payable to State Government	7,660		7,660
Deferred Revenue	347,408		347,408
Lease Payable	108,055		108,055
Noncurrent Liabilities (Note 4):			
Compensated Absences Payable	1,195,834		1,195,834
Lease Payable	213,795		213,795
Total Liabilities	<u>4,747,362</u>	<u>110,563</u>	<u>4,857,925</u>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	5,856,819	53,915	5,910,734
Restricted	4,259,390		4,259,390
Capital Project Fund	24,154	-	24,154
Unrestricted	1,161,574	234,407	1,395,981
Total Net Assets	<u>\$ 11,301,937</u>	<u>\$ 288,322</u>	<u>\$ 11,590,259</u>

See accompanying notes to basic financial statements.

## BOROUGH OF ROSELLE SCHOOL DISTRICTS

Statement of Activities  
For the Year Ended June 30, 2009

Functions/Programs	Programs Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities</b>						
Instruction:						
Regular	\$ 16,124,349	\$ -	\$ 1,955,467	\$ (14,168,882)	\$ -	\$ (14,168,882)
Special	4,022,220			(4,022,220)		(4,022,220)
Other Instruction	3,116,842			(3,116,842)		(3,116,842)
Support Services:						
Instruction	5,557,907			(5,557,907)		(5,557,907)
Attendance/social work	115,976			(115,976)		(115,976)
Health services	389,388			(389,388)		(389,388)
Support services	3,551,826		988,604	(2,563,222)		(2,563,222)
Improvement of instruction	474,276			(474,276)		(474,276)
Educational media services / school library	178,743			(178,743)		(178,743)
Instructional staff training	54,840			(54,840)		(54,840)
General administration	2,670,799			(2,670,799)		(2,670,799)
School administration	1,815,740			(1,815,740)		(1,815,740)
Central services	603,974			(603,974)		(603,974)
Administration information technology	304,707	-		(304,707)	-	(304,707)
Required maintenance of plant services	3,997,209			(3,997,209)		(3,997,209)
Operation of plant	2,529,404			(2,529,404)		(2,529,404)
Student transportation	2,918,452			(2,918,452)		(2,918,452)
Special schools	8,400			(8,400)		(8,400)
Charter schools-current	53,212			(53,212)		(53,212)
Capital Outlay	176,945		6,561.00	(170,384)		(170,384)
Total Governmental Activities	48,665,209	-	2,950,632	(45,714,577)	-	(45,714,577)
<b>Business -Type Activities</b>						
Food Service	1,244,829	263,084	929,423		(52,322)	(52,322)
Community School	3,996	3,718	6		(272)	(272)
Total Business-Type Activities	1,248,825	266,802	929,429	-	(52,594)	(52,594)
<b>Total Primary Government</b>	<b>\$ 49,914,034</b>	<b>\$ 266,802</b>	<b>\$ 3,880,061</b>	<b>\$ (45,714,577)</b>	<b>\$ (52,594)</b>	<b>\$ (45,767,171)</b>

## General Revenues:

## Taxes:

Property taxes, levied for general purpose

\$ 23,438,800 \$ - \$ 23,438,800

Federal and State Aid - Not Restricted

24,902,428 24,902,428

Tuition

60,386 60,386

Miscellaneous Income

219,755 219,755

Adjustment to Fixed Assets

1,800 - 1,800

Total General Revenues

48,623,169 - 48,623,169

Change in Net Assets

2,908,592 (52,594) 2,855,998

Net Assets - Beginning

8,393,345 340,916 8,734,261

Net Assets - Ending

\$ 11,301,937 \$ 288,322 \$ 11,590,259

See accompanying notes to basic financial statements.

## BOROUGH OF ROSELLE SCHOOL DISTRICT

Governmental Funds

Balance Sheet

June 30, 2009

	Major Funds			Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	
<b>Assets</b>				
Cash and cash equivalents	\$ 8,535,009	\$ 7,755	\$ 24,154	\$ 8,566,918
Accounts receivable:				
State	1,006,507	6,479		1,012,986
Federal		572,538		572,538
Interfund	32,157			32,157
Other	34,626			34,626
Total assets	<u>\$ 9,608,299</u>	<u>\$ 586,772</u>	<u>\$ 24,154</u>	<u>\$ 10,219,225</u>
<b>Liabilities and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 2,631,736	\$ 242,874		\$ 2,874,610
Intergovernmental payables:				
State		7,660		7,660
Interfunds payable		26,745		26,745
Deferred revenue		347,408		347,408
Total liabilities	<u>2,631,736</u>	<u>624,687</u>	<u>-</u>	<u>3,256,423</u>
Fund balances:				
Reserved for:				
Encumbrances	717,828			717,828
TARA\DEPA funds	72,808			72,808
Excess surplus				
Designated for subsequent years	4,259,390			4,259,390
Unreserved:				
Designated for subsequent years	2,608,798			2,608,798
Undesignated (Deficit)	(682,261)	(37,915)	24,154	(696,022)
Total fund balances	<u>6,976,563</u>	<u>(37,915)</u>	<u>24,154</u>	<u>6,962,802</u>
Total liabilities and fund balances	<u>\$ 9,608,299</u>	<u>\$ 586,772</u>	<u>\$ 24,154</u>	<u>\$ 10,219,225</u>

See accompanying notes to basic financial statements.

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
 Reconciliation of Balance Sheet to Statement of Net Assets  
 Governmental Funds  
 June 30, 2009

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Fund Balances - Total Governmental Funds (B-1)	\$	6,962,802
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Amounts reported for governmental activities in the statement of net assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$15,186,106 and the accumulated depreciation is \$9,301,287 (See Note 3).		5,856,819
--	--	-----------

recognized in the statement of activities as an expenditure regardless of when it is due. In the governmental funds, however, expenditure for this item is not reported because it does not require the use of current financial resources.		(1,195,834)
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Long-term liabilities, including Lease payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (See Note 4).		(321,850)
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Net assets of governmental activities	\$	11,301,937
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*See accompanying notes to basic financial statements.*

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
 Governmental Funds  
 Statement of Revenues, Expenditures and Changes in Fund Balances  
 For the Year Ended June 30, 2009

	Major Funds			Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	
<b>Revenues:</b>				
Local sources:				
Local tax levy	\$ 23,438,800			\$ 23,438,800
Tuition	60,386			60,386
Miscellaneous	219,755	2,324		222,079
Total local sources	23,718,941	2,324	-	23,721,265
State sources	24,846,130	967,549		25,813,679
Federal sources	56,298	1,980,760		2,037,058
Total revenues	48,621,369	2,950,633	-	51,572,002
<b>Expenditures:</b>				
Current:				
Regular Instruction	11,054,960	1,955,467		13,010,427
Special Instruction	3,370,469			3,370,469
Other instruction	2,609,924			2,609,924
Undistributed:				
Instruction	5,557,907			5,557,907
Attendance/social work	115,976			115,976
Health services	389,388			389,388
Support services	2,659,452	892,374		3,551,826
Improvement of instruction	401,857			401,857
Educational media services / school library	178,743			178,743
Instructional staff training	54,840			54,840
General administration	847,253			847,253
School administration	1,815,740			1,815,740
Central services	603,974			603,974
Administration information technology	304,707			304,707
Operation and required maintenance of plant services	3,345,458			3,345,458
Student transportation	2,483,953			2,483,953
Business and other support services and benefits	6,861,723			6,861,723
On-behalf TPAF pension contributions	1,162,702			1,162,702
Reimbursed TPAF social security contributions	1,366,702			1,366,702
Capital outlay	173,884	6,561	9,625	190,070
Special schools	8,400			8,400
Charter schools-current	53,212			53,212
Total expenditures	45,421,224	2,854,402	9,625	48,285,251
Net change in fund balances	3,200,145	96,231	(9,625)	3,286,751
Fund balances, July 1	3,776,418	(134,146)	33,779	3,676,051
Fund balances, June 30	\$ 6,976,563	\$ (37,915)	\$ 24,154	\$ 6,962,802

The reconciliation of the fund balances of governmental funds to the net assets of governmental activities in the statement of net assets is presented in an accompanying schedule (B-3).

*See accompanying notes to basic financial statements.*

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
 Governmental Funds  
 Reconciliation of the Statement of Revenues, Expenditures  
 and Changes in Fund Balances of Governmental Funds to the Statement of Activities  
 Year ended June 30, 2009

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**Total net change in fund balances - governmental funds (from B-2)** \$ 3,286,751

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation expense	\$ (393,084)	
Capital outlays	13,125	
Adjustments to fixed assets	<u>1,800</u>	
		(378,159)

**Change in net assets of governmental activities (A-2)** \$ 2,908,592

*See accompanying notes to basic financial statements.*

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
Statement of Net Assets  
Proprietary Funds  
June 30, 2009

	<b>Business Type-Activities</b>	
	<b>Enterprise Funds</b>	
	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 271,913	\$ 242,823
Intergovernmental Receivable		
State	3,154	2,651
Federal	65,701	52,850
Inventories	9,614	8,636
Total current Assets	<u>350,382</u>	<u>306,960</u>
Noncurrent Assets:		
Equipment and Improvements	243,845	243,845
Less: Accumulated Depreciation	(189,930)	(183,832)
Total Noncurrent Assets	<u>53,915</u>	<u>60,013</u>
Total Assets	<u>404,297</u>	<u>366,973</u>
<b>LIABILITIES</b>		
Current Liabilities		
Accounts Payable	110,563	645
Interfund Payable	5,412	5,412
Loan Payable-Current	-	20,000
Total Liabilities	<u>115,975</u>	<u>26,057</u>
<b>NET ASSETS</b>		
Unrestricted	<u>\$ 288,322</u>	<u>\$ 340,916</u>

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
Statement of Revenues, Expenses and Changes in Fund Net Assets  
Proprietary Funds  
For the Year Ended June 30, 2009

	<u>2009</u>	<u>2008</u>
<b>OPERATING REVENUES</b>		
Charges for services:		
Daily sales - reimbursable programs	\$ 171,000	\$ 177,665
Daily sales - non-reimbursable programs	91,941	122,134
Special functions		19,766
Miscellaneous revenue	143	
Tuition and book sales	3,718	3,800
Total operating revenues	<u>266,802</u>	<u>323,365</u>
<b>OPERATING EXPENSES</b>		
Cost of food	532,052	494,428
Salaries	402,871	428,227
Employee benefits/taxes	55,055	54,435
Management fee	78,386	80,825
Supplies and materials	67,168	69,122
Other purchased services	72,049	59,547
Miscellaneous	35,145	
Depreciation	6,099	7,191
Total operating expenses	<u>1,248,825</u>	<u>1,193,775</u>
Operating loss	<u>(982,023)</u>	<u>(870,410)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
State sources		
School lunch program	27,825	27,021
School breakfast program	10,980	9,302
Federal sources		
National school lunch program	649,280	594,808
National school breakfast program	165,128	132,870
Interest on investments	6	579
National food distribution commodities	76,210	53,031
Total Nonoperating Revenues (Expenses)	<u>929,429</u>	<u>817,611</u>
Income loss before contributions & transfers	(52,594)	(52,799)
Transfer in - board contribution	-	50,084
Change in net assets	(52,594)	(2,715)
Total net assets, beginning	<u>340,916</u>	<u>343,631</u>
<b>Total net assets, ending</b>	<u><b>\$ 288,322</b></u>	<u><b>\$ 340,916</b></u>

## BOROUGH OF ROSELLE SCHOOL DISTRICT

Statement of Cash Flows  
 Proprietary Funds-Enterprise Funds  
 For the Year Ended June 30, 2009

	<b>Business-type Activities</b>	
	<b>Enterprise Funds</b>	
	<b>2009</b>	<b>2008</b>
Cash flows from operating activities:		
Receipts from Customers	\$ 266,803	\$ 323,365
Interfunds		(8,182)
Payments to Employees	(402,871)	(428,227)
Payments to Employee Benefits	(55,055)	(54,435)
Payments to Suppliers	(675,861)	(703,339)
Net cash used for operating activities	<u>(866,984)</u>	<u>(870,818)</u>
Cash flows from noncapital financing activities:		
State sources	38,302	35,893
Federal sources	801,557	723,094
Miscellaneous revenues	-	392
Operating subsidies	76,210	53,031
Payment of loan	(20,000)	(96,000)
Net cash provided by noncapital financing activities	<u>896,069</u>	<u>716,410</u>
Cash flow used for capital activities-Purchase of assets	<u>-</u>	<u>(8,378)</u>
Cash flows from investing activities-Interest	<u>6</u>	<u>187</u>
Net increase (decrease) in cash and equivalents	29,091	(162,599)
Cash and cash equivalents, July 1, 2008	<u>242,822</u>	<u>405,422</u>
	-	-
<b>Cash and cash equivalents, June 30, 2009</b>	<b><u>\$ 271,913</u></b>	<b><u>\$ 242,823</u></b>
Reconciliation of operating loss to net cash used for operating activities		
Operating loss	\$ (982,023)	\$ (870,410)
Adjustments to reconciling operating loss to net cash used for operating activities:		
Depreciation	6,099	7,191
Change in assets and liabilities:		
Increase in inventories	(978)	(63)
Increase in accounts payable	109,918	645
Decrease in interfund payable		(8,182)
<b>Net cash used for operating activities</b>	<b><u>\$ (866,984)</u></b>	<b><u>\$ (870,818)</u></b>

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
Statement of Fiduciary Net Assets  
Fiduciary Funds  
June 30, 2009

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	<u>Private Purpose Scholarship Fund</u>	<u>Agency Fund</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 206,652	\$ 309,960
<b>LIABILITIES</b>		
Payable to student groups	-	84,620
Payroll deductions and withholdings	-	225,340
<b>Total Liabilities</b>	<u>-</u>	<u>309,960</u>
<b>NET ASSETS</b>		
Reserved for:		
Scholarships, awards, and other purposes	<u>\$ 206,652</u>	<u>\$ -</u>

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
Statement of Changes in Fiduciary Net Assets  
Fiduciary Funds  
For the Year Ended June 30, 2009

	<b>Private Purpose Scholarship Fund</b>
<b>ADDITIONS</b>	
Contributions - Other	\$ 5,600
Investment earnings - Interest	1,979
Total additions	7,579
<b>DEDUCTIONS</b>	
Scholarships awarded	10,650
Change in net assets	(3,071)
Net assets—beginning of the year	209,723
<b>Net assets—end of the year</b>	<b>\$ 206,652</b>

## **BOROUGH OF ROSELLE SCHOOL DISTRICT**

Notes to the Basic Financial Statements

June 30, 2009

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

The basic financial statements of the Borough of Roselle School District (the "District"), New Jersey have been prepared in conformity with generally accepted accounting principles (GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB). GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

This financial report has been prepared in conformity with GASB Statement No. 34, Basic Financial Statements, and Management Discussion and Analysis for States, Local Governments issued in June 1999.

The more significant of the District's accounting policies are described below.

#### **A. Reporting Entity**

The definition of reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

The District, as the primary government for financial reporting entity purposes through its nine-member board of education (the "Board"), has oversight responsibility and control and over all activities related to the Borough of Roselle School District in Roselle, New Jersey. The District, which provides Grades K to 12 public education, receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

The District is an instrumentality of the State of New Jersey, established to function as an education institution. It is a Type II district in the County of Union. As a Type II district, the District functions through the Board whose members elected by the taxpayers. The Board 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.

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
Notes to the Basic Financial Statements  
June 30, 2009

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

**A. Reporting Entity** *(continued)*

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

- The organization is legally separate (can sue or be sued in its own name);
- The district holds the corporate powers of the organization;
- The district elects a voting majority of the organization's board;
- The district is able to impose its will on the organization;
- The organization has the potential to impose a financial benefit/burden on the district;
- There is a fiscal dependency by the organization on the district.

The Basic financial statements include all major funds groups of the District over which the Board exercises operating control including elementary, intermediate and high schools located in the Borough of Roselle.

**B. District Wide and Fund Financial Statements**

The District wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the District, as the primary government. For the most part the effect of the inter fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separate from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. The program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) operating grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as capital grants and contributions.

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
Notes to the Basic Financial Statements  
June 30, 2009

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

**B. District Wide Financial Statements** *(continued)*

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the district-wide financial statements. Major individual governmental funds and individual enterprise funds are reported as separate columns in the fund financial statements.

**C. Measurement focus, basis of accounting and financial statement presentation**

The District-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The accounting and financial reporting applied to a fund is determined by its measurement focus. All governmental funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement, focus is on the determination of, and changes in financial position, and generally only current assets and current liabilities are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
Notes to the Basic Financial Statements  
June 30, 2009

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

**C. Measurement focus basis of accounting and financial statement presentation**  
*(continued)*

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the district considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Property taxes are recognized as revenue in the fiscal period for which they are levied, provided the “available” criteria are met. State equalization monies are recognized as revenue during the period in which they are appropriated. Expenditures are recognized and recorded in the accounting period in which the fund liability is incurred, except for principal and interest on long term debts, which are recorded when due and expenditure related to compensated absences and claims, which are recorded when payment is due.

General capital assets 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.

The District reports deferred revenues on its combined balance sheet. Deferred revenue arises when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred revenue also arises when the District receives resources before it has legal claim to them, as when federal assistance is received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

**BOROUGH OF ROSELLE SCHOOL DISTRICT**

Notes to the Basic Financial Statements

June 30, 2009

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

**C. Measurement focus basis of accounting and financial statement presentation**  
*(continued)*

Ad valorem (property) taxes are susceptible to accrual as under New Jersey State Statutes, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved property tax levy as revenue (accrued) at the start of the current fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". The district received all its local tax revenue from the Borough of Roselle as of June 30, 2009. The following is the Borough of Roselle property tax calendar:

Levy dates: June of the preceding fiscal year and October of the current fiscal year.  
Lien date: October 1st.  
Due dates: August 1st, November 1st, February 1st, and May 1st

In its accounting and financial reporting for proprietary fund types the Board follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements.

**D. Fund Accounting**

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principle of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. Each fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types".

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
Notes to the Basic Financial Statements  
June 30, 2009

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

**D. Fund Accounting** *(continued)*

Governmental Fund Types

Governmental Funds are those funds through which most governmental functions typically are financed. The governmental fund measurement focus is on determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than on a net income determination. The acquisition and use of current available expendable resources during the year and balances of the District's available expendable financial resources at the end of the year are measured in Governmental Funds. These funds, with the exception of the capital projects funds, utilize a legally adopted annual budget. The district reports the following major governmental funds:

*General Fund:* The General Fund is the general operating fund of the District and is used to account for all expendable financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment, which are classified in the Capital Outlay Sub-Fund. As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this Fund. Generally accepted accounting principles as they pertain to government entities state that general fund resources may be used to directly finance capital outlay for long-term improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

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

*Special Revenue Fund:* The District accounts for the proceeds of special revenue sources (other than major capital projects) from state and federal government, and local appropriations that is legally restricted to expenditures for specified purposes in the special revenue fund.

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
Notes to the Basic Financial Statements  
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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** *(continued)*

**D. Fund Accounting** *(continued)*

Governmental Fund Types *(continued)*

*Capital Project Fund:* The Capital Project Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

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

Proprietary Fund Type

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities. Enterprise fund operating revenues are related to charges for food in the district's cafeterias. The primary non-operating revenues are federal nutrition program grants and commodities received from the U.S. Department of Agriculture and federal job-training grants received from the U.S. Department of Labor.

The District reports the following major proprietary fund:

*Enterprise (Food Service) Fund:* The enterprise funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the District is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through fees and charges to external users; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for public policy, management control, accountability and other purposes.

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
Notes to the Basic Financial Statements  
June 30, 2009

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

**D. Fund Accounting** *(continued)*

Proprietary Fund Type *(continued)*

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives of the fixed assets in the food service fund, which consist of equipment, range from 10 to 15 years.

Fiduciary Fund Types

The fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, or other governmental units and/or other funds. These include expendable trust and agency funds.

*Agency Funds* (Payroll and Student Activities Fund): Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

*Private Purpose Trust Funds.* Trust funds used to account for assets donated by individuals that will provide for the payment of awards and scholarships to individuals.

**E. Budgets/Budgetary Control Information**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county superintendent's office, reviewed and approved for public advertisement. After public advertisement, the budgets are voted upon at the annual school election on the third Tuesday in April. 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 must be approved by School Board resolution.

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
Notes to the Basic Financial Statements  
June 30, 2009

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

**E. Budgets/Budgetary Control Information** *(continued)*

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 GAAP with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end. The capital projects fund presents the remaining project appropriations compared to current year expenditures.

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

**F. Cash, Cash Equivalents and Investments**

Cash and cash equivalents include petty cash, change funds, amounts on deposit, money market accounts and short-term investments with original maturities of three months or less.

The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments and are stated at cost. All other investments are stated at fair value, which is based on quoted market prices.

**G. Inter fund Receivables/Payables**

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.

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
Notes to the Basic Financial Statements  
June 30, 2009

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

**H. Inventories**

Inventories, other than those recorded in the enterprise fund, are recorded as expenditure during the year of purchase.

Enterprise fund inventories are valued at the lower of cost using the first-in, and first-out (FIFO) method, or net realizable value..

Prepaid expenses which benefit future periods, other than those recorded in the enterprise fund, are recorded as expenditure in the year of purchase.

**I. Capital Assets**

Capital assets, which include, property, plant, equipment and infrastructure assets are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are deferred by the district Assets acquired at an initial individual cost of \$2,000 and over are recorded as capital assets at historical cost.

Capital fixed assets acquired or constructed prior to the establishment of the formal system in 2008 were valued at cost based on historical records or through estimation procedures to determine estimated historical cost performed by an independent appraisal company

Donated capital assets are valued at their estimated fair market value on the date of donation.

Expenditures that enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the fixed asset's currently capitalized cost. The cost of normal repairs and maintenance are not capitalized.

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
Notes to the Basic Financial Statements  
June 30, 2009

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

**I. Capital Assets** *(continued)*

Capital assets of the District are depreciated using the straight-line method over the following estimated useful lives.

<u>Assets</u>	<u>Years</u>
School buildings	50
Building improvements	20
Electrical/plumbing	30
Vehicles	8
Office and computer equipment	10
Instructional equipment	10
Ground equipment	15

**J. Accrued Salaries and Wages**

Certain District employees, who provide services to the District over the ten-month academic year, have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2009, there were no funds earned by these employees that were not disbursed by the District.

**K. Compensated Absences**

The liability for vested compensated absences of the government fund types is recorded only if they have matured, for example, as a result of employee resignations and retirements. All compensated absences are accrued in the District-wide Financial Statements. The current portion of the compensated absences balance is not considered material to the applicable fund's total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences.

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, 2009, no liability existed for compensated absences in the proprietary fund types.

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
Notes to the Basic Financial Statements  
June 30, 2009

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

**L. Deferred Revenue**

Deferred revenue in the special revenue and capital project funds represents cash that has been received but not yet earned.

**M. Long-term Obligations**

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligation is reported in the district-wide financial statements. In the district-wide financial statement, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, statement of net assets.

**N. Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriations or are legally restricted by outside parties for use for specific purpose. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**O. Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates that affect the recorded amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**P. Investments**

The Board classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments and are stated at cost. All other investments are stated at fair value.

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
Notes to the Basic Financial Statements  
June 30, 2009

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

**Q. Tuition Payable**

Tuition charges for the fiscal years 2008-09 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

**R. Allocation of Indirect Expenses**

The District's accounting system automatically allocated all indirect expenses and certain indirect costs have been included as part of the program expenses reported for the various functional activities.

**S. Net Assets**

Net assets represent the difference between assets and liabilities in the District-wide financial statements. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net assets are reported as restricted in the District-wide financial statement when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

**T. 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 reserved 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 reserve a general fund balance at the fiscal year end of June 30th if they do not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. There was excess fund balance at June 30, 2009.

**U. On-Behalf Payments**

Revenues and expenditures of the general fund include payments made by the State of New Jersey for social security contributions and post-retirement medical benefits for members of the New Jersey Teachers' Pension and Annuity Fund. The amounts are not required to be included in the District's annual budget.

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
Notes to the Basic Financial Statements  
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**NOTE 2 CASH AND CASH EQUIVALENTS AND INVESTMENTS**

**Deposits**

The District's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC) or New Jersey's Governmental Unit Deposit Protection Act. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to maintain additional collateral in the amount of 5% of the average public deposits and to deposit these amounts with the Federal Reserve Bank for all deposits not covered by the FDIC.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC. At June 30, 2009, the carrying amount of the District's deposits totaled \$8,838,831, compared to the bank balance of \$9,196,257. Of the bank balance, \$250,000 was covered by FDIC and \$8,946,257 was covered by the New Jersey Governmental Unit Deposit Protection Act. The District's deposits which are displayed on the combined balance sheet as "cash" are categorized as:

*Category 1* – Insured or collateralized with securities held by the District or its agent in the District's name.

*Category 2* – Collateralized with securities held by the pledging financial institutions trust department or agent in the District's name

*Category 3* – Uncollateralized or collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the District's name.

	<b>Category</b>			<b>Bank</b>
	<b>1</b>	<b>2</b>	<b>3</b>	<b>Balance</b>
Deposits	<u>\$ 9,196,257</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,196,257</u>

**Investments**

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

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States of America.
- b. Government Money Market Mutual Funds.

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
Notes to the Basic Financial Statements  
June 30, 2009

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**NOTE 2 CASH AND CASH EQUIVALENTS AND INVESTMENTS** *(continued)*

**Investments** *(continued)*

- c. Any obligations that a federal agency or a federal instrumentality has issued, 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.
- d. Bonds or other obligations of the school district or bonds or other obligations of the local unit or units which the school district is located.
- e. Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase that are approved by the New Jersey Department of Treasury Division of Investments.
- f. Local Government investment pools.
- g. Agreements or the repurchase of fully collateralized securities, if transacted in accordance with NJSA 18A:20-37.
- h. Deposits with the State of New Jersey Cash Management Fund.

The investments that are represented by specific identifiable investment securities are classified as to credit risk by the three categories described below:

*Category 1* – Insured or registered, or securities held by the Board or its agent in the Board’s name.

*Category 2* – Uninsured and unregistered, with securities held by the counterpart’s trust department or agent in the Board’s name.

*Category 3* – Uninsured and unregistered, with securities held by the counterpart or by its trust department or agent, but not in the Board’s name.

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
Notes to the Basic Financial Statements  
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**NOTE 3 CAPITAL ASSETS**

The following schedule is a summarization of the changes in capital assets for the fiscal year ended June 30, 2009.

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Adjustment/ Transfer</b>	<b>Ending Balance</b>
<b>Governmental Activities</b>				
<b>Capital assets not depreciated:</b>				
Land	\$ -	\$ -	\$ -	\$ -
Total capital assets not depreciated	-	-	-	-
Capital assets, depreciated:				
Site improvements	93,250		-	93,250
Building and building improvements	10,445,913	9,625	-	10,455,538
Machinery and equipment	4,589,350	3,500	16,468	4,609,318
Total capital assets, depreciated	15,128,513	13,125	16,468	15,158,106
<b>Less: Accumulated depreciation for:</b>				
Site improvements	(6,894)	-	-	(6,894)
Building and building improvements	(4,853,261)	(267,608)	(18,775)	(5,139,644)
Machinery and equipment	(4,048,049)	(125,475)	18,775	(4,154,749)
Total accumulated depreciation	(8,908,204)	(393,083)	-	(9,301,287)
Total capital assets, net of accumulated depreciation	\$ 6,220,309	\$ (379,958)	\$ 16,468	\$ 5,856,819
<b>Business-type Activities:</b>				
Capital assets, depreciated:				
Equipment	243,845		-	243,845
Less: Accumulated depreciation	(183,831)	(6,099)	-	(189,930)
Business-type activities capital assets, net	\$ 60,014	\$ (6,099)	\$ -	\$ 53,915

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
Notes to the Basic Financial Statements  
June 30, 2009

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**NOTE 3 CAPITAL ASSETS** *(continued)*

Depreciation expense of \$ 393,084 was charged to functions of the District as follows:

Instruction:

Regular instruction	\$ 176,506
Special education instruction	34,196
Other special instruction	26,598

Support services:

Plant operation and maintenance	34,196
Tuition/pupil transportation	22,798
School and general administrative services	94,990
Students- and instruction-related	3,800

Total depreciation	\$ 393,084
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The District has no material commitments outstanding. However, the District has submitted its Long Range Facility Plan to the State of New Jersey School Construction Authority for approval and funding.

**NOTE 4 LONG-TERM DEBT**

The activity in long-debt during fiscal 2009 follows:

<u>Government activities</u>	<u>Balance June 30, 2008</u>	<u>Issued/ Increases</u>	<u>Retired/ Decreases</u>	<u>Balance June 30, 2009</u>	<u>Due within one year</u>
Capital leases payable	\$ 426,464	\$ -	\$(104,614)	\$ 321,850	\$ 108,055
Compensated absences payable	1,076,550	119,284		1,195,834	
Total	\$ 1,503,014	\$ 119,284	\$(104,614)	\$ 1,517,684	\$ 108,055

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
Notes to the Basic Financial Statements  
June 30, 2009

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**NOTE 4 LONG-TERM DEBT** *(continued)*

**Capital Leases Payable**

The District's photocopiers were acquired under five-year capital leases. The future annual payments under such leases follow:

Fiscal Year Ended June 30,	Amount
2010	\$ 135,724
2011	107,628
2012	87,711
2013	49,181
Total minimum lease payment	380,244
Less: Amount representing interest	(58,394)
Principal portion of lease payment	\$ 321,850

**Compensated Absences**

Under the terms of the various labor agreements, unused sick leave may be carried forward without limitation. Upon retirement from the District, employees who have completed 15 years of service will receive payment for accumulated unused sick leave at rates and percentages in accordance with such agreements.

The liability for vested compensated absences of the governmental fund types is recorded in the District-wide statement of net assets. The current portion of the compensated absence balance is not considered material to the applicable fund total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences in the district-wide statement of net assets of \$1,195,834.

**Bonds Authorized but Not Issued**

As a Type II school district, the District may issue bonds. Bonds are authorized in accordance with State law by resolution of the School District and are required to be approved by the voters of the municipality through referendum. School bonds issued by the District are entitled to and benefit from the provision of the New Jersey School Board Reserve Act P.L. 1980 c.72. At June 30, 2009, there were no bonds or notes outstanding or bonds and notes authorized but not issued.

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
Notes to the Basic Financial Statements  
June 30, 2009

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**NOTE 5 PENSION PLANS**

**Plan Descriptions**

Substantially all of the District's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State Statutes: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The TPAF is considered a cost-sharing multiple-employer plan with a special funding situation. Under current statutes, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributory employers. The PERS is also considered a cost-sharing multiple-employer plan.

The TPAF was established in 1955 under the provisions of N.J.S.A. 18A:66 to provide coverage pension, including post-retirement health care to substantially all full time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years of health care coverage. Members are eligible for retirement at age 55 with an annual benefit generally determined to be 1/55<sup>th</sup> of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service.

The PERS was established in 1955 under the provisions of N.J.S.A. [provide statute reference as in 18A:xx]to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school board or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service. Members are eligible for retirement at age 55 with an annual benefit generally determined to be 1/55<sup>th</sup> of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service.

Early retirement under either TPAF and PERS for participants under age 55 with 25 or more years of credited service. Any one who retires early and is under age 55 receives retirement benefits as calculated in the above-mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
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June 30, 2009

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**NOTE 5 PENSION PLANS** *(continued)*

**Plan Descriptions** *(continued)*

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

**Funding Policy**

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing members. Plan members and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the Board is a non-contributing employer of the TPAF.

The Board's contributions to PERS for the years ended June 30, 2009 and 2008 were \$284,511 and \$348,200, respectively, equal to the required contributions for each year.

In accordance with N.J.S.A. 18A:66-66, the State of New Jersey reimbursed the District \$1,303,485 during the year ended June 30, 2009 for the employer's share of social security contribution for TPAF members. These amounts have been included in the basic financial statements, and the combining and individual fund and accounting group statements and schedules as revenues and expenditures.

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
Notes to the Basic Financial Statements  
June 30, 2009

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**NOTE 5 PENSION PLANS** *(continued)*

**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 or on disability retirement after accumulating 25 years of credited service. P.L 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through TPAF and PERS. It created a separate fund outside 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, 2008, there were 80,181 retirees eligible for post-retirement medical benefits. 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 pre funding basis to pay-as-you-go basis beginning in Fiscal Year 1994.

The State made post retirement contributions of \$592.7 million for TPAF and \$224.3 million for PERS in Fiscal Year 2008.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides free health benefits to members of PERS, TPAF and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$ 116.0 million toward Chapter 126 benefits for 12,545 eligible retired members eligible in Fiscal Year 2008.

**NOTE 6 CONTINGENT LIABILITIES**

The District participates in numerous Federal and State grant programs which are governed by various rules and regulations of the grantor agencies. As such, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivables at June 30, 2009 may be impaired. The District believes that liabilities, if any, relating to compliance with the rules and regulations governing the respective grants would not be material.

The District is involved in several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the District.

## **BOROUGH OF ROSELLE SCHOOL DISTRICT**

### Notes to the Basic Financial Statements

June 30, 2009

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#### **NOTE 7 RISK MANAGEMENT**

The District is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; termination of employees and natural disasters. The District has obtained insurance coverage to minimize the District's financial exposure should these events occur. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Statements.

#### **NOTE 8 FUND BALANCE APPROPRIATED-BUDGETARY BASIS**

Of the \$6,976,563 fund balance in General Fund at June 30, 2009, \$717,828 has been reserved for encumbrances; \$72,808 reserved for TARA/DEPA funds; \$2,608,798 is reserved for subsequent year expenditures; and \$3,577,129 is unreserved.

#### **NOTE 9 DEFICIT FUND BALANCE – SPECIAL REVENUE FUND (GAAP Basis)**

The District has a deficit fund balance of \$37,915 in the Special Revenue Fund as of June 30, 2009 as reported in the fund statements (modified accrual basis). For budget purposes only, 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, in the current 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 of revenue, expenditures, asset or 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 last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the State records the payable.

Pursuant to P.L. 2003, c.97, any negative unreserved, undesignated general fund balance that is reported as a direct result from the delay in the payment of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficits in the GAAP funds statement does not exceed the last state aid payment.

**REQUIRED SUPPLEMENTAL INFORMATION  
PART II**

**BUDGETARY COMPARISON SCHEDULES**

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
General Fund  
Comparative Statements Of Revenues Expenditures and Changes  
in Fund Balance-Budget and Actual  
For The fiscal Year Ended June 30, 2009

	<b>Adopted Budget</b>	<b>Budget Transfers/ Adjustments</b>	<b>Final Budget</b>	<b>Actual</b>	<b>(GAAP) Variance Favorable/ (Unfavorable)</b>
<b>REVENUES</b>					
Local Sources:					
Local Tax Levy	\$ 23,438,800		\$ 23,438,800	\$ 23,438,800	\$ -
Tuition	87,729		87,729	60,386	(27,343)
Miscellaneous	162,271		162,271	219,755	57,484
Total - Local Sources	<u>23,688,800</u>		<u>23,688,800</u>	<u>23,718,941</u>	<u>30,141</u>
State Sources:					
Extraordinary aid	230,999		230,999	900,082	669,083
Categorical Special Education Aid	1,614,514		1,614,514	1,614,514	-
Categorical Transportation Aid	350,659		350,659	350,659	-
Equalization Aid	19,840,224		19,840,224	19,719,003	(121,221)
Categorical Security Aid	876,148		876,148	876,148	-
Other - Help aid	43,569		43,569		(43,569)
Tara/DEPA C/O		199,043	199,043	271,850	72,807
On-behalf TPAF Pension Contribution (non-budgeted)			-	1,162,702	1,162,702
Reimbursed TPAF Social Security Contribution (non-budgeted)			-	1,366,702	1,366,702
Total - State Sources	<u>22,956,113</u>	<u>199,043</u>	<u>23,155,156</u>	<u>26,261,660</u>	<u>3,106,504</u>
Federal Sources					
Medicaid Reimbursement	33,475		33,475	56,298	22,823
Total Revenues	<u>46,678,388</u>	<u>199,043</u>	<u>46,877,431</u>	<u>50,036,899</u>	<u>3,159,468</u>
<b>EXPENDITURES</b>					
Current Expenses:					
Instruction - Regular programs:					
Salaries of teachers:					
Preschool/Kindergarten	487,470	-	487,470	462,777	24,693
Grades 1-5	3,739,487		3,739,487	3,505,503	233,984
Grades 6-8	2,335,231	(25,000)	2,310,231	2,243,189	67,042
Grades 9-12	4,184,978	(3,500)	4,181,478	3,760,325	421,153
Regular Programs - Home Instruction:					
Salaries of Teachers	115,000		115,000	78,213	36,787
Purchased Professional - Educational services			-		
Regular Programs - Undistributed Instruction:					
Purchased Professional - Educational services	62,442	(4,672)	57,770	23,439	34,331
Other Purchased Services	3,100		3,100	1,372	1,728
General Supplies	676,613	1,719	678,332	606,842	71,490
Textbooks	298,958	84	299,042	290,302	8,740
Other Objects	106,435	13,618	120,053	82,998	37,055
Total Regular Programs	<u>12,009,714</u>	<u>(17,751)</u>	<u>11,991,963</u>	<u>11,054,960</u>	<u>937,003</u>
Special Education Programs:					
Learning and/or Language Disabilities					
Salaries Of Teachers	1,092,871	(44,001)	1,048,870	926,152	122,718
Other salaries for instruction	729,002	4,044	733,046	729,049	3,997
Other Purchased Services	5,000	-	5,000	4,623	
General Supplies	20,833	-	20,833	19,633	1,200
Textbooks	1,000	-	1,000	632	368
Total Learning and/or Language Disabilities	<u>1,848,706</u>	<u>(39,957)</u>	<u>1,808,749</u>	<u>1,680,089</u>	<u>128,283</u>
Autism					
Salaries of teachers	185,008	(2,963)	182,045	182,045	-
Other Salaries for Instruction	131,277		131,277	128,464	2,813
General Supplies	7,972		7,972	6,691	1,281
Textbooks	1,844		1,844	463	1,381
Total Autism Disabilities	<u>326,101</u>	<u>(2,963)</u>	<u>323,138</u>	<u>317,663</u>	<u>5,475</u>

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
General Fund  
Comparative Statements Of Revenues Expenditures and Changes  
in Fund Balance-Budget and Actual  
For The fiscal Year Ended June 30, 2009

	<b>Adopted Budget</b>	<b>Budget Transfers/ Adjustments</b>	<b>Final Budget</b>	<b>Actual</b>	<b>(GAAP) Variance Favorable/ (Unfavorable)</b>
Resource Room/Resource Center					
Other Salaries for Instruction	\$ 1,348,991	\$ 44,000	\$ 1,392,991	\$ 1,371,012	\$ 21,979
General supplies	2,000		2,000	1,705	295
Textbooks					-
Total Resource Room/Center	1,350,991	44,000	1,394,991	1,372,717	22,274
Total Special Education	3,525,798	1,080	3,526,878	3,370,469	156,032
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	750,802	35,000	785,802	785,802	-
Other Salaries for Instruction			-		
General Supplies					
Total Basic Skills/Remedial	750,802	35,000	785,802	785,802	-
Bilingual Education:					
Salaries of Teachers	804,132		804,132	803,990	142
Other Salaries for Instruction	253,710	87,963	341,673	339,061	2,612
Purchased Professional - Educational services	3,800		3,800	-	3,800
Other Purchased Services					
General Supplies	16,430	602	17,032	16,142	890
Textbooks	7,758		7,758	6,810	948
Other Objects	3,850		3,850	136	3,714
Total Bilingual Education	1,089,680	88,565	1,178,245	1,166,139	12,106
School Sponsored Athletics:					
Salaries	344,830	(20,000)	324,830	285,452	39,378
Supplies and Materials	90,740	23,839	114,579	95,685	18,894
Other Objects	33,191		33,191	33,191	-
Total School Sponsored Athletics	468,761	3,839	472,600	414,328	58,272
Other Instructional Programs:					
Salaries	241,724		241,724	222,501	19,223
Purchased Services (300-500 series)	15,000	4,519	19,519	19,202	317
Supplies and Materials	11,790	759	12,549	8,857	3,692
Other Objects	13,840		13,840	(6,904)	20,744
Total Other instructional Programs	282,354	5,278	287,632	243,656	43,976
Total - Instruction	18,127,109	116,011	18,243,120	17,035,354	1,207,389
Undistributed Expenditures:					
Instruction:					
Tuition - Other LEAs within State - Regular	2,018,688		2,018,688	1,491,537	527,151
Tuition - County Vocational School Districts-Regular	434,500	23,000	457,500	457,100	400
Tuition - County Vocational School Districts-Special	64,000		64,000	64,000	-
Tuition - Private Schools for handicapped within the State	4,576,421	(278,783)	4,297,638	3,255,631	1,042,007
Tuition - State Facilities	266,868	22,771	289,639	289,639	-
Total Undistributed Expenditures - Instruction	7,360,477	(233,012)	7,127,465	5,557,907	1,569,558
Attendance and Social Work Services:					
Salaries	114,163		114,163	93,160	21,003
Other Purchased Services	35,970		35,970	22,816	13,154
Supplies and Materials	500		500	-	500
Other Objects	450		450	-	450
Total Attendance and Social Services Work:	151,083	-	151,083	115,976	35,107
Health Services:					
Salaries	365,815		365,815	365,716	99
Purchased Professional and Technical Services	19,720		19,720	14,952	4,768
Other Purchased Services					-
Supplies and Materials	10,000		10,000	7,979	2,021
Other Objects	1,290		1,290	742	548
Total Health Services	396,825	-	396,825	389,389	7,436

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
General Fund  
Comparative Statements Of Revenues Expenditures and Changes  
in Fund Balance-Budget and Actual  
For The fiscal Year Ended June 30, 2009

	<b>Adopted Budget</b>	<b>Budget Transfers/ Adjustments</b>	<b>Final Budget</b>	<b>Actual</b>	<b>(GAAP) Variance Favorable/ (Unfavorable)</b>
<b>Other Support Services - Students - Related Services:</b>					
Salaries	\$ 514,233	\$ (270,625)	\$ 243,608	\$ 223,520	\$ 20,088
Supplies and Materials	800		800		800
<b>Total Other Support Services - Students-Related Services</b>	<b>515,033</b>	<b>(270,625)</b>	<b>244,408</b>	<b>223,520</b>	<b>20,888</b>
<b>Other Support Services - Students Extra Services</b>					
Purchased Professional - Educational Services	574,840	452,165	1,027,005	706,194	320,811
<b>Total Other Support Services - Students Extra Services</b>	<b>574,840</b>	<b>452,165</b>	<b>1,027,005</b>	<b>706,194</b>	<b>320,811</b>
<b>Other Support Services - Students - Regular:</b>					
Salaries of Other Professional Staff	665,039		665,039	620,324	44,715
Salaries of Secretarial and Clerical Assistants	89,093		89,093	88,765	328
Other Salaries	101,478		101,478	98,653	2,825
Purchased Professional - Educational Services	10,591		10,591	1,714	8,877
Other Purchased Professional and Technical Services	64,217		64,217	64,217	
Other Purchased Services (400-500 series)	750		750	263	487
Supplies and Materials	9,375	1,097	10,472	2,798	7,674
Other Objects	1,000		1,000	-	1,000
<b>Total Other Support Services - Students - Regular</b>	<b>941,543</b>	<b>1,097</b>	<b>942,640</b>	<b>876,734</b>	<b>65,906</b>
<b>Other Support Services - Students - Special Services:</b>					
Salaries of Other Professional Staff	623,266		623,266	580,224	43,042
Salaries of Secretarial and Clerical Assistants	177,488		177,488	145,779	31,709
Purchased Professional - Educational Services	94,713		94,713	88,348	6,365
Other Purchased Professional and Technical Services	6,749		6,749	6,749	-
Miscellaneous Purchased Services	18,270	195	18,465	4,705	13,760
Supplies and Materials	24,650		24,650	23,844	806
Other Objects	4,920		4,920	3,353	1,567
<b>Total Other Support Services - Students - Special Services</b>	<b>950,056</b>	<b>195</b>	<b>950,251</b>	<b>853,002</b>	<b>97,249</b>
<b>Improvement of Instruction Services:</b>					
Salaries of Supervisor of Instruction					-
Salaries of Other Professional Staff	65,368		65,368	23,124	42,244
Salaries of Secretarial and Clerical Assistants					-
Other Salaries	236,775	55,555	292,330	290,720	1,610
Purchased Professional - Educational Services	109,770	(95,555)	14,215	13,336	879
Other Purchased Prof. & Tech. Services	7,640	50,000	57,640	48,650	8,990
Other Purchased Services	4,020		4,020	2,376	1,644
Supplies and Materials	60,580	25,394	85,974	23,651	62,323
<b>Total Improvement of Instructional Services</b>	<b>484,153</b>	<b>35,394</b>	<b>519,547</b>	<b>401,857</b>	<b>117,690</b>
<b>Educational Media Services/School Library:</b>					
Salaries	141,185	(35,000)	106,185	97,044	9,141
Purchased Professional and Technical Services	15,038		15,038	13,037	2,001
Supplies and materials	81,393		81,393	68,662	12,731
<b>Total Educational Media/School Library</b>	<b>237,616</b>	<b>(35,000)</b>	<b>202,616</b>	<b>178,743</b>	<b>23,873</b>
<b>Educational Media Services/School Library:</b>					
Salaries	16,385		16,385	16,384	1
Purchased Professional and Technical Services	64,200		64,200	38,456	25,744
	80,585	-	80,585	54,840	25,745
<b>Support Services - General Administration:</b>					
Salaries	330,989		330,989	314,368	16,621
Legal Services	140,000	110,000	250,000	241,760	8,240
Audit Fees	50,400		50,400	46,000	4,400
Other Purchased Professional Services					-
Communications/Telephone	142,500		142,500	90,831	51,669
BOE Other Purchased Services	20,000		20,000	12,847	7,153
Other Purchased Services (400-500 series)	94,760	(9,941)	84,819	83,997	822
Supplies and Materials	20,096	289	20,385	19,657	728
Miscellaneous Expenditures	32,207	300	32,507	16,189	16,318
BOE Membership Dues and Fees	21,999		21,999	21,605	394
<b>Total Support Services General Administration</b>	<b>852,951</b>	<b>100,648</b>	<b>953,599</b>	<b>847,254</b>	<b>106,345</b>

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
General Fund  
Comparative Statements Of Revenues Expenditures and Changes  
in Fund Balance-Budget and Actual  
For The fiscal Year Ended June 30, 2009

	<b>Adopted Budget</b>	<b>Budget Transfers/ Adjustments</b>	<b>Final Budget</b>	<b>Actual</b>	<b>(GAAP) Variance Favorable/ (Unfavorable)</b>
<b>Support Services School Administration</b>					
Salaries of Principals/Asst. Principals	\$ 1,217,792	\$ 64,000	\$ 1,281,792	\$ 1,272,686	\$ 9,106
Salaries of Secretarial and clerical Assistants	549,442		549,442	514,183	35,259
Other Purchased Services (400-500 series)	-	30	30	-	30
Supplies and Materials	39,919		39,919	28,871	11,048
<b>Total Support Services School Administration</b>	<b>1,807,153</b>	<b>64,030</b>	<b>1,871,183</b>	<b>1,815,740</b>	<b>55,443</b>
<b>Support Services Central Services</b>					
Salaries	552,381		552,381	520,639	31,742
Purchased Technical Services	-		-	-	-
Other Purchased Services (400-500 series)	50,400	50	50,450	50,030	420
Supplies and Materials	12,500	88	12,588	10,569	2,019
Interest on Lease Purchase Agreements	23,448		23,448	22,736	712
<b>Total Support Services Central Services</b>	<b>638,729</b>	<b>138</b>	<b>638,867</b>	<b>603,974</b>	<b>34,893</b>
<b>Support Services Admin. Info Technology</b>					
Salaries	241,927	55,000	296,927	276,927	20,000
Other Purchased Services (400-500 series)	39,400		39,400	27,780	11,620
<b>Total Support Services Admin. Info Technology</b>	<b>281,327</b>	<b>55,000</b>	<b>336,327</b>	<b>304,707</b>	<b>31,620</b>
<b>Operation and Maintenance Services:</b>					
<b>Required Maintenance for School Facilities:</b>					
Salaries	161,665		161,665	161,276	389
Cleaning, Repair and Maintenance Services	126,385	3,855	130,240	75,903	54,337
General Supplies	43,000	12,237	55,237	42,660	12,577
<b>Total Required Maintenance for School Facilities</b>	<b>331,050</b>	<b>16,092</b>	<b>347,142</b>	<b>279,839</b>	<b>67,303</b>
<b>Other Operations &amp; Maintenance of Plant:</b>					
Salaries	1,073,889	(64,000)	1,009,889	982,514	27,375
Purchase Professional Services	428,837	(6,000)	422,837	416,115	6,722
Cleaning, Repair and Maintenance Services	203,458	-	203,458	188,827	14,631
Rental of Land & Building Other than Lease Purchase Agreement	619,764	(6,000)	613,764	606,515	7,249
Insurance	183,082		183,082	183,082	-
Miscellaneous Purchased Services	1,500		1,500	868	632
General Supplies	56,300	358	56,658	49,215	7,443
Energy (heat and electricity)	645,340	92,000	737,340	638,482	98,858
<b>Total Other Operations &amp; Maintenance of Plant</b>	<b>3,212,170</b>	<b>16,358</b>	<b>3,228,528</b>	<b>3,065,618</b>	<b>162,910</b>
<b>Total Operation and Maintenance of Plant services</b>	<b>3,543,220</b>	<b>32,450</b>	<b>3,575,670</b>	<b>3,345,457</b>	<b>230,213</b>
<b>Student Transportation Services</b>					
Management Fee - ESC & CTSA Transportation Program	108,036		108,036	93,709	14,327
Contracted Services ( between home and school - vendors	923,350		923,350	813,810	109,540
Contracted Services (other than between home and school - vendors	142,550	(79,365)	63,185	49,856	13,329
Contracted Services (special education students) - Joint Agreements	1,936,273		1,936,273	1,526,578	409,695
<b>Total Student Transportation Services</b>	<b>3,110,209</b>	<b>(79,365)</b>	<b>3,030,844</b>	<b>2,483,953</b>	<b>546,891</b>
<b>Unallocated Benefits:</b>					
Social Security Contributions	330,091	25,000	355,091	355,091	-
Other Retirement Contributions-Regular	310,235	-	310,235	310,235	-
Unemployment Compensation	55,000	10,000	65,000	65,000	-
Workers Compensation	243,725	-	243,725	170,464	73,261
Health Benefits	6,824,145	(435,000)	6,389,145	5,755,070	634,075
Tuition Reimbursement	83,254	-	83,254	77,797	5,457
Other Employee Benefits	187,579	-	187,579	128,066	59,513
<b>Total Unallocated Benefits</b>	<b>8,034,029</b>	<b>(400,000)</b>	<b>7,634,029</b>	<b>6,861,723</b>	<b>772,306</b>

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
General Fund  
Comparative Statements Of Revenues Expenditures and Changes  
in Fund Balance-Budget and Actual  
For The fiscal Year Ended June 30, 2009

	<b>Adopted Budget</b>	<b>Budget Transfers/ Adjustments</b>	<b>Final Budget</b>	<b>Actual</b>	<b>(GAAP) Variance Favorable/ (Unfavorable)</b>
On-behalf TPAF Pension Contributions (non-budgeted)	\$ -	\$ -	\$ -	\$ 1,162,702	\$ (1,162,702)
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	-	-	1,366,702	(1,366,702)
Total Undistributed Expenditures	29,959,829	(276,885)	29,682,944	28,150,374	4,061,974
TOTAL EXPENDITURES - CURRENT EXPENSE Fund 11	48,086,938	(160,874)	47,926,064	45,185,728	5,269,363
<b>CAPITAL OUTLAY</b>					
Equipment:					
Kindergarten	2,000		2,000		2,000
Grades 1-5	5,000		5,000	3,500	1,500
Grades 6-8	8,270		8,270	3,400	4,870
Grades 9-12	8,423		8,423		8,423
General Administration			-		-
School Administration			-		-
Operation and Maintenance of Plant Services	3,000		3,000		3,000
Total Equipment	26,693	-	26,693	6,900	19,793
Facilities Acquisition and Construction Services:					
Other Purchased Professional and Technical Services		38,900	38,900	32,272	6,628
Construction Services	131,626	(47,850)	83,776	13,094	70,682
Capital Outlay Transferred		505,850	505,850		505,850
Lease Purchase Agreements-Principal	124,228	-	124,228	121,618	2,610
Total Facilities Acquisition and Construction Services	255,854	496,900	752,754	166,984	585,770
Assets Acquired Under Capital Leases (non-budgeted)					
Undistributed Expenditures					
School Administration					
Total Assets Acquired Under Capital Leases (non budgeted)	-	-	-	-	-
TOTAL CAPITAL OUTLAY	282,547	496,900	779,447	173,884	605,563
<b>SPECIAL SCHOOLS</b>					
Adult Education - Local - Instruction					
Salaries	8,400		8,400	8,400	
Total Adult Education - Local - Instruction	8,400		8,400	8,400	
TOTAL SPECIAL SCHOOLS	8,400		8,400	8,400	
Transfer of funds to Charter Schools	69,791		69,791	53,212	16,579
TOTAL TRANSFER TO CHARTER SCHOOLS	69,791	-	69,791	53,212	16,579
Total Expenditures	48,447,676	336,026	48,783,702	45,421,224	5,891,505
Excess (deficiency) of Revenues Over (under) Expenditures	(1,769,288)	(136,983)	(1,906,271)	4,615,675	8,428,831
Other Financing Sources:					
Capital Leases (non-budgeted)					
Food Services-Transfers to Cover Deficit	(55,000)		(55,000)		(55,000)
Total Other financing Sources	(55,000)	-	(55,000)	-	(55,000)
Excess of Revenues and other Financing Sources Over Expenditures and Other Expenditures and other Financing Sources	(1,824,288)		(1,961,271)	4,615,675	8,373,831
Fund Balances, July 1	(4,425,744)	(32,073)	(4,563,745)	4,570,068	6,032,964
Fund Balances, June 30	\$ (6,250,032)	\$ (32,073)	\$ (6,525,016)	\$ 9,185,743	\$ 8,373,831

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
General Fund  
Comparative Statements Of Revenues Expenditures and Changes  
in Fund Balance-Budget and Actual  
For The fiscal Year Ended June 30, 2009

	<u>Adopted Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(GAAP) Variance Favorable/ (Unfavorable)</u>
Recapitulation:					
Reserve for Encumbrances				\$ 717,828	
Excess Surplus-Designated For Subsequent Year's Expenditures				2,608,798	
Excess Surplus				4,259,390	
Reserve for TARA /DEPA				72,808	
Unreserved Fund Balance				<u>1,526,919</u>	
				9,185,743	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				<u>(2,209,180)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 6,976,563</u>	

## BOROUGH OF ROSELLE SCHOOL DISTRICT

Budgetary Comparison Schedule

Special Revenue Fund

Fiscal Year Ended June 30, 2009

	Original Budget	Budget Transfers/ Amendments	Final Budget	Actual	Variance Final to Actual
<b>REVENUES</b>					
State Sources	\$ 1,150,639	\$ 40,418	\$ 1,191,057	\$ 877,955	\$ 313,102
Federal Sources	1,619,336	689,215	2,308,551	1,984,418	324,133
Other	-	6,448	6,448	1,874	4,574
Total Revenue	<u>2,769,975</u>	<u>736,081</u>	<u>3,506,056</u>	<u>2,864,247</u>	<u>641,809</u>
<b>EXPENDITURES</b>					
Instruction:					
Salaries of Teachers	744,426	258,157	1,002,583	935,520	67,063
Salaries of Other Professional Staff	4,246	(4,246)	-	-	-
Other Salaries for Instruction	291,081	9,301	300,382	295,621	4,761
Purchased Professional - Educational Services	-	-	-	-	-
Purchased Professional & Technical Services	387,925	140,788	528,713	519,178	9,535
Other Purchased Services	900	32,840	33,740	31,726	2,014
Travel	58	(58)	-	-	-
General Supplies	291,213	(158,819)	132,394	107,224	25,170
Textbooks	59,610	(235)	59,375	50,348	9,027
Other Objects	3,200	3,578	6,778	3,442	3,336
Total Instruction	<u>1,782,659</u>	<u>281,306</u>	<u>2,063,965</u>	<u>1,943,059</u>	<u>120,906</u>
Support Services:					
Salaries of Supervisors of Instruction	12,024	62,909	74,933	71,368	3,565
Salaries of Other Professional Staff	246,248	77,188	323,436	199,004	124,432
Salaries of Secretarial & Clerical Assistant	16,059	(15,059)	1,000	1,000	-
Other Salaries	24,315	(12,845)	11,470	3,434	8,036
Purchased Professional - Educational Services	143,735	128,753	272,488	269,889	2,599
Personal Services - Employee Benefits	463,031	147,626	610,657	278,293	332,364
Rentals	800	(722)	78	-	78
Other Purchased Services	40,219	8,594	48,813	13,710	35,103
Travel	21,189	(9,497)	11,692	11,538	154
Supplies and Materials	1,700	22,979	24,679	24,587	92
Miscellaneous	496	1,684	2,180	338	1,842
Total Support Services	<u>969,816</u>	<u>411,610</u>	<u>1,381,426</u>	<u>873,161</u>	<u>508,265</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment	17,500	43,165	60,665	48,027	12,638
Total Facilities Acquisition and Construction Services	<u>17,500</u>	<u>43,165</u>	<u>60,665</u>	<u>48,027</u>	<u>12,638</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 2,769,975</u>	<u>\$ 736,081</u>	<u>\$ 3,506,056</u>	<u>\$ 2,864,247</u>	<u>\$ 641,809</u>

**BOROUGH OF ROSELLE SCHOOL DISTRICT**

Budgetary Comparison Schedule

Budget to GAAP Reconciliation

Note to RIS

For Fiscal Year Ended June 30, 2009

Note A - Explanation of difference between budgetary inflows and outflows and GAAP Revenues and Expenditures

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Sources/Inflows of Resources</b>		
Actual amounts (budgetary basis) "Revenue" from the budgetary comparison schedule	\$ 50,036,899	\$ 2,864,247
<b>Differences - Budget to GAAP:</b>		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current Year		(117,976)
Prior Year		108,131
The last State aid payment is recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	(2,209,180)	(37,915)
The last State Aid payment of the prior year is recognized as revenue under GAAP when the State recognizes the related expense (GASB 33). (this revenue is recognized during the previous fiscal year for budgetary purposes.	<u>793,650</u>	<u>134,146</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds	<u>\$ 48,621,369</u>	<u>\$ 2,950,633</u>
<b>Uses/Outflows of Resources</b>		
Actual amounts (budgetary basis) "Total Expenditures" from the budgetary comparison schedule	\$ 45,421,224	\$ 2,864,247
<b>Difference - Budget to GAAP:</b>		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purpose but in the year the supplies are received for financial reporting purposes.		
Current Year	-	(117,976)
Prior Year	-	108,131
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance - governmental funds	<u>\$ 45,421,224</u>	<u>\$ 2,854,402</u>

## **SPECIAL REVENUE FUNDS**

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) from state and federal governments.

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Revenues and Expenditures**  
**Budgetary Basis**  
**For the Year Ended June 30, 2009**

**EXHIBIT E-1**

	<u>Non-Public</u>								
	<u>Early Childhood Program Aid</u>	<u>Textbooks</u>	<u>Non-Public Nursing</u>	<u>Technology</u>	<u>Transportation</u>	<u>English As A Second Language</u>	<u>Compensatory Education</u>	<u>Home Instruction</u>	<u>Supplementary Instruction</u>
<b>REVENUES</b>									
Federal sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	410,779	50,348	73,958	38,149	19,503	7,105	116,454	5,391	62,363
Local Sources									
<b>Total Revenues</b>	<u>410,779</u>	<u>50,348</u>	<u>73,958</u>	<u>38,149</u>	<u>19,503</u>	<u>7,105</u>	<u>116,454</u>	<u>5,391</u>	<u>62,363</u>
<b>EXPENDITURES</b>									
Instruction:									
Salaries of Teachers	215,238								
Salaries of Other Professional Staff									
Other Salaries for Instruction	74,341								
Purchased Professional and Technical Services			73,958	38,149		7,105	116,454	5,391	62,363
Other Purchased Services					19,503				
Travel									
General Supplies									
Textbooks		50,348							
Miscellaneous Expenditures									
<b>Total Instruction</b>	<u>289,579</u>	<u>50,348</u>	<u>73,958</u>	<u>38,149</u>	<u>19,503</u>	<u>7,105</u>	<u>116,454</u>	<u>5,391</u>	<u>62,363</u>
Support services:									
Salaries of Supervisors of Instruction									
Salaries of Other Professional Staff									
Salaries of Secretarial and Clerical Asst.									
Other Salaries									
Purchased Professional-Educational Services									
Personal Services	121,200								
Other Purchased Services									
Rental									
Travel									
Supplies and Materials									
Miscellaneous Expenditures									
<b>Total Support Services</b>	<u>121,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Facilities Acquisition and Const. Services:									
Instructional Equipment									
<b>Total Facilities Acquisition and Const. Services</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures</b>	<u>410,779</u>	<u>50,348</u>	<u>73,958</u>	<u>38,149</u>	<u>19,503</u>	<u>7,105</u>	<u>116,454</u>	<u>5,391</u>	<u>62,363</u>
Excess (deficiency) of Revenue Over (under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Revenues and Expenditures**  
**Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2009**

**EXHIBIT E-1**

	<b>Examination &amp; Classification</b>	<b>Corrective Speech</b>	<b>Title I</b>	<b>Title I Carryover</b>	<b>Title I Sch. Imp</b>	<b>Title II D</b>	<b>Title II D Carryover</b>	<b>Title II</b>	<b>Title II Carryover</b>	<b>Title III</b>
<b>REVENUES</b>										
Federal sources	\$ -	\$ -	\$ 557,469	\$ 74,935	\$ 25,362	\$ 5,304	\$ 2,809	\$ 85,221	\$ 7,685	\$ 47,251
State sources	88,326	5,579								
Local Sources										
<b>Total Revenues</b>	<b>88,326</b>	<b>5,579</b>	<b>557,469</b>	<b>74,935</b>	<b>25,362</b>	<b>5,304</b>	<b>2,809</b>	<b>85,221</b>	<b>7,685</b>	<b>47,251</b>
<b>EXPENDITURES</b>										
Instruction:										
Salaries of Teachers			332,976	9,418				47,135	177	24,955
Salaries of Other Professional Staff										
Other Salaries for Instruction										
Purchased Professional and Technical Services	88,326	5,579	59,919	43,134	13,800					
Other Purchased Services			8,740							
Travel										
General Supplies			38,041					3,000	2,060	20,627
Textbooks										
Miscellaneous Expenditures										
<b>Total Instruction</b>	<b>88,326</b>	<b>5,579</b>	<b>439,676</b>	<b>52,552</b>	<b>13,800</b>	<b>-</b>	<b>-</b>	<b>50,135</b>	<b>2,237</b>	<b>45,582</b>
Support services:										
Salaries of Supervisors of Instruction			10,532						112	
Salaries of Other Professional Staff										
Salaries of Secretarial and Clerical Asst.										
Other Salaries										
Purchased Professional-Educational Services			7,028	13,047		5,304	2,809	15,552	2,232	
Personal Services			83,728	1,000				17,683		1,598
Other Purchased Services			8,851	953					2,174	
Rental										
Travel									930	
Supplies and Materials			7,654	7,383				1,851		
Miscellaneous Expenditures										71
<b>Total Support Services</b>	<b>-</b>	<b>-</b>	<b>117,793</b>	<b>22,383</b>	<b>-</b>	<b>5,304</b>	<b>2,809</b>	<b>35,086</b>	<b>5,448</b>	<b>1,669</b>
Facilities Acquisition and Const. Services:										
Instructional Equipment					11,562					
<b>Total Facilities Acquisition and Const. Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,562</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total expenditures</b>	<b>88,326</b>	<b>5,579</b>	<b>557,469</b>	<b>74,935</b>	<b>25,362</b>	<b>5,304</b>	<b>2,809</b>	<b>85,221</b>	<b>7,685</b>	<b>47,251</b>
Excess (deficiency) of Revenue Over (under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Revenues and Expenditures**  
**Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2009**

**EXHIBIT E-1**

	<u>Title III Carryover</u>	<u>Title IV</u>	<u>Title V</u>	<u>Title IV Carryover</u>	<u>I.D.E.A. Part B Basic</u>	<u>I.D.E.A. Part B Basic Carryover</u>	<u>IDEA Preschool Handicap</u>	<u>IDEA Preschool Handicap Carryover</u>	<u>I.D.E.A. (K-4)</u>
<b>REVENUES</b>									
Federal sources	\$ 31,009	\$ 11,012	\$ 5,383	\$ 187	\$ 728,523	\$ 110,181	\$ 5,363	\$ 19,222	\$ 60,412
State sources									
Local Sources									
<b>Total Revenues</b>	<u>31,009</u>	<u>11,012</u>	<u>5,383</u>	<u>187</u>	<u>728,523</u>	<u>110,181</u>	<u>5,363</u>	<u>19,222</u>	<u>60,412</u>
<b>EXPENDITURES</b>									
Instruction:									
Salaries of Teachers	23,688		5,021		170,053	25,729		12,676	49,263
Salaries of Other Professional Staff					218,857	2,423			
Other Salaries for Instruction									
Purchased Professional and Technical Services		5,000							
Other Purchased Services		842		47					
Travel							510		
General Supplies	2,774	3,470	72			6,562		3,745	
Textbooks									
Miscellaneous Expenditures		600		58	1,811	283		333	
<b>Total Instruction</b>	<u>26,462</u>	<u>9,912</u>	<u>5,093</u>	<u>105</u>	<u>390,721</u>	<u>34,997</u>	<u>510</u>	<u>16,754</u>	<u>49,263</u>
Support services:									
Salaries of Supervisors of Instruction							431		
Salaries of Other Professional Staff					133,238	60,624			
Salaries of Secretarial and Clerical Asst.									
Other Salaries									
Purchased Professional-Educational Services	4,524				200,791				
Personal Services			108			11,119	3,822	570	11,149
Other Purchased Services									
Rental									
Travel		1,100			1,433		600		
Supplies and Materials				20	2,340	3,441		1,898	
Miscellaneous Expenditures	23		182	62					
<b>Total Support Services</b>	<u>4,547</u>	<u>1,100</u>	<u>290</u>	<u>82</u>	<u>337,802</u>	<u>75,184</u>	<u>4,853</u>	<u>2,468</u>	<u>11,149</u>
Facilities Acquisition and Const. Services:									
Instructional Equipment									
<b>Total Facilities Acquisition and Const. Services</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<u>31,009</u>	<u>11,012</u>	<u>5,383</u>	<u>187</u>	<u>728,523</u>	<u>110,181</u>	<u>5,363</u>	<u>19,222</u>	<u>60,412</u>
Excess (deficiency) of Revenue Over (under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Revenues and Expenditures**  
**Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2009**

**EXHIBIT E-1**

	School Development for Gifted & Talented	School Development for Gifted & Talented C\O	NJ Learn & Serve America	Perkins	NJ Learn & Serve America Carryover	Teaching Tolerance	Pepsi Scholarship	<u>Comparative Totals</u>	
								2009	2008
<b>REVENUES</b>									
Federal sources	\$ 164,998	\$ 17,648	\$ 14,272	\$ 3,460	\$ 6,712	\$ -	\$ -	\$ 1,984,418	\$ 1,800,884
State sources								877,955	3,007,180
Local Sources						1,674	200	1,874	5,298
<b>Total Revenues</b>	<u>164,998</u>	<u>17,648</u>	<u>14,272</u>	<u>3,460</u>	<u>6,712</u>	<u>1,674</u>	<u>200</u>	<u>2,864,247</u>	<u>4,813,362</u>
<b>EXPENDITURES</b>									
Instruction:									
Salaries of Teachers	6,110	4,658	3,308	1,860	3,255			935,520	1,631,267
Salaries of Other Professional Staff								-	5,192
Other Salaries for Instruction								295,621	489,054
Purchased Professional and Technical Services								519,178	47,800
Other Purchased Services			210			1,674	200	31,216	292,702
Travel								510	58
General Supplies	11,109	10,010	5,754					107,224	168,333
Textbooks								50,348	68,964
Miscellaneous Expenditures					357			3,442	3,335
<b>Total Instruction</b>	<u>17,219</u>	<u>14,668</u>	<u>9,272</u>	<u>1,860</u>	<u>3,612</u>	<u>1,674</u>	<u>200</u>	<u>1,943,059</u>	<u>2,706,705</u>
Support services:									
Salaries of Supervisors of Instruction	58,253	2,040						71,368	80,031
Salaries of Other Professional Staff	5,142							199,004	221,918
Salaries of Secretarial and Clerical Asst.				1,000				1,000	4,733
Other Salaries			124	600	2,710			3,434	65,268
Purchased Professional-Educational Services	17,402		1,200					269,889	625,122
Personal Services	25,215	100	611		390			278,293	602,444
Other Purchased Services	1,732							13,710	37,108
Rental								-	204
Travel	3,570	840	3,065					11,538	11,816
Supplies and Materials								24,587	23,063
Miscellaneous Expenditures								338	46,852
<b>Total Support Services</b>	<u>111,314</u>	<u>2,980</u>	<u>5,000</u>	<u>1,600</u>	<u>3,100</u>	<u>-</u>	<u>-</u>	<u>873,161</u>	<u>1,718,559</u>
Facilities Acquisition and Const. Services:									
Instructional Equipment	36,465							48,027	388,098
<b>Total Facilities Acquisition and Const. Services</b>	<u>36,465</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,027</u>	<u>388,098</u>
<b>Total expenditures</b>	<u>164,998</u>	<u>17,648</u>	<u>14,272</u>	<u>3,460</u>	<u>6,712</u>	<u>1,674</u>	<u>200</u>	<u>2,864,247</u>	<u>4,813,362</u>
Excess (deficiency) of Revenue Over (under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Statement of Expenditures Early Childhood Program Aid**  
**Budgetary Basis**  
**For the Year Ended June 30, 2009**

	<u>Budgeted</u>	<u>2009 Actual</u>	<u>Variance</u>
<b>EXPENDITURES</b>			
Instruction:			
Salaries of Teachers	\$ 215,238	\$ 215,238	\$ -
Other Salaries	74,341	74,341	(0)
Other Purch. Services	-	-	-
General Supplies	-	-	-
Texbooks	-	-	-
Total Instruction	<u>289,579</u>	<u>289,579</u>	<u>(0)</u>
Support Services:			
Salaries of Supervisors	-	-	-
Salaries of Other Professional Staff	-	-	-
Other Salaries	-	-	-
Benefits	-	-	-
Purchased Education Professional Services	173,585	121,200	52,385
Other Objects	-	-	-
Total Support Services	<u>173,585</u>	<u>121,200</u>	<u>52,385</u>
	<u>\$ 463,164</u>	<u>\$ 410,779</u>	<u>\$ 52,385</u>

**SUMMARY OF LOCATION TOTALS**

Total Revised 2007-2008 ECPA Allocation	\$ 379,150
Actual ECPA Carryover (June 30, 2008)	84,014
Total ECPA Funds Available for 2007-2008 Budget	<u>463,164</u>
Less: 2008-2009 Budgeted ECPA (including prior year budgeted carryover)	<u>(463,164)</u>
Available and Unbudgeted ECPA Funds as June 30, 2009	-
Add: 2008-2009 Unexpected ECPA	52,385
2007-2008 Actual Carryover - ECPA	<u>\$ 52,385</u>
2008-09 ECPA Carryover Budgeted in 2009-2010	<u>\$ -</u>

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Statement of Expenditures Early Childhood Program Aid**  
**Budgetary Basis**  
**For the Year Ended June 30, 2009**

**Program: Preschool**

	<b>2009</b>		
	<b>Budgeted</b>	<b>Actual</b>	<b>Variance</b>
<b>EXPENDITURES</b>			
Instruction:			
Salaries of Teachers	\$ 215,238	\$ 215,238	\$ -
Other Salaries	74,341	74,341	0
Other Purch. Services			
General Supplies			
Textbooks			
	<hr/>	<hr/>	<hr/>
Total Instruction	289,579	289,579	0
Support Services:			
Salaries of Supervisors			0
Salaries of Other Professional Staff			0
Other Salaries			0
Benefits			0
Purchased Education Professional Services	173,585	121,200	52,385
Other Objects			0
	<hr/>	<hr/>	<hr/>
Total Support Services	173,585	121,200	52,385
	<hr/>	<hr/>	<hr/>
	\$ 463,164	\$ 410,779	\$ 52,385

## **CAPITAL PROJECTS FUND**

**Capital Projects Fund** is used to account for financial resources used to acquire or construct major capital facilities (other than those of proprietary funds and fiduciary funds).

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
 Capital Projects Fund  
 Summary Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Budgetary Basis  
 Year ended June 30, 2009

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<b>Revenues and Other Financing Sources</b>	
State Sources - SCC Grants	<u>\$ -</u>
<b>Expenditures and Other Financing Uses</b>	
Construction services	<u>9,625</u>
Excess (deficiency) of revenues over (under) expenditures	(9,625)
Fund balance, July 1	<u>33,779</u>
Fund balance, June 30	<u><u>\$ 24,154</u></u>

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
 Capital Projects Fund  
 Summary Schedule of Project Expenditures  
 Year ended June 30, 2009

Number	Issue/Project Title	Appropriations	Expenditures to Date		Prior Year Encumbrances Canceled	Unexpended Balance
			Prior Year	Current Year		
<b>District Projects:</b>						
	Additions to Wilday Middle Schools	\$ 4,475,904	\$ 4,442,125	\$ 9,625	\$ -	\$ 24,154
	District Project totals	<u>\$ 4,475,904</u>	<u>\$ 4,442,125</u>	<u>\$ 9,625</u>	<u>\$ -</u>	<u>\$ 24,154</u>

## **PROPRIETARY TYPE FUNDS**

**Proprietary Fund** are used account for operations that are financed and operated in a manner similar to private business enterprise, where the intent of the District's board is that the costs of providing goods or services be financed through user charges.

*Food Services Fund* - This fund provides for the operation of food services in all schools within the District.

## BOROUGH OF ROSELLE SCHOOL DISTRICT

Combing Statement of Net Assets  
 Proprietary Funds-Enterprise Funds  
 June 30, 2009

	<b>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</b>			
	<b>Food Service Fund</b>	<b>Community School Fund</b>	<b>2009</b>	<b>2008</b>
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 271,826	\$ 87	\$ 271,913	\$ 242,823
State	3,154		3,154	2,651
Federal	65,701		65,701	52,850
Inventories	9,614		9,614	8,636
Total Current Assets	350,295	87	350,382	306,960
Noncurrent Assets:				
Furniture, Machinery & Equipment	243,845		243,845	243,845
Less: Accumulated Depreciation	(189,930)		(189,930)	(183,832)
Total Noncurrent Assets	53,915	-	53,915	60,013
<b>Total Assets</b>	<b>\$ 404,210</b>	<b>\$ 87</b>	<b>\$ 404,297</b>	<b>\$ 366,973</b>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	\$ 110,563	\$ -	\$ 110,563	\$ 645
Interfund Payable	5,410	2	5,412	5,412
Loan Payable-Current Portion			-	20,000
Total Liabilities	115,973	2	115,975	26,057
<b>NET ASSETS</b>				
Unrestricted	288,237	85	288,322	340,916
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 404,210</b>	<b>\$ 87</b>	<b>\$ 404,297</b>	<b>\$ 366,973</b>

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets  
Proprietary Funds - Enterprise Funds  
For the Year Ended June 30, 2009

	<b>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</b>			
	<b>Food Service Fund</b>	<b>Community School Fund</b>	<b>2009</b>	<b>2008</b>
<b>OPERATING REVENUES</b>				
Charges for Services:				
Daily Sales - Reimbursable Programs	\$ 171,000	\$ -	\$ 171,000	\$ 177,665
Daily Sales - Non-reimbursable Programs	91,941		91,941	122,134
Special Functions			-	19,766
Miscellaneous Revenue	143		143	-
Tuition and Book Sales		3,718	3,718	3,800
Total Operation Revenues	<u>263,084</u>	<u>3,718</u>	<u>266,802</u>	<u>323,365</u>
<b>OPERATING EXPENSES</b>				
Cost of Food	532,052		532,052	494,428
Salaries	401,866	1,005	402,871	428,227
Employee Benefits/Taxes	54,978	77	55,055	54,435
Management Fee	78,386		78,386	80,825
Supplies and Materials	67,168		67,168	69,122
Other Purchased Services	69,135	2,914	72,049	59,547
Miscellaneous	35,145		35,145	-
Depreciation	6,099		6,099	7,191
Total Operating Expenses	<u>1,244,829</u>	<u>3,996</u>	<u>1,248,825</u>	<u>1,193,775</u>
Operating Income (loss)	<u>(981,745)</u>	<u>(278)</u>	<u>(982,023)</u>	<u>(870,410)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
State Sources				
School Lunch Program	27,825		27,825	27,021
School Breakfast Program	10,980		10,980	9,302
Federal Sources				
National School Lunch Program	649,280		649,280	594,808
National School Breakfast Program	165,128		165,128	132,870
Interest On Investments		6	6	579
Board Contribution			-	-
National Food Distribution Commodities	76,210		76,210	53,031
Total Nonoperating Revenues (Expenses)	<u>929,423</u>	<u>6</u>	<u>929,429</u>	<u>817,611</u>
Loss before contributions & transfers	(52,322)	(272)	(52,594)	(52,799)
Transfer in- Board Contribution	-	-	-	50,084
Change in Net Assets	(52,322)	(272)	(52,594)	(2,715)
Total Net Assets, Beginning	<u>340,559</u>	<u>357</u>	<u>340,916</u>	<u>343,631</u>
<b>Total Net Assets, Ending</b>	<u>\$ 288,237</u>	<u>\$ 85</u>	<u>\$ 288,322</u>	<u>\$ 340,916</u>

## BOROUGH OF ROSELLE SCHOOL DISTRICT

Combining Statement of Cash Flows

Proprietary Funds-Enterprise Funds

For the Year Ended June 30, 2009

	<b>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</b>			
	<b>Food Service Fund</b>	<b>Community School Fund</b>	<b>2009</b>	<b>2008</b>
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 263,084	\$ 3,719	\$ 266,803	\$ 323,365
Interfunds			-	(8,182)
Payments to Employees	(401,866)	(1,005)	(402,871)	(428,227)
Payments to Employee Benefits	(54,978)	(77)	(55,055)	(54,435)
Payments to Suppliers	(672,946)	(2,915)	(675,861)	(703,339)
Net cash used for Operating Activities	(866,706)	(278)	(866,984)	(870,818)
Cash Flows from Noncapital Financing Activities:				
State Sources	38,302		38,302	35,893
Federal Sources	801,557		801,557	723,094
Miscellaneous revenues			-	392
Operating Subsidies	76,210		76,210	53,031
Payment of Loan	(20,000)		(20,000)	(96,000)
Net cash provided by noncapital Financing Activities	896,069	-	896,069	716,410
Cash Flow from Capital Activities-Purchase of Assets	-	-	-	(8,378)
Cash flows from investing activities-interest	-	6	6	187
Net increase (decrease) in Cash and Equivalents	29,364	(272)	29,092	(162,599)
Cash and cash equivalents, July 1, 2008	242,463	360	242,823	405,422
Cash and cash equivalents, June 30, 2009	\$ 271,827	\$ 88	\$ 271,915	\$ 242,823
Reconciliation of operating loss to net cash used for operating activities				
Operating loss	\$ (981,745)	\$ (278)	\$ (982,023)	\$ (870,409)
Adjustments to reconciling operating loss to net cash used for operating activities:				
Change in assets and liabilities:				
Increase in inventories	(978)		(978)	(63)
Depreciation	6,099		6,099	7,191
Increase in accounts payable	109,918		109,918	645
Decrease in interfund payable				(8,182)
<b>Net Cash used for Operating Activities</b>	<b>\$ (866,706)</b>	<b>\$ (278)</b>	<b>\$ (866,984)</b>	<b>\$ (870,818)</b>

## **FIDUCIARY FUNDS**

**Fiduciary Funds** account for resources legally held in trust for the State Unemployment Insurance Fund and the activity of the Student Activity Agency Fund and Payroll Agency Fund. All resources of the funds, including any earnings on invested resources, may be used to support the intended purpose. There is no requirement that any portion of these resources be preserved as capital.

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
 Combining Statement of Fiduciary Net Assets  
 Trust and Agency Funds  
 June 30, 2009

	Agency and Trust Funds			Totals
	Student Activity	Payroll Agency	Private Purpose Funds	
<b>Assets</b>				
Cash and cash equivalents	\$ 91,158	\$ 169,337	\$ 209,723	\$ 470,218
<b>Total Assets</b>	<u>91,158</u>	<u>169,337</u>	<u>209,723</u>	<u>470,218</u>
<b>Liabilities</b>				
Payable to student groups	91,158	-	-	91,158
Payroll deductions and withholdings	-	169,337	-	169,337
Reserved for Scholarships and awards	-	-	209,723	209,723
<b>Total Liabilities</b>	<u>91,158</u>	<u>169,337</u>	<u>209,723</u>	<u>\$ 470,218</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 91,158</u>	<u>\$ 169,337</u>	<u>\$ 209,723</u>	<u>\$ 470,218</u>

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
Combining Statement of Changes in Fiduciary Net Assets  
Fiduciary Funds  
For the Year Ended June 30, 2009

	Scholarship Funds						Memorial Scholarships					Total
	Oliver E. Young	Helen Stucy	Louis Levine	Joseph Bustard	Evelyn Rung	Cassandra Pisauro	Dohner Trust	Oliver E. Young Instrumenta	Oliver E. Young Vocal	Darlene Roberto	Playground Project	
<b>ADDITIONS</b>												
Contributions:												
Plan member	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,600
Other				102		745		200				1,047
Total Contributions	-	-	-	102	-	6,345	-	200	-	-	-	6,647
Investment earnings:												
Interest	2,257			20	38	9	3,935	54	42	17	368	6,740
Less investment expense	-	-	-									-
Net investment earnings	2,257	-	-	20	38	9	3,935	54	42	17	368	6,740
Total additions	2,257	-	-	122	38	6,354	3,935	254	42	17	368	13,387
<b>DEDUCTIONS</b>												
Scholarships awarded	1,000	500		200	100	1,000	1,200	250	100	-	5,750	10,100
Refunds of contributions	8,821			-	-	-	1,338	-	-	-	194	10,353
Total deductions	9,821	500	-	200	100	1,000	2,538	250	100	-	5,944	20,453
Change in net assets	(7,564)	(500)	-	(78)	(62)	5,354	1,397	4	(58)	17	(5,576)	(7,066)
Net assets—beginning of the year	73,894	3,232	16	1,563	2,947	10	115,755	4,045	3,298	-	12,031	216,791
Net assets—end of the year	\$ 66,330	\$ 2,732	\$ 16	\$ 1,485	\$ 2,885	\$ 5,364	\$ 117,152	\$ 4,049	\$ 3,240	\$ 17	\$ 6,455	\$ 209,725

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
 Student Activity Agency Fund  
 Schedule of Receipts and Disbursements  
 For the Year Ended June 30, 2009

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	<u>Balance</u> <u>June 30, 2007</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2007</u>
Elementary Schools	\$ 19,007	\$ 55,078	\$ 46,927	\$ 27,158
Middle Schools	13,497	22,378	21,942	13,933
High School	36,416	95,340	95,005	36,751
Athletics	25,055	117,441	129,180	13,316
Totals	<u>\$ 93,975</u>	<u>\$ 290,237</u>	<u>\$ 293,054</u>	<u>\$ 91,158</u>

## BOROUGH OF ROSELLE SCHOOL DISTRICT

Payroll Agency Funds  
Schedule of Receipts and Disbursements  
June 30, 2009

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	<u>Balance July 1, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2008</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 171,722	\$ 10,873,688	\$ 10,876,073	\$ 169,337
<b>Total Assets</b>	<u>\$ 171,722</u>	<u>\$ 10,873,688</u>	<u>\$ 10,876,073</u>	<u>\$ 169,337</u>
<b>LIABILITIES</b>				
Payroll deductions and withholdings	\$ 171,722	\$ 10,873,688	\$ 10,876,073	\$ 169,337
<b>Total Liabilities</b>	<u>\$ 171,722</u>	<u>\$ 10,873,688</u>	<u>\$ 10,876,073</u>	<u>\$ 169,337</u>

## **LONG-TERM DEBT**

Long-term debt schedules are used to reflect the outstanding principal balances of the long-term liabilities of the District. It includes obligations under Capital Leases.

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
 Long-Term Debt  
 Statement of Obligations Under Capital Leases  
 30-Jun-09

Series	Date of Lease	Term of Lease	Amount of Original Lease Principal	Interest Rate	Amount Outstanding June 30, 2008	Issued Current Year	Retired Current Year	Amount Outstanding June 30, 2009
Xerox833098 (Annex)	10/01/05	5 years	\$ 33,284	10.50%	\$ 17,437	\$ -	\$ 7,122	\$ 10,315
Verizon Telephone system	07/06/04	5 years	123,761	6.02%	47,596		26,584	\$ 21,012
Xerox 077935 (ACHS)	03/20/07	5 years	61,629	6.00%	47,284		11,903	\$ 35,381
Xerox 542026 (Spec. Serv.)	03/20/07	5 years	37,274	6.00%	28,567		7,209	\$ 21,358
Xerox 541324 (Board O.)	03/20/07	5 years	42,452	6.00%	32,622		7,529	\$ 25,093
Xerox 75112861 (Board O.)	03/20/07	5 years	37,244	6.00%	28,856		7,104	\$ 21,752
Xerox 4595 (ACHS)	05/01/08	5 years	17,750	6.00%	17,302		2,870	\$ 14,432
Xerox 5638 (ACHS)	05/01/08	5 years	8,308	6.00%	8,098		1,343	\$ 6,755
Xerox 4595 (LVM)	05/01/08	5 years	28,396		27,679		4,591	\$ 23,088
Xerox 7242 (Food Service)		5 years	9,073	6.00%	8,844		1,467	\$ 7,377
Xerox 4595 (WASH)	05/01/08	5 years	28,428	6.00%	27,710		4,596	\$ 23,114
Xerox 4595 (Wilday)	05/01/08	5 years	33,036	6.00%	32,201		5,341	\$ 26,860
Xerox 4595 (Wilday)	05/01/08	5 years	27,831	6.00%	27,128		4,500	\$ 22,628
Xerox 4595 (Harrison)	05/01/08	5 years	27,831	6.00%	27,128		4,500	\$ 22,628
Xerox 4595 (Polk)	05/01/08	5 years	27,254	6.00%	26,565		4,406	\$ 22,159
Xerox 4150 ( 6 copiers)					-			\$ -
Wilday 1	06/01/08	5 years	3,659	6.00%	3,613		592	\$ 3,021
ACHS 2	05/01/08	5 years	7,318	6.00%	7,134		1,183	\$ 5,951
Polk 1	05/01/08	5 years	3,659	6.00%	3,567		591	\$ 2,976
Wash. 1	05/01/08	5 years	3,659	6.00%	3,566		591	\$ 2,975
Harrison 1	05/01/08	5 years	3,659	6.00%	3,567		592	\$ 2,975
					<b>\$ 426,464</b>	<b>\$ -</b>	<b>\$ 104,614</b>	<b>\$ 321,850</b>

## **STATISTICAL SECTION**

Note: GASB requires that ten years of statistical data be presented. Since New Jersey entered GAAP accounting in fiscal year 1994, this presentation will include those years under GAAP accounting. In addition, GASB 34 was implemented in fiscal year 2003; therefore data for GASB 34 presentations are available for only one year. Each year thereafter, an additional year's data will be included until ten years of data is presented.

**BOROUGH OF ROSELLE SCHOOL DISTRICT**

Net Assets by Component,  
Last Four Fiscal Years  
(*accrual basis of accounting*)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
		*		
Governmental activities				
Invested in capital assets, net of related debt	\$ 14,369,504	\$ 6,140,340	\$ 6,220,309	\$ 5,856,819
Restricted	4,187,089	4,263,652	2,543,461	4,259,390
Unrestricted	1,416,140	623,481	(404,204)	1,161,574
Total governmental activities net assets	<u>\$ 19,972,733</u>	<u>\$ 11,027,473</u>	<u>\$ 8,359,566</u>	<u>\$ 11,277,783</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ -	\$ 58,826	\$ 60,013	\$ 53,915
Restricted	-	-	-	-
Unrestricted	281,399	284,805	280,903	234,407
Total business-type activities net assets	<u>\$ 281,399</u>	<u>\$ 343,631</u>	<u>\$ 340,916</u>	<u>\$ 288,322</u>
District-wide				
Invested in capital assets, net of related debt	\$ 14,369,504	\$ 6,199,166	\$ 6,280,322	\$ 5,910,734
Restricted	4,187,089	4,297,431	2,543,461	4,259,390
Unrestricted	1,697,539	(338,676)	(123,301)	1,395,981
Total district net assets	<u>\$ 20,254,132</u>	<u>\$ 10,157,921</u>	<u>\$ 8,700,482</u>	<u>\$ 11,566,105</u>

Source: CAFR Schedule A-1

\*In 2007, the District adjusted its capital assets to its certified appraisal.

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
 Changes in Net Assets, Last Four Fiscal Years  
*(accrual basis of accounting)*

	2006	2007	2008	2009
<b>Expenses</b>				
Governmental activities				
Instruction				
Regular	\$ 15,324,811	\$ 17,601,639	\$ 17,145,489	\$ 16,124,349
Special education	3,002,679	3,403,418	3,614,379	4,022,220
Other special education	-	-	-	-
Vocational	-	-	-	-
Other instruction	2,022,940	2,977,804	2,189,176	3,116,842
Nonpublic school programs	-	-	-	-
Adult/continuing education programs	-	-	-	-
Support Services:				
Instruction	8,010,706	7,114,287	7,647,788	5,557,907
Student & instruction related services	5,517,884	5,764,629	6,509,272	4,765,049
General administrative services	1,422,182	1,253,042	1,027,030	2,670,799
School administrative services	2,135,492	2,433,944	2,211,582	1,815,740
Business/Central/Info Technology	1,110,878	1,403,928	1,269,501	908,681
Plant operations and maintenance	4,085,461	3,638,439	4,406,397	6,526,613
Pupil transportation	2,622,892	2,989,131	3,584,399	2,918,452
Special Schools	8,400	8,400	8,400	8,400
Charter Schools	-	-	40,395	53,212
Capital Outlay	-	-	-	176,945
Interest on long-term debt	-	-	-	-
Unallocated depreciation	-	-	-	-
Total governmental activities expenses	<u>45,264,325</u>	<u>48,588,661</u>	<u>49,653,808</u>	<u>48,665,209</u>
Business-type activities:				
Food service	1,010,001	1,120,996	1,187,073	1,244,829
Community School	5,584	1,510	6,702	3,996
Total business-type activities expense	<u>1,015,585</u>	<u>1,122,506</u>	<u>1,193,775</u>	<u>1,248,825</u>
Total district expenses	<u>\$ 46,279,910</u>	<u>\$ 49,711,167</u>	<u>\$ 50,847,583</u>	<u>\$ 49,914,034</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
Instruction (tuition)	\$ -	\$ -	\$ -	\$ -
Pupil transportation	-	-	-	-
Business and other support services	-	-	-	-
Operating grants and contributions	4,220,706	4,349,477	4,937,245	2,950,632
Capital grants and contributions	-	-	-	-
Total governmental activities program revenues	<u>4,220,706</u>	<u>4,349,477</u>	<u>4,937,245</u>	<u>2,950,632</u>
Business-type activities:				
Charges for services:				
Food service	332,079	340,587	319,565	263,084
Community School	4,964	1,964	3,800	3,718
Operating grants and contributions	692,809	789,186	817,611	929,429
Capital grants and contributions	-	-	-	-
Total business type activities program revenues	<u>1,029,852</u>	<u>1,131,737</u>	<u>1,140,976</u>	<u>1,196,231</u>
Total district program revenues	<u>\$ 5,250,558</u>	<u>\$ 5,481,214</u>	<u>\$ 6,078,221</u>	<u>\$ 4,146,863</u>
<b>Net (Expense)/Revenue</b>				
Governmental activities	\$ (41,043,619)	\$ (44,239,184)	\$ (44,716,563)	\$ (45,714,577)
Business-type activities	14,267	9,231	(52,799)	52,594

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
 Changes in Net Assets, Last Four Fiscal Years  
*(accrual basis of accounting)*

	2006	2007	2008	2009
Total district-wide net expense	<u>\$ (41,029,352)</u>	<u>\$ (44,229,953)</u>	<u>\$ (44,769,362)</u>	<u>\$ (45,661,983)</u>
<b>General Revenues and Other Changes in Net Assets</b>				
Governmental activities:				
Property taxes levied for general purposes, net	\$ 21,318,821	\$ 22,171,532	\$ 22,538,275	\$ 23,438,800
Federal and State Aid Not Restricted	18,335,071	19,492,777	20,428,848	24,902,428
Federal and State Aid Restricted	-	-	-	-
Payments in lieu of taxes	-	-	-	-
Investment earnings	-	-	-	-
Tuition	-	-	-	60,386
Miscellaneous income	790,738	813,510	512,723	219,755
Transfers In/Out	(78,000)	(53,002)	(50,084)	-
Adjustment to Fixed Assets	-	-	-	1,800
Total governmental activities	<u>40,366,630</u>	<u>42,424,817</u>	<u>43,429,762</u>	<u>48,623,169</u>
Business-type activities:				
Miscellaneous Income	-	-	-	-
Transfers	78,000	53,002	50,084	-
Total business-type activities	<u>78,000</u>	<u>53,002</u>	<u>50,084</u>	<u>-</u>
Total district-wide	<u>\$ 40,444,630</u>	<u>\$ 42,477,819</u>	<u>\$ 43,479,846</u>	<u>48,623,169</u>
<b>Change in Net Assets</b>				
Governmental activities	\$ (676,989)	\$ (1,814,367)	\$ (1,286,800)	\$ 2,908,592
Business-type activities	92,267	62,233	(2,715)	(52,594)
Total district	<u>\$ (584,722)</u>	<u>\$ (1,752,134)</u>	<u>\$ (1,289,515)</u>	<u>\$ 2,855,998</u>

Source: CAFR Schedule A-2

**BOROUGH OF ROSELLE SCHOOL DISTRICT**

Fund Balances, Governmental Funds,

Last Four Fiscal Years

*(modified accrual basis of accounting)*

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Fund				
Reserved	\$ 6,207,457	\$ 4,263,652	\$ 2,543,461	\$ 5,050,026
Unreserved	528,483	1,003,104	2,236,073	1,926,537
Total general fund	<u>\$ 6,735,940</u>	<u>\$ 5,266,756</u>	<u>\$ 4,779,534</u>	<u>\$ 6,976,563</u>
All Other Governmental Funds				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:				
Special revenue fund	(96,584)	(96,584)	(134,146)	(37,915)
Capital projects fund	-	33,779	33,779	24,154
Debt service fund	-	-	-	-
Permanent fund	-	-	-	-
Total all other governmental funds	<u>\$ (96,584)</u>	<u>\$ (62,805)</u>	<u>\$ (100,367)</u>	<u>\$ (13,761)</u>

Source: CAFR Schedule B-1

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
 Changes in Fund Balances, Governmental Funds,  
 Last Ten Fiscal Years

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Revenues</b>										
Tax levy	\$ 14,886,458	\$ 14,961,583	\$ 15,145,024	\$ 15,849,907	\$ 17,569,989	\$ 21,096,896	\$ 21,318,821	\$ 22,171,532	\$ 22,538,275	\$ 23,438,800
Tuition charges							-	-	-	60,386
Interest earnings	357,304	481,506	222,790	155,673	92,697	205,749	538,977	575,603	-	-
Miscellaneous	198,655	141,086	274,768	115,195	307,114	19,647	251,761	59,309	634,912	222,079
State sources	15,468,440	17,081,633	17,691,765	20,477,990	18,827,530	22,194,465	20,733,298	21,706,556	23,302,236	25,813,679
Federal sources	909,630	1,142,911	1,104,996	1,196,728	1,852,679	1,545,658	1,829,383	2,135,698	2,059,009	2,037,058
<b>Total revenue</b>	<b>31,820,486</b>	<b>33,808,719</b>	<b>34,439,342</b>	<b>37,795,492</b>	<b>38,650,009</b>	<b>45,062,415</b>	<b>44,672,240</b>	<b>46,648,698</b>	<b>48,534,432</b>	<b>\$ 51,572,002</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	8,954,303	9,371,486	9,920,295	10,804,842	10,959,199	12,150,548	12,824,867	13,042,224	13,561,760	13,010,427
Special education instruction	1,614,221	1,644,751	1,783,236	1,383,532	1,546,418	1,957,527	2,331,531	2,764,466	2,865,260	3,370,469
Other special instruction	462,017	403,921	630,252				-	-	-	-
Other instruction	422,272	472,822	596,795	1,291,472	1,709,857	1,506,425	1,603,473	1,731,249	1,735,446	2,609,924
<b>Support Services:</b>										
Instruction	4,862,200	5,608,686	5,908,432	6,746,905	6,551,913	6,364,567	6,248,932	6,001,013	6,062,702	5,557,907
Student & instruction related services	3,346,345	3,845,482	4,073,561	4,303,364	4,160,497	3,811,798	4,603,979	5,049,191	5,160,157	4,692,630
General administrative services	636,195	736,164	791,668	851,704	1,002,184	1,054,930	1,002,715	839,825	805,946	847,253
School Administrative services	1,283,325	1,353,106	1,395,607	1,370,990	831,102	1,541,948	1,464,344	1,725,468	1,735,740	1,815,740
Business administrative services	269,822	277,948	300,812	296,191	728,514	749,597	1,110,878	1,004,136	1,006,384	908,681
Plant operations and maintenance	1,805,982	2,120,252	2,083,333	1,878,387	1,982,007	2,268,571	3,078,740	3,100,594	3,282,731	3,345,458
Pupil transportation	1,421,894	1,430,128	1,897,998	2,089,189	2,094,539	2,381,840	2,622,892	2,910,814	2,841,494	2,483,953
Unallocated employee benefits	3,611,824	3,995,423	4,297,166	4,634,608	5,924,897	6,686,009	7,833,058	9,668,584	10,211,562	9,391,127
Special Schools	39,686	26,892	18,492	8,400	8,400	8,400	8,400	8,400	8,400	8,400
Charter Schools							-	-	40,395	53,212
Capital outlay	1,059,053	1,938,492	439,874	205,239	585,538	5,551,004	642,839	403,006	775,023	190,070
Debt service:										
Principal							-	-	-	-
Interest and other charges							-	-	-	-
<b>Total expenditures</b>	<b>29,789,138</b>	<b>33,225,553</b>	<b>34,137,521</b>	<b>35,864,823</b>	<b>38,085,065</b>	<b>46,033,163</b>	<b>45,376,648</b>	<b>48,248,970</b>	<b>50,093,000</b>	<b>48,285,251</b>
Excess (Deficiency) of revenues over (under) expenditures	2,031,348	583,166	301,821	1,930,670	564,945	(970,748)	(704,408)	(1,600,272)	(1,766,023)	3,286,751
<b>Other Financing sources (uses)</b>										
Capital leases (non-budgeted)		354,067				151,170	333,284	178,598	226,402	-
Transfers out					(53,000)	(78,000)	(78,000)	(53,002)	(50,084)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>354,067</b>	<b>-</b>	<b>-</b>	<b>(53,000)</b>	<b>73,170</b>	<b>(78,000)</b>	<b>(53,002)</b>	<b>(50,084)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 2,031,348</b>	<b>\$ 937,233</b>	<b>\$ 301,821</b>	<b>\$ 1,930,670</b>	<b>\$ 511,945</b>	<b>\$ (897,579)</b>	<b>\$ (782,408)</b>	<b>\$ (1,653,274)</b>	<b>\$ (1,816,107)</b>	<b>3,286,751</b>
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: CAFR Schedule B-2

**BOROUGH OF ROSELLE SCHOOL DISTRICT**

## General Fund Other Local Revenue by Source

Last Ten Fiscal Years

*Unaudited*

<u>Fiscal Year Ended June 30,</u>	<u>Interest on Investments</u>	<u>Tuition Revenue</u>	<u>Scholarship</u>	<u>Misc.</u>	<u>Total</u>
2000	283,881	26,945	-	155,910	466,735
2001	481,506	18,528	102,000	15,392	617,426
2002	222,789	17,112	-	229,452	469,353
2003	142,146	3,486	-	109,715	255,346
2004	92,697	28,743	6,000	272,372	399,812
2005	205,749	-	-	13,174	218,923
2006	538,978	-	-	250,308	789,285
2007	575,603	-	5,000	80,414	661,017
2008	405,615	-	6,647	21,842	-
2009	-	60,386	-	222,079	282,465

Source: District Records

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
 Assessed Value and Actual Value of Taxable Property,  
 Last Ten Fiscal Years

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Total Direct School Tax Rate
2000	6,737,200	600,868,700			70,427,500	40,230,500	47,196,400	765,460,300	135,626,005	1.940
2001	6,893,700	600,717,100			70,704,000	38,304,500	46,746,400	763,365,700	135,615,200	1.960
2002	6,694,900	601,082,400			70,330,400	38,222,000	46,752,100	763,081,800	135,322,100	2.020
2003	4,906,400	602,174,200			80,591,300	39,188,200	47,401,600	774,261,700	136,270,059	2.140
2004	4,986,800	605,534,400			80,356,300	39,768,500	46,501,500	777,147,500	136,880,100	2.470
2005	3,071,100	612,334,900			85,653,000	38,372,600	47,841,200	787,272,800	138,664,900	2.702
2006	3,132,700	612,490,400			83,342,500	38,085,100	47,565,000	784,615,700	138,664,900	2.749
2007	3,071,100	612,609,200			85,896,900	38,372,600	47,841,200	787,791,000	149,102,400	2.864
2008	2,955,300	616,569,100			78,215,100	36,721,300	46,320,400	783,307,290	148,747,200	2.992
2009	3,160,700	616,978,400			79,717,100	35,839,000	43,756,100	779,451,300	148,613,200	3.001

Source: District records Tax list summary & Municipal Tax Assessor

**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

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
 Direct and Overlapping Property Tax Rates  
 Last Ten Fiscal Years  
*(rate per \$100 of assessed value)*

Fiscal Year Ended June 30,	Roselle Borough Board of Education			Roselle Borough	Union County	Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct			
2000	1.940		1.940	2.160	0.440	4.540
2001	1.960		1.960	2.270	0.450	4.680
2002	2.020		2.020	2.430	0.490	4.940
2003	2.140		2.140	2.520	0.510	5.170
2004	2.470		2.470	2.530	0.560	5.560
2005	2.702		2.702	2.701	0.646	6.049
2006	2.749		2.749	2.968	0.706	6.423
2007	2.841		2.841	2.857	0.750	6.448
2008	2.935		2.935	3.323	0.783	7.041
2009	3.001		3.001	3.321	0.825	7.147

Source: District Records and Municipal Tax Collector

**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 calcu

**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.

**BOROUGH OF ROSELLE SCHOOL DISTRICT**

Principal Property Tax Payers,  
Current Year and One Year Ago

Taxpayer	2009			2008		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Related Management Co. LP	\$ 9,298,700	1	22.49%	\$ 9,298,700	1	18.05%
Warren J. Lockwood Village	7,159,500	2	17.31%	8,530,000	2	16.56%
Roselle Golf Club	4,243,900	3	10.26%	4,243,900	4	8.24%
Roselle Shopping Center	3,951,900	4	9.56%	7,961,700	3	15.45%
O.T. Group	300,000	5	0.73%	3,000,000	6	5.82%
Verizon	2,690,235	6	6.51%	3,331,927	5	6.47%
Rainbow Gardens	2,350,000	7	5.68%	3,000,000	7	5.82%
WEC c/o CUS Corp.	2,000,000	8	4.84%	2,500,000	8	4.85%
Lincoln Mold Realty Co	2,007,600	9	4.85%			0.00%
Larson Financial Resources				2,298,000	9	4.46%
Roselle3 Equities,LLC % ECKERD	2,179,000	10	5.27%	2,179,000	10	4.23%
Parmarco, Inc.	2,790,800	11	6.75%	2,790,800	11	5.42%
Aldene Industrial Park, Inc.	2,382,700	12	5.76%	2,382,700	12	4.63%
Total	<u>\$ 41,354,335</u>		<u>100.00%</u>	<u>\$ 51,516,727</u>		<u>100.00%</u>

Source: District CAFR & Municipal Tax Assessor

**BOROUGH OF ROSELLE SCHOOL DISTRICT**

Property Tax Levies and Collections,  
Last Ten Fiscal Years

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<u>Fiscal Year Ended June 30,</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>	<u>Percentage of Levy</u>	<u>Collections in Subsequent Years</u>
2000	14,886,458	14,886,458	100%	-
2001	14,961,583	14,961,583	100%	-
2002	15,145,024	15,145,024	100%	-
2003	15,849,907	15,849,907	100%	-
2004	17,569,989	17,569,989	100%	-
2005	21,096,896	21,096,896	100%	-
2006	22,171,532	22,171,532	100%	-
2007	22,171,532	22,171,532	100%	-
2008	22,538,275	22,538,275	100%	-
2009	23,438,800	23,438,800	100%	-

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

**Note:** 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 is the amount voted upon or certified prior to the end of the school.

## BOROUGH OF ROSELLE SCHOOL DISTRICT

## Ratios of Outstanding Debt by Type

## Last Ten Fiscal Years

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District		
2000	-	-	114,507	-	-	114,507	34.64%	39,663
2001	-	-	301,652	-	-	301,652	13.22%	39,867
2002	-	-	219,993	-	-	219,993	18.30%	40,257
2003	-	-	139,804	-	-	139,804	29.30%	40,964
2004	-	-	333,094	-	-	333,094	12.76%	42,518
2005	-	-	414,903	-	-	414,903	10.62%	44,062
2006	-	-	355,750	-	-	355,750	13.39%	47,651
2007	-	-	343,060	-	-	343,060	14.81%	50,797
2008	-	-	426,463	-	-	426,463	11.91%	50,797
2009	-	-	321,849	-	-	321,849	15.78%	50,797

Source: District CAFR Schedules I-1, I-2

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

- a** See Exhibit NJ J-13 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- b** Includes Early Retirement Incentive Plan (ERIP) refunding

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
 Ratios of Net General Bonded Debt Outstanding  
 Last Ten Fiscal Years

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions			
2000	NONE	-	NONE	0.00%	
2001	NONE	-	NONE	0.00%	
2002	NONE	-	NONE	0.00%	
2003	NONE	-	NONE	0.00%	
2004	NONE	-	NONE	0.00%	
2005	NONE	-	NONE	0.00%	
2006	NONE	-	NONE	0.00%	
2007	NONE	-	NONE	0.00%	
2008	NONE	-	NONE	0.00%	
2009	NONE	-	NONE	0.00%	

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

**a** See Exhibit NJ J-6 for property tax data.

**b** Population data can be found in Exhibit NJ J-13.

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
Ratios of Overlapping Governmental Activities Debt  
As of June 30, 2009

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
Board of Education	\$ -		\$ -
<b>Other debt</b>			
Borough	23,148,508		23,148,508
County	-		
Utility Authority	<u>106,273</u>		<u>29,225</u>
<b>Total direct and overlapping debt</b>	<u>\$ 23,254,781</u>		<u>\$ 23,177,733</u>

**Sources:** Borough Chief Financial Officer, Utility Authority Financial Manager And County Treasurer's Office

**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 the residents and businesses of Marlboro. This process recognizes that, when considering the District's ability to issue and repay long-term debt, 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 payment.

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

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
 Legal Debt Margin Information,  
 Last Ten Fiscal Years

**Legal Debt Margin Calculation for Fiscal Year 2009**

	Equalized valuation basis	
	2008	\$ 1,844,946,125
	2007	1,815,828,896
	2006	<u>1,700,023,738</u>
	<b>[A]</b>	<u><u>\$ 5,360,798,759</u></u>
Average equalized valuation of taxable property	<b>[A/3]</b>	\$ 1,786,932,920
Debt limit (3 % of average	<b>[B]</b>	51,055,226,276 <sup>a</sup>
Net bonded school debt	<b>[C]</b>	-
Legal debt margin	<b>[B-C]</b>	<u><u>\$ 51,055,226,276</u></u>

	Fiscal Year									
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Debt limit	\$ 30,177,912	\$ 30,658,229	\$ 31,890,505	\$ 33,557,116	\$ 39,789,751	\$ 42,148,399	\$ 37,178,951	\$ 43,935,607	\$ 49,628,206	\$ 51,055,226,276
Total net debt applicable to limit										
Legal debt margin	<u>\$ 30,177,912</u>	<u>\$ 30,658,229</u>	<u>\$ 31,890,505</u>	<u>\$ 33,557,116</u>	<u>\$ 39,789,751</u>	<u>\$ 42,148,399</u>	<u>\$ 37,178,951</u>	<u>\$ 43,935,607</u>	<u>\$ 49,628,206</u>	<u>\$ 51,055,226,276</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Abstract of Ratables and District Records CAFR Schedule J-7

<sup>a</sup> Limit set by NISA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
Demographic and Economic Statistics  
Last Ten Fiscal Years

Year	Population <sup>a</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2000	21274	-	39,663	5.00%
2001	21457	-	39,867	5.70%
2002	21490	-	40,257	8.00%
2003	21475	-	40,964	6.40%
2004	21415	-	42,518	6.40%
2005	21415	-	44,062	6.70%
2006	21265	-	47,651	6.70%
2007	21274	-	50,797	6.70%
2008	21274	-	50,797	6.50%
2009	21274	-	50,797	6.30%

**Source:**

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Personal income \_\_\_\_\_

<sup>c</sup> Per Capita \_\_\_\_\_

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

**BOROUGH OF ROSELLE SCHOOL DISTRICT**

Principal Employers,  
Current Year and Nine Years Ago

<b>Employer</b>	<b>2009</b>			<b>2000</b>		
	<b>Employees</b>	<b>Rank (Optional)</b>	<b>Percentage of Total Employment</b>	<b>Employees</b>	<b>Rank (Optional)</b>	<b>Percentage of Total Employment</b>
Roselle Board of education	429	1	53.89%	320	1	47.41%
Roselle Borough	140	2	17.59%	140	2	20.74%
Verizon	50	3	6.28%	50	3	7.41%
Aldene Industrial Park	35	4	4.40%	35	4	5.19%
Parmarco, Inc.	35	5	4.40%	35	5	5.19%
O.T. Group	32	6	4.02%	31	6	4.59%
Meadow Builders, Inc.	31	7	3.89%	30	7	4.44%
Roselle Shopping Center	15	8	1.88%	13	8	1.93%
Larson Financial Resources	15	9	1.88%	12	9	1.78%
WEC c/o CUS Corp.	14	10	1.77%	9	10	1.32%
	<u>796</u>		<u>100.00%</u>	<u>675</u>		<u>100.00%</u>

**Source:** District Personnel Records

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
 Full-time Equivalent District Employees by Function/Program,  
 Last Ten Fiscal Years

<u>Function/Program</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Instruction										
Regular	167	169	176	175	187	220	222	220	220	226
Special education	36	36	36	36	36	63	64	63	66	69
Other special education					-	-				
Vocational					-	-				
Other instruction	19	19	19	19	20	26	21	25	25	25
Nonpublic school programs					-	-				
Adult/continuing education programs					-	-				
Support Services:										
Tuition					-	-				
Student & instruction related services	35	38	34	38	41	41	50	50	50	50
General administrative services	7	7	7	7	7	9	9	9	9	9
School administrative services	21	20	20	22	22	23	23	23	23	23
Business administrative services	8	9	9	9	9	10	10	11	11	11
Plant operations and maintenance	31	32	33	21	21	22	22	21	25	29
Pupil transportation					-	-				
Special Schools					-	-				
Food Service										
Child Care										
Total	<u>324</u>	<u>330</u>	<u>334</u>	<u>327</u>	<u>343</u>	<u>413</u>	<u>421</u>	<u>422</u>	<u>429</u>	<u>442</u>

Source: District Personnel Records

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
 Operating Statistics  
 Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2000	2,736	29,590,638	10,815	6.18%	228	1:23	1:15	2,728	2,551	3.67%	93.53%
2001	2,695	31,072,024	11,530	6.60%	232	1:24	1:17	2,736	2,546	0.31%	93.05%
2002	2,752	33,746,296	12,262	6.36%	234	1:23	1:15	2,754	2,570	0.99%	93.31%
2003	2,908	35,674,343	12,268	0.04%	250	1:19	1:20	2,739	2,558	4.09%	93.39%
2004	2,913	37,505,988	12,875	4.95%	288	1:17	1:23	2,735	2,560	2.09%	93.22%
2005	2,975	40,782,789	13,709	6.47%	359	1:17	1:23	2,861	2,670	4.58%	93.30%
2006	3,085	40,541,793	13,142	-4.14%	403	1:17	1:23	2,793	2,620	-2.38%	93.81%
2007	2,847	40,192,979	14,118	7.43%	408	1:17	1:23	2,826	2,647	1.20%	93.66%
2008	2,954	49,534,630	16,769	18.78%	408	1:17	1:23	2,888	2,718	2.15%	94.11%
2009	2,894	48,111,587	16,625	-0.86%	408	1:17	1:23	2,777	2,620	-3.85%	94.34%

**Sources:** District records, ASSA and Schedules J-12, J-14

**Note:** Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-1
- 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).

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
 School Building Information  
 Last Ten Fiscal Years

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<b><u>High School</u></b>										
<u>Abraham Clark High School 1917,1924,1958</u>										
Square Feet	112,749	112,749	112,749	112,749	112,749	112,749	112,749	112,749	112,749	112,749
Capacity (students)	1,084	1,084	1,084	1,084	1,084	1,084	1,084	1,084	1,084	1,084
Enrollment	910	936	952	964	978	1,010	995	995	1,010	1,043
<b><u>Elementary</u></b>										
<u>Charles E. Polk School 1922, 1928</u>										
Square Feet	33,053	33,053	33,053	33,053	33,053	33,053	33,053	33,053	33,053	33,053
Capacity (students)	322	322	322	322	322	322	322	322	322	322
Enrollment	258	255	265	278	268	288	289	289	277	270
<u>Harrison School 1922,1928</u>										
Square Feet	41,401	41,401	41,401	41,401	41,401	41,401	41,401	41,401	41,401	41,401
Capacity (students)	346	346	346	346	346	346	346	346	346	346
Enrollment a										310
<u>Washington School 1928,1953</u>										
Square Feet	48,960	48,960	48,960	48,960	48,960	48,960	48,960	48,960	48,960	48,960
Capacity (students)	408	408	408	408	408	408	408	408	408	408
Enrollment	284	288	289	296	293	291	292	292	358	341
<b><u>Middle School</u></b>										
<u>Leonard V. Moore School 1957</u>										
Square Feet	38,855	38,855	38,855	38,855	38,855	43,055	43,055	43,055	43,055	43,055
Capacity (students)	424	424	424	424	424	487	487	487	487	487
Enrollment	448	432	432	435	433	422	425	425	442	390
<b><u>Junior High School</u></b>										
<u>Grace Wilday School</u>										
Square Feet	24,730	24,730	24,730	24,730	24,730	48,726	48,726	48,726	48,726	48,726
Capacity (students)	178	178	178	178	178	512	512	512	512	512
Enrollment	175	177	179	180	182	452	471	471	446	441
<b><u>Special Education School</u></b>										
<u>Roselle School Annex</u>										
Square Feet						14,955	14,955	14,955	14,955	14,955
Capacity (students)						37	37	37	37	37
Enrollment						17	36	36	36	36
<b><u>Other</u></b>										
<u>Administration Building</u>										
Square Feet	2,645	2,645	2,645	2,645	2,645	2,645	2,645	2,645	2,645	2,645
<u>Maintenance and Field House</u>										
Square Feet	1,535	1,535	1,535	1,535	1,535	1,535	1,535	1,535	1,535	1,535

Number of Schools at June 30, 2009  
 High School = 1  
 Elementary = 3  
 Middle School = 1  
 Junior High School = 1  
 Special Education School = 1

**Source:** District records, ASSA

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of and additions. Enrollment is based on the annual October district count.

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
 General Fund  
 Schedule of Required Maintenance For School Facilities  
 Last Five Fiscal Years  
*(Unaudited)*

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

School Facilities	Project # (s)	2009	2008	2007	2006	2005
Abraham Clark High School	N/A	\$ 131,425	\$ 121,893	\$ 82,890	\$ 55,789	\$ 107,163
Leonard V. Moore Middle School	N/A	60,625	50,443	44,563	25,668	39,753
Grace Wilday Junior High School	N/A	22,870	25,982	30,486	11,408	33,555
Harrison Elementary School	N/A	39,679	28,626	41,214	17,112	29,419
Charles E. Polk Elementary School	N/A	31,331	33,454	32,789	15,686	43,754
Washington Elementary School	N/A	38,365	39,431	39,952	17,112	26,802
<b>Total School Facilities</b>		<b>\$ 324,295</b>	<b>\$ 299,829</b>	<b>\$ 271,894</b>	<b>\$ 142,774</b>	<b>\$ 280,446</b>

**BOROUGH OF ROSELLE SCHOOL DISTRICT**

Insurance Schedule

For the Fiscal Year Ended June 30, 2009

(Unaudited)

Company	Type of Coverage	Coverage	Deductible
Utica National	Property Blanket Building & Contents- Replacement Cost Values	104,330,139	\$ 1,000
Utica National	Flood/Earthquake	2,500,000 occ/ 2,500,000 aag	25,000
Utica National	Pollution Liability	1,000,000 occ/ 2,000,000 aag	5,000
Utica National	General Liability	1,000,000	
	-Each Occurrence	3,000,000	
	-General Aggregate	3,000,000	
	-Prod/Completed Oper	1,000,000	
	-Personal Injury	100,000	
	-Fire Damage		
	-Medical Expense Limit (Excluding students)	10,000	
	-Employee Benefit Liability	1,000,000	1,000
	-Aggregate	3,000,000	
Utica National	Automotive Coverage		
	-Combined Single Limit	1,000,000	
	-Hired/Non-Owned	1,000,000	
	-Uninsured & Underinsured	1,000,000	
Utica National	Inland Marine		
	-Electronic Data Processing Equipment	200,000	1,000
Utica National	Crime Coverage		
	-Employee Dishonesty with Faithful Performance	250,000	1,000
	-Theft, Disappearance & Destruction Inside and Out	20,000	1,000
	-Robbery & Safe Burglary Property other than Money & Securities-Inside & Out	20,000	1,000
Utica National	Boiler & Machinery Coverage	104,330,139	

Source: District Records

## BOROUGH OF ROSELLE SCHOOL DISTRICT

## Insurance Schedule

For the Fiscal Year Ended June 30, 2009

*(Unaudited)*

<u>Company</u>	<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
Utica National	Catastrophe Liability Coverage	Not Available	
	-Occurrence Limit	\$ 10,000,000	
	-Aggregate Limit	1,000,000	
	-Retained Limit		
New Jersey School Boards Association Insurance Group	Board of Education -Liability Wrongful Acts Coverage		
	Each Loss	1,000,000	\$ 5,000
	Aggregate	1,000,000	5,000
Mutual of Omaha	Accident-Volunteer Workers	25,000	
Mutual of Omaha	Student Accident - Voluntary Program		
	-Benefit Period 2 years	50,000	
Selective Insurance	Fidelity Bonds		
	-Treasurer of School Monies	\$ 280,000	\$ -
	-School Business Administrator/ Board Secretary	\$ 280,000	\$ -
New Jersey School Boards Association Insurance Group	Worker's Compensation		
	-Covered Payrolls-Professional	34,622,010	
	-Covered Payrolls-Non-Professional	5,526,388	

**SINGLE AUDIT SECTION**

**EXHIBIT K-1**  
**Page 1 of 2****REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

Honorable President and  
Members of the Board of Education  
Borough of Roselle School District  
County of Union  
Roselle, New Jersey

We have audited the financial statements of the Borough of Roselle School District in the County of Union, State of New Jersey, as of and for the year ended June 30, 2009, and have issued our report thereon dated November 18, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Borough of Roselle School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Roselle School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough of Roselle School District's internal control over financial reporting.

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

**Internal Control Over Financial Reporting** *(continued)*

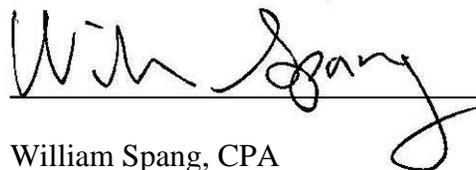
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined

**Compliance and Other Matters**

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

We noted certain matters that we have reported to the Borough of Roselle School District in the separate report entitled, *Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance* dated November 18, 2009.)

This report is intended solely for the information and use of the audit committee and management of the Borough of Roselle School District, the New Jersey State Department of Education, and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



William Spang, CPA  
Licensed Public School Accountant  
No. 20CS00249500  
Mitchell & Titus, LLP

November 18, 2009

**EXHIBIT K-2**  
**Page 1 of 3****REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH  
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133 AND  
NEW JERSEY OMB CIRCULAR 04-04**

Honorable President and  
Members of the Board of Education  
Borough of Roselle School District  
County of Union  
Roselle, New Jersey

**Compliance**

We have audited the compliance of the Board of Education of the Borough of Roselle School District, in the County of Union, State of New Jersey, with the types of compliance requirements described in the U. S. *Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2009. Boroughs of Roselle School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Borough of Roselle School District's management. Our responsibility is to express an opinion on the Borough of Roselle School Districts' compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred.

**Compliance** *(continued)*

An audit includes examining, on a test basis, evidence about the Borough of Roselle School District compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Borough of Roselle School Districts' compliance with those requirements.

In our opinion, the Borough of Roselle School District, in the County of Union, State of New Jersey, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2009.

However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB circular A-133 and The State of New Jersey OMB's Circular 04-04, and which are described in the accompanying schedule of findings and questioned costs as items 09-01 and 09-02.

**Internal Control Over Compliance**

The management of the Board of Education of the Borough of Roselle School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Borough of Roselle School District's internal control over compliance with requirements that could have a direct and material effect on a major federal and state financial awards program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing our opinion on effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough of Roselle School District's internal control over compliance

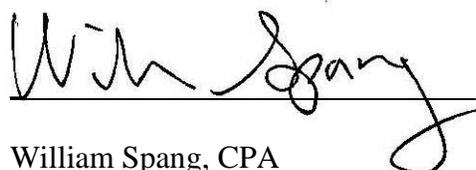
A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing the assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal or state program that is more than inconsequential will not be prevented or detected by the entity's internal control administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal or state program that is more than inconsequential will not be prevented or detected by the entity's internal control.

**Internal Control Over Compliance** *(continued)*

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. Boroughs of Roselle School District's responses to the finding identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Borough of Roselle School District's response and, accordingly, we express no opinion on it.

This report is intended for the information and use of the audit committee and management of the Borough of Roselle School District, the New Jersey Department of Education, other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specific parties.



William Spang, CPA  
Licensed Public School Accountant  
No. 20CS00249500  
Mitchell & Titus, LLP



November 18, 2009

BOROUGH OF ROSELLE SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Period From	Grant Period To	Award Amount	Balance at June 30, 2008	Prior Adjustment	Adjusted Balance at June 30, 2008	Carryover Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	(Accounts Receivable) June 30, 2008	Deferred Revenue	Due to Grantor at June 30, 2009
<b>Special Revenue Funds:</b>														
U.S. Department of Education														
Passed-through State Department of Education:														
Title I	84.010	9/1/08	8/31/2009	\$ 684,557	\$ -	\$ -	\$ -	\$ -	\$ 465,636	\$ 557,468	\$ -	\$ (91,832)	\$ -	\$ -
Title I	84.010	9/1/07	8/31/2009	424,710	110,000	1,881	111,881			73,676			38,205	
Title I	84.010	9/1/06	8/31/2008	460,157	5,838		5,838			1,261			4,577	
Title I-School Improvement	84.010	9/1/08	8/31/2009	117,145					665	25,362		(24,697)		
Title I-School Improvement	84.010	9/1/07	8/31/2009	19,825	(19,825)		(19,825)		19,825					
Title I-School Improvement	84.010	9/1/06	8/31/2008	17,295										
Title II	83.281	9/1/08	8/31/2009	121,035					47,607	85,221		(37,614)		
Title II	84.281	9/1/07	8/31/2009	108,595	8,398	1,274	9,672	5,634		7,685			7,621	
Title II	84.281	9/1/06	8/31/2008	109,363	5,634		5,634	(5,634)						
Title II	84.281	9/1/04	8/31/2005	106,944										
Title II - Part D Tech	83.281	9/1/08	8/31/2009	5,646						5,304		(5,304)		
Title II - Part D Tech	84.281	9/1/07	8/31/2009	2,885	559		559	509		2,809		(1,741)		
Title II - Part D Tech	84.281	9/1/06	8/31/2008	11,189	509		509	(509)						
Title III - A & Immigrant	83.365	9/1/08	8/31/2009	84,503					27,124	47,251		(20,127)		
Title III - A & Immigrant	84.365	9/1/07	8/31/2008	58,033	26,378	542	26,920			31,009		(4,089)		
Title III - A & Immigrant	84.365	9/1/06	8/31/2008	53,945	(2,491)		(2,491)					(2,491)		
Title III - A & Immigrant	84.365	9/1/05	8/31/2006	77,176	(10,831)	4,285	(6,546)					(6,546)		
Title III - A & Immigrant	84.365	9/1/03	8/31/2004	53,945	4,285	(4,285)								
Title IV	83.186	9/1/09	8/31/2009	13,674					7,439	11,012		(3,573)		
Title IV	84.186	9/1/07	8/31/2009	15,246	169	108	277			186			91	
Title IV	84.186	9/1/06	8/31/2008	14,334	48		48						48	
Title V	84.298	9/1/07	8/31/2008	8,927	5,077	1,235	6,312			5,383			929	
Title V	84.298	9/1/06	8/31/2007	9,783	214		214						214	
IDEA, Part B Basic	83.027	9/1/08	8/31/2009	871,793					421,874	728,523		(306,649)		
IDEA, Part B Basic	84.027	9/1/07	8/31/2008	874,105	94,261	3,779	98,040	13,976		110,180			1,836	
IDEA, Part B Basic Carryover	84.027	9/1/06	8/31/2008	827,312	13,976		13,976	(13,976)		5,364		(5,364)		
IDEA, Part B Preschool	83.176	9/1/08	8/31/2009	27,324						19,221		(19,221)		
IDEA, Part B Preschool	84.176	9/1/07	8/31/2008	56,381	(1,397)	713	(684)					(684)		
IDEA, Part B Preschool-Carryover	84.173	9/1/06	8/31/2008	28,151			28,151						28,151	
IDEA, k3	85.173	9/1/07	8/31/2008	85,950	(7,302)		(7,302)					(7,302)		
IDEA, k4	84.027	7/1/06	6/30/2007	85,743	(9,632)		(9,632)		2,477		5,711	(12,866)		
IDEA Initiative	84.027	7/1/08	6/30/2009	60,482					43,130	60,413		(17,283)		
Vocational Education	84.049	9/1/07	6/30/2008	6,102	(2,260)	377	(1,883)		1,727			(156)		
Vocational Education	84.049	7/1/08	6/30/2009	9,804						3,460		(3,460)		
high school that works	84.048	7/1/05	6/30/2006	4,500	6,717		6,717					6,717		
School Dev. For Gifted and talented				161,538	14,516	2,087	16,603		14,365	17,648			13,318	
School Dev. For Gifted and talented				226,000					216,450	164,998			51,452	
NJ Learn & Serv	83.048	7/9/07		25,000	(1,237)	1,463	226			6,712		(6,486)		
NJ Learn & Serv		7/1/08		25,000					12,500	14,272		(1,772)		
NJ Learn & Serv	84.048	7/10/06		25,000	1,463	(1,463)								
Total U.S. Department of Education				5,950,946	271,218	11,996	283,214	-	1,280,819	1,984,418	5,711	(572,540)	146,442	-
Pass-Through County of Union														
Summer Youth Employment Training Program	17.250	7/1/07	6/30/2008	33,982	15		15							
Total County of Union				33,982	15	-	15	-	-	-	-	-	-	-
Total Special Revenue Fund				5,984,928	271,233	11,996	283,229	-	1,280,819	1,984,418	5,711	(572,540)	146,442	-
<b>Enterprise Fund:</b>														
U.S. Department of Agriculture														
Passed-through State Department of Education:														
Food Distribution Program									76,210	76,209				
School Breakfast Program	10.553	7/1/07	6/30/2008	132,870	(12,291)		(12,291)			12,291				
School Breakfast Program	10.553	7/1/08	6/30/2009	165,128					149,611	165,128		(15,517)		
National School Lunch Program	10.555	7/1/07	6/30/2008	594,808	(40,559)		(40,559)		40,559					
National School Lunch Program	10.555	7/1/08	6/30/2009	649,280					599,096	649,280		(50,184)		
Summer Food Program														
Total U.S. Department of Agriculture				1,542,086	(52,850)	-	(52,850)	-	801,557	814,408	-	(65,701)	-	-
<b>Total Federal Financial Assistance</b>				<b>\$ 7,527,014</b>	<b>\$ 218,383</b>	<b>\$ 11,996</b>	<b>\$ 230,379</b>	<b>\$ -</b>	<b>\$ 2,082,376</b>	<b>\$ 2,798,826</b>	<b>\$ 5,711</b>	<b>\$ (638,241)</b>	<b>\$ 146,442</b>	<b>\$ -</b>

See accompanying notes to Schedules of Expenditures of Federal and State Financial Assistance

BOROUGH OF ROSELLE SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

State Grantor/Program Title	Grant or State Project Number	Grant Period From	To	Award Amount	Balance at June 30 2008	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Accounts Receivable June 30, 2009	Deferred Revenue	Due to Grantor at June 30, 2009
State Department of Education:													
<b>General Fund:</b>													
Equalization aid	495-034-5120-078			\$ 19,840,224			\$ 17,793,955	\$ 19,719,003			\$ (1,925,048)		
Core Current Standards Aid	08-495-034-5120-021	7/1/07	6/30/08	7,839,844	(372,561)		372,561						
Supplemental Core Curriculum Standards Aid	08-495-034-5120-023	7/1/07	6/30/08	399,104	(19,955)		19,955						
Transportation Aid	09-495-034-5120-023	7/1/08	6/30/09	350,659			315,593	350,659			(35,066)		
Transportation Aid	08-495-034-5120-014	7/1/07	6/30/08	689,456	(34,573)		34,573						
Special Education Aid	495-034-5120-089	7/1/08	6/30/09	1,614,514			1,453,063	1,614,514			(161,451)		
Special Education Aid	08-495-034-5120-011	7/1/07	6/30/08	2,768,471	(138,423)		138,424						
Security Aid	495-034-5120-084	7/1/08	6/30/09	876,148			788,533	876,148			(87,615)		
Bilingual Education Aid	08-495-034-5120-023	7/1/07	6/30/08	238,254	(11,913)		11,913						
Stabilization Aid	08-495-034-5120-008	7/1/07	6/30/08	2,687,030	(134,351)		134,351						
Consolidated Aid	08-495-034-5120-444	7/1/07	6/30/08	339,254	(16,963)		16,963						
Other Aids	08-495-034-5120-444	7/1/07	6/30/08	511,666	(13,473)		13,473						
Additional formula aid	08-495-034-5120-444	7/1/07	6/30/08	1,028,789	(51,439)		51,439						
Extraordinary Aid	09-495-034-5120-044	7/1/08	6/30/09	900,082				900,082			(900,082)		
Extraordinary Aid	08-495-034-5120-044	7/1/07	6/30/08	164,984	(164,984)		164,984						
Reimbursement TPAF Pension Contribution	09-495-034-5095-002	7/1/08	6/30/09		(59,010)		1,260,278	1,366,702			(106,424)		
Reimbursement TPAF Social Security Contribution	08-495-034-5095-002	7/1/08	6/30/09				59,010	1,162,702					
<b>Total General Fund</b>				<b>20,408,255</b>	<b>(1,017,645)</b>		<b>22,629,068</b>	<b>25,989,810</b>			<b>(3,215,686)</b>		
<b>Special Revenue Fund:</b>													
Demonstrative Effective Program Aid	08-495-034-5064-002	7/1/07	6/30/08	595,037	27,955		28,352		(56,307)				
Demonstrative Effective Program Aid	07-495-034-5064-002	7/1/06	6/30/07		67,738				(67,738)				
Early Childhood Program Aid	09-100-034-5064-347	7/1/08	6/30/09	379,150		84,014	341,235	410,779			(37,915)	52,385	
Early Childhood Program Aid	08-100-034-5064-348	7/1/07	6/30/08	1,494,851	16,112	(84,014)	68,232					330	
Early Childhood Program Aid carryover	07-100-034-5064-348	7/1/06	6/30/07		25,045							25,045	
Targeted At Risk Aid		7/1/07	6/30/08	751,250	100,449		37,563		(138,012)				
Textbook Aid	09-100-034-5120-063	7/1/08	6/30/09	54,788			54,788	50,348					4,440
Textbook Aid	08-100-034-5120-064	7/1/07	6/30/08	55,610	3,606				568	3,606			568
Nursing Services	08-100-034-5120-070	7/1/07	6/30/08	76,814	1,699					1,699			
Nursing Services	09-100-034-5120-070	7/1/08	6/30/09	73,958			73,958	73,958					
Technology Initiative Aid	07-100-034-5120-373	7/1/08	6/30/09	38,320	-		38,320	38,149				171	
Technology Initiative Aid	08-100-034-5120-373	7/1/07	6/30/08	39,800	1,457					1,457			
Auxiliary Service:													
English As A Second Language	09-100-034-5120-067	7/1/08	6/30/09	7,105			7,105	7,105					
English As A Second Language	08-100-034-5120-067	7/1/07	6/30/08	11,165	1,015					1,015			
Transportation	09-100-034-5120-067	7/1/08	6/30/09	19,503	-		19,503	19,503					
Compensatory Education	09-100-034-5120-067	7/1/08	6/30/09	116,454	-		116,454	116,454					
Home Instruction	09-100-034-5120-067	7/1/08	6/30/09	5,391				5,391			(5,391)		
Home Instruction	08-100-034-5120-067	7/1/07	6/30/08	7,425	(7,425)		7,425						
Home Instruction	07-100-034-5120-067	7/1/06	6/30/07	6,018	(1,091)		2				(1,089)		
Handicapped Service:													
Supplemental Instruction	09-100-034-5120-065	7/1/08	6/30/09	62,363	-		62,363	62,363					
Examination and Classification	08-100-034-5120-066	7/1/07	6/30/08	80,004	15,348					15,348			
Examination and Classification	09-100-034-5120-066	7/1/08	6/30/09	90,978	-		90,978	88,326					2,652
Corrective Speech	09-100-034-5120-066	7/1/08	6/30/09	5,580	-		5,580	5,580					
Teacher Mentoring		7/1/06	9/30/07	14,788	669							669	
Innovative Grant		7/1/06	6/30/07	500	601							601	
<b>Total Special Revenue Fund</b>				<b>3,986,852</b>	<b>253,178</b>	<b>-</b>	<b>951,858</b>	<b>877,956</b>	<b>(261,489)</b>	<b>23,125</b>	<b>(44,395)</b>	<b>79,201</b>	<b>7,660</b>
<b>Enterprise Fund:</b>													
National School Lunch Program (State Share)	09-100-034-5120-122	7/1/08	6/30/09	27,825			25,697	27,825			(2,128)		
National School Breakfast Program (State Share)	08-100-034-5120-122	7/1/07	6/30/08	9,302	(842)								
National School Breakfast Program (State Share)	09-100-034-5120-122	7/1/08	6/30/09	10,980			9,953	10,979			(1,026)		
National School Lunch Program (State Share)	08-100-034-5120-122	7/1/07	6/30/08	27,021	(1,809)								
<b>Total Enterprise Fund</b>				<b>75,128</b>	<b>(2,651)</b>		<b>35,650</b>	<b>38,804</b>			<b>(3,154)</b>		
<b>Total State Financial Assistance</b>				<b>\$ 24,470,235</b>	<b>\$ (767,118)</b>	<b>\$ -</b>	<b>\$ 23,616,576</b>	<b>\$ 26,906,570</b>	<b>\$ (261,489)</b>	<b>\$ 23,125</b>	<b>\$ (3,263,235)</b>	<b>\$ 79,201</b>	<b>\$ 7,660</b>

See accompanying notes to Schedules of Expenditures of Federal and State Financial Assistance

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
Notes to the Schedules of Expenditures of  
Federal Awards and State Financial Assistance  
June 30, 2009

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**NOTE 1 GENERAL**

The accompanying schedules of expenditures of awards and financial assistance present the activity of all federal and state award programs of the Borough of Roselle School District. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies are included on the schedules of federal awards and state financial assistance.

**NOTE 2 BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of federal and state awards and financial assistance are presented using the modified accrual basis of accounting with the exception of programs recorded in the food service enterprise fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the District's basic financial statements. The information in these schedules is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE 3 RELATIONSHIP TO GENERAL PURPOSE BASIC FINANCIAL STATEMENTS**

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, that payment is not recognized until the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-4.2.

**BOROUGH OF ROSELLE SCHOOL DISTRICT**

Notes to the Schedules of Expenditures of  
Federal Awards and State Financial Assistance  
June 30, 2009

**NOTE 3 RELATIONSHIP TO GENERAL PURPOSE BASIC FINANCIAL STATEMENTS** *(continued)*

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$1,415,528 for the general fund and \$86,386 for the special revenue fund. See Note 14 for a reconciliation of the budgetary basis to the GAAP basis of accounting for the special revenue fund. Awards and financial assistance revenues are reported in the District's basic financial statements on a GAAP basis as follows:

	Federal	State	Total
General Fund	\$ 56,298	\$ 24,846,130	\$ 24,902,428
Special Fund	1,980,760	967,549	2,948,309
Food Service	<u>890,618</u>	<u>38,805</u>	<u>929,423</u>
Total Awards and Financial Assistance	<u>\$ 2,927,676</u>	<u>\$ 25,852,484</u>	<u>\$ 28,780,160</u>

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

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

**NOTE 5 OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the State of New Jersey on behalf of the District for the year ended June 30, 2009. TPAF Social Security contributions represent the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2009.

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
 Schedule of Findings and Questioned Costs  
 June 30, 2009

**PART I - SUMMARY OF AUDITOR'S RESULTS**

<b>Financial Statement</b>	<b><u>Yes</u></b>	<b><u>No</u></b>
Type of auditor's report issued:		<u>Unqualified</u>
Internal control over financial reporting:		
1) Material weakness(es) identified?		X
2) Significant deficiencies identified that are not considered to be material weaknesses?		X
Noncompliance material to basic financial statements noted?		X
<b>Federal Awards</b>	<b><u>Yes</u></b>	<b><u>No</u></b>
Internal Control over major programs:		
1) Material weakness(es) identified?		X
2) Significant deficiencies identified that are not considered to be material weaknesses?		X
Type of auditor's report on compliance for major programs:		<u>Unqualified</u>
Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133?		X
Identification of major programs:		
<u>CFDA Number(s)</u>		<u>Name of Program or Cluster</u>
Federal: 10.555		National School Lunch Program
10.553		School Breakfast Program
84.010		Title 1
Dollar threshold used to distinguish between Type A and Type B programs:		\$300,000
Auditee qualified as low-risk Auditee?	X	

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
 Schedule of Findings and Questioned Costs  
 June 30, 2009

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**PART I - SUMMARY OF AUDITOR'S RESULTS**

<b>State Awards</b>	<u><b>Yes</b></u>	<u><b>No</b></u>
Dollar threshold used to determine Type A and Type B programs:	\$807,197	
Auditee qualified as low-risk Auditee?	X	
Type of auditor's report on compliance for major programs:		<u>Unqualified</u>
Internal Control over major programs:		
1) Material weakness(es) identified?		X
2) Significant deficiencies identified that are not considered to be material weaknesses?		X
Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133?		X

Identification of major programs

<u>State Project Number</u>	<u>Name of State Program</u>
495-034-5120-084	Equalization Aid
08-495-034-5120-011	Special Education Aid

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
June 30, 2009

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**PART II - FINANCIAL STATEMENT FINDINGS**

None.

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
June 30, 2009

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**PART III - FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE FINDINGS  
AND QUESTIONED COSTS**

**Federal Awards**

None.

**State Awards**

**09-01 Allowability and eligibility – Application for State School Aid- Low – Income  
Students**

*Criteria:*

The District is required to maintain work papers that document the compilation of low-income eligibility data and provides an audit trail for testing information reported in the A.S.S.A. This condition could impact eligibility of the related programs.

*Condition:*

We tested 279 students, but could not verify eligibility for 3 students due to missing lunch application.

*Questions Costs:*

Cannot be determined

*Effect:*

Overstatement of the number of eligible students in A.S.S.A could result in reduction of future state aid.

*Cause:*

This depicts ineffective control over eligibility procedure.

*Recommendation:*

We recommend that the District take appropriate measures to improve on confirmation of student's eligibility status by maintaining all lunch applications in an organized fashion.

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
June 30, 2009

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**PART III - FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE FINDINGS  
AND QUESTIONED COSTS** *(continued)*

**09-02 On-Roll Status of Transported Resident Students**

*Criteria:*

The District is required to verify the on-roll status of students reported on the District Report of Transported Resident Students (DRTRS). The name of each on roll student reported on the DRTRS by the District must appear on a district school register as of October 15, 2008.

*Condition:*

We tested 182 students, but could not verify the on roll status of 3 students due to the student not appearing on a district school register as of October 15, 2008.

*Questioned Costs:*

Can not be determined

*Effect:*

Overstatement of the number of transported resident students on the DRTRS could result in reduction of future state aid.

*Cause:*

This depicts ineffective control over ensuring the eligibility of transported resident students.

*Recommendations:*

We recommend that the District take appropriate measures to improve on verifying the on-roll status of student's reported on the DRTRS.

**BOROUGH OF ROSELLE SCHOOL DISTRICT**  
Summary Schedule of Prior Audit Findings and  
Questioned Costs as Prepared by Management  
For the Fiscal Year Ended June 30, 2009

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**STATUS OF PRIOR YEAR FINDINGS**

There were no prior year findings.