

ROCHELLE PARK SCHOOL DISTRICT
County of Bergen, New Jersey

Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2010
(With Independent Auditors' Reports Thereon)

**ROCHELLE PARK SCHOOL DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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ROCHELLE PARK SCHOOL DISTRICT

Comprehensive Annual Financial Report

Introductory Section

ROCHELLE PARK BOARD OF EDUCATION
400 ROCHELLE AVENUE
ROCHELLE PARK, New Jersey

December 6, 2010

Honorable President and Members of the Board of Education
Rochelle Park School District, County of Bergen, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Rochelle Park School District for the fiscal year ended June 30, 2010, 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 Rochelle Park Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the district. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133 "Audits of State and Local Governments", and the state Treasury Circular Letter 04-04 OMB, "Single Audit Policy for 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 recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: The Rochelle Park School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 14. All funds and account groups of the District are included in this report. The Rochelle Park Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular as well as special education for handicapped youngsters.

ROCHELLE PARK BOARD OF EDUCATION
400 ROCHELLE AVENUE
ROCHELLE PARK, New Jersey

2. ECONOMIC CONDITION AND OUTLOOK: The Rochelle Park area is substantially developed which both residential and industrial taxpayers. The situation is expected to continue, which suggests that its tax base will remain stable.

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

As 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.

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2010.

ROCHELLE PARK BOARD OF EDUCATION
400 ROCHELLE AVENUE
ROCHELLE PARK, New Jersey

5. 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.

6. 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 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.

7. 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.

8. OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Di Maria & Di Maria LLP, was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the 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 section of this report.

ROCHELLE PARK BOARD OF EDUCATION
400 ROCHELLE AVENUE
ROCHELLE PARK, New Jersey

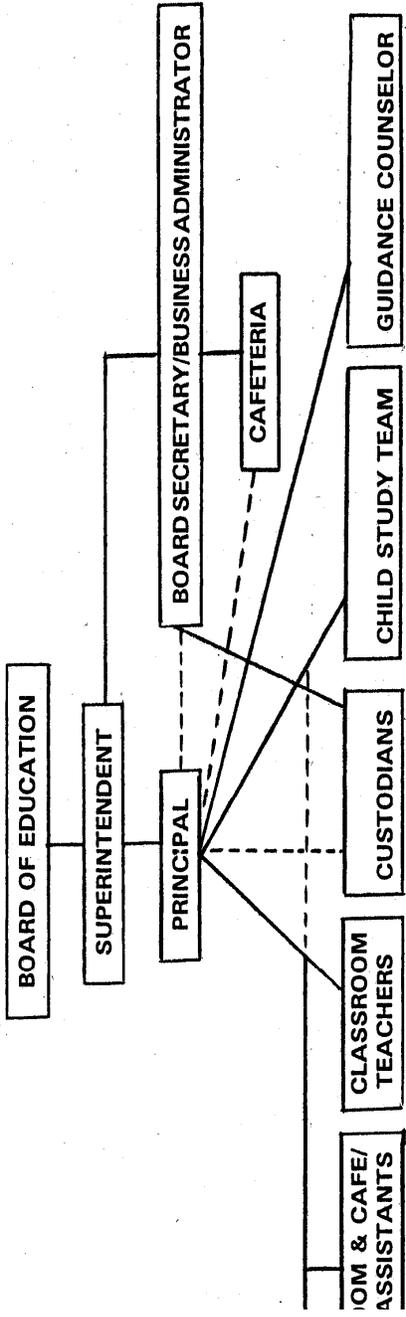
9. ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial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

ROCHELLE PARK SCHOOL DISTRICT
 Organizational Chart
 Fiscal Year Ended June 30, 2010

File Code: 2120

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ORGANIZATION CHART



_ Line Relationship
 -- Staff Relationship

ROCHELLE PARK SCHOOL DISTRICT
Roster of Officials
Fiscal Year Ended June 30, 2010

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Patricia Dee Bilka - President	2013
Barbara Ann Gleeson Maurer - Vice President	2011
Mark Scully	2013
Robert J. Esposito	2012
Robert Verhasselt	2012
Sam Allos	2011
Teresa Cravello	2011

Other Officials

Fredrik Oberkehr, Superintendent

Theresa H. Guastello, Board Secretary/School Business Administrator

Peter Bellani, Treasurer of School Monies

Paul Keshishian M.D., Medical Inspector

Chief Richard Zavinski, Attendance Officer

ROCHELLE PARK SCHOOL DISTRICT
Consultants and Advisors
Fiscal Year Ended June 30, 2010

Independent Audit Firm
Di Maria & Di Maria, LLP
245 Union Street
Lodi, New Jersey 07644

Attorney
Fogarty & Hara, Esq.

Official Depositories
TDBank

ROCHELLE PARK SCHOOL DISTRICT

Comprehensive Annual Financial Report

Financial Section

245 Union Street
Lodi, New Jersey 07644
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Independent Auditors' Report

The Honorable President and Members of the Board of Education
Rochelle Park School District County of Bergen, 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 Board of Education of the Rochelle Park School District, in the County of Bergen, State of New Jersey, as of and for the fiscal year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Rochelle Park Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the 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. 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Rochelle Park Board of Education, in the County of Bergen, State of New Jersey, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Independent Auditors' Report (Continued)

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2010 on our consideration of the Rochelle Park Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management Discussion and Analysis and Budgetary Comparison Information on pages 13 through 26 and 67 through 97 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. 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 Rochelle Park Board of Education's basic financial statements. The accompanying introductory section, and other supplementary information, such as, the combining and individual fund financial statements, long-term debt schedules, and statistical tables 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 and long-term debt schedules 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 tables 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.

Di Maria & Di Maria LLP

Independent Auditors' Report (Continued)

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget 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 respectively, and 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.

DI MARIA & DI MARIA LLP

Frank R. Di Maria

**Frank R. Di Maria
Licensed Public School Accountant**

December 6, 2010

REQUIRED SUPPLEMENTAL INFORMATION - PART I

**ROCHELLE PARK BOARD OF EDUCATION
ROCHELLE PARK, NEW JERSEY**

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010**

This section of the Rochelle Park Board of Education's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2010. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 - Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments issued in June 1999. Certain comparative information between the current year (2009-2010) and the prior year (2008-2009) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2009-2010 fiscal year include the following:

The assets of the Rochelle Park Board of Education exceeded its liabilities at the close of the fiscal year by \$ 345,627 (net assets).

The District's total net assets decreased \$ 554,362.

Overall district revenues were \$ 10,487,724. General revenues accounted for \$ 9,809,031 or 94% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$ 1,350,171 or 13% of total revenues.

Overall district expenses were \$ 11,185,847. Governmental activities accounted for \$ 11,001,513 or 98% of all expenses. Business-type activities accounted for \$ 184,334 or 2% of all expenses.

The school district had \$ 11,001,513 in expenses for governmental activities; only \$ 1,204,946 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted State aid) of \$ 9,029,804 were adequate to provide for these programs.

As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$ 139,775 a decrease of \$ 689,417 when compared to the previous year ending fund balance at June 30, 2009 of \$ 829,192.

The General Fund unreserved undesignated fund balance at June 30, 2010 was \$ 192 a decrease of \$ 208,725 when compared with the ending unreserved undesignated fund balance at June 30, 2009 of \$ 208,917.

The General Fund unreserved, undesignated budgetary fund balance at June 30, 2010 was \$ 66,571 which represents a decrease of \$ 183,429 when compared to the ending fund balance at June 30, 2009 of \$ 250,000.

ROCHELLE PARK BOARD OF EDUCATION
ROCHELLE PARK, NEW JERSEY

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts - Independent Auditors' Report, required supplementary information which includes the management's discussion and analysis (this section), the basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the District:

The first two statements are *district wide financial statements* that provide both short-term and long-term information about the District's overall financial status.

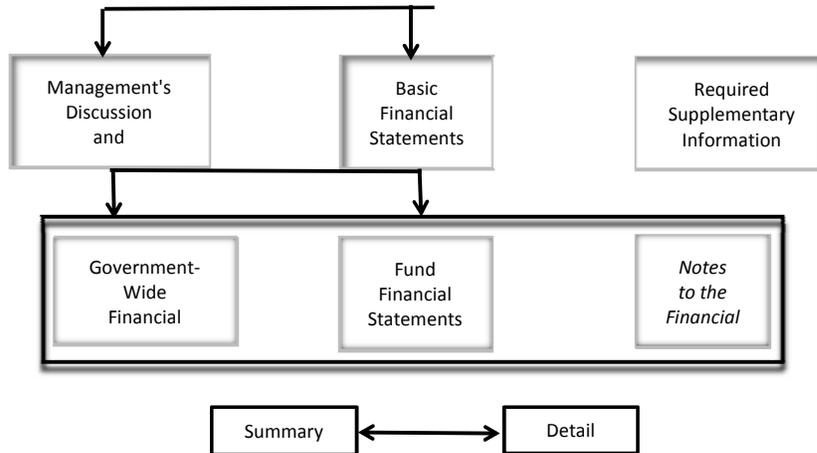
The remaining statements are *fund financial statements* that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.

The *governmental funds statements* tell how basic services were financed in the short term as well as what remains for future spending.

Proprietary funds statements offer short-term and long-term financial information about the activities the district operated like businesses.

Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a *trustee* or *agent* for the benefit of others to whom the resources belong.

The financial statements also include *notes* that explain the information in the statements and provide more detailed data. The following illustration shows how the various parts of this annual report are arranged and related to one another.



**ROCHELLE PARK BOARD OF EDUCATION
ROCHELLE PARK, NEW JERSEY**

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010**

The following table summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as Regular and Special Education Instruction and Building maintenance	Activities the district operates similar to private businesses: Enterprise Fund	Instances in which the district administers resources held in trust, such as Unemployment, Payroll Agency and Student Activities
Required financial statements	Statements of net assets Statement of activities	Balance Sheet Statement of Revenues, Expenditures and changes in fund balances	Statement of Net Assets Statement of revenue, expenses, and changes in fund net assets Statement of cash flows	Statements of Fiduciary assets and liabilities
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term funds do not currently contain capital assets
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and dedications during the year, regardless of when cash is received or paid

District-wide financial statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's *net assets* and how they have changed. Net assets - the difference between the District's assets and liabilities - is one way to measure the District's financial health or position.

**ROCHELLE PARK BOARD OF EDUCATION
ROCHELLE PARK, NEW JERSEY**

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010**

District-wide financial statements (continued)

Over time, increases or decreases in the District's net assets are an indicator of whether its financial position is improving or deteriorating, respectively.

To assess the overall health of the District you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

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

Governmental activities - Most of the District's basic services are included here, such as regular and special education, transportation, administration and plant operations and maintenance. Property taxes and state aids finance most of these activities.

Business type activities - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The District's Food Service Fund is included under this category.

Fund financial statements

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

Some funds are required by State law and bond covenants.

The District establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues (federal and state grants).

The District has four kinds of funds:

1. *Governmental funds* - Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements that explains the relationship (or difference) between them.

2. *Proprietary funds* - Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements.

**ROCHELLE PARK BOARD OF EDUCATION
ROCHELLE PARK, NEW JERSEY**

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010**

Fund financial statements (continued)

3. *Enterprise Funds* - This fund is established to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that costs of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges. The District currently has the following single enterprise fund.

- Food Service (Cafeteria)

4. *Fiduciary funds* - The District is the trustee, or *fiduciary*, for assets that belong to others. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary assets and liabilities. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

Notes to the basic financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found following the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the District's budget process. The District adopts an annual expenditure budget for the general, special revenue and debt service funds. A budgetary comparison statement has been provided for the general and special revenue funds as required supplementary information. The required supplementary information can be found following the notes to the basic financial statements.

Combining statements and schedules are presented immediately following the major budgetary comparisons.

DISTRICT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$ 345,627 as of June 30, 2010 and \$ 899,989 as of June 30, 2009.

**ROCHELLE PARK BOARD OF EDUCATION
ROCHELLE PARK, NEW JERSEY**

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010**

By far the largest portion of the District's net assets reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Net Assets
As of June 30, 2010 and 2009**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Current Assets	\$ 487,039	\$ 1,134,709	\$ 5,501	\$ 8,412	\$ 492,540	\$ 1,143,121
Capital Assets	1,833,303	1,906,672	33,885	39,680	1,867,188	1,946,352
Total Assets	2,320,342	3,041,381	39,386	48,092	2,359,728	3,089,473
Long-Term Liabilities	1,666,837	1,883,967	-	-	1,666,837	1,883,967
Other Liabilities	347,264	305,517	-	-	347,264	305,517
Total Liabilities	2,014,101	2,189,484	\$ -	\$ -	2,014,101	2,189,484
Net Assets						
Invested in capital assets, net of related debt	383,303	276,672	33,885	39,680	417,188	316,352
Restricted	139,583	620,275	0	0	139,583	620,275
Unrestricted (Deficit)	(216,645)	(45,050)	5,501	8,412	(211,144)	(36,638)
Total Net Assets	\$ 306,241	\$ 851,897	\$ 39,386	\$ 48,092	\$ 345,627	\$ 899,989

A small portion of the District's Net Assets, less than one percent, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets is in a deficit position and is a result of how the district expenses its long-term liabilities for governmental activities such as compensated absences and claims and judgments on the District-wide financial statements. These long-term liabilities are recorded and expensed for governmental activities at the time the liabilities are incurred regardless of when payment is due. However, the revenue for these long-term liabilities of governmental activities is not raised until these liabilities are included in the District budget when compensated absences and claims and judgments for governmental activities are due and payable.

**ROCHELLE PARK BOARD OF EDUCATION
ROCHELLE PARK, NEW JERSEY**

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010**

**Change in Net Assets
For The Years Ended June 30, 2010 and 2009**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Revenues						
Program Revenues						
Charges for Services	\$ -	\$ -	\$ 105,486	\$ 98,073	\$ 105,486	\$ 98,073
Operating Grants and Contribution	1,204,946	1,148,240	39,739	29,345	1,244,685	1,177,585
Capital Grants and Contributions	-	-	-	-	-	-
General Revenues						
Property Taxes	8,976,432	9,049,712	-	-	8,976,432	9,049,712
State and Federal Aid	117,162	441,712	-	-	117,162	441,712
Other	(63,790)	145,536	30,403	26,283	(33,387)	171,819
Total Revenues	10,234,750	10,785,200	175,628	153,701	10,410,378	10,938,901
Expenses						
Instruction						
Regular	2,780,590	2,815,642	-	-	2,780,590	2,815,642
Special Education	644,947	583,295	-	-	644,947	583,295
Basic Skills/Remedial	163,387	144,669	-	-	163,387	144,669
Bilingual	61,654	63,336	-	-	61,654	63,336
School Sponsored Activities & Athletics	38,296	54,132	-	-	38,296	54,132
Undistributed Expenditures						
Instruction	2,703,222	2,546,645	-	-	2,703,222	2,546,645
Attendance and Social Work	19,690	19,127	-	-	19,690	19,127
Health Services	57,764	53,218	-	-	57,764	53,218
Students Related Services	108,462	115,299	-	-	108,462	115,299
Students - Extraordinary	129,402	139,340	-	-	129,402	139,340
Students - Regular	109,666	100,946	-	-	109,666	100,946
Students - Special	230,766	281,584	-	-	230,766	281,584
Educational Media						
Services/School Library	166,679	163,616	-	-	166,679	163,616
General Administration	276,574	315,441	-	-	276,574	315,441
School Administration	160,766	169,434	-	-	160,766	169,434
Central Services	209,796	193,059	-	-	209,796	193,059
Required Maintenance for School Facilities	80,275	88,869	-	-	80,275	88,869
Operation and Maintenance of Plant Services						
Plant Services	458,712	509,583	-	-	458,712	509,583
Student Transportation	409,039	347,451	-	-	409,039	347,451
Unallocated Employee Benefits	1,127,655	999,663	-	-	1,127,655	999,663
TPAF Pension	239,970	250,869	-	-	239,970	250,869
TPAF Social Security	295,197	270,472	-	-	295,197	270,472
Capital Outlay						
Interest Deposit to Capital Reserve	348	-	-	-	348	-
Equipment	22,176	248,208	-	-	22,176	248,208
Facilities Acquisition and Construction Services	211,482	63,828	-	-	211,482	63,828
Debt Service						
Interest on Bonds	73,891	82,648	-	-	73,891	82,648
Redemption of Principal	-	-	-	-	-	-
Food Services	-	-	184,334	169,242	184,334	169,242
Total Expenses	10,780,406	10,620,374	184,334	169,242	10,964,740	10,789,616
Change in Net Assets	(545,656)	164,826	(8,706)	(15,541)	(554,362)	149,285
Net Assets, Beginning of Year	851,897	687,071	48,092	63,633	899,989	750,704
Net Assets, End of Year	\$ 306,241	\$ 851,897	\$ 39,386	\$ 48,092	\$ 345,627	\$ 899,989

**ROCHELLE PARK BOARD OF EDUCATION
ROCHELLE PARK, NEW JERSEY**

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010**

Governmental Activities - The District's total governmental activities' revenues, which includes State and Federal grants, were \$ 10,312,096 and \$ 10,621,707 for the years ended June 30, 2010 and June 30, 2009, respectively. Property taxes of \$ 8,976,432 and \$ 9,049,712 represented 87% and 85% of the revenues for the fiscal years ended June 30, 2010 and 2009, respectively. Another significant portion of revenues came from state aid; total state, federal and local aid and grants was \$ 1,321,760 and \$ 1,400,286 which represented 13% and 13% of the revenues for the fiscal years ended June 30, 2010 and 2009, respectively. State, federal and local aid and grants are reported as operating and capital grants and contributions if specific to a program or as general revenues if not specific to a program. In addition, other miscellaneous income is earned which includes items such as interest, prior year refunds and other miscellaneous items.

The total cost of all governmental activities programs and services were \$ 11,001,513 and \$ 10,640,638 for the years ended June 30, 2010 and 2009. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$ 3,688,874 and \$ 3,661,074 (34% and 34%) of total expenditures for the fiscal years ended June 30, 2010 and 2009, respectively. Support services, totaled \$ 7,312,639 and \$ 6,979,564 (66% and 66%) of total expenditures.

Total governmental expenses for the year ended June 30, 2010 exceeded activities, decreasing net assets by \$ 689,417 over the previous year from \$ 829,192 at June 30, 2009 to \$ 139,775 at June 30, 2010.

The cost of all *governmental activities* this year was \$ 11,001,513 an increase of \$ 360,875 (3%) over the previous year.

Federal and state governments subsidized certain programs with operating and capital grants and contributions of \$ 1,321,760 a decrease of \$ 78,526. The District also realized increases in Federal and State aid for operating grants and contributions of \$ 56,706 (29%).

District's costs in the amount of \$ 8,976,432, were provided from property taxes, a decrease of \$ 73,280 (1%). This decrease was a result of less property taxes levied due to decreases in District operating costs.

District's costs in the amount of \$ 117,162 were provided from unrestricted federal and state aid a decrease of \$ 324,550 (74%). The decrease was the result of a decrease in unrestricted State Aid allocated to most New Jersey Districts.

Other general revenues totaling \$ 1,321,760 were provided from miscellaneous local sources, a decrease of \$ 78,526.

For the most part, increases in expenses for 2010 closely paralleled inflation and the growth in the demand for services. Significant increases were noted in student and instruction related services functions which were mainly attributable to costs associated with increased expenses for support services to special services to special education students. Another significant area of increased expenses was also noted in the instruction for special education function for expenses associated with increased tuition costs for out-of-district placement of classified students.

**ROCHELLE PARK BOARD OF EDUCATION
ROCHELLE PARK, NEW JERSEY**

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010**

Net Cost of Governmental Activities - The District's total cost of services were \$ 10,780,406 and \$10,620,374 for the fiscal years ended June 30, 2010 and 2009, respectively. After applying program revenues, derived from charges for services and operating grants and contributions of \$ 1,204,946 and \$ 1,148,240 and capital grants and contribution of \$ 0 and \$ 0, for the years ended June 30, 2010 and 2009, respectively; the net cost of services of the District were \$ 9,575,460 and \$ 9,472,134 for the fiscal years ended June 30, 2010 and 2009, respectively.

	Total and Net Cost of Governmental Activities			
	Program Revenues		Net (Expense) Revenue of Services	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Instruction				
Regular	\$ 35,282	\$ 50,385	\$ (2,745,308)	\$ (2,765,257)
Special Education	543,491	449,610	(101,456)	(133,685)
Basic Skills	-	-	(163,387)	(144,669)
Bilingual	-	-	(61,654)	(63,336)
School Sponsored Activities & Athletics	-	-	(38,296)	(54,132)
Undistributed Expenditures				
Instruction	-	-	(2,703,222)	(2,546,645)
Attendance and Social Work Services	-	-	(19,690)	(19,127)
Health Services	-	-	(57,764)	(53,218)
Students Related Services	-	-	(108,462)	(115,299)
Students - Extraordinary	-	-	(129,402)	(139,340)
Students - Regular	-	-	(109,666)	(100,946)
Students - Special	-	-	(230,766)	(281,584)
Educational Media Services/School Library	-	-	(166,679)	(163,616)
General Administration	-	-	(276,574)	(315,441)
School Administration	-	-	(160,766)	(169,434)
Central Services	-	-	(209,796)	(193,059)
Required Maintenance for School Facilities	-	-	(80,275)	(88,869)
Operation and Maintenance of Plant Services	-	-	(458,712)	(509,583)
Student Transportation	90,658	126,904	(318,381)	(220,547)
Allocated and Unallocated Employee Benefits	-	-	(1,127,655)	(999,663)
TPAF Pension	239,970	250,869	-	-
TPAF Social Security	295,197	270,472	-	-
Capital Outlay				
Interest Deposit to Capital Reserve	348	-	-	-
Equipment	-	-	(22,176)	(248,208)
Facilities Acquisition and Construction Services	-	-	(211,482)	(63,828)
Debt Service				
Interest on Bonds	-	-	(73,891)	(82,648)
Redemption of Principal	-	-	-	-
Total	\$ 1,204,946	\$ 1,148,240	\$ (9,575,460)	\$ (9,472,134)

**ROCHELLE PARK BOARD OF EDUCATION
ROCHELLE PARK, NEW JERSEY**

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010**

Business-Type-Activities - The District's total business-type activities revenues were \$ 145,332 and \$ 127,528 for the years ended June 30, 2010 and June 30, 2009. Charges for services accounted for 73% and 77% of total revenues and operating grants and contributions accounted for 27% and 23% of total revenue for the years ended June 30, 2010 and 2009. There were no capital grants received for years ended June 30, 2010 or 2009.

The total cost of all business-type activities programs and services were \$ 154,038 and \$ 143,069 for the years ended June 30, 2010 and 2009. The District's expenses are related to Food Service programs provided to all students, teachers and administrators within the District.

The business-type activities revenues for the year ended June 30, 2010 did not surpass expenses, decreasing net assets by \$ 8,706 below the previous year from \$ 48,092 at June 30, 2009 to \$ 39,3866 at June 30, 2010. The cost of business-type activities this year was \$ 154,038, an increase of \$ 10,969 (8%) from the previous year.

Some of the cost was paid by users of the Districts food service program for a total of \$ 105,486, an increase of \$ 7,413 (8%).

The Federal and State governments subsidized the food service program with grants and contributions of \$ 39,739, an increase of \$ 10,394 (35%).

Increases in expenses reflected the increased cost of sales (i.e., food and supply costs) associated with higher food prices.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

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

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a *combined* fund balance of \$ 139,775 for the year ended June 30, 2010 compared to a fund balance of \$ 829,192 for the year ended June 30, 2009, a decrease in the balance of \$ 689,417 for the year.

Revenues for the District's governmental funds were \$ 10,312,096 and \$ 10,621,707, while total expenses were \$ 11,001,513 and \$ 10,640,638 for the fiscal years ended June 30, 2010 and 2009, respectively.

**ROCHELLE PARK BOARD OF EDUCATION
ROCHELLE PARK, NEW JERSEY**

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010**

General Fund - The General Fund is the chief operating fund of the District and includes the primary operations in the providing educational services to students from pre-kindergarten through grade 12 including pupil transportation activities and capital outlay projects.

The following schedule presents a comparison of General Fund Revenues for the fiscal years ended June 30, 2010 and 2009:

	June 30,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	<u>2010</u>	<u>2009</u>		
Local Sources				
Property Tax Levy	\$ 8,699,726	\$ 8,775,772	\$ (76,046)	-1%
Miscellaneous	13,686	171,122	(157,436)	-92%
State Sources	1,095,619	1,221,102	(125,483)	-10%
Federal Sources	-	-	-	N/A
Total General Fund Revenues	<u>\$ 9,809,031</u>	<u>\$ 10,167,996</u>	<u>\$ (358,965)</u>	-4%

Local property taxes decreased by \$ 76,046 or 1% over the previous year. State aid revenues decreased \$ 125,483, or 10%, predominantly attributable to a change in the State funding formula and reductions made to aid during the year.

The following schedule presents a comparison of General Fund expenditures for the fiscal years ended June 30, 2010 and 2009:

	June 30,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	<u>2010</u>	<u>2009</u>		
Instruction	\$ 3,462,733	\$ 3,481,890	\$ (19,157)	-1%
Support Services	6,795,765	6,566,139	229,626	3%
Debt Services	-	-	-	N/A
Capital Outlay	48,861	45,776	3,085	7%
Total Expenditures	<u>\$ 10,307,359</u>	<u>\$ 10,093,805</u>	<u>\$ 213,554</u>	2%

Total General Fund expenditures increased \$ 213,554 or 2% from the previous year. The increase can be attribute to contractual increases in salaries and wages, health benefits and special education tuition costs.

**ROCHELLE PARK BOARD OF EDUCATION
ROCHELLE PARK, NEW JERSEY**

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010**

Special Revenue Fund - The Special Revenue Fund includes all restricted Federal, State and Local sources utilized in the operations of the district in providing educational services to students with special needs.

Revenues of the Special Revenue Fund were \$ 226,141 and \$ 179,184 for the years ended June 30, 2010 and 2009. Federal sources accounted for the majority of Special Revenue Fund's revenue which represented 100% and 83% of the total revenues for the years ended June 30, 2010 and 2009.

Total Special Revenue Fund revenues increased \$ 46,957 or 26% from the previous year. State sources decreased \$ 30,703 or 100% and Federal sources increased by \$ 77,660 or 52%.

Expenditures of the Special Revenue Fund were \$ 226,141 and \$ 179,184 for the fiscal years ended June 30, 2010 and 2009. Instructional expenditures were \$ 226,141 and \$ 179,184 or 100% and 100% and expenditures for the support services were \$ 0 and \$ 0 or 0% and 0% of the total amounts expended for the years ended June 30, 2010 and 2009, respectively.

Proprietary Funds

The District maintains an Enterprise Fund to account for activities which are supported in part through user fees.

Enterprise Fund - The District uses an Enterprise fund to report activities related to the Food Services program. The District's Enterprise Fund provides the same type of information found in the district-wide financial statements, business-type activities, but in more detail. Factors concerning the finances of this Fund have already been addressed in the discussion of the District's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's budget is prepared according to New Jersey Department of Education guidelines, and is based on accounting for certain transactions on the budgetary basis and encumbrance accounting. The most significant mandated revenue recognition of certain deferred state aid payments for budgetary purposes only. The most significant budgetary fund is the General Fund.

Over the course of the year, the District revised the annual operating budget several times through appropriation transfers between budget line items.

Implementing budgets for specially funded projects, which include both Federal and State grants.

Reinstating prior year purchase orders being carried over as encumbrances.

Increases in appropriations for significant unbudgeted costs.

**ROCHELLE PARK BOARD OF EDUCATION
ROCHELLE PARK, NEW JERSEY**

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010**

GENERAL FUND BUDGETARY HIGHLIGHTS (Continued)

General Fund budgetary revenues exceeded General Fund budgetary and other financing uses increasing budgetary fund balance \$ 539,995 from the previous year. After deducting statutory reserves and designations, the unreserved/undesignated budgetary fund balance decreased \$ 208,725 from a \$ 208,917 balance at June 30, 2009 to a \$ 192 fund balance at June 30, 2010.

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2010 and 2009 amounted to \$ 1,867,188 and \$ 1,946,352 (net of accumulated depreciation). The capital assets consist of land, land improvements, buildings, building improvements, computers, specialized machinery and various other types of equipment. Depreciation charges for fiscal years 2009-2010 and 2008-2009 amounted to \$ 94,830 and \$ 147,676 for governmental activities and \$ 5,795 and \$ 5,795 for business-type activities.

Capital Assets at June 30, 2010 and 2009
(Net of Accumulated Depreciation)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Land and Land Improvements	\$ 15,740	\$ 15,740	\$ -	\$ -	\$ 15,740	\$ 15,740
Building and Building Improvements	1,740,292	1,791,485	-	-	1,740,292	1,791,485
Machinery and Equipment	77,271	99,447	33,885	39,680	111,156	139,127
Construction in Progress	-	-	-	-	-	-
Total Net Assets	\$ 1,833,303	\$ 1,906,672	\$ 33,885	\$ 39,680	\$ 1,867,188	\$ 1,946,352

Additional information on the District's capital assets is presented in Note 3 of this report.

LONG TERM LIABILITIES

At June 30, 2010 and 2009, the District's long-term liabilities consisted of bonds payable of \$ 1,555,000 and \$ 1,760,000, and compensated absences payable of \$ 111,837 and \$ 123,967, respectively.

Additional information on the District's long term liabilities is presented in Note 5 of this report.

**ROCHELLE PARK BOARD OF EDUCATION
ROCHELLE PARK, NEW JERSEY**

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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

Many factors were considered by the District's administration during the process of developing the fiscal year 2010 - 2011 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing salary and related benefit costs, as well as, increased special education tuition costs.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information contact the School Business Administrator, Rochelle Park Board of Education.

SECTION "A" - DISTRICT WIDE FINANCIAL STATEMENTS

**ROCHELLE PARK SCHOOL DISTRICT
STATEMENT OF NET ASSETS**

	2010			2009
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash	\$ 20,204	\$ 3,545	\$ 23,749	\$ 855,386
Receivables, (Net)	423,149	1,956	425,105	244,397
Restricted Assets:				
Capital Reserve Account	43,686	-	43,686	43,338
Capital Assets, (Net)	1,833,303	33,885	1,867,188	1,946,352
Total Assets	\$ 2,320,342	\$ 39,386	\$ 2,359,728	\$ 3,089,473
LIABILITIES				
Accounts Payable	\$ 276,032	\$ -	\$ 276,032	\$ 286,410
Deferred Revenue	71,232	-	71,232	19,107
Non-Current Liabilities:				
Due Within One Year	210,000	-	210,000	205,000
Due Beyond One Year	1,456,837	-	1,456,837	1,678,967
Total liabilities	\$ 2,014,101	\$ -	\$ 2,014,101	\$ 2,189,484
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	383,303	\$ 33,885	\$ 417,188	\$ 316,352
Restricted for:				
Debt Service	511	-	511	2,696
Capital Projects	43,880	-	43,880	155,090
Other	95,192	-	95,192	462,489
Unrestricted	(216,645)	5,501	(211,144)	(36,638)
Total Net Assets	\$ 306,241	\$ 39,386	\$ 345,627	\$ 899,989

ROCHELLE PARK SCHOOL DISTRICT
STATEMENT OF ACTIVITIES

A-2

Functions/Programs	Program Expenses				Program Revenues				Net (Expense) Revenue & Changes in Net Assets		
	Budgetary Basis	Adjustments	Depreciation	Total	Charges for Services	Operating Grants/Contributions	Capital Grants/Contributions	Total	Governmental Activities	Business-type Activities	Total
<i>Governmental Activities:</i>											
<i>Current Expense:</i>											
<i>Instruction:</i>											
Regular Programs	\$ 2,780,590	\$ -	\$ -	\$ 2,780,590	\$ -	\$ 35,282	\$ -	\$ 35,282	\$ (2,745,308)	\$ -	\$ (2,745,308)
Special Education	644,947	-	-	644,947	-	543,491	-	543,491	(101,456)	-	(101,456)
Basic Skills/Remedial	163,387	-	-	163,387	-	-	-	-	(163,387)	-	(163,387)
Bilingual Education	61,654	-	-	61,654	-	-	-	-	(61,654)	-	(61,654)
School Sponsored Cocurricular Activities	22,861	-	-	22,861	-	-	-	-	(22,861)	-	(22,861)
School Sponsored Athletics	15,435	-	-	15,435	-	-	-	-	(15,435)	-	(15,435)
Other Instructional Program	-	-	-	-	-	-	-	-	-	-	-
<i>Undistributed Expenditures:</i>											
Instruction	2,703,222	-	-	2,703,222	-	-	-	-	(2,703,222)	-	(2,703,222)
Attendance and Social Work	19,690	-	-	19,690	-	-	-	-	(19,690)	-	(19,690)
Health Services	57,764	-	-	57,764	-	-	-	-	(57,764)	-	(57,764)
Other Support Services - Students Related Services	108,462	-	-	108,462	-	-	-	-	(108,462)	-	(108,462)
Other Support Services - Students Extraordinary Services	129,402	-	-	129,402	-	-	-	-	(129,402)	-	(129,402)
Other Support Services - Students Regular	109,666	-	-	109,666	-	-	-	-	(109,666)	-	(109,666)
Other Support Services - Students Special	230,766	-	-	230,766	-	-	-	-	(230,766)	-	(230,766)
Improvement of Instruction Services	-	-	-	-	-	-	-	-	-	-	-
Educational Media Services/School Library	166,679	-	-	166,679	-	-	-	-	(166,679)	-	(166,679)
Instructional Staff Training Services	-	-	-	-	-	-	-	-	-	-	-
Support Services - General Administration	276,574	-	-	276,574	-	-	-	-	(276,574)	-	(276,574)
Support Services - School Administration	160,766	-	-	160,766	-	-	-	-	(160,766)	-	(160,766)
Business and Other Support Services	209,796	-	-	209,796	-	-	-	-	(209,796)	-	(209,796)
Required Maintenance for School Facilities	80,275	-	-	80,275	-	-	-	-	(80,275)	-	(80,275)
Operation and Maintenance of Plant Services	458,712	-	-	458,712	-	-	-	-	(458,712)	-	(458,712)
Student Transportation Services	409,039	-	-	409,039	-	90,658	-	90,658	(318,381)	-	(318,381)
Unallocated Employee Benefits	1,139,785	(12,130)	-	1,127,655	-	-	-	-	(1,127,655)	-	(1,127,655)
TPAF Pension	239,970	-	-	239,970	-	239,970	-	239,970	-	-	-
TPAF Social Security	295,197	-	-	295,197	-	295,197	-	295,197	-	-	-
<i>Capital Outlay:</i>											
Increase In Capital Reserve	-	-	-	-	-	-	-	-	-	-	-
Interest Deposit to Capital Reserve	348	-	-	348	-	348	-	348	-	-	-
Equipment	-	(21,461)	43,637	22,176	-	-	-	-	(22,176)	-	(22,176)
Facilities Acquisition and Construction Services	160,289	-	51,193	211,482	-	-	-	-	(211,482)	-	(211,482)
<i>Debt Service:</i>											
Interest on Early Retirement Bonds	-	-	-	-	-	-	-	-	-	-	-
Redemption of Principal - Early Retirement Bonds	-	-	-	-	-	-	-	-	-	-	-
Interest on Bonds	73,891	-	-	73,891	-	-	-	-	(73,891)	-	(73,891)
Redemption of Bond Principal	205,000	(205,000)	-	-	-	-	-	-	-	-	-
Total Governmental Activities	\$ 10,924,167	\$ (238,591)	\$ 94,830	\$ 10,780,406	\$ -	\$ 1,204,946	\$ -	\$ 1,204,946	\$ (9,575,460)	\$ -	\$ (9,575,460)
<i>Business-Type Activities:</i>											
Food Service	\$ 178,539	\$ -	\$ 5,795	\$ 184,334	\$ 105,486	\$ 39,739	\$ -	\$ 145,225	\$ -	\$ (39,109)	\$ (39,109)
Total Primary Government	\$ 11,102,706	\$ (238,591)	\$ 100,625	\$ 10,964,740	\$ 105,486	\$ 1,244,685	\$ -	\$ 1,350,171	\$ (9,575,460)	\$ (39,109)	\$ (9,614,569)
<i>General Revenues:</i>											
Local Tax Levy									8,976,432	-	8,976,432
Unrestricted Miscellaneous Revenues									13,556	107	13,663
Unrestricted State Aid									117,162	-	117,162
Unrestricted Federal Aid									-	-	-
Transfers									(77,346)	30,296	(47,050)
Change in Net Assets									\$ (545,656)	\$ (8,706)	\$ (554,362)
Net Assets—Beginning									851,897	48,092	899,989
Net Assets—Ending									\$ 306,241	\$ 39,386	\$ 345,627

SECTION "B" - FUND FINANCIAL STATEMENTS

ROCHELLE PARK SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS

	2010				Total	2009
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund		
ASSETS						
Cash	\$ 197,511	\$ (178,012)	\$ -	\$ 511	\$ 20,010	\$ 736,941
Cash	-	-	194	-	194	111,752
Capital Reserve Account	43,686	-	-	-	43,686	43,338
Intergovernmental Receivable:						
State	135,596	-	-	-	135,596	78,318
Federal	-	287,553	-	-	287,553	164,360
Total Assets	<u>\$ 376,793</u>	<u>\$ 109,541</u>	<u>\$ 194</u>	<u>\$ 511</u>	<u>\$ 487,039</u>	<u>\$ 1,134,709</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ 237,723	\$ 38,309	\$ -	\$ -	\$ 276,032	\$ 286,410
Deferred Revenue:						
Local Programs	-	-	-	-	-	590
Federal Programs	-	71,232	-	-	71,232	18,517
Total Liabilities	<u>\$ 237,723</u>	<u>\$ 109,541</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 347,264</u>	<u>\$ 305,517</u>
Fund Balances:						
Capital Reserve Account	\$ 43,686	\$ -	\$ -	\$ -	\$ 43,686	\$ 43,338
Excess Surplus - FY2009	95,192	-	-	-	95,192	106,192
Excess Surplus - FY2008	-	-	-	-	-	210,639
Designated for Subsequent Years	-	-	-	511	511	147,843
Undesignated	192	-	194	-	386	321,180
Total Fund Balances	<u>\$ 139,070</u>	<u>\$ -</u>	<u>\$ 194</u>	<u>\$ 511</u>	<u>\$ 139,775</u>	<u>\$ 829,192</u>
Total Liabilities and Fund Balances	<u>\$ 376,793</u>	<u>\$ 109,541</u>	<u>\$ 194</u>	<u>\$ 511</u>	<u>\$ 487,039</u>	<u>\$ 1,134,709</u>

Amounts reported for *governmental activities* in the statement of net assets (A-1) are different because: \$ 139,775

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. (Note 3) 1,833,303

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (See Note 5). (1,666,837)

Net assets of governmental activities \$ 306,241

ROCHELLE PARK SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

	2010					2009
	General	Special Revenue	Capital Projects	Debt Service	Total	
REVENUES						
Local Sources:						
Local Tax Levy	\$ 8,699,726	\$ -	\$ -	\$ 276,706	\$ 8,976,432	\$ 9,049,712
Interest Earned on Capital Reserve Funds	348	-	-	-	348	1,009
Unrestricted Miscellaneous Revenues	13,338	-	218	-	13,556	170,700
Total Local Sources	\$ 8,713,412	\$ -	\$ 218	\$ 276,706	\$ 8,990,336	\$ 9,221,421
State Sources	1,095,619	-	-	-	1,095,619	1,251,805
Federal Sources	-	226,141	-	-	226,141	148,481
Total Revenues	\$ 9,809,031	\$ 226,141	\$ 218	\$ 276,706	\$ 10,312,096	\$ 10,621,707
EXPENDITURES						
Current Expense:						
Instruction:						
Regular Programs	\$ 2,745,308	\$ 35,282	\$ -	\$ -	\$ 2,780,590	\$ 2,815,642
Special Education	454,088	190,859	-	-	644,947	583,295
Basic Skills/Remedial	163,387	-	-	-	163,387	144,669
Bilingual Education	61,654	-	-	-	61,654	63,336
School Sponsored Cocurricular Activities	22,861	-	-	-	22,861	33,027
School Sponsored Athletics	15,435	-	-	-	15,435	21,105
Other Instructional Program	-	-	-	-	-	-
Undistributed Expenditures:						
Instruction	2,703,222	-	-	-	2,703,222	2,546,645
Attendance and Social Work	19,690	-	-	-	19,690	19,127
Health Services	57,764	-	-	-	57,764	53,218
Other Support Services - Students Related Services	108,462	-	-	-	108,462	115,299
Other Support Services - Students Extraordinary Services	129,402	-	-	-	129,402	139,340
Other Support Services - Students Regular	109,666	-	-	-	109,666	100,946
Other Support Services - Students Special	230,766	-	-	-	230,766	281,584
Improvement of Instruction Services	-	-	-	-	-	-
Educational Media Services/School Library	166,679	-	-	-	166,679	163,616
Instructional Staff Training Services	-	-	-	-	-	-
Support Services - General Administration	276,574	-	-	-	276,574	315,441
Support Services - School Administration	160,766	-	-	-	160,766	169,434
Central Services	209,796	-	-	-	209,796	193,059
Required Maintenance for School Facilities	80,275	-	-	-	80,275	88,869
Operation and Maintenance of Plant Services	458,712	-	-	-	458,712	509,583
Student Transportation Services	409,039	-	-	-	409,039	347,451
Unallocated Employee Benefits	1,139,785	-	-	-	1,139,785	1,001,186
TPAF Pension	239,970	-	-	-	239,970	250,869
TPAF Social Security	295,197	-	-	-	295,197	270,472
Capital Outlay:						
Increase In Capital Reserve	-	-	-	-	-	-
Interest Deposit to Capital Reserve	348	-	-	-	348	-
Equipment	-	-	-	-	-	45,776
Facilities Acquisition and Construction Services	48,513	-	111,776	-	160,289	63,828
Debt Service:						
Interest on Early Retirement Bonds	-	-	-	-	-	8,446
Redemption of Principal - Early Retirement Bonds	-	-	-	-	-	25,000
Interest on Bonds	-	-	-	73,891	73,891	74,202
Redemption of Bond Principal	-	-	-	205,000	205,000	170,000
Total Expenditures	\$ 10,307,359	\$ 226,141	\$ 111,776	\$ 278,891	\$ 10,924,167	\$ 10,614,465
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (498,328)	\$ -	\$ (111,558)	\$ (2,185)	\$ (612,071)	\$ 7,242
OTHER FINANCING SOURCES (USES)						
Operating Transfers	(77,346)	-	-	-	(77,346)	(26,173)
Net Change In Fund Balances	\$ (575,674)	\$ -	\$ (111,558)	\$ (2,185)	\$ (689,417)	\$ (18,931)
Fund Balances - July 1	714,744	-	111,752	2,696	829,192	848,123
Fund Balances - June 30	\$ 139,070	\$ -	\$ 194	\$ 511	\$ 139,775	\$ 829,192

**ROCHELLE PARK SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

Total Net Change in Fund Balances - Governmental Funds (B-2) \$ (689,417)

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	(94,830)
Capital Outlays	21,461

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.	205,000
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Compensated absences is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities	12,130
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Change in net assets of governmental activities	<u>\$ (545,656)</u>
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**ROCHELLE PARK SCHOOL DISTRICT
COMBINING STATEMENT OF NET ASSETS
PROPRIETARY FUND**

	2010	2009	2008	2007	2006
ASSETS					
Current Assets:					
Cash (Overdrawn)	\$ 3,545	\$ 6,693	\$ 1,590	\$ 7,205	\$ 5,782
Interfund Receivable	-	-	13,162	13,162	13,162
Intergovernmental Receivable - State	120	123	262	103	115
Intergovernmental Receivable - Federal	1,836	1,596	3,321	1,368	1,399
Total Current Assets	<u>\$ 5,501</u>	<u>\$ 8,412</u>	<u>\$ 18,335</u>	<u>\$ 21,838</u>	<u>\$ 20,458</u>
Non-Current Assets:					
Machinery and Equipment, (Net)	\$ 33,885	\$ 39,680	\$ 45,475	\$ 51,271	\$ 57,549
Total Assets	<u>\$ 39,386</u>	<u>\$ 48,092</u>	<u>\$ 63,810</u>	<u>\$ 73,109</u>	<u>\$ 78,007</u>
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ 177	\$ 2,977	\$ 1,514
NET ASSETS					
Invested in Capital Assets	\$ 33,885	\$ 39,680	\$ 45,475	\$ 51,271	\$ 57,549
Unrestricted	5,501	8,412	18,158	18,861	18,944
	<u>\$ 39,386</u>	<u>\$ 48,092</u>	<u>\$ 63,633</u>	<u>\$ 70,132</u>	<u>\$ 76,493</u>

**ROCHELLE PARK SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUND**

	2010	2009	2008	2007	2006
<u>OPERATING REVENUES</u>					
Sales	\$ 105,486	\$ 98,073	\$ 98,428	\$ 92,184	\$ 102,273
Interest Earned	107	110	569	736	620
Other Income	-	-	-	-	-
	<u>\$ 105,593</u>	<u>\$ 98,183</u>	<u>\$ 98,997</u>	<u>\$ 92,920</u>	<u>\$ 102,893</u>
<u>OPERATING EXPENSES</u>					
Salaries	\$ 30,296	\$ 26,173	\$ 26,022	\$ 27,050	\$ 24,559
Other Purchased Services	136,253	131,931	122,362	106,486	132,817
Supplies and Materials	2,188	-	-	-	-
Miscellaneous	75	-	-	6,523	-
Cost of Sales (Food Distribution Program)	9,727	5,343	6,763	4,515	7,785
Depreciation	5,795	5,795	5,796	6,278	5,518
	<u>\$ 184,334</u>	<u>\$ 169,242</u>	<u>\$ 160,943</u>	<u>\$ 150,852</u>	<u>\$ 170,679</u>
Operating Income (Loss)	<u>\$ (78,741)</u>	<u>\$ (71,059)</u>	<u>\$ (61,946)</u>	<u>\$ (57,932)</u>	<u>\$ (67,786)</u>
<u>NON-OPERATING REVENUES</u>					
State Sources:					
State School Lunch Program	\$ 1,910	\$ 1,692	\$ 1,557	\$ 1,456	\$ 1,395
Federal Sources:					
National School Lunch Program	26,341	19,885	18,833	16,687	16,390
Special Milk Program	1,761	2,425	2,272	1,863	1,625
Food Distribution Program	9,727	5,343	6,763	4,515	7,785
Prior Period Adjustment - Machinery and Equipment, (Net)	-	-	-	-	-
	<u>\$ 39,739</u>	<u>\$ 29,345</u>	<u>\$ 29,425</u>	<u>\$ 24,521</u>	<u>\$ 27,195</u>
Excess/(Deficit) in Revenues					
Over/(Under) Expenditures	<u>\$ (39,002)</u>	<u>\$ (41,714)</u>	<u>\$ (32,521)</u>	<u>\$ (33,411)</u>	<u>\$ (40,591)</u>
<u>OTHER FINANCING SOURCES/(USES)</u>					
Operating Transfers:					
General Fund	\$ 30,296	\$ 26,173	\$ 26,022	\$ 27,050	\$ 24,559
Change in Net Assets	<u>\$ (8,706)</u>	<u>\$ (15,541)</u>	<u>\$ (6,499)</u>	<u>\$ (6,361)</u>	<u>\$ (16,032)</u>
Total Net Assets - Beginning	48,092	63,633	70,132	76,493	92,525
Total Net Assets - Ending	<u>\$ 39,386</u>	<u>\$ 48,092</u>	<u>\$ 63,633</u>	<u>\$ 70,132</u>	<u>\$ 76,493</u>

**ROCHELLE PARK SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUND**

	2010	2009	2008	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Operations	\$ 105,593	\$ 98,183	\$ 98,997	\$ 92,920	\$ 102,893
Payments for Salaries	-	-	-	-	-
Payments for Food Service Management	(136,253)	(132,108)	(125,212)	(106,486)	(143,212)
Payments for Supplies and Materials	(2,188)	-	-	-	-
Payments for Miscellaneous Expenses	(75)	-	-	(5,075)	-
Net Cash Provided (Used) by Operating Activities	<u>\$ (32,923)</u>	<u>\$ (33,925)</u>	<u>\$ (26,215)</u>	<u>\$ (18,641)</u>	<u>\$ (40,319)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
State Sources	\$ 1,913	\$ 1,831	\$ 1,398	\$ 1,483	\$ 1,557
Federal Sources	27,862	24,035	19,202	18,581	20,699
Local Sources	-	-	-	-	-
Interfund	-	13,162	-	-	9,108
Net Cash Provided (Used) by Financing Activities	<u>\$ 29,775</u>	<u>\$ 39,028</u>	<u>\$ 20,600</u>	<u>\$ 20,064</u>	<u>\$ 31,364</u>
Net Increase (Decrease) in Cash	<u>\$ (3,148)</u>	<u>\$ 5,103</u>	<u>\$ (5,615)</u>	<u>\$ 1,423</u>	<u>\$ (8,955)</u>
Balances - Beginning of Year	6,693	1,590	7,205	5,782	14,737
Balances - End of Year	<u>\$ 3,545</u>	<u>\$ 6,693</u>	<u>\$ 1,590</u>	<u>\$ 7,205</u>	<u>\$ 5,782</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating Income	\$ (78,741)	\$ (71,059)	\$ (61,946)	\$ (57,932)	\$ (67,786)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities					
Cost of Sales	9,727	5,343	6,763	4,515	7,785
Depreciation	5,795	5,795	5,796	6,278	5,518
Other	30,296	25,996	23,172	28,498	14,164
Net Cash Provided by (used for) Operating Activities	<u>\$ (32,923)</u>	<u>\$ (33,925)</u>	<u>\$ (26,215)</u>	<u>\$ (18,641)</u>	<u>\$ (40,319)</u>

**ROCHELLE PARK SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS**

	2010	2009	2008	2007	2006
<u>ASSETS</u>					
Cash	\$ 39,489	\$ 37,125	\$ 47,210	\$ 37,958	\$ 30,404
<u>LIABILITIES</u>					
Due to Student Groups	\$ 15,082	\$ 15,520	\$ 16,183	\$ 17,516	\$ 15,259
Payroll, Deductions and Withholdings	17,908	16,149	24,608	14,119	8,983
Total Liabilities	<u>\$ 32,990</u>	<u>\$ 31,669</u>	<u>\$ 40,791</u>	<u>\$ 31,635</u>	<u>\$ 24,242</u>
<u>NET ASSETS</u>					
Held in Trust for Scholarship Recipients	<u>\$ 6,499</u>	<u>\$ 5,456</u>	<u>\$ 6,419</u>	<u>\$ 6,323</u>	<u>\$ 6,162</u>

**ROCHELLE PARK SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS**

	2010	2009	2008	2007	2006
<u>ADDITIONS</u>					
Contributions	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 12,000
Interest Earned	43	37	96	131	168
	<u>\$ 6,043</u>	<u>\$ 6,037</u>	<u>\$ 6,096</u>	<u>\$ 6,131</u>	<u>\$ 12,168</u>
<u>DEDUCTIONS</u>					
Scholarships	\$ 5,000	\$ 7,000	\$ 6,000	\$ 6,000	\$ 6,000
Change in Net Assets	\$ 1,043	\$ (963)	\$ 96	\$ 131	\$ 6,168
Net Assets - Beginning	5,456	6,419	6,323	6,192	24
Net Assets - Ending	<u>\$ 6,499</u>	<u>\$ 5,456</u>	<u>\$ 6,419</u>	<u>\$ 6,323</u>	<u>\$ 6,192</u>

**ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2010**

Note 1 - Summary of Significant Accounting Policies

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

A. Reporting Entity

The Rochelle Park School District is a Type II School District located in Bergen County, New Jersey. As a Type II District, the School District functions independently through a Board of Education. The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. The District includes seven school facilities, all located in the Borough of Rochelle Park which support the following programs:

Regular Programs:

- Preschool
- Kindergarten
- Grades 1 through 5
- Grades 6 through 8

Special Education Program:

- Learning and/or Language Disabilities
- Preschool Disabled - Part Time

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds and account groups of the District over which the Board exercises operating control.

There were no additional entities required to be included in the reporting entity under the criteria, as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

**ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2010**

Note 1 - Summary of Significant Accounting Policies (Continued)

B. 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 principles 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. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

Governmental Fund Types --

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.

Special Revenue Fund: The District accounts for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes in the special revenue funds.

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

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 --

Enterprise (Food Service) Fund: The enterprise fund accounts for all revenues and expenses pertaining to cafeteria operations. The food service fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Fiduciary Fund Types --

Trust and Agency Funds: The trust and agency funds are used to account for assets held by the District on behalf of others as their agent. Agency funds are custodial in nature and do not involve a measurement of results of operations.

**ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2010**

Note 1 - Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized 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. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

Ad Valorem (Property) Taxes are susceptible to accrual, as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable".

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recorded in the accounting period in which they are earned and expenses are recorded at the time liabilities are incurred.

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office and 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. There were no budget amendments during the fiscal year ended June 30, 2010.

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

**ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2010**

Note 1 - Summary of Significant Accounting Policies (Continued)

E. Encumbrances

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services. Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as deferred revenues at fiscal year end. The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

F. Short-Term Interfund Receivables/Payables

Short-term interfund receivables/payables represents 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.

G. Inventories and Prepaid Expenses

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in first-out (FIFO) method.

H. Fixed Assets

General Fixed Assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received.

The general fixed assets acquired or constructed prior to June 30, 1999, are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company.

General fixed assets are reflected as expenditures in the applicable governmental funds, and the related assets are reported in the general fixed assets account group. 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.

**ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2010**

Note 1 - Summary of Significant Accounting Policies (Continued)

I. 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, 2010, the amount earned by these employees but not disbursed was \$0.

J. Deferred Revenue

Deferred revenue in the special revenue fund represents cash which has been received but not yet earned. See note 1(e) regarding the special revenue fund.

K. 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 obligations is reported in the general long-term debt account group.

L. Fund Equity

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not appropriatable for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

M. Memorandum Only - Total Columns

Total columns are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund elimination's have not been made in the aggregation of this data.

N. Comparative Data

Comparative total data for the prior year has been presented in order to provide an understanding of changes on the District's financial position and operations. However, comparative data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

**ROCHELLE PARK SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2010**

Note 2 - Cash and Cash Equivalents and Investments

Cash and cash equivalents includes petty cash, change funds, amounts in deposits, and short term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. 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.

Deposits --

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

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

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

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

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

Investments --

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

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives which have a maturity date not greater than twelve months from the date of purchase.
- c. Bonds or other obligations of the school district.

As of June 30, 2010, cash and cash equivalents and investments of the District consisted of the following:

	<u>Cash</u>	<u>Investments</u>
Checking/Money Market Accounts	\$ 23,749	\$ -
	<u>\$ 23,749</u>	<u>\$ -</u>

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2010

Note 3 - Capital Assets

The following schedule is a summarization of the changes in general fixed assets by source for the fiscal year ended June 30, 2010:

	Beginning Balance	Additions	Disposals	Adjustments	Ending Balance
<i>Governmental Activities --</i>					
Capital Assets not being Depreciated:					
Sites	\$ 15,740	\$ -	\$ -	\$ -	\$ 15,740
Construction in Progress	-	-	-	-	-
	<u>\$ 15,740</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,740</u>
Capital Assets being Depreciated:					
Site Improvements	\$ 291,265	\$ -	\$ -	\$ -	\$ 291,265
Building Improvements	2,762,391	-	-	-	2,762,391
Machinery and Equipment	497,372	26,249	(135,986)	11,950	399,585
	<u>\$ 3,551,028</u>	<u>\$ 26,249</u>	<u>\$ (135,986)</u>	<u>\$ 11,950</u>	<u>\$ 3,453,241</u>
	<u>\$ 3,566,768</u>	<u>\$ 26,249</u>	<u>\$ (135,986)</u>	<u>\$ 11,950</u>	<u>\$ 3,468,981</u>
Less Accumulated Depreciation:					
Site Improvements	\$ (215,838)	\$ (8,865)	\$ -	\$ -	\$ (224,703)
Building Improvements	(1,046,333)	(42,328)	-	-	(1,088,661)
Machinery and Equipment	(397,925)	(43,637)	121,863	(2,615)	(322,314)
	<u>\$ (1,660,096)</u>	<u>\$ (94,830)</u>	<u>\$ 121,863</u>	<u>\$ (2,615)</u>	<u>\$ (1,635,678)</u>
Net Assets for Governmental Activities	<u>\$ 1,906,672</u>	<u>\$ (68,581)</u>	<u>\$ (14,123)</u>	<u>\$ 9,335</u>	<u>\$ 1,833,303</u>
<i>Business Type Activities --</i>					
Capital Assets being Depreciated:					
Machinery and Equipment	\$ 136,999	\$ -	\$ (2,743)	\$ -	\$ 134,256
Less Accumulated Depreciation For:					
Machinery and Equipment	\$ (97,319)	\$ (5,795)	\$ 2,743	\$ -	\$ (100,371)
Net Assets for Business Type Activities	<u>\$ 39,680</u>	<u>\$ (5,795)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,885</u>

**ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2010**

Note 4 - Operating Leases and Other Commitments

In accordance with GAAP, the District does not include non-capitalized (operating) leases or other similar commitments in the financial statements. As of June 30, 2010, the District had not entered into any such agreements which would be considered material for subsequent year's obligation disclosure. The District has entered into such agreements which have been deemed immaterial to the financial statements for small office equipment, etc. Detailed information concerning these insignificant obligations is on file with the School Business Office.

ROCHELLE PARK SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2010

Note 5 - Long-Term Debt

During the fiscal year ended June 30, 2010, the following changes occurred in liabilities reported as general long-term debt:

	Beginning Balance	Issued	Retired	Adjustments	Ending Balance
Bonds Payable	\$ 1,760,000	\$ -	\$ (205,000)	\$ -	\$ 1,555,000
Compensated Absences Payable	123,967	-	-	(12,130)	111,837
	<u>\$ 1,883,967</u>	<u>\$ -</u>	<u>\$ (205,000)</u>	<u>\$ (12,130)</u>	<u>\$ 1,666,837</u>

	Amounts Due within One Year	Long-Term Portion	Ending Balance
Bonds Payable	\$ 210,000	\$ 1,345,000	\$ 1,555,000
Compensated Absences Payable	-	111,837	111,837
	<u>\$ 210,000</u>	<u>\$ 1,456,837</u>	<u>\$ 1,666,837</u>

**ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2010**

Note 5 - Long-Term Debt (Continued)

A. Bonds Payable

Bonds are authorized in accordance with State law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds. As of June 30, 2010, the Board had \$1,555,000 of bonds payable. As of June 30, 2010, the Board had not authorized the issuance of any additional bonds.

B. Compensated Absences Payable

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy and contractual obligations. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions. The liability for vested compensated absences of the governmental fund types is recorded in the general long-term debt account group. In the District-wide Statement of Net Assets, the liabilities whose average maturities are greater than one year should be reported in two components - the amount due within one year and the amount due in more than one year. The current portion of the compensated absences balance of the governmental funds is not considered material to the applicable funds total liabilities, and therefore is 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 Food Service Fund.

C. Long-Term Debt Service to Maturity

The annual debt service requirement for long-term obligation requirements to maturity, including principal and interest as of June 30, 2010 are as follows:

Year Ended June 30,	08/15/01 School Bonds		2003 Pension Refunding Bonds		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 185,000	\$ 59,051	\$ 25,000	\$ 5,724	\$ 210,000	\$ 64,775
2012	195,000	50,976	25,000	4,360	220,000	55,336
2013	205,000	23,416	25,000	2,998	230,000	26,414
2014	210,000	35,720	30,000	1,636	240,000	37,356
2015	215,000	25,733	-	-	215,000	25,733
2016	220,000	15,510	-	-	220,000	15,510
2017	220,000	5,170	-	-	220,000	5,170
	<u>\$ 1,450,000</u>	<u>\$ 215,576</u>	<u>\$ 105,000</u>	<u>\$ 14,718</u>	<u>\$ 1,555,000</u>	<u>\$ 230,294</u>

**ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2010**

Note 6 - Retirement Plans

Those employees who are eligible for pension coverage are enrolled in either the Public Employees Retirement System of New Jersey (PERS) or the Teachers' Pension and Annuity Fund of New Jersey (TPAF). The systems are cost-sharing multiple-employer contributory defined benefit pension plans, and are component units of the State of New Jersey. Each retirement system has a Board of Trustees which is responsible for its organization and administration.

A. Plan Descriptions, Contribution Information and Funding Policies

Public Employees' Retirement System (PERS)

Description of the System - The State of New Jersey Public Employees' Retirement System (the System; PERS) is a cost-sharing multiple-employer contributory defined benefit plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The System is included along with other state-administered pension trust and agency funds in the basic financial statements of the State of New Jersey.

At June 30, 2008 and 2007, the dates of the most recent actuarial valuations, participating employers consisted of the following:

	<u>2008</u>	<u>2007</u>
State of New Jersey	1	1
County Agencies	65	65
Municipalities	583	580
School Districts	561	558
Other Public Agencies	486	487
Total	<u>1,696</u>	<u>1,691</u>

The System's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the System is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund. The System's Board of Trustees is primarily responsible for the administration of the System.

According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the System terminate.

In 2008, the System adopted the provisions of GASB Statement No. 50, "Pension Disclosures."

**ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2010**

Note 6 - Retirement Plans (Continued)

A. Plan Descriptions, Contribution Information and Funding Policies (Continued)

Public Employees' Retirement System (PERS) (Continued)

Vesting and Benefit Provisions - The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. The System provides retirement, death and disability benefits. All benefits vest after eight to ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the System. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/55 of final average salary for each year of service credit (as defined). Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years service credit, as defined, or they may elect deferred retirement after achieving eight to ten years of service credit, in which case benefits would begin the first day of the month after the member attains normal retirement age.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for earnings on their contributions at 2% per annum. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Eligible retirees receiving monthly benefits are entitled to cost-of-living increases equal to 60% of the change in the average consumer price index for the calendar year in which the pensioner retired as compared to the average consumer price index for a 12-month period ending with each August 31st immediately preceding the year in which the adjustment becomes payable. The regular retirement allowance is multiplied by the 60% factor as developed and results in a dollar amount of the adjustment payable. Retired members become eligible for pension adjustment benefits after 24 months of retirement.

Chapter 103, P.L. 2007 amended the early retirement reduction formula for members hired on or after July 1, 2007 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 60, plus 3% for every year under age 55.

Chapter 89, P.L. 2008 increased the PERS eligibility age for unreduced benefits from age 60 to age 62 for members hired on or after November 1, 2008 as well as increased the minimum annual compensation required for membership eligibility for new members. Also, it amended the early retirement reduction formula for members hired on or after November 1, 2008 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 62, plus 3% for every year under age 55.

**ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2010**

Note 6 - Retirement Plans (Continued)

A. Plan Descriptions, Contribution Information and Funding Policies (Continued)

Public Employees' Retirement System (PERS) (Continued)

Significant Legislation:

Chapter 19, P.L. 2009, effective March 17, 2009, provided an option for local employers to contribute 50% of the normal and accrued liability contribution amounts certified by the PERS for payments due in State fiscal year 2009. This law also provided that a local employer may pay 100% of the required contribution. Such an employer will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries for PERS will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the State fiscal year ending June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Membership

Membership in the System consisted of the following at June 30, 2008 and 2007, the dates of the most recent actuarial valuations:

	<u>2008</u>	<u>2007</u>
Retirees and beneficiaries currently receiving benefits and employees entitled to benefits but not yet receiving them	134,555	130,686
Active Members:		
Vested	142,280	140,400
Non-Vested	176,902	178,853
Total Active Members	<u>319,182</u>	<u>319,253</u>
Total	<u>453,737</u>	<u>449,939</u>

Note 6 - Retirement Plans (Continued)

A. Plan Descriptions, Contribution Information and Funding Policies (Continued)

Teachers' Pension and Annuity Fund

Description of the Fund - The State of New Jersey Teachers' Pension and Annuity Fund (the Fund; TPAF) is a cost-sharing contributory defined benefit plan with a special funding situation which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The Fund is included along with other state-administered pension trust and agency funds in the basic financial statements of the State of New Jersey.

The Fund's designated purpose is to provide retirement benefits, death, disability and medical benefits to certain qualified members. Membership in the Fund is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified. The Fund's Board of Trustees is primarily responsible for the administration of the Fund.

According to the State of New Jersey Administrative Code, all obligations of the Fund will be assumed by the State of New Jersey should the Fund terminate.

In 2008, the Fund adopted the provisions of GASB Statement No. 50, "Pension Disclosures."

Vesting and Benefit Provisions - The vesting and benefit provisions are set by N.J.S.A. 18A:66. The TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the Fund. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/55 of final average salary for each year of service credit (as defined). Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years service credit, as defined, or they may elect deferred retirement after achieving ten years of service credit, in which case benefits would begin the first day of the month after the member attains normal retirement age.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Eligible retirees receiving monthly benefits are entitled to cost-of-living increases equal to 60% of the change in the average consumer price index for the calendar year in which the pensioner retired as compared to the average consumer price index for a 12-month period ending with each August 31st immediately preceding the year in which the adjustment becomes payable. The regular retirement allowance is multiplied by the 60% factor as developed and results in a dollar amount of the adjustment payable. Retired members become eligible for pension adjustment benefits (COLA) after 24 months of retirement.

**ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2010**

Note 6 - Retirement Plans (Continued)

A. Plan Descriptions, Contribution Information and Funding Policies (Continued)

Teachers' Pension and Annuity Fund (Continued)

Chapter 103, P.L. 2007 amended the early retirement reduction formula for members hired on or after July 1, 2007 and retiring with 25 years of service to be reduced by 1 % for every year between age 55 and 60 plus 3% for every year under age 55.

Chapter 89, P.L. 2008 increased the TPAF eligibility age for unreduced benefits from age 60 to age 62 for members hired on or after November 1, 2008 as well as increased the minimum annual compensation required for membership eligibility for new members. Also, it amended the early retirement reduction formula for members hired on or after November 1, 2008 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 62, plus 3% for every year under age 55.

Membership and Contributing Employers

Membership in the Fund consisted of the following at June 30, 2008 and 2007, the dates of the most recent actuarial valuations:

	<u>2008</u>	<u>2007</u>
Retirees and beneficiaries currently receiving benefits and employees entitled to benefits but not yet receiving them	76,068	72,748
Active Members:		
Vested	76,368	75,235
Non-Vested	79,719	79,861
Total Active Members	<u>156,087</u>	<u>155,096</u>
Total	<u>232,155</u>	<u>227,844</u>
Contributing Employers	38	38

**ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2010**

Note 6 - Retirement Plans (Continued)

B. Trend Information

Historical trend information showing the plan's progress in accumulating sufficient assets to pay benefits when due are presented in the State of New Jersey's PERS and TPAF financial reports. Those reports may be obtained by writing to the State of New Jersey, Department of Treasury Division of Pensions & Benefits P.O. Box 295, Trenton, New Jersey 08625-0295 or by calling (609) 292-7524.

Contributions required by the District were as follows:

Public Employees Retirement System:

Year	Annual Pension Cost	Chapter 108		Chapter 19 P.L. 2009 Deferral	Non-Contributory Group Life Insurance	Net Pension Obligation
		P.L. 2003 Phase - In Credit				
2010	\$ 42,958	\$ -		\$ -	5,957	\$ 48,915
2009	40,243	-		(20,122)	5,002	25,123
2008	39,053	(7,811)		-	-	31,242

Teachers' Pension and Annuity Fund:

Year	Annual Pension Cost	Percentage Contributed	Total Obligation
2010	\$ 239,970	100%	- (On-Behalf)
2009	250,869	100%	- (On-Behalf)
2008	514,593	100%	- (On-Behalf)

**ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2010**

Note 7 - Post-Retirement Benefits

Chapter 384 of P.L. 1987 and Chapter 6 of P.L. 1990 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, Chapter 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2009, there were 84,590 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 a pay-as-you-go basis beginning in Fiscal Year 1994.

The State made post-retirement (PRM) contributions of \$1.38 billion for fiscal year 2009 and \$3.22 million for 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 and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$116.9 million toward Chapter 126 benefits for 13,320 eligible retired members in Fiscal Year 2009.

**ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2010**

Note 8 - Compensated Absences

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

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

**ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2010**

Note 9 - Deferred Compensation

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

**ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2010**

Note 10 - Capital Reserve Account

A capital reserve account was established by the Board of Education for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

**ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2010**

Note 11 - Risk Management

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

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State.

ROCHELLE PARK SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended June 30, 2010

Note 12 - Interfund Receivables and Payables

Interfund balances as of June 30 were as follows:

	2010		2009	
	Interfund Receivable	Interfund Payable	Interfund Receivable	Interfund Payable
General Fund	\$ -	\$ -	\$ -	\$ -
Special Revenue Fund	-	-	-	-
Capital Projects Fund	-	-	-	-
Debt Service Fund	-	-	-	-
Enterprise Fund	-	-	-	-
Trust and Agency Fund	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2010

Note 13 - Retained Earnings - Food Services Enterprise Fund

The Food Service Enterprise Fund has a cumulative retained earnings at June 30 as follows:

	<u>2010</u>	<u>2009</u>
Retained Earnings	<u>\$ 39,386</u>	<u>\$ 48,092</u>

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2010

Note 14 - Fund Balance Appropriated

General Fund -- The following is an analysis of the General Fund balance at June 30:

	<u>2010</u>	<u>2009</u>
Capital Reserve	\$ 43,686	\$ 43,338
Reserved Fund Balance - Excess Surplus FY2008	-	210,639
Reserved Fund Balance - Excess Surplus FY2009	95,192	106,192
Designated for Subsequent Years' Expenditures	-	145,658
Undesignated	192	208,917
	<u>\$ 139,070</u>	<u>\$ 714,744</u>

**ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2010**

Note 15 - Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, 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 General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their years' budget. The excess fund balance at June 30 was as follows:

	<u>2010</u>	<u>2009</u>
Excess Fund Balance	<u>\$ 95,192</u>	<u>\$ 106,192</u>

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2010

Note 16 - Reconciliation of Budgetary Basis General Fund Balance to GAAP Basis General Fund Balance

	<u>2010</u>	<u>2009</u>
Total Fund Balance, June 30 - Budgetary Basis	\$ 205,449	\$ 755,827
Less: Final Delayed State Aid Payment	(66,379)	(41,083)
Total Fund Balance, June 30 - GAAP Basis	<u>\$ 139,070</u>	<u>\$ 714,744</u>

**ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2010**

Note 17 - Contingent Liabilities

The Board is not involved in any claims which could be material to its operations.

REQUIRED SUPPLEMENTAL INFORMATION - PART II

ROCHELLE PARK SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 Fiscal Year Ended June 30, 2010

C-1

	Account Number	Original Budget	Budget Amendments	Budget Transfers	Prior Year Encumbrances	Final Budget	Actual	Variance to Final Favorable / (Unfavorable)	(Memo Only) Encumbered
REVENUES									
Local Sources:									
Local Tax Levy	10-1210	\$ 8,699,726	\$ -	\$ -	\$ -	\$ 8,699,726	\$ 8,699,726	\$ -	
Interest Earned on Capital Reserve Funds	10-1XXX	100	-	-	-	100	348	248	
Other Restricted Miscellaneous Revenues	10-1XXX	64,339	-	-	-	64,339	-	(64,339)	
Unrestricted Miscellaneous Revenues	10-1XXX	25,000	-	-	-	25,000	13,338	(11,662)	
Total Local Sources		<u>\$ 8,789,165</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,789,165</u>	<u>\$ 8,713,412</u>	<u>\$ (75,753)</u>	
State Sources:									
Transportation Aid	10-3121	\$ 137,451	\$ -	\$ -	\$ -	\$ 137,451	\$ 90,658	\$ (46,793)	
Special Education Aid	10-3130	329,046	-	-	-	329,046	217,036	(112,010)	
Security Aid	10-3177	45,770	-	-	-	45,770	30,180	(15,590)	
Adjustment Aid	10-3178	170,222	-	-	-	170,222	112,278	(57,944)	
Extraordinary Aid	10-3131	78,318	-	-	-	78,318	135,596	57,278	
TPAF Pension (On-Behalf - Non-Budgeted)		-	-	-	-	-	239,970	239,970	
TPAF Social Security (Reimbursed - Non-Budgeted)		-	-	-	-	-	295,197	295,197	
Total State Sources		<u>\$ 760,807</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 760,807</u>	<u>\$ 1,120,915</u>	<u>\$ 360,108</u>	
Total Revenues		<u>\$ 9,549,972</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,549,972</u>	<u>\$ 9,834,327</u>	<u>\$ 284,355</u>	

ROCHELLE PARK SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 Fiscal Year Ended June 30, 2010

C-1

	Account Number	Original Budget	Budget Amendments	Budget Transfers	Prior Year Encumbrances	Final Budget	Actual	Variance to Final Favorable / (Unfavorable)	(Memo Only) Encumbered
EXPENDITURES									
General Current Expense									
Regular Programs - Instruction:									
Pre-School - Salaries of Teachers	11-105-100-101	\$ 76,321	\$ -	\$ -	\$ -	\$ 76,321	\$ 76,321	\$ -	-
Kindergarten - Salaries of Teachers	11-110-100-101	124,342	-	8,173	-	132,515	132,515	-	\$ -
Grades 1-5 - Salaries of Teachers	11-120-100-101	1,376,087	-	(110,404)	-	1,265,683	1,265,683	-	-
Grades 6-8 - Salaries of Teachers	11-130-100-101	931,333	-	29,678	-	961,011	961,011	-	-
Regular Programs - Home Instruction:									
Salaries of Teachers	11-150-100-101	2,000	-	(2,000)	-	-	-	-	-
Regular Programs - Undistributed Instruction:									
Other Salaries for Instruction	11-190-100-106	95,214	-	63,495	-	158,709	158,709	-	-
Purchased Professional - Education Services	11-190-100-320	2,500	-	(1,545)	-	955	955	-	-
Purchased Technical Services	11-190-100-340	15,195	-	2,544	-	17,739	17,659	80	-
Other Purchased Services	11-190-100-500	16,325	-	2,088	-	18,413	18,413	-	-
General Supplies	11-190-100-610	75,000	-	(5,150)	-	69,850	69,850	-	-
Textbooks	11-190-100-640	35,602	-	6,333	-	41,935	41,935	-	-
Other Objects	11-190-100-890	3,000	-	(743)	-	2,257	2,257	-	-
Total Regular Programs		\$ 2,752,919	\$ -	\$ (7,531)	\$ -	\$ 2,745,388	\$ 2,745,308	\$ 80	\$ -
Special Education - Instruction - Learning and/or Language Disabilities:									
Salaries of Teachers	11-204-100-101	\$ 73,511	\$ -	\$ 5,375	\$ -	\$ 78,886	\$ 78,886	\$ -	\$ -
Purchased Professional - Education Services	11-204-100-320	-	-	1,855	-	1,855	1,855	-	-
General Supplies	11-204-100-610	883	-	(275)	-	608	608	-	-
		\$ 74,394	\$ -	\$ 6,955	\$ -	\$ 81,349	\$ 81,349	\$ -	\$ -
Special Education - Instruction - Resource Room/Resource Center:									
Salaries of Teachers	11-213-100-101	\$ 343,545	\$ -	\$ 19,182	\$ -	\$ 362,727	\$ 362,727	\$ -	\$ -
Other Salaries for Instruction	11-213-100-106	20,594	-	(20,594)	-	-	-	-	-
General Supplies	11-213-100-610	8,633	-	(1,259)	-	7,374	7,374	-	-
		\$ 372,772	\$ -	\$ (2,671)	\$ -	\$ 370,101	\$ 370,101	\$ -	\$ -
Special Education - Instruction - Preschool Disabled - Part Time:									
Salaries of Teachers	11-215-100-101	\$ 2,638	\$ -	\$ -	\$ -	\$ 2,638	\$ 2,638	\$ -	\$ -
Other Salaries for Instruction	11-215-100-106	884	-	(884)	-	-	-	-	-
General Supplies	11-215-100-610	903	-	(903)	-	-	-	-	-
		\$ 4,425	\$ -	\$ (1,787)	\$ -	\$ 2,638	\$ 2,638	\$ -	\$ -
Total Special Education - Instruction		\$ 451,591	\$ -	\$ 2,497	\$ -	\$ 454,088	\$ 454,088	\$ -	\$ -

ROCHELLE PARK SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 Fiscal Year Ended June 30, 2010

C-1

Account Number	Original Budget	Budget Amendments	Budget Transfers	Prior Year Encumbrances	Final Budget	Actual	Variance to Final Favorable / (Unfavorable)	(Memo Only) Encumbered
<u>EXPENDITURES (Continued)</u>								
<u>General Current Expense (Continued)</u>								
Basic Skills/Remedial - Instruction:								
Salaries of Teachers	11-230-100-101	\$ 128,773	\$ -	\$ 31,625	\$ -	\$ 160,398	\$ 160,398	\$ -
General Supplies	11-230-100-610	3,112	-	(77)	-	3,035	2,989	46
		<u>\$ 131,885</u>	<u>\$ -</u>	<u>\$ 31,548</u>	<u>\$ -</u>	<u>\$ 163,433</u>	<u>\$ 163,387</u>	<u>\$ 46</u>
Bilingual Education - Instruction:								
Salaries of Teachers	11-240-100-101	\$ 57,066	\$ -	\$ 3,250	\$ -	\$ 60,316	\$ 60,316	\$ -
General Supplies	11-240-100-610	1,591	-	(236)	-	1,355	1,338	17
		<u>\$ 58,657</u>	<u>\$ -</u>	<u>\$ 3,014</u>	<u>\$ -</u>	<u>\$ 61,671</u>	<u>\$ 61,654</u>	<u>\$ 17</u>
School Sponsored Cocurricular Activities - Instruction:								
Salaries	11-401-100-100	\$ 20,681	\$ -	\$ 2,186	\$ -	\$ 22,867	\$ 21,778	\$ 1,089
Supplies and Materials	11-401-100-600	5,617	-	(4,534)	-	1,083	1,083	-
		<u>\$ 26,298</u>	<u>\$ -</u>	<u>\$ (2,348)</u>	<u>\$ -</u>	<u>\$ 23,950</u>	<u>\$ 22,861</u>	<u>\$ 1,089</u>
School Sponsored Athletics - Instruction:								
Salaries	11-402-100-100	\$ 15,630	\$ -	\$ -	\$ -	\$ 15,630	\$ 12,482	\$ 3,148
Purchased Services	11-402-100-500	1,000	-	(245)	-	755	755	-
Supplies and Materials	11-402-100-600	4,921	-	(2,717)	-	2,204	2,198	6
		<u>\$ 21,551</u>	<u>\$ -</u>	<u>\$ (2,962)</u>	<u>\$ -</u>	<u>\$ 18,589</u>	<u>\$ 15,435</u>	<u>\$ 3,154</u>
Total - Instruction		<u>\$ 3,442,901</u>	<u>\$ -</u>	<u>\$ 24,218</u>	<u>\$ -</u>	<u>\$ 3,467,119</u>	<u>\$ 3,462,733</u>	<u>\$ 4,386</u>

ROCHELLE PARK SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 Fiscal Year Ended June 30, 2010

C-1

	Account Number	Original Budget	Budget Amendments	Budget Transfers	Prior Year Encumbrances	Final Budget	Actual	Variance to Final Favorable / (Unfavorable)	(Memo Only) Encumbered
EXPENDITURES (Continued)									
General Current Expense (Continued)									
Undistributed Expenditures - Instruction:									
Tuition to Other LEAs Within the State - Regular	11-000-100-561	\$ 1,697,314	\$ -	\$ (189,866)	\$ -	\$ 1,507,448	\$ 1,507,448	\$ -	\$ -
Tuition to Other LEAs Within the State - Special	11-000-100-562	351,399	-	78,686	-	430,085	430,085	-	-
Tuition to County Vocational School District - Regular	11-000-100-563	142,900	-	(2,095)	-	140,805	140,805	-	-
Tuition to County Vocational School District - Special	11-000-100-564	75,000	-	(11,304)	-	63,696	60,556	3,140	-
Tuition to CSSD & Regional Day Schools	11-000-100-565	146,490	-	(34,108)	-	112,382	112,382	-	-
Tuition to Private Schools for the Handicapped - Within State	11-000-100-566	364,131	-	87,815	-	451,946	451,946	-	-
		<u>\$ 2,777,234</u>	<u>\$ -</u>	<u>\$ (70,872)</u>	<u>\$ -</u>	<u>\$ 2,706,362</u>	<u>\$ 2,703,222</u>	<u>\$ 3,140</u>	<u>\$ -</u>
Undistributed Expenditures - Attendance and Social Work:									
Salaries	11-000-211-100	\$ 10,277	\$ -	\$ 32	\$ -	\$ 10,309	\$ 10,309	\$ -	\$ -
Purchased Professional and Technical Services	11-000-211-300	8,850	-	531	-	9,381	9,381	-	-
		<u>\$ 19,127</u>	<u>\$ -</u>	<u>\$ 563</u>	<u>\$ -</u>	<u>\$ 19,690</u>	<u>\$ 19,690</u>	<u>\$ -</u>	<u>\$ -</u>
Undistributed Expenditures - Health Services:									
Salaries	11-000-213-100	\$ 53,636	\$ -	\$ 640	\$ -	\$ 54,276	\$ 54,276	\$ -	\$ -
Purchased Professional and Technical Services	11-000-213-300	2,100	-	-	-	2,100	2,100	-	-
Other Purchased Services	11-000-213-500	3,000	-	(2,623)	-	377	377	-	-
Supplies and Materials	11-000-213-600	1,340	-	(312)	-	1,028	1,011	17	-
		<u>\$ 60,076</u>	<u>\$ -</u>	<u>\$ (2,295)</u>	<u>\$ -</u>	<u>\$ 57,781</u>	<u>\$ 57,764</u>	<u>\$ 17</u>	<u>\$ -</u>
Undistributed Expenditures - Other Support Services Students - Related Services:									
Salaries	11-000-216-100	\$ 93,261	\$ -	\$ 2,443	\$ -	\$ 95,704	\$ 95,704	\$ -	\$ -
Purchased Professional - Educational Services	11-000-216-320	22,000	-	(10,170)	-	11,830	11,830	-	-
Supplies and Materials	11-000-216-600	1,060	-	(132)	-	928	928	-	-
		<u>\$ 116,321</u>	<u>\$ -</u>	<u>\$ (7,859)</u>	<u>\$ -</u>	<u>\$ 108,462</u>	<u>\$ 108,462</u>	<u>\$ -</u>	<u>\$ -</u>
Undistributed Expenditures - Other Support Services Students - Extraordinary Services:									
Purchased Professional - Educational Services	11-000-217-320	\$ 88,000	\$ -	\$ 43,082	\$ -	\$ 131,082	\$ 129,402	\$ 1,680	\$ -
		<u>\$ 88,000</u>	<u>\$ -</u>	<u>\$ 43,082</u>	<u>\$ -</u>	<u>\$ 131,082</u>	<u>\$ 129,402</u>	<u>\$ 1,680</u>	<u>\$ -</u>
Undistributed Expenditures - Other Support Services Students - Regular:									
Salaries of Other Professional Staff	11-000-218-104	\$ 92,861	\$ -	\$ 2,780	\$ -	\$ 95,641	\$ 95,641	\$ -	\$ -
Supplies and Materials	11-000-218-600	11,527	-	2,498	-	14,025	14,025	-	-
		<u>\$ 104,388</u>	<u>\$ -</u>	<u>\$ 5,278</u>	<u>\$ -</u>	<u>\$ 109,666</u>	<u>\$ 109,666</u>	<u>\$ -</u>	<u>\$ -</u>

ROCHELLE PARK SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 Fiscal Year Ended June 30, 2010

C-1

	Account Number	Original Budget	Budget Amendments	Budget Transfers	Prior Year Encumbrances	Final Budget	Actual	Variance to Final Favorable / (Unfavorable)	(Memo Only) Encumbered
<u>EXPENDITURES (Continued)</u>									
<u>General Current Expense (Continued)</u>									
Undistributed Expenditures - Other Support Services Students - Special:									
Salaries of Other Professional Staff	11-000-219-104	\$ 237,688	\$ -	\$ (30,370)	\$ -	\$ 207,318	\$ 207,150	\$ 168	\$ -
Salaries of Secretarial and Clerical Assistants	11-000-219-105	18,866	-	(403)	-	18,463	13,249	5,214	-
Purchased Professional - Educational Services	11-000-219-320	4,000	-	2,634	-	6,634	6,634	-	-
Purchased Professional and Technical Services	11-000-219-390	1,300	-	(598)	-	702	702	-	-
Other Purchased Services (400-500 Series)	11-000-219-500	-	-	-	-	-	-	-	-
Supplies and Materials	11-000-219-600	2,464	-	567	-	3,031	3,031	-	-
		<u>\$ 264,318</u>	<u>\$ -</u>	<u>\$ (28,170)</u>	<u>\$ -</u>	<u>\$ 236,148</u>	<u>\$ 230,766</u>	<u>\$ 5,382</u>	<u>\$ -</u>
Undistributed Expenditures - Educational Media Services/School Library:									
Salaries	11-000-222-100	\$ 145,918	\$ -	\$ (10,212)	\$ -	\$ 135,706	\$ 135,706	\$ -	\$ -
Purchased Professional and Technical Services	11-000-222-300	-	-	-	-	-	-	-	-
Other Purchased Services	11-000-222-500	9,882	-	(2,702)	-	7,180	7,180	-	-
Supplies and Materials	11-000-222-600	16,994	-	1,361	-	18,355	18,314	41	-
Other Objctcs	11-000-222-800	6,000	-	(521)	-	5,479	5,479	-	-
		<u>\$ 178,794</u>	<u>\$ -</u>	<u>\$ (12,074)</u>	<u>\$ -</u>	<u>\$ 166,720</u>	<u>\$ 166,679</u>	<u>\$ 41</u>	<u>\$ -</u>

ROCHELLE PARK SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 Fiscal Year Ended June 30, 2010

C-1

	Account Number	Original Budget	Budget Amendments	Budget Transfers	Prior Year Encumbrances	Final Budget	Actual	Variance to Final Favorable / (Unfavorable)	(Memo Only) Encumbered
EXPENDITURES (Continued)									
General Current Expense (Continued)									
Undistributed Expenditures - Support Services - General Administration:									
Salaries	11-000-230-100	\$ 195,847	\$ -	\$ (21,820)	\$ -	\$ 174,027	\$ 158,499	\$ 15,528	\$ -
Legal Services	11-000-230-331	25,000	-	214	-	25,214	25,214	-	-
Audit Fees	11-000-230-332	28,000	-	-	-	28,000	26,984	1,016	-
Communications/Telephone	11-000-230-530	16,000	-	(2,487)	-	13,513	11,469	2,044	-
BOE Other Purchased Services	11-000-230-585	500	-	-	-	500	-	500	-
Other Purchased Services	11-000-230-590	6,000	-	801	-	6,801	6,522	279	-
General Supplies	11-000-230-610	5,000	-	209	-	5,209	5,209	-	-
Judgments Against the School District	11-000-230-820	-	-	20,186	-	20,186	20,186	-	-
Miscellaneous Expenditures	11-000-230-890	1,000	-	-	-	1,000	1,000	-	-
BOE Membership Dues and Fees	11-000-230-895	22,000	-	(509)	-	21,491	21,491	-	-
		<u>\$ 299,347</u>	<u>\$ -</u>	<u>\$ (3,406)</u>	<u>\$ -</u>	<u>\$ 295,941</u>	<u>\$ 276,574</u>	<u>\$ 19,367</u>	<u>\$ -</u>
Undistributed Expenditures - Support Services - School Administration:									
Salaries of Principals/Assistance Principals	11-000-240-103	\$ 104,862	\$ -	\$ (246)	\$ -	\$ 104,616	\$ 95,196	\$ 9,420	\$ -
Salaries of Secretarial and Clerical Assistants	11-000-240-105	54,547	-	(4,555)	-	49,992	49,454	538	-
Other Purchased Services	11-000-240-500	7,500	-	-	-	7,500	7,359	141	-
Supplies and Materials	11-000-240-600	9,000	-	(243)	-	8,757	8,757	-	-
		<u>\$ 175,909</u>	<u>\$ -</u>	<u>\$ (5,044)</u>	<u>\$ -</u>	<u>\$ 170,865</u>	<u>\$ 160,766</u>	<u>\$ 10,099</u>	<u>\$ -</u>
Undistributed Expenditures - Central Services:									
Salaries	11-000-251-100	\$ 162,436	\$ -	\$ (2,006)	\$ -	\$ 160,430	\$ 160,430	\$ -	\$ -
Purchased Professional Services	11-000-251-330	24,210	-	15,094	-	39,304	39,304	-	-
Purchased Technical Services	11-000-251-340	5,000	-	(1,455)	-	3,545	3,520	25	-
Miscellaneous Purchased Services	11-000-251-592	4,500	-	228	-	4,728	4,728	-	-
Supplies and Materials	11-000-251-600	-	-	-	-	-	-	-	-
Interest for Lease Purchase Agreements	11-000-251-832	1,000	-	(737)	-	263	263	-	-
Miscellaneous Expenditures	11-000-251-890	2,000	-	(400)	-	1,600	1,551	49	-
Supplies and Materials	11-000-290-600	-	-	-	-	-	-	-	-
		<u>\$ 199,146</u>	<u>\$ -</u>	<u>\$ 10,724</u>	<u>\$ -</u>	<u>\$ 209,870</u>	<u>\$ 209,796</u>	<u>\$ 74</u>	<u>\$ -</u>
Undistributed Expenditures - Required Maintenance for School Facilities:									
Salaries	11-000-261-100	\$ 22,949	\$ -	\$ 16,014	\$ -	\$ 38,963	\$ 38,963	\$ -	\$ -
Cleaning, Repair and Maintenance Services	11-000-261-420	40,000	-	(13,924)	-	26,076	26,076	-	-
General Supplies	11-000-261-610	16,500	-	(1,264)	-	15,236	15,236	-	-
		<u>\$ 79,449</u>	<u>\$ -</u>	<u>\$ 826</u>	<u>\$ -</u>	<u>\$ 80,275</u>	<u>\$ 80,275</u>	<u>\$ -</u>	<u>\$ -</u>

ROCHELLE PARK SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 Fiscal Year Ended June 30, 2010

C-1

	Account Number	Original Budget	Budget Amendments	Budget Transfers	Prior Year Encumbrances	Final Budget	Actual	Variance to Final Favorable / (Unfavorable)	(Memo Only) Encumbered
<u>EXPENDITURES (Continued)</u>									
<u>General Current Expense (Continued)</u>									
Undistributed Expenditures - Other Operations and Maintenance of Plant Services:									
Salaries	11-000-262-100	\$ 209,848	\$ -	\$ (12,032)	\$ -	\$ 197,816	\$ 197,816	\$ -	\$ -
Purchased Professional and Technical Services	11-000-262-300	24,500	-	(238)	-	24,262	24,262	-	-
Cleaning, Repair and Maintenance Services	11-000-262-420	25,000	-	9,469	-	34,469	34,469	-	-
Other Purchased Property Services	11-000-262-490	3,000	-	930	-	3,930	3,930	-	-
Insurance	11-000-262-520	59,500	-	(2,624)	-	56,876	56,876	-	-
General Supplies	11-000-262-610	5,600	-	(3,094)	-	2,506	2,506	-	-
Energy (Heat and Electricity)	11-000-262-622	140,000	-	3,079	-	143,079	138,853	4,226	-
		<u>\$ 467,448</u>	<u>\$ -</u>	<u>\$ (4,510)</u>	<u>\$ -</u>	<u>\$ 462,938</u>	<u>\$ 458,712</u>	<u>\$ 4,226</u>	<u>\$ -</u>
Undistributed Expenditures - Student Transportation Services:									
Salaries of Non-Instructional Aides	11-000-270-107	\$ 7,285	\$ -	\$ -	\$ -	\$ 7,285	\$ 7,248	\$ 37	\$ -
Salaries for Pupil Transportation (Between Home and School) -	11-000-270-160	-	-	-	-	-	-	-	-
Contracted Services (Between Home and School) - Vendors	11-000-270-511	87,615	-	(9,299)	-	78,316	78,316	-	-
Contracted Services (Other Than Between Home and School) -	11-000-270-512	2,000	-	86	-	2,086	2,086	-	-
Contracted Services (Bet. Home and School) - Joint Agrmnts	11-000-270-513	31,875	-	(13,762)	-	18,113	18,113	-	-
Contracted Services (Regular Students) - ESCs &CTSAs	11-000-270-517	17,790	-	-	-	17,790	17,790	-	-
Contracted Services (Special Education Students) - ESCs &CT	11-000-270-518	190,346	-	35,293	-	225,639	225,536	103	-
Contracted Services - Aid in Lieu of Payments Nonpublic Schoo	11-000-270-503	56,300	-	3,650	-	59,950	59,950	-	-
		<u>\$ 393,211</u>	<u>\$ -</u>	<u>\$ 15,968</u>	<u>\$ -</u>	<u>\$ 409,179</u>	<u>\$ 409,039</u>	<u>\$ 140</u>	<u>\$ -</u>

ROCHELLE PARK SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 Fiscal Year Ended June 30, 2010

C-1

	Account Number	Original Budget	Budget Amendments	Budget Transfers	Prior Year Encumbrances	Final Budget	Actual	Variance to Final Favorable / (Unfavorable)	(Memo Only) Encumbered
<u>EXPENDITURES (Continued)</u>									
<u>General Current Expense (Continued)</u>									
Unallocated Benefits - Employee Benefits:									
Social Security Contributions	11-000-291-220	\$ 71,500	\$ -	\$ (8,192)	\$ -	\$ 63,308	\$ 63,308	\$ -	-
Other Retirement Contributions - Regular	11-000-291-241	50,477	-	(1,189)	-	49,288	49,288	-	-
Unemployment Compensation	11-000-291-250	8,000	-	878	-	8,878	8,828	50	-
Workmen's Compensation	11-000-291-260	47,820	-	(3,633)	-	44,187	43,781	406	-
Health Benefits	11-000-291-270	856,842	-	35,265	-	892,107	892,107	-	-
Tuition Reimbursement	11-000-291-280	30,000	-	(417)	-	29,583	29,583	-	-
Other Employee Benefits	11-000-291-290	47,800	-	5,090	-	52,890	52,890	-	-
		<u>\$ 1,112,439</u>	<u>\$ -</u>	<u>\$ 27,802</u>	<u>\$ -</u>	<u>\$ 1,140,241</u>	<u>\$ 1,139,785</u>	<u>\$ 456</u>	<u>\$ -</u>
TPAF Pension (On-Behalf - Non-Budgeted)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 239,970	\$ (239,970)	\$ -
TPAF Social Security (Reimbursed - Non-Budgeted)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 295,197	\$ (295,197)	\$ -
Total Undistributed Expenditures		<u>\$ 6,335,207</u>	<u>\$ -</u>	<u>\$ (29,987)</u>	<u>\$ -</u>	<u>\$ 6,305,220</u>	<u>\$ 6,795,765</u>	<u>\$ (490,545)</u>	<u>\$ -</u>
Total Expenditures - Current Expense		<u>\$ 9,778,108</u>	<u>\$ -</u>	<u>\$ (5,769)</u>	<u>\$ -</u>	<u>\$ 9,772,339</u>	<u>\$ 10,258,498</u>	<u>\$ (486,159)</u>	<u>\$ -</u>

ROCHELLE PARK SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 Fiscal Year Ended June 30, 2010

C-1

	Account Number	Original Budget	Budget Amendments	Budget Transfers	Prior Year Encumbrances	Final Budget	Actual	Variance to Final Favorable / (Unfavorable)	(Memo Only) Encumbered
<u>EXPENDITURES (Continued)</u>									
<u>Capital Outlay</u>									
Increase in Capital Reserve	10-604	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 348	\$ (348)	\$ -
Interest Deposit to Capital Reserve	10-604	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Equipment:									
Grades 1-5	12-120-100-730	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grades 6-8	12-130-100-730	-	-	-	-	-	-	-	-
Undistributed Expenditures - General Administration	12-000-230-730	-	-	-	-	-	-	-	-
Undistributed Expenditures - School Administration	12-000-240-730	-	-	-	-	-	-	-	-
Undistributed Expenditures - Operation and Maintenance of Plant	12-000-260-730	-	-	-	-	-	-	-	-
Undistributed Expenditures - Business/Other Support Services	12-000-260-730	-	-	-	-	-	-	-	-
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Facilities Acquisition and Construction Services:									
Other Purchased Professional and Technical Services	12-000-400-390	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction Services	12-000-400-450	64,339	-	(7,855)	-	56,484	48,513	7,971	-
Lease Purchase Agreements - Principal	12-000-260-730	-	-	-	-	-	-	-	-
		\$ 64,339	\$ -	\$ (7,855)	\$ -	\$ 56,484	\$ 48,513	\$ 7,971	\$ -
Total Capital Outlay		\$ 64,339	\$ -	\$ (7,855)	\$ -	\$ 56,484	\$ 48,861	\$ 7,623	\$ -

ROCHELLE PARK SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 Fiscal Year Ended June 30, 2010

C-1

Account Number	Original Budget	Budget Amendments	Budget Transfers	Prior Year Encumbrances	Final Budget	Actual	Variance to Final Favorable / (Unfavorable)	(Memo Only) Encumbered
Total Expenditures	\$ 9,842,447	\$ -	\$ (13,624)	\$ -	\$ 9,828,823	\$ 10,307,359	\$ (478,536)	\$ -
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (292,475)	\$ -	\$ 13,624	\$ -	\$ (278,851)	\$ (473,032)	\$ (194,181)	\$ -
Other Financing Sources (Uses):								
Operating Transfers:								
From (To) Charter Schools	10-000-100-56X	\$ (35,469)	\$ -	\$ (11,581)	\$ -	\$ (47,050)	\$ (47,050)	\$ -
From (To) Food Service Enterprise Fund	11-000-310-930	(28,253)	-	(2,043)	-	(30,296)	(30,296)	-
		\$ (63,722)	\$ -	\$ (13,624)	\$ -	\$ (77,346)	\$ (77,346)	\$ -
Excess (Deficiency) of Revenues Over (Under) Expenditures and Expenditures and Other Financing Uses	\$ (356,197)	\$ -	\$ -	\$ -	\$ (356,197)	\$ (550,378)	\$ (194,181)	\$ -
Fund Balances, July 1	755,827	-	-	-	755,827	755,827	-	-
Fund Balances, June 30	\$ 399,630	\$ -	\$ -	\$ -	\$ 399,630	\$ 205,449	\$ (194,181)	\$ -
<u>Recapitulation of Excess (Deficiency) of Revenues Under Expenditures:</u>								
Adjustment for Prior Year Encumbrances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Budgeted Fund Balance - Original	(356,197)	-	-	-	(356,197)	(356,197)	-	-
Budgeted Fund Balance - Additional	-	-	-	-	-	(194,181)	(194,181)	-
Budgeted Withdrawal From Capital Reserve	-	-	-	-	-	-	-	-
	\$ (356,197)	\$ -	\$ -	\$ -	\$ (356,197)	\$ (550,378)	\$ (194,181)	\$ -
Recapitulation of Fund Balance:								
Capital Reserve Account						\$ 43,686		
Reserved for Excess Surplus FY2009						95,192		
Unreserved - Undesignated						66,571		
						\$ 205,449		
Reconciliation to Governmental Funds Statements (GAAP):								
Last State Aid Payment(s) not recognized on GAAP basis						(66,379)		
Fund Balance per Governmental Funds (GAAP) (Exhibit B-1)						\$ 139,070		

ROCHELLE PARK SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 Fiscal Years Ended June 30, 2010

	Original Budget	Transfers	Final Budget	Actual	Variance to Final Favorable / (Unfavorable)
REVENUES					
Federal Sources	\$ 226,141	\$ -	\$ 226,141	\$ 226,141	\$ -
State Sources	-	-	-	-	-
Local Sources	-	-	-	-	-
Total Revenues	<u>\$ 226,141</u>	<u>\$ -</u>	<u>\$ 226,141</u>	<u>\$ 226,141</u>	<u>\$ -</u>
EXPENDITURES					
Instruction:					
Salaries of Teachers	\$ 9,002	\$ -	\$ 9,002	\$ 9,002	\$ -
Other Salaries for Instruction	-	-	-	-	-
Purchased Professional & Technical Services	-	-	-	-	-
Other Purchased Services	128,737	-	128,737	128,737	-
General Supplies	42,523	-	42,523	42,523	-
Textbooks	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Instruction	<u>\$ 180,262</u>	<u>\$ -</u>	<u>\$ 180,262</u>	<u>\$ 180,262</u>	<u>\$ -</u>
Support Services:					
Salaries of Program Directors	\$ -	\$ -	\$ -	\$ -	\$ -
Personal Services - Employee Benefits	4,942	-	4,942	4,942	-
Purchased Professional - Educational Services	20,546	-	20,546	20,546	-
Other Purchased Professional Services	-	-	-	-	-
Purchased Technical Services	18,128	-	18,128	18,128	-
Rentals	-	-	-	-	-
Contracted Services - Transportation (Wrap Around Serv	-	-	-	-	-
Contracted Services - Transportation (Field Trips)	-	-	-	-	-
Travel	247	-	247	247	-
Other Purchased Services	-	-	-	-	-
Supplies and Materials	2,016	-	2,016	2,016	-
Other Objects	-	-	-	-	-
Total Support Services	<u>\$ 45,879</u>	<u>\$ -</u>	<u>\$ 45,879</u>	<u>\$ 45,879</u>	<u>\$ -</u>
Facilities Acquisition and Construction Services:					
Buildings	\$ -	\$ -	\$ -	\$ -	\$ -
Instructional Equipment	-	-	-	-	-
Total Facilities Acquisition and Construction Services	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Expenditures	<u>226,141</u>	<u>-</u>	<u>226,141</u>	<u>226,141</u>	<u>-</u>

ROCHELLE PARK SCHOOL DISTRICT
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 Fiscal Year Ended June 30, 2010

**Note 1 Explanation of Differences between Budgetary Inflows and Outflows and
 GAAP Revenues and Expenditures**

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-1)	\$ 9,834,327	\$ 226,141
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	-
State aid payment recognized for GAAP purposes, not recognized for budgetary statements	41,083	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements	(66,379)	-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds (B-2)	<u>\$ 9,809,031</u>	<u>\$ 226,141</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 10,307,359	\$ 226,141
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.	-	-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 10,307,359</u>	<u>\$ 226,141</u>

**ROCHELLE PARK SCHOOL DISTRICT
COMBINING BALANCE SHEET
GENERAL FUND**

Not Applicable

**ROCHELLE PARK SCHOOL DISTRICT
BLENDED RESOURCE FUND - SCHEDULE OF EXPENDITURES TO BE
ALLOCATED BETWEEN RESOURCE TYPE
GENERAL FUND**

Not Applicable

**ROCHELLE PARK SCHOOL DISTRICT
BLENDED RESOURCE FUND - SCHEDULE OF BLENDED EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND**

Not Applicable

ROCHELLE PARK SCHOOL DISTRICT
 COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
 SPECIAL REVENUE FUND
 Fiscal Year Ended June 30, 2010

E-1

	Title I	Title II - Part A	Title II - Part D	Title IV	Title V	I.D.E.A. Part B (Handicapped)		ARRA		Total
						Basic	Preschool	IDEA Part B Basic	IDEA Part B Preschool	
REVENUES										
Federal Sources	\$ 16,160	\$ 17,703	\$ -	\$ 1,419	\$ -	\$ 124,094	\$ 4,643	\$ 58,528	\$ 3,594	\$ 226,141
State Sources	-	-	-	-	-	-	-	-	-	-
Local Sources	-	-	-	-	-	-	-	-	-	-
Total Revenues	\$ 16,160	\$ 17,703	\$ -	\$ 1,419	\$ -	\$ 124,094	\$ 4,643	\$ 58,528	\$ 3,594	\$ 226,141
EXPENDITURES										
Instruction:										
Salaries of Teachers	\$ 9,002	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,002
Other Salaries for Instruction	-	-	-	-	-	-	-	-	-	-
Purchased Professional & Technical Services	-	-	-	-	-	-	-	-	-	-
Other Purchased Services	-	-	-	-	-	124,094	4,643	-	-	128,737
General Supplies	8	-	-	439	-	-	-	42,076	-	42,523
Textbooks	-	-	-	-	-	-	-	-	-	-
Other Objects	-	-	-	-	-	-	-	-	-	-
Total Instruction	\$ 9,010	\$ -	\$ -	\$ 439	\$ -	\$ 124,094	\$ 4,643	\$ 42,076	\$ -	\$ 180,262
Support Services:										
Salaries of Supervisors of Instruction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Personal Services - Employee Benefits	4,942	-	-	-	-	-	-	-	-	4,942
Purchased Professional - Educational Services	-	-	-	500	-	-	-	16,452	3,594	20,546
Other Purchased Professional Services	-	-	-	-	-	-	-	-	-	-
Purchased Technical Services	2,049	16,079	-	-	-	-	-	-	-	18,128
Rentals	-	-	-	-	-	-	-	-	-	-
Contracted Services - Transportation (Wrap Around Services)	-	-	-	-	-	-	-	-	-	-
Contracted Services - Transportation (Field Trips)	-	-	-	-	-	-	-	-	-	-
Travel	-	-	-	247	-	-	-	-	-	247
Other Purchased Services	-	-	-	-	-	-	-	-	-	-
Supplies and Materials	159	1,624	-	233	-	-	-	-	-	2,016
Other Objects	-	-	-	-	-	-	-	-	-	-
Total Support Services	\$ 7,150	\$ 17,703	\$ -	\$ 980	\$ -	\$ -	\$ -	\$ 16,452	\$ 3,594	\$ 45,879
Facilities Acquisition and Construction Services:										
Land and Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Instructional Equipment	-	-	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ 16,160	\$ 17,703	\$ -	\$ 1,419	\$ -	\$ 124,094	\$ 4,643	\$ 58,528	\$ 3,594	\$ 226,141

**ROCHELLE PARK SCHOOL DISTRICT
PRESCHOOL EDUCATION AID STATEMENT OF EXPENDITURES -
BUDGETARY BASIS
SPECIAL REVENUE FUND**

Not Applicable

**ROCHELLE PARK SCHOOL DISTRICT
SUMMARY STATEMENT OF PROJECT EXPENDITURES
CAPITAL PROJECTS FUND**

	<u>2010</u>		
	<u>Roof Repairs Midland School</u>		<u>2009</u>
<u>REVENUES</u>			
Additional State School Bldg Aid - EDA Grant	\$ -	\$ -	
Municipal Surplus	-		-
Earnings on Investments	218		76
Bond Principal	-		-
Bond Premium	-		-
Other Financing Sources	-		-
	<u>\$ 218</u>	<u>\$</u>	<u>76</u>
<u>EXPENDITURES</u>			
Salaries	\$ -	\$ -	
Legal Services	-		-
Other Purchased Professional and Technical Services	-		-
Construction Services	111,776		-
General Supplies	-		-
Other Objects	-		63,828
Total Expenditures	<u>\$ 111,776</u>	<u>\$</u>	<u>63,828</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (111,558)	\$	(63,752)
<u>OTHER FINANCING SOURCES/(USES)</u>			
Operating Transfers from/(to) Other Funds:			
General Fund	\$ -	\$	11,676
Capital Reserve Account	-		100,000
Total Operating Transfers	<u>\$ -</u>	<u>\$</u>	<u>111,676</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources/(Uses)	\$ (111,558)		47,924
Fund Balances, July 1	111,752		63,828
Fund Balances, June 30	<u>\$ 194</u>	<u>\$</u>	<u>111,752</u>

**ROCHELLE PARK SCHOOL DISTRICT
COMBINING STATEMENT OF NET ASSETS
PROPRIETARY FUND**

	2010	2009	2008	2007	2006
ASSETS					
Current Assets:					
Cash (Overdrawn)	\$ 3,545	\$ 6,693	\$ 1,590	\$ 7,205	\$ 5,782
Interfund Receivable	-	-	13,162	13,162	13,162
Intergovernmental Receivable - State	120	123	262	103	115
Intergovernmental Receivable - Federal	1,836	1,596	3,321	1,368	1,399
Total Current Assets	<u>\$ 5,501</u>	<u>\$ 8,412</u>	<u>\$ 18,335</u>	<u>\$ 21,838</u>	<u>\$ 20,458</u>
Non-Current Assets:					
Machinery and Equipment, (Net)	\$ 33,885	\$ 39,680	\$ 45,475	\$ 51,271	\$ 57,549
Total Assets	<u>\$ 39,386</u>	<u>\$ 48,092</u>	<u>\$ 63,810</u>	<u>\$ 73,109</u>	<u>\$ 78,007</u>
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ 177	\$ 2,977	\$ 1,514
NET ASSETS					
Invested in Capital Assets	\$ 33,885	\$ 39,680	\$ 45,475	\$ 51,271	\$ 57,549
Unrestricted	5,501	8,412	18,158	18,861	18,944
	<u>\$ 39,386</u>	<u>\$ 48,092</u>	<u>\$ 63,633</u>	<u>\$ 70,132</u>	<u>\$ 76,493</u>

**ROCHELLE PARK SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUND**

	2010	2009	2008	2007	2006
<u>OPERATING REVENUES</u>					
Sales	\$ 105,486	\$ 98,073	\$ 98,428	\$ 92,184	\$ 102,273
Interest Earned	107	110	569	736	620
Other Income	-	-	-	-	-
	<u>\$ 105,593</u>	<u>\$ 98,183</u>	<u>\$ 98,997</u>	<u>\$ 92,920</u>	<u>\$ 102,893</u>
<u>OPERATING EXPENSES</u>					
Salaries	\$ 30,296	\$ 26,173	\$ 26,022	\$ 27,050	\$ 24,559
Other Purchased Services	136,253	131,931	122,362	106,486	132,817
Supplies and Materials	2,188	-	-	-	-
Miscellaneous	75	-	-	6,523	-
Cost of Sales (Food Distribution Program)	9,727	5,343	6,763	4,515	7,785
Depreciation	5,795	5,795	5,796	6,278	5,518
	<u>\$ 184,334</u>	<u>\$ 169,242</u>	<u>\$ 160,943</u>	<u>\$ 150,852</u>	<u>\$ 170,679</u>
Operating Income (Loss)	<u>\$ (78,741)</u>	<u>\$ (71,059)</u>	<u>\$ (61,946)</u>	<u>\$ (57,932)</u>	<u>\$ (67,786)</u>
<u>NON-OPERATING REVENUES</u>					
State Sources:					
State School Lunch Program	\$ 1,910	\$ 1,692	\$ 1,557	\$ 1,456	\$ 1,395
Federal Sources:					
National School Lunch Program	26,341	19,885	18,833	16,687	16,390
Special Milk Program	1,761	2,425	2,272	1,863	1,625
Food Distribution Program	9,727	5,343	6,763	4,515	7,785
Prior Period Adjustment - Machinery and Equipment, (Net)	-	-	-	-	-
	<u>\$ 39,739</u>	<u>\$ 29,345</u>	<u>\$ 29,425</u>	<u>\$ 24,521</u>	<u>\$ 27,195</u>
Excess/(Deficit) in Revenues					
Over/(Under) Expenditures	<u>\$ (39,002)</u>	<u>\$ (41,714)</u>	<u>\$ (32,521)</u>	<u>\$ (33,411)</u>	<u>\$ (40,591)</u>
<u>OTHER FINANCING SOURCES/(USES)</u>					
Operating Transfers:					
General Fund	\$ 30,296	\$ 26,173	\$ 26,022	\$ 27,050	\$ 24,559
Change in Net Assets	<u>\$ (8,706)</u>	<u>\$ (15,541)</u>	<u>\$ (6,499)</u>	<u>\$ (6,361)</u>	<u>\$ (16,032)</u>
Total Net Assets - Beginning	48,092	63,633	70,132	76,493	92,525
Total Net Assets - Ending	<u>\$ 39,386</u>	<u>\$ 48,092</u>	<u>\$ 63,633</u>	<u>\$ 70,132</u>	<u>\$ 76,493</u>

**ROCHELLE PARK SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUND**

	2010	2009	2008	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Operations	\$ 105,593	\$ 98,183	\$ 98,997	\$ 92,920	\$ 102,893
Payments for Salaries	-	-	-	-	-
Payments for Food Service Management	(136,253)	(132,108)	(125,212)	(106,486)	(143,212)
Payments for Supplies and Materials	(2,188)	-	-	-	-
Payments for Miscellaneous Expenses	(75)	-	-	(5,075)	-
Net Cash Provided (Used) by Operating Activities	<u>\$ (32,923)</u>	<u>\$ (33,925)</u>	<u>\$ (26,215)</u>	<u>\$ (18,641)</u>	<u>\$ (40,319)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
State Sources	\$ 1,913	\$ 1,831	\$ 1,398	\$ 1,483	\$ 1,557
Federal Sources	27,862	24,035	19,202	18,581	20,699
Local Sources	-	-	-	-	-
Transfers	-	13,162	-	-	9,108
Net Cash Provided (Used) by Financing Activities	<u>\$ 29,775</u>	<u>\$ 39,028</u>	<u>\$ 20,600</u>	<u>\$ 20,064</u>	<u>\$ 31,364</u>
Net Increase (Decrease) in Cash	<u>\$ (3,148)</u>	<u>\$ 5,103</u>	<u>\$ (5,615)</u>	<u>\$ 1,423</u>	<u>\$ (8,955)</u>
Balances - Beginning of Year	6,693	1,590	7,205	5,782	14,737
Balances - End of Year	<u>\$ 3,545</u>	<u>\$ 6,693</u>	<u>\$ 1,590</u>	<u>\$ 7,205</u>	<u>\$ 5,782</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating Income	\$ (78,741)	\$ (71,059)	\$ (61,946)	\$ (57,932)	\$ (67,786)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities					
Cost of Sales	9,727	5,343	6,763	4,515	7,785
Depreciation	5,795	5,795	5,796	6,278	5,518
Other	30,296	25,996	23,172	28,498	14,164
Net Cash Provided by (used for) Operating Activities	<u>\$ (32,923)</u>	<u>\$ (33,925)</u>	<u>\$ (26,215)</u>	<u>\$ (18,641)</u>	<u>\$ (40,319)</u>

**ROCHELLE PARK SCHOOL DISTRICT
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUND**

Not Applicable

**ROCHELLE PARK SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET ASSETS
INTERNAL SERVICE FUND**

Not Applicable

**ROCHELLE PARK SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUND**

Not Applicable

**ROCHELLE PARK SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS**

	2010	2009	2008	2007	2006
<u>ASSETS</u>					
Cash	\$ 39,489	\$ 37,125	\$ 47,210	\$ 37,958	\$ 30,404
<u>LIABILITIES</u>					
Due to Student Groups	\$ 15,082	\$ 15,520	\$ 16,183	\$ 17,516	\$ 15,259
Payroll, Deductions and Withholdings	17,908	16,149	24,608	14,119	8,983
Total Liabilities	<u>\$ 32,990</u>	<u>\$ 31,669</u>	<u>\$ 40,791</u>	<u>\$ 31,635</u>	<u>\$ 24,242</u>
<u>NET ASSETS</u>					
Held in Trust for Scholarship Recipients	<u>\$ 6,499</u>	<u>\$ 5,456</u>	<u>\$ 6,419</u>	<u>\$ 6,323</u>	<u>\$ 6,162</u>

**ROCHELLE PARK SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS**

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<u>ADDITIONS</u>					
Contributions	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 12,000
Interest Earned	43	37	96	131	168
	<u>\$ 6,043</u>	<u>\$ 6,037</u>	<u>\$ 6,096</u>	<u>\$ 6,131</u>	<u>\$ 12,168</u>
<u>DEDUCTIONS</u>					
Scholarships	\$ 5,000	\$ 7,000	\$ 6,000	\$ 6,000	\$ 6,000
Change in Net Assets	\$ 1,043	\$ (963)	\$ 96	\$ 131	\$ 6,168
Net Assets - Beginning	5,456	6,419	6,323	6,192	24
Net Assets - Ending	<u>\$ 6,499</u>	<u>\$ 5,456</u>	<u>\$ 6,419</u>	<u>\$ 6,323</u>	<u>\$ 6,192</u>

ROCHELLE PARK SCHOOL DISTRICT
 STUDENT ACTIVITY AGENCY FUND
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS

	Balance July 1, 2009	Cash		Balance June 30, 2010
		Receipts	Disbursements	
Midland School Student Activities	\$ 15,520	\$ 28,345	\$ 28,783	\$ 15,082

ROCHELLE PARK SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
Payroll Agency Account	\$ 16,149	\$ 5,140,971	\$ 5,139,212	\$ 17,908

ROCHELLE PARK SCHOOL DISTRICT
SCHEDULE OF SERIAL BONDS
Fiscal Year Ended June 30, 2010

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Amount Outstanding June 30, 2009</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2010</u>
School Bonds						
(Addition and Alterations to Midland School)	08/15/01	\$ 2,670,000	\$ 1,630,000	\$ -	\$ 180,000	\$ 1,450,000
Pension Refunding Bonds						
	03/15/03	260,000	\$ 130,000	\$ -	\$ 25,000	\$ 105,000
			<u>\$ 1,760,000</u>	<u>\$ -</u>	<u>\$ 205,000</u>	<u>\$ 1,555,000</u>

**ROCHELLE PARK SCHOOL DISTRICT
SCHEDULE OF OBLIGATION UNDER CAPITAL LEASES
GENERAL LONG-TERM DEBT ACCOUNT GROUP**

Not Applicable

ROCHELLE PARK SCHOOL DISTRICT
DEBT SERVICE FUND BUDGET COMPARISON SCHEDULE
DEBT SERVICE FUND
Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Favorable / (Unfavorable)
<u>REVENUES</u>					
Local Sources:					
Local Tax Levy	\$ 276,706	\$ -	\$ 276,706	\$ 276,706	\$ -
Miscellaneous	-	-	-	-	-
Total Revenues	<u>\$ 276,706</u>	<u>\$ -</u>	<u>\$ 276,706</u>	<u>\$ 276,706</u>	<u>\$ -</u>
<u>EXPENDITURES</u>					
Regular Debt Service					
Interest on Bonds	\$ 73,891	\$ -	\$ 73,891	\$ 73,891	\$ -
Redemption of Bond Principal	205,000	-	205,000	205,000	-
Total Expenditures	<u>\$ 278,891</u>	<u>\$ -</u>	<u>\$ 278,891</u>	<u>\$ 278,891</u>	<u>\$ -</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,185)	-	(2,185)	(2,185)	-
Fund Balances, July 1	2,696	-	2,696	2,696	-
Fund Balances, June 30	<u>\$ 511</u>	<u>\$ -</u>	<u>\$ 511</u>	<u>\$ 511</u>	<u>\$ -</u>

ROCHELLE PARK SCHOOL DISTRICT

Comprehensive Annual Financial Report

Statistical Section

ROCHELLE PARK SCHOOL DISTRICT
NET ASSETS BY COMPONENT (District)
(Unaudited)

	2010	2009	2008	2007
Governmental activities				
Invested in capital assets, net of related debt	\$ 278,303	\$ 276,672	\$ 218,520	\$ 144,104
Restricted Assets	43,686	620,275	212,050	440,501
Unrestricted	(15,748)	(45,050)	256,501	(55,528)
Total governmental activities	\$ 306,241	\$ 851,897	\$ 687,071	\$ 529,077
Business-type activities				
Invested in capital assets, net of related debt	\$ 33,885	\$ 39,680	\$ 45,475	\$ 51,271
Restricted	-	-	-	-
Unrestricted	5,501	8,412	18,158	18,861
Total business-type activities	\$ 39,386	\$ 48,092	\$ 63,633	\$ 70,132
District-wide				
Invested in capital assets, net of related debt	\$ 312,188	\$ 316,352	\$ 263,995	\$ 195,375
Restricted	43,686	620,275	212,050	440,501
Unrestricted	(10,247)	(36,638)	274,659	(36,667)
Total district-wide	\$ 345,627	\$ 899,989	\$ 750,704	\$ 599,209

ROCHELLE PARK SCHOOL DISTRICT
CHANGES IN NET ASSETS (District)
(Unaudited)

	2010	2009
Expenses		
Governmental Activities:		
Instruction		
Regular Programs	\$ 2,780,590	\$ 2,815,642
Special Education	644,947	583,295
Basic Skills/Remedial	163,387	144,669
Bilingual Education	61,654	63,336
School Sponsored Cocurricular Activities	22,861	33,027
School Sponsored Athletics	15,435	21,105
Undistributed Expenditures:		
Instruction	2,703,222	2,546,645
Attendance and Social Work	19,690	19,127
Health Services	57,764	53,218
Other Support Services - Students Related Services	108,462	115,299
Other Support Services - Students Extraordinary Services	129,402	139,340
Other Support Services - Students Regular	109,666	100,946
Other Support Services - Students Special	230,766	281,584
Educational Media Services/School Library	166,679	163,616
Support Services - General Administration	276,574	315,441
Support Services - School Administration	160,766	169,434
Business and Other Support Services	209,796	193,059
Required Maintenance for School Facilities	80,275	88,869
Operation and Maintenance of Plant Services	458,712	509,583
Student Transportation Services	409,039	347,451
Unallocated Employee Benefits	1,127,655	999,663
TPAF Pension	239,970	250,869
TPAF Social Security	295,197	270,472
Capital Outlay	234,006	312,036
Debt Service	73,891	82,648
Total Governmental Activities Expenses	<u>\$ 10,780,406</u>	<u>\$ 10,620,374</u>
Business-Type Activities:		
Food Service	\$ 184,334	\$ 169,242
Total District Expenses	<u>\$ 10,964,740</u>	<u>\$ 10,789,616</u>
Program Revenues		
Governmental Activities:		
Charges for Services	\$ -	\$ -
Operating Grants and Contributions	1,204,946	1,148,240
Capital Grants and Contributions	-	-
Total Governmental Activities Program Revenues	<u>\$ 1,204,946</u>	<u>\$ 1,148,240</u>
Business-Type Activities:		
Charges for Services	\$ 105,486	\$ 98,073
Operating Grants and Contributions	39,739	29,345
Capital Grants and Contributions	-	-
Total Business-Type Activities Program Revenues	<u>\$ 145,225</u>	<u>\$ 127,418</u>
Total District Program Revenues	<u>\$ 1,350,171</u>	<u>\$ 1,275,658</u>

ROCHELLE PARK SCHOOL DISTRICT
CHANGES IN NET ASSETS (District)
(Unaudited)

	<u>2010</u>	<u>2009</u>
Net (Expense)/Revenue		
Governmental Activities	\$ (9,575,460)	\$ (9,472,134)
Business-Type Activities	(39,109)	(41,824)
Total District-Wide	<u>\$ (9,614,569)</u>	<u>\$ (9,513,958)</u>
General Revenues and Other Changes in Net Assets		
Governmental activities:		
Local Tax Levy	\$ 8,976,432	\$ 9,049,712
Interest Earned on Capital Reserve Funds	-	1,009
Unrestricted Miscellaneous Revenues	13,556	170,700
State Sources	117,162	441,712
Federal Sources	-	-
Transfers	(77,346)	(26,173)
Total Governmental Activities	<u>\$ 9,029,804</u>	<u>\$ 9,636,960</u>
Business-Type Activities:		
Unrestricted Miscellaneous Revenues	\$ 107	\$ 110
Transfers	30,296	26,173
Total business-type activities	<u>\$ 30,403</u>	<u>\$ 26,283</u>
Total District-Wide	<u>\$ 9,060,207</u>	<u>\$ 9,663,243</u>
Change in Net Assets		
Governmental Activities	\$ (545,656)	\$ 164,826
Business-Type Activities	(8,706)	(15,541)
Total District	<u>\$ (554,362)</u>	<u>\$ 149,285</u>
Net Assets - Beginning	899,989	750,704
Net Assets - Ending	<u>\$ 345,627</u>	<u>\$ 899,989</u>

ROCHELLE PARK SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS (District)
(Unaudited)

	2010	2009	2008	2007
General Fund:				
Reserved	\$ 138,878	\$ 505,827	\$ 503,447	\$ 376,702
Unreserved	192	208,917	274,955	251,809
Total General Fund	<u>\$ 139,070</u>	<u>\$ 714,744</u>	<u>\$ 778,402</u>	<u>\$ 628,511</u>
All Other Governmental Funds				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved, Reported in:				
Special Revenue Fund	-	-	-	-
Capital Projects Fund	194	111,752	63,828	63,828
Debt Service Fund	511	2,696	5,893	6,809
Permanent Fund	-	-	-	-
Total all Other Governmental Funds	<u>\$ 705</u>	<u>\$ 114,448</u>	<u>\$ 69,721</u>	<u>\$ 70,637</u>
Total Governmental Funds	<u>\$ 139,775</u>	<u>\$ 829,192</u>	<u>\$ 848,123</u>	<u>\$ 699,148</u>

**ROCHELLE PARK SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS (District)
(Unaudited)**

	2010	2009
REVENUES		
Local Sources	\$ 8,990,336	\$ 9,221,421
State Sources	1,095,619	1,251,805
Federal Sources	226,141	148,481
Total Revenue	<u>\$ 10,312,096</u>	<u>\$ 10,621,707</u>
EXPENDITURES		
Current Expense:		
Instruction:		
Regular Programs	\$ 2,780,590	\$ 2,815,642
Special Education	644,947	583,295
Basic Skills - Remedial Instruction	163,387	144,669
Bilingual Education	61,654	63,336
School Sponsored Cocurricular Activities	22,861	33,027
School Sponsored Athletics	15,435	21,105
Undistributed Expenditures:		
Instruction	2,703,222	2,546,645
Attendance and Social Work	19,690	19,127
Health Services	57,764	53,218
Other Support Services - Students Related Services	108,462	115,299
Other Support Services - Students Extraordinary Services	129,402	139,340
Other Support Services - Students Regular	109,666	100,946
Other Support Services - Students Special	230,766	281,584
Educational Media Services/School Library	166,679	163,616
Support Services - General Administration	276,574	315,441
Support Services - School Administration	160,766	169,434
Central Services	209,796	193,059
Required Maintenance for School Facilities	80,275	88,869
Operation and Maintenance of Plant Services	458,712	509,583
Student Transportation Services	409,039	347,451
Unallocated Employee Benefits	1,139,785	1,001,186
TPAF Pension	239,970	250,869
TPAF Social Security	295,197	270,472
Sub-Total	<u>\$ 10,484,639</u>	<u>\$ 10,227,213</u>
Capital Outlay	160,637	109,604
Debt Service	278,891	277,648
Total Expenditures	<u>\$ 10,924,167</u>	<u>\$ 10,614,465</u>
Excess (Deficiency) of revenues over (under) expenditures	\$ (612,071)	\$ 7,242
Other Financing Sources (Uses)	\$ (77,346)	\$ (26,173)
Net Change in Fund Balances	<u>\$ (689,417)</u>	<u>\$ (18,931)</u>
Debt service as a percentage of non-capital expenditures	2.66%	2.71%

**ROCHELLE PARK SCHOOL DISTRICT
 GENERAL FUND OTHER LOCAL REVENUE BY SOURCE (District)
 (Unaudited)**

Fiscal Year Ended June 30,	Prior Year Refunds	Interest on Investments	Interest Earned on Capital Reserve Funds	Tuition	Credits & Adjustments	Total
2010	3,957	9,381	-	-	-	13,338
2009	82,067	12,633			75,413	170,113
2008	10,578	42,954	1,429	-	-	54,961
2007	39,239	28,772	837	-	-	68,848

**ROCHELLE PARK SCHOOL DISTRICT
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (Municipality)
 (Unaudited)**

Description	2009		2008		2007		2006		2005	
	# of Parcels	Value	# of Parcels	Value	# of Parcels	Value	# of Parcels	Value	# of Parcels	Value
NET VALUATIONS TAXABLE										
Vacant Land	61	\$ 8,998,700	62	\$ 8,761,001	53	\$ 8,087,901	135	\$ 12,977,700	57	\$ 9,564,400
Residential	1804	418,915,200	1801	416,907,900	1802	415,706,800	1720	391,636,200	1721	391,230,600
Farm (Regular)	0	-	0	-	0	-	0	-	0	-
Farm (Qualified)	0	-	0	-	0	-	0	-	0	-
Commercial	127	192,045,320	127	211,950,500	127	216,896,300	129	221,900,500	130	221,611,800
Industrial	22	22,993,300	23	23,848,800	23	24,498,800	23	24,498,800	23	24,498,800
Apartments	5	23,899,100	5	23,899,100	5	23,899,100	4	21,730,100	4	21,730,100
Sub-Total	<u>2019</u>	<u>666,851,620</u>	<u>2018</u>	<u>685,367,301</u>	<u>2010</u>	<u>689,088,901</u>	<u>2011</u>	<u>672,743,300</u>	<u>1935</u>	<u>668,635,700</u>
Personal Property		14,984,048		17,560,579		17,789,752		20,322,987		25,603,194
Railroad		225,000		225,000		225,000		225,000		225,000
Net Valuations Taxable		<u>682,060,668</u>		<u>703,152,880</u>		<u>707,103,653</u>		<u>693,291,287</u>		<u>694,463,894</u>
Bergen County Equalization Adjustment		451,813,228		437,007,805		330,569,476		194,812,860		99,223,292
Bergen County Equalized Valuations		<u>\$ 1,133,873,896</u>		<u>\$ 1,140,160,685</u>		<u>\$ 1,037,673,129</u>		<u>\$ 888,104,147</u>		<u>\$ 793,687,186</u>
County Equalization Ratio		<u>59.93%</u>		<u>61.37%</u>		<u>67.92%</u>		<u>77.99%</u>		<u>87.63%</u>
Average Improved Residential Assessment		<u>\$ 232,215</u>		<u>\$ 231,487</u>		<u>\$ 230,692</u>		<u>\$ 227,695</u>		<u>\$ 227,327</u>

ROCHELLE PARK SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES (Municipality)
(Unaudited)

	2009	2008	2007	2006	2005
<u>TAX REQUIREMENTS</u>					
County	\$ 1,942,013	\$ 1,985,736	\$ 1,744,716	\$ 1,568,336	\$ 1,491,221
County Open Space	113,510	113,994	103,745	88,788	79,346
Local School	8,867,595	8,914,313	8,889,109	8,541,714	7,696,191
Municipal	7,466,000	7,204,070	6,794,598	6,280,447	5,852,866
Total Tax Requirements	<u>\$ 18,389,118</u>	<u>\$ 18,218,113</u>	<u>\$ 17,532,168</u>	<u>\$ 16,479,285</u>	<u>\$ 15,119,624</u>

<u>TAX RATES</u>					
County	0.285	0.283	0.247	0.226	0.215
County Open Space	0.017	0.017	0.010	0.010	0.010
Local School	1.299	1.268	1.258	1.232	1.109
Municipal	1.094	1.025	0.975	0.912	0.846
Total Tax Rates	<u>2.70</u>	<u>2.59</u>	<u>2.49</u>	<u>2.38</u>	<u>2.18</u>

**ROCHELLE PARK SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS (Municipality)
(Unaudited)**

Taxpayer	2009 Assessed Valuation	As a Percent of 2009 Total Net Valuations \$ 682,060,668
1 Mack-Cali Realty LP	\$ 30,797,200	4.52%
2 Verizon (3 Properties)	27,395,337	4.02%
3 Rochelle Park Holding LLC	19,468,800	2.85%
4 395 W Passaic LLC	16,718,200	2.45%
5 SAC Realty LLC	15,479,700	2.27%
6 Rte 17 Invest LLC	15,466,800	2.27%
7 Coolidge Park 17 LLC	14,875,500	2.18%
8 Rochelle Park Jt Vent. c/o Mandelbaum	12,676,500	1.86%
9 Sims Associates c/o S. Goldsmith	11,370,900	1.67%
10 Sherebrooke Holding Company	10,267,700	1.51%
	<u>\$ 174,516,637</u>	25.59%

**ROCHELLE PARK SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS (Municipality)
(Unaudited)**

	2009	2008	2007	2006	2005
--	------	------	------	------	------

CURRENT YEAR % COLLECTION RATES

Current Tax Levy	\$ 18,392,124	\$ 18,279,830	\$ 17,661,990	\$ 16,959,198	\$ 15,155,978
Current Collections	\$ 17,759,827	\$ 17,377,294	\$ 17,245,107	\$ 16,561,718	\$ 15,022,193
Percentage of Collections	96.56%	95.06%	97.64%	97.66%	99.12%

DELINQUENT TAX %

Delinquent Taxes	\$ 276,903	\$ 194,408	\$ 412,508	\$ 400,432	\$ 159,134
Tax Title Liens	-	-	-	-	-
Total Delinquent	\$ 276,903	\$ 194,408	\$ 412,508	\$ 400,432	\$ 159,134
Tax Levy	\$ 18,392,124	\$ 18,279,830	\$ 17,661,990	\$ 16,959,198	\$ 15,155,978
Percentage of Tax Levy	1.51%	1.06%	2.34%	2.36%	1.05%

PROPERTY ACQUIRED BY MUNICIPALITY FOR NON-PAYMENT OF TAXES

Recorded at - Assessed Valuation	\$ 5,850	\$ 5,850	\$ 5,850	\$ 5,850	\$ 5,850
Number of Properties	1	1	1	1	1

ROCHELLE PARK SCHOOL DISTRICT
RATIO OF OUTSTANDING DEBT BY TYPE (District)
(Unaudited)

Fiscal Year Ended June 30,	Governmental Activities		Total District	(Exhibit J-14)	Outstanding Debt Per Capita	(Exhibit J-14)	Debt Per Capita as a % of Personal Income
	General Obligation Bonds	Certificates of Participation		District Population		(County) Per Capita Income	
2009	\$ 1,760,000	\$ -	\$ 1,760,000	6,063	\$ 290	\$ 67,696	0.43%
2008	\$ 1,955,000	\$ -	\$ 1,955,000	6,046	\$ 323	\$ 67,696	0.48%
2007	\$ 2,145,000	\$ -	\$ 2,145,000	6,045	\$ 355	\$ 67,113	0.53%
2006	\$ 2,325,000	\$ -	\$ 2,325,000	5,904	\$ 394	\$ 63,021	0.63%
2005	\$ 2,495,000	\$ -	\$ 2,495,000	5,767	\$ 433	\$ 56,963	0.76%
2004	\$ 2,410,000	\$ -	\$ 2,410,000	5,659	\$ 426	\$ 54,669	0.78%
2003	\$ 2,670,000	\$ -	\$ 2,670,000	5,473	\$ 488	\$ 50,820	0.96%

ROCHELLE PARK SCHOOL DISTRICT
RATIO OF GENERAL BONDED DEBT OUTSTANDING (District)
(Unaudited)

	2009	2008	2007	2006	2005
Population (Exhibit J-14)	6,063	6,046	6,045	5,904	5,767
County Equalized Valuations (Exhibit J-6)	\$ 1,133,873,896	\$ 1,140,160,685	\$ 1,037,673,129	\$ 888,104,147	\$ 793,687,186
Gross Debt (Exhibit J-10)	\$ 1,760,000	\$ 1,955,000	\$ 2,145,000	\$ 2,325,000	\$ 2,495,000
Gross Debt Per Capita	\$ 290	\$ 323	\$ 355	\$ 394	\$ 433
Ratio of Gross Debt to Equalized Valuations	0.16%	0.17%	0.21%	0.26%	0.31%

**ROCHELLE PARK SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (Municipality)
(Unaudited)**

DIRECT DEBT

	December 31, 2009	December 31, 2008	December 31, 2007	December 31, 2006	December 31, 2005
Municipal:					
General Purposes:					
B&N Issued and Outstanding:					
Serial Bonds	\$ 4,034,000	\$ 4,609,000	\$ 5,154,000	\$ 5,669,000	\$ 6,159,000
Bond Anticipation Notes	5,542,000	3,784,600	3,218,600	2,431,000	2,098,000
Loans	-	-	-	-	-
B&N Authorized But Not Issued	620,000	2,094,000	699,000	832,600	-
Credits	-	-	-	-	-
Total Municipal Debt	\$ 10,196,000	\$ 10,487,600	\$ 9,071,600	\$ 8,932,600	\$ 8,257,000
Local School:					
B&N Issued and Outstanding:					
Serial Bonds	\$ 1,760,000	\$ 1,955,000	\$ 2,145,000	\$ 2,325,000	\$ 2,495,000
Bond Anticipation Notes	-	-	-	-	-
Loans	-	-	-	-	-
B&N Authorized But Not Issued	-	-	-	-	-
Credits	-	-	-	-	-
Total Local School Debt	\$ 1,760,000	\$ 1,955,000	\$ 2,145,000	\$ 2,325,000	\$ 2,495,000
Total Direct Debt	\$ 11,956,000	\$ 12,442,600	\$ 11,216,600	\$ 11,257,600	\$ 10,752,000

OVERLAPPING DEBT

	December 31, 2009	December 31, 2008	December 31, 2007	December 31, 2006	December 31, 2005
(1) County Debt:					
Municipal Equalized Valuations	\$ 1,133,873,896	\$ 1,140,160,685	\$ 1,037,448,129	\$ 887,879,147	\$ 793,462,186
Total County Equalized Valuations	\$ 187,580,071,463	\$ 182,767,512,263	\$ 172,863,500,734	\$ 153,984,695,626	\$ 136,528,998,442
	0.60%	0.62%	0.60%	0.58%	0.58%
X's Outstanding County Debt	1,138,505,430	1,102,573,565	1,087,757,268	825,597,736	808,502,305
	\$ 6,831,033	\$ 6,835,956	\$ 6,526,544	\$ 4,788,467	\$ 4,689,313
(2) Bergen County Utilities Authority:					
Rochelle Park TWP User Fees	\$ 612,979	\$ 603,765	\$ 548,410	\$ 537,543	\$ 510,025
Total User Fees	\$ 55,599,600	\$ 52,885,837	\$ 48,210,978	\$ 45,482,055	\$ 43,399,055
	1.10%	1.14%	1.14%	1.18%	1.18%
X's Outstanding Debt	277,860,831	288,459,524	323,140,462	231,650,600	138,033,827
	\$ 3,056,469	\$ 3,288,439	\$ 3,683,801	\$ 2,733,477	\$ 1,628,799
Total Overlapping Debt	\$ 9,887,502	\$ 10,124,395	\$ 10,210,345	\$ 7,521,944	\$ 6,318,112
Total Direct and Overlapping Debt	\$ 21,843,502	\$ 22,566,995	\$ 21,426,945	\$ 18,779,544	\$ 17,070,112

ROCHELLE PARK SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION (Municipality and District)
(Unaudited)

	2009	2008	2007	2006	2005
State Equalized Valuation Basis	\$ 1,162,651,923	\$ 1,142,100,365	\$ 990,224,029	\$ 871,145,579	\$ 779,864,017
Municipal Borrowing Power:					
3 1/2% of Equalized Valuation Basis	\$ 40,692,817	\$ 39,973,513	\$ 34,657,841	\$ 30,490,095	\$ 27,295,241
Net Debt	10,196,000	10,487,600	9,071,600	8,932,600	8,257,000
Remaining Borrowing Power	\$ 30,496,817	\$ 29,485,913	\$ 25,586,241	\$ 21,557,495	\$ 19,038,241
School Borrowing Power:					
3% of Equalized Valuation Basis	\$ 34,879,558	\$ 34,263,011	\$ 29,706,721	\$ 26,134,367	\$ 23,395,921
Net School Debt	1,760,000	1,955,000	2,145,000	2,325,000	2,495,000
School Borrowing Margin Available	\$ 33,119,558	\$ 32,308,011	\$ 27,561,721	\$ 23,809,367	\$ 20,900,921

**ROCHELLE PARK SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS (Municipality)
(Unaudited)**

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Average Labor Force Estimates by Municipality:						
Labor Force	3,013	2,979	2,942	2,942	2,904	2,887
Employment	2,740	2,827	2,827	2,814	2,782	2,753
Unemployment	273	152	116	128	122	134
Unemployment Rate	9.1%	5.1%	3.9%	4.4%	4.2%	4.6%
Per Capital Personal						
Income by County	<u>\$ 67,696</u>	<u>\$ 67,696</u>	<u>\$ 67,113</u>	<u>\$ 63,021</u>	<u>\$ 56,963</u>	<u>\$ 54,669</u>

Estimates as of July 1,

Subcounty Population Estimates:						
Rochelle Park TWP	6,063	6,046	6,045	5,904	5,767	5,659
County of Bergen	895,250	889,915	885,664	884,581	887,322	890,232

**ROCHELLE PARK SCHOOL DISTRICT
PRINCIPAL EMPLOYERS (Municipality)
(Unaudited)**

Not Available

**ROCHELLE PARK SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM (District)
(Unaudited)**

Not Available

ROCHELLE PARK SCHOOL DISTRICT
OPERATING STATISTICS (District)
(Unaudited)

Fiscal Year	Average Daily Enrollment	% Change	(Exhibit J-4 Less TPAF)		Percentage Change	Average Daily Attendance	Student Attendance Percentage
			Operating Expenditures	Cost Per Pupil			
2010	504.4	-0.4%	9,949,472	19,725	2.9%	482.9	95.7%
2009	506.5	2.1%	9,705,872	19,163	-0.3%	484.5	95.7%
2008	495.9	3.7%	9,533,595	19,225	0.8%	472.0	95.2%
2007	478.4	0.9%	9,121,574	19,067	1.4%	457.1	95.6%
2006	474.2	-2.3%	8,920,886	18,812	5.0%	455.9	96.1%
2005	485.3	-5.8%	8,697,047	17,921	13.2%	465.8	96.0%
2004	515.3	-0.8%	8,158,642	15,833	10.1%	496.7	96.4%
2003	519.3	4.1%	7,470,664	14,386	N/A	495.7	95.5%

**ROCHELLE PARK SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION (District)
(Unaudited)**

FY2010

District Building

Elementary

Midland School:

Square Feet	33,500
Capacity (Students)	506.1
Average Daily Enrollment	504.4

**ROCHELLE PARK SCHOOL DISTRICT
 SCHEDULE OF REQUIRED MAINTENANCE EXPENDITURES BY SCHOOL FACILITY (District)
 (Unaudited)**

<u>School Facilities</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Midland School	<u>\$ 80,275</u>	<u>\$ 88,869</u>	<u>\$ 86,737</u>	<u>80,176</u>	<u>83,909</u>

**ROCHELLE PARK SCHOOL DISTRICT
INSURANCE SCHEDULE (District)
(Unaudited)**

RP

INSURANCE SCHEDULE		Prepared for:		14 Commerce Drive Cranford, NJ 07016 (908) 272-8100	
WILLISHRH		NESBIG			
Date Prepared: September 16, 2009					
COVERAGE	EXPIRATION DATE	COMPANY	POLICY NUMBER		
Spec. Multi Peril w/Auto	07/01/2010	Selective Way Insurance Company	S1325176		
COMMERCIAL PROPERTY COVERAGE					
FORM DESCRIPTION	LIMITS	DEDUCTIBLE			
Blanket Buildings and Personal Property	As per statement of values	\$5000			
Flood & Earthquake: \$5,000,000 per occurrence/\$5,000,000 annual aggregate per member		\$50,000			
Flood: Within Special Flood Hazard Area \$1,000,000 per occ/\$1,000,000 annual aggregate per member		\$500,000			
Extra Expense	\$5,000,000				
Ordinance or Law Coverage A: Included					
Building Ordinance Demolition Cost	\$2,000,000				
Building Ordinance Increased Cost of Construction	\$2,000,000				
Pollutant Clean Up & Removal	\$100,000				
Broadened Water-Direct Damage: \$100,000 or Limit of Insurance whichever is less					
Broadened Water: Loss of Income Planned Events and Tuition Fees	\$100,000				
Claim Data Expenses	\$25,000				
Fire Department Service Charge	\$25,000				
Fire Extinguisher Recharge Expense	\$5,000				
Food Contamination Shutdown-Planned Events	\$10,000				
Lock Replacement:	\$2500 per loss, \$7500 Annual Aggregate				

Insurance is not a deposit or other obligation of the bank/insurer; it is not guaranteed, insured or underwritten by the FDIC. The bank/insurer is not insured by the FDIC or any other agency of the US. The bank/insurer is not a condition to the provision or term of any banking service or activity. Bank/insurer may not be regulated or purchased through any particular person as a condition of any financial transaction or service, and may be purchased from any agent or company and the customer's choice will not affect current or future credit decisions.

**ROCHELLE PARK SCHOOL DISTRICT
INSURANCE SCHEDULE (District)
(Unaudited)**

INSURANCE SCHEDULE		14 Commerce Drive Cranford, NJ 07016 (908) 272-8100
Prepared for: NESBIG		
WILLISHRH	Date Prepared: September 16, 2009	
FORM DESCRIPTION	LIMITS	DEDUCTIBLE
Loss of Income Planned Events	Actual Loss Sustained	
Loss Reduction Rewards:	10% of loss or \$25,000	
Newly Acquired or Constructed Property - Building		\$1,000,000
Newly Acquired Property Type: Personal Property		\$500,000
Non-owned Detached Trailers		\$5,000
Outdoor Fences		\$100,000
Outside Signs		\$100,000
Outdoor trees, shrubs or plants :	\$10,000 per occurrence/ \$100,000 annual aggregate	
Personal Effects & Property of Others:	\$1000 per person \$25,000 annual aggregate	
Pollutant Cleanup and Removal: Planned Events		\$10,000
Premises Extension Property: 1000 feet		\$100,000
Property Off Premises		\$50,000
Refrigerated Property		\$1,000
Roof Protection		
Specified Appurtenant Structures: Public Use \$100,000, Your Use \$10,000, Contents \$1000		\$100,000
Transportation		\$20,000
Tuition and Fees		

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ROCHELLE PARK SCHOOL DISTRICT
 INSURANCE SCHEDULE (District)
 (Unaudited)

		INSURANCE SCHEDULE Prepared for: NESBIG		14 Commerce Drive Cranford, NJ 07016 (908) 272-8100	
Date Prepared: September 16, 2009		FORM DESCRIPTION	LIMITS	DEDUCTIBLE	
	Utility Services Direct Damage		\$50,000		
	Utility Services- Planned Events		\$25,000		
	Voluntary Parting by Trick, Scheme or Device				
	Asbestos Exclusion				
	Exclusion of Certain Computer-Related Losses				
	Valuable Papers & Records		\$5,000,000		
	Accounts Receivable		\$100,000		
	Fine Arts		\$25,000		
	Computer Equipment		\$2,500,000		
	Musical Instruments, Band Uniforms, Athletic Equipment & Theatrical Equipment		\$250,000		
	Cameras, Audio/Video Equipment owned, leased or rented for use in you normal school operations		\$250,000		
	Misc School Property: lighting, radio/TV antennas, playground equip., outdoor benches, flagpoles etc		\$100,000		
	Contractors Equip: Inclds leased equip, RC & \$5000 rental reimbursement -PROVIDE SCHED. OF EQUIP.		\$250,000		
	Reward - Arson, Theft or Vandalism			\$25,000	
	Foundations included				
	Paved Surfaces: \$100,000 per loss, \$100,000 annual aggregate				
	Preservation of Property- 90 days				

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**ROCHELLE PARK SCHOOL DISTRICT
INSURANCE SCHEDULE (District)
(Unaudited)**

INSURANCE SCHEDULE Prepared for: NESBIG		14 Commerce Drive Cranford, NJ 07016 (908) 272-8100
FORM DESCRIPTION	LIMITS	DEDUCTIBLE
Underground Fiber Optic Cable	\$50,000	
Violent Event Extra Expense		
\$10,000 Annual Aggregate \$50,000		
SYSTEMS POWER PAC - EQUIPMENT BREAKDOWN (BOILER & MACHINERY)		
Expediting Expenses	\$250,000	
Hazardous Substances	\$250,000	
Spoilage	\$250,000	
CRIME		
Theft of Money & Securities - Inside the premises	\$50,000	\$1,000
Theft of Money & Securities - Outside the premises	\$50,000	\$1,000
Computer Fraud	\$50,000	\$1,000

Date Prepared: September 16, 2009

WILLTSHRH

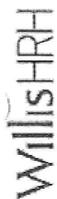
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**ROCHELLE PARK SCHOOL DISTRICT
INSURANCE SCHEDULE (District)
(Unaudited)**

WILLISHRH		INSURANCE SCHEDULE			14 Commerce Drive Cranford, NJ 07016 (908) 272-8100	
Date Prepared: September 16, 2009		Prepared for: NESBIG				
COVERAGE	EXPIRATION DATE	COMPANY	POLICY NUMBER			
Spec. Multi Peril w/Auto	07/01/2010	Selective Way Insurance Company	S1325176			
GENERAL LIABILITY						
COVERAGE	LIMITS					
General Aggregate	\$2,000,000					
Products & Completed Operations	\$2,000,000					
Personal & Advertising Injury	\$1,000,000					
Each Occurrence	\$1,000,000					
Fire Legal Liability Limit	\$1,000,000					
Medical Expense	\$5,000					

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**ROCHELLE PARK SCHOOL DISTRICT
INSURANCE SCHEDULE (District)
(Unaudited)**

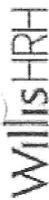
	<p>INSURANCE SCHEDULE Prepared for: NESBIG</p>	<p>14 Commerce Drive Cranford, NJ 07016 (908) 272-8100</p>
<p>Date Prepared: September 16, 2009</p>		
GENERAL LIABILITY		
FORM DESCRIPTION	LIMIT 1	DED 1
Employee Benefits Liability :	\$1,000,000	\$1,000
Sexual Abuse & Molestation: \$1,000,000 per occurrence/\$1,000,000 annual aggregate per member		
SELECTIVE GENERAL LIABILITY ELITEPAC		
Additional Insured: Primary not Contributory		
Additional Insured: Broad Form Vendors as required by Contract		
Fellow Employee, Member or Volunteer Worker Liability		
Functional Additional Insureds		
Golf Amendments		
Incidental Medical Malpractice Exclusion Modified		
Knowledge of Occurrence, Claim Suit or Loss		
Liberalization		
Mental Anguish Amendment		
Limited Mobile Equipment Coverage		
Newly Formed or Acquired Organization		
<p><small>Insurance is not a deposit or other obligation of the bank/affiliate; is an obligation of the insurance company only; is not guaranteed, issued or underwritten by the FDIC, the bank/affiliate; is not insured by the FDIC or any other agency of the US; the bank/affiliate; is not a condition to the provision or term of any banking service or activity; need not be negotiated or purchased through any particular person as a condition of any financial transaction or service, and may be purchased from any agent or company and the customer's choice will not affect current or future credit decisions.</small></p>		
<p>Page 6 of 21 S69193.DOC</p>		

**ROCHELLE PARK SCHOOL DISTRICT
INSURANCE SCHEDULE (District)
(Unaudited)**

<p>WILLISHRH</p> <p>Date Prepared: September 16, 2009</p>	<p align="center">INSURANCE SCHEDULE Prepared for: NESBIG</p> <p>14 Commerce Drive Cranford, NJ 07016 (908) 272-8100</p>
<p>FORM DESCRIPTION</p> <p>Non-owned Aircraft Non-Owned Watercraft Not-For-Profit Members- Defined Not-For-Profit Members-Medical Payments Personal & Advertising Injury: Civil Rights Definition Amended/Exclusion Added Products Amendment-Medical Payments-Limited on Premises Coverage Supplementary Payments Amended- Bail Bonds (\$2500) and Loss of Earnings (\$500) Temporary Liquor Law Liability Temporary Workers Unintentional Failure to Disclose Hazards Volunteer Worker When two or more coverage parts of this policy apply to a loss NJ Public Colleges or Public Schools Employment Related Practices Exclusion Fungi or Bacteria Exclusion Abuse and Molestation Exclusion under the GL Lead Hazard Exclusion Pollution Exclusion - Exception for classroom activities</p>	<p align="center">LIMIT 1 DED 1 LIMIT 2 DED 2</p>

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**ROCHELLE PARK SCHOOL DISTRICT
INSURANCE SCHEDULE (District)
(Unaudited)**

	<p>INSURANCE SCHEDULE Prepared for: NESBIG</p>	<p>14 Commerce Drive Cranford, NJ 07016 (908) 272-8100</p>
<p>Date Prepared: September 16, 2009</p>		
<p>FORM DESCRIPTION</p>	<p>LIMIT 1</p>	<p>DED 1</p>
Asbestos Exclusion		
Exclusion-Y2K Computer Related		
Exclusion - Exterior Insulation and Finish Systems		
Exclusion- Violations of Statutes		
Designated Construction Projects Aggregate Limit		
Designated Location General Aggregate Limit		
Pesticide or Herbicide Applicator	\$1,000,000	\$1,000
	Retro Date: 7/1/06	\$1,000,000
	<p>LIMIT 2</p>	<p>DED 2</p>

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ROCHELLE PARK SCHOOL DISTRICT

Comprehensive Annual Financial Report

Single Audit Section

245 Union Street
Lodi, New Jersey 07644
Voice 973.779.6890
Facsimile 973.779.6891
www.dimariaanddimaria.com

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
Rochelle Park School District, County of Bergen, New Jersey

We have audited the financial statements of the Board of Education of the Rochelle Park School District, in the County of Bergen, State of New Jersey, as of and for the fiscal year ended June 30, 2010, and have issued our report thereon dated December 6, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Rochelle Park Board of Education'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 Rochelle Park Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Rochelle Park Board of Education'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.

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* (Continued)

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 over financial reporting 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 above.

Compliance and Other Matters

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

We noted certain matters that we reported to the Board of Education of the Rochelle Park School District in a separate report entitled, Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance dated December 6, 2010.

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* (Continued)

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

**DI MARIA & DI MARIA LLP
Public Accountants and Consultants**

Frank R. Di Maria

**Frank R. Di Maria
Licensed Public School Accountant
PSA No. CS 01168**

December 6, 2010

245 Union Street
Lodi, New Jersey 07644
Voice 973.779.6890
Facsimile 973.779.6891
www.dimariaanddimaria.com

**Report on Compliance With Requirements Applicable to Each Major
Program and on 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
Rochelle Park School District, County of Bergen, New Jersey

Compliance

We have audited the compliance of the Board of Education of the Rochelle Park School District, in the County of Bergen, 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 Aid/Grant Compliance Supplement that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2010. Rochelle Park Board of Education'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 Rochelle Park Board of Education's management. Our responsibility is to express an opinion on the Rochelle Park Board of Education's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 or state program occurred.

Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance OMB Circular A-133 and New Jersey OMB Circular 04-04 (Continued)

Compliance (Continued)

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

In our opinion, the Board of Education of the Rochelle Park School District, in the County of Bergen, 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, 2010.

Internal Control Over Compliance

Management of the Board of Education of the Rochelle Park School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal and state programs. In planning and performing our audit, we considered Rochelle Park Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Rochelle Park Board of Education's internal control over compliance.

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

Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance OMB Circular A-133 and New Jersey OMB Circular 04-04 (Continued)

Internal Control Over Compliance (Continued)

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control compliance that might be deficiencies, 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. Rochelle Park Board of Education's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Rochelle Park Board of Education's response and, accordingly, we express no opinion on the responses.

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

**DI MARIA & DI MARIA LLP
Public Accountants and Consultants**

Frank R. Di Maria

**Frank R. Di Maria
Licensed Public School Accountant
PSA No. CS 01168**

December 6, 2010

ROCHELLE PARK SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Fiscal Year Ended June 30, 2010

K-3
 Schedule A

Catalog of Federal Domestic Assistance Program Title	Federal C.F.D.A. Number	State Aid/Grant Program Titles	State Project Number	Award Amount	Grant Period		Balance June 30, 2009	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	(Accounts Receivable) June 30, 2010	Deferred Revenue June 30, 2010	Due to Grantor at June 30, 2010
					From	To									
Special Revenue Fund															
Title I Grants to Local Educational Agencies	84.010A	Title I	NCLB 447010	\$ 13,887	09/01/09	08/31/10	\$ -	\$ -	\$ -	(12,851)	\$ -	\$ -	(13,887)	1,036	\$ -
Title I Grants to Local Educational Agencies	84.010A	Title I	NCLB 447009	21,403	09/01/08	08/31/09	4,564	-	-	(3,309)	(1,199)	-	-	56	-
Improving Teacher Quality State Grants	84.367A	Title II, Part A	NCLB 447010	12,284	09/01/09	08/31/10	-	-	-	(12,092)	157	-	(12,284)	349	-
Improving Teacher Quality State Grants	84.367A	Title II, Part A	NCLB 447009	11,605	09/01/08	08/31/09	4,812	-	-	(4,812)	-	-	-	-	-
Improving Teacher Quality State Grants	84.367A	Title II, Part A	NCLB 447008	11,506	09/01/07	08/31/08	7,691	-	-	-	(7,691)	-	-	-	-
Improving Teacher Quality State Grants	84.367A	Title II, Part A	NCLB 447006	11,177	09/01/05	08/31/06	764	-	-	(799)	36	-	-	1	-
Improving Teacher Quality State Grants	84.367A	Title II, Part D	NCLB 447010	142	09/01/09	08/31/10	-	-	-	-	-	-	(142)	142	-
Improving Teacher Quality State Grants	84.367A	Title II, Part D	NCLB 447009	178	09/01/08	08/31/09	-	-	-	-	-	-	-	-	-
English Language Acquisition Grants	84.365	Title III	NCLB 447009	8,215	09/01/08	08/31/09	-	-	-	-	-	-	-	-	-
Safe and Drug-Free Schools and Communities	84.186A	Title IV, Part A	NCLB 447010	775	09/01/09	08/31/10	-	-	-	(733)	-	-	(775)	42	-
Safe and Drug-Free Schools and Communities	84.186A	Title IV, Part A	NCLB 447009	950	09/01/08	08/31/09	686	-	-	(686)	-	-	-	-	-
Special Education - Grants to States	84.027A	I.D.E.A. Part B - Basic	IDEA 447010	124,094	09/01/09	08/31/10	-	-	-	(124,094)	-	-	(124,094)	-	-
ARRA - Basic				127,032	09/01/09	08/31/10	-	-	-	(58,528)	-	-	(127,032)	68,504	-
Special Education - Grants to States	84.027A	I.D.E.A. Part B - Preschool	IDEA 447010	4,745	09/01/09	08/31/10	-	-	-	(4,643)	-	-	(4,745)	102	-
ARRA - Preschool				4,594	09/01/09	08/31/10	-	-	-	(3,594)	-	-	(4,594)	1,000	-
							\$ 18,517	\$ -	\$ -	(226,141)	\$ (8,697)	\$ -	(287,553)	\$ 71,232	\$ -
Enterprise Fund															
Food Distribution Program	10.550	Food Distribution Program	N/A	\$ 9,727	09/01/09	08/31/10	\$ -	\$ -	9,727	(9,727)	\$ -	\$ -	\$ -	\$ -	\$ -
National School Lunch Program	10.555	National School Lunch Program	N/A	26,341	09/01/09	08/31/10	-	-	24,640	(26,341)	-	-	(1,701)	-	-
National School Lunch Program	10.555	National School Lunch Program	N/A	19,885	09/01/08	06/30/09	(1,397)	-	1,397	-	-	-	-	-	-
Special Milk Program for Children	10.556	Special Milk Program for Children	N/A	1,761	09/01/09	08/31/10	-	-	1,626	(1,761)	-	-	(135)	-	-
Special Milk Program for Children	10.556	Special Milk Program for Children	N/A	2,425	09/01/08	06/30/09	(199)	-	199	-	-	-	-	-	-
							\$ (1,596)	\$ -	\$ 37,589	(37,829)	\$ -	\$ -	(1,836)	\$ -	\$ -
Total Federal Financial Awards							\$ 16,921	\$ -	\$ 37,589	(263,970)	\$ (8,697)	\$ -	(289,389)	\$ 71,232	\$ -

*Expenditures less than \$500,000; U.S. Office of Management and Budget (OMB) Circular A-133 Audit not applicable.

ROCHELLE PARK SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 For the Fiscal Year Ended June 30, 2010

K-4
 Schedule B

State Grantor / Program Title	Grant or State Project Number	Award Amount	Grant Period		Balance June 30, 2009	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	(Accounts Receivable) June 30, 2010	Deferred Revenue June 30, 2010	Due to Grantor at June 30, 2010
			From	To									
General Fund													
Transportation Aid	10-495-034-5120 -014	\$ 90,658	09/01/09	06/30/10	\$ -	\$ -	\$ 90,658	\$ (90,658)	\$ -	\$ -	\$ -	\$ -	\$ -
Special Education Aid	10-495-034-5120 -089	217,036	09/01/09	06/30/10	-	-	217,036	(217,036) *	-	-	-	-	-
Security Aid	10-495-034-5120 -084	30,180	09/01/09	06/30/10	-	-	30,180	(30,180)	-	-	-	-	-
Adjustment Aid	10-495-034-5120 -085	112,278	09/01/09	06/30/10	-	-	112,278	(112,278) *	-	-	-	-	-
Extraordinary Special Education Costs Aid	10-100-034-5120 -473	135,596	09/01/09	06/30/10	-	-	-	(135,596) *	-	-	(135,596)	-	-
Extraordinary Special Education Costs Aid	09-100-034-5120 -473	78,318	09/01/08	06/30/09	(78,318)	-	78,318	-	-	-	-	-	-
Teachers' Pension & Annuity Fund – Non-C	10-495-034-5095 -007	12,131	09/01/09	06/30/10	-	-	12,131	(12,131)	-	-	-	-	-
Teachers' Pension & Annuity Fund – Post R	10-495-034-5095 -001	227,839	09/01/09	06/30/10	-	-	227,839	(227,839) *	-	-	-	-	-
Social Security Tax	10-495-034-5095 -002	295,197	09/01/09	06/30/10	-	-	295,197	(295,197) *	-	-	-	-	-
					<u>\$ (78,318)</u>	<u>\$ -</u>	<u>\$ 1,063,637</u>	<u>\$ (1,120,915)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (135,596)</u>	<u>\$ -</u>	<u>\$ -</u>
Enterprise Fund													
State School Lunch Program	10-100-010-3350 -023	\$ 1,910	09/01/09	06/30/10	\$ -	\$ -	\$ 1,790	\$ (1,910)	\$ -	\$ -	\$ (120)	\$ -	\$ -
State School Lunch Program	09-100-010-3350 -023	1,692	09/01/08	06/30/09	(123)	-	123	-	-	-	-	-	-
					<u>\$ (123)</u>	<u>\$ -</u>	<u>\$ 1,913</u>	<u>\$ (1,910)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (120)</u>	<u>\$ -</u>	<u>\$ -</u>
Total State Financial Assistance					<u>\$ (78,441)</u>	<u>\$ -</u>	<u>\$ 1,065,550</u>	<u>\$ (1,122,825)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (135,716)</u>	<u>\$ -</u>	<u>\$ -</u>

* Indicates Major Program

**ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE
Fiscal Year Ended June 30, 2010**

Note 1 - General

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Rochelle Park School District. The Board of Education is defined in Note I to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

Note 2 - Basis of Accounting

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

Note 3 - Relationship to General-Purpose Financial Statements

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$18,099) for the general fund and \$0 for the special revenue fund. See Note 1 [the Notes to Required Supplementary Information] for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

**ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE
Fiscal Year Ended June 30, 2010**

Note 3 - Relationship to General-Purpose Financial Statements (Continued)

	Federal	State	Total
General Fund	\$ -	\$ 1,120,915	\$ 1,120,915
Special Revenue Fund	226,141	-	226,141
Debt Service Fund	-	-	-
Enterprise Fund	37,829	1,910	39,739
Total Awards and Financial Assistance	<u>\$ 263,970</u>	<u>\$ 1,122,825</u>	<u>\$ 1,386,795</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 - Federal and State Loans Outstanding

The District did not have any federal and state loans outstanding at of June 30, 2010.

Note 6 - 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 on behalf of the District for the year ended June 30, 2010. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2010.

**ROCHELLE PARK SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Fiscal Year Ended June 30, 2010**

Section I -- Summary of Auditors' Results

Financial Statements

A) Type of auditors' report issued: Unqualified

B) Internal control over financial reporting:

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

2. Reportable condition(s) identified that are not considered to be material weakness(es)? _____ yes X none reported

C) Noncompliance material to financial statements noted? _____ yes X no

**ROCHELLE PARK SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Fiscal Year Ended June 30, 2010**

Section II -- Financial Statement Findings

There were no matters identified.

**ROCHELLE PARK SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Fiscal Year Ended June 30, 2010**

Section III -- Federal Awards and State Financial Assistance Findings and Questioned Costs

Current Year

Federal Awards:

There were no matters identified.

State Awards:

There were no matters identified.

**ROCHELLE PARK SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Fiscal Year Ended June 30, 2010**

Not Applicable - No Prior Audit Findings