

SCHOOL DISTRICT

OF

ROSELLE PARK

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

ROSELLE PARK BOARD OF EDUCATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

PREPARED BY

**ROSELLE PARK BOARD OF EDUCATION
FINANCE DEPARTMENT**

ROSELLE PARK SCHOOL DISTRICT

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*Private citizens should be listed as Individual Taxpayer 1, Individual Taxpayer 2, etc.

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INTRODUCTORY SECTION

1.

*Roselle Park Public Schools
510 Chestnut Street
Roselle Park, New Jersey 07204*

"Committed to Excellence"

Patrick M. Spagnoletti
Superintendent of Schools
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FAX (908) 245-1226

Susan M. Guercio
School Business Administrator/
Board Secretary
(908) 245-2103

November 1, 2011

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

Dear Board Members:

The Comprehensive Annual Financial Report of the Roselle Park School District for the fiscal year ended June 30, 2011, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rest with the management of the board of education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the district. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the district's organizational chart and a list of principle 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 Roselle Park School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No.3. All funds and account groups of the

district are included in this report. The Roselle Park Board of Education and all its schools constitute the district's reporting entity. 2

The district provides a full range of educational services appropriate to grade levels pre-school handicapped, and grades kindergarten through 12 (K-12). These include regular and special education for handicapped youngsters. The district also provides after-school care (extended day) for elementary and middle school children, and a summer camp for parents who need or desire care for their children beyond the traditional school year.

The district also finds itself in the unique position of providing recreational services to the community, county, and state through its operation of the Green Acres Athletic Complex. The complex is used on a regular basis by local and county athletic groups, as well as by individuals of all ages. The board maintains for their use the baseball, softball, football, soccer, tennis, and basketball facilities.

The district completed the 2010-2011 school year with an enrollment of 2000 students, which represents a decrease of 19 students over the previous June 30 enrollment.

2. ECONOMIC CONDITION AND OUTLOOK: Roselle Park is a community that lacks commercial and industrial ratables. Since eight of the top ten taxpayers are apartment complex owners, only two out of the ten largest taxpayers require no services from the school district. The apartment dwellers are responsible for generating approximately one-fifth of the total student population.

The municipal government is involved in an ongoing program of "downtown revitalization" which at best should provide very modest relief for taxpayers in general. Since the town is almost completely developed, there is limited potential for new expansion in either the commercial, industrial, or residential sector.

Property owners directly, and apartment dwellers indirectly, will continue to shoulder the major proportion of property taxes, based upon the current school funding formula.

3. CURRICULUM/STAFF DEVELOPMENT: The Roselle Park School District continues to make professional development a top priority. Knowing that teachers need to keep abreast of best practices in order to provide a high quality education to our students, two full days and six half days were set aside during the 2010/2011 school year for professional development experiences. Programs were presented in the areas of balanced literacy, special education, mathematics, technology and instructional practices. Continued professional development assisted teachers in grades K - 3 in providing a balanced literacy program. In order to best prepare teachers for the opening of school, teachers in grades K - 5 were invited to attend two guided reading workshops in August. These workshops were well received and twenty eight staff members took advantage of the opportunity. Professional Learning Communities which enable our teachers to examine student work, address problems and explore instructional strategies met on a regular basis throughout the school year. Over \$16,500 in funded program money was spent to bring high quality workshops to our staff and to send teachers to out of district training programs.

As part of the district's five year curriculum review cycle, the K - 12 social studies curriculum was updated and aligned to the New Jersey Core Curriculum Content Standards. New textbooks and materials were purchased for all social studies classes including, World History, American History, Sociology, Psychology and Global Issues. In addition AP Biology, Physics and Earth Science books were purchased. A new Spanish series was chosen for use by students in grades 8 - 12. NJ Ask test preparation materials were selected and purchased for mathematics, language arts and science. These materials will be infused into the curriculum in grades 3 - 8. At the high school level test preparation materials were purchased for language arts basic skills courses.

Guided reading materials (leveled readers) were purchased for use in each grade level 3 - 5. Fountas and Pinnell Benchmark Assessment System Kits were purchased to enable the teachers to obtain the reading level of all students in grades K - 5. These reading levels will be utilized for guided reading. At the middle school level, core novels and literature circle novels were chosen and purchased for student use in grades 6, 7 and 8. Middle School and High School teachers continue to participate in vertical articulation to ensure a comprehensive literacy curriculum for students in grades 6 - 12.

All curricula is continually updated and aligned to the NJ Core Curriculum Content Standards and the new Common Core Standards for Language Arts and Mathematics. Roselle Park was part of a Union County initiative to cooperatively write the social studies curriculum using the Understanding By Design format.

An ESL- Bilingual program waiver was submitted and approved. Two periods of high intensity ESL is provided to all students of Hispanic decent. This year a Title 1/ ESL summer program was offered to Title 1 and LEP students in grades K - 12. This summer program was funded through NCLB. Approximately 105 students attended this learning experience.

As part of the district's commitment to infuse technology into the curriculum, Eno Boards were purchased and installed in each elementary library. In addition Eno Boards were installed in many of the special education classrooms. SmartBoards are now used in all mathematics classrooms at the high school. A Smart Response System was purchased for use in Math Problem Solving Classes at the high school level. One hundred twenty PC's were purchased to replace outdated computers in the elementary and middle schools. In addition twenty-five PC's were purchased to replace outdated computers in a high school business classroom. A new technology lab was designed and installed at the high school providing for additional technology related electives for the students in grades 9 - 12.

Success Maker continues to be used by students in the district in grades K - 8. As part of basic skills instruction Success Maker is used to benchmark students and provide teachers with the appropriate level of each student in reading and math. Teachers are provided with subscriptions to Learning A - Z and Brain Pop to enhance the curriculum.

Technology equipment and programs are continually researched. The technology infrastructure is continually updated.

The Roselle Park School District has developed a comprehensive plan for professional development for the 2011/2012 school year. Fourth and fifth grade teachers will receive ongoing professional development in balanced literacy. A series of out of district workshops have been chosen for teachers to attend. The teachers selected to participate in these workshops will turnkey the information to other teachers in the district. This plan will enable the faculty to formulate instruction that meets the needs of the students. Many of these workshops will provide teachers with the tools necessary to improve student performance on the NJ ASK and the HSPA. Para professionals will continue to receive ongoing professional development to enable them to work successfully in the self-contained, and/or inclusion setting. Technology training which will include instruction on the newly implemented use of Office 2010 will be ongoing. Professional Learning Communities will continue to meet throughout the year.

4. INTERNAL ACCOUNTING CONTROLS: District management 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 principals (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

5. **BUDGETARY CONTROLS:** In addition to internal accounting controls, the district maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund 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 reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2011.

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

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

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

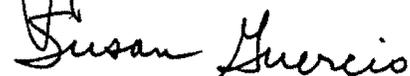
9. **OTHER INFORMATION:** **Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Robert A. Hulsart and Company, CPA's, conducted the audit for the board of education. In addition to meeting 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 financial section of this report.

10. ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Roselle Park Board of Education for their desire to provide 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 operations. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,



Patrick M. Spagnoletti
Superintendent of Schools



Susan Guercio
School Business Administrator/Board Secretary

laa

"Where Children Come First"

ROSELLE PARK BOARD OF EDUCATION

ROSELLE PARK, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2011

Members of the Board of Education

Term

Roseann Rinaldi, President	2012
Loren Harms, Vice-President	2013
Alexander J. Balaban	2012
Barney Leinberger	2012
Christopher Miller	2014
Scott Nelson	2013
Jeffrey Parrell	2013
Barbara Sokol	2014
Jason Tribiano	2014

Other Officials

Patrick M. Spagnoletti, Superintendent

Susan M. Guercio, Board Secretary/School Business Administrator

Gregory Meyer, Treasurer

Anthony Sciarrillo, Esq., Board Attorney

**ROSELLE PARK BOARD OF EDUCATION
CONSULTANTS AND ADVISORS**

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Roselle, New Jersey 07203

Architect

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Mountainside, New Jersey 07092

Health and Dental

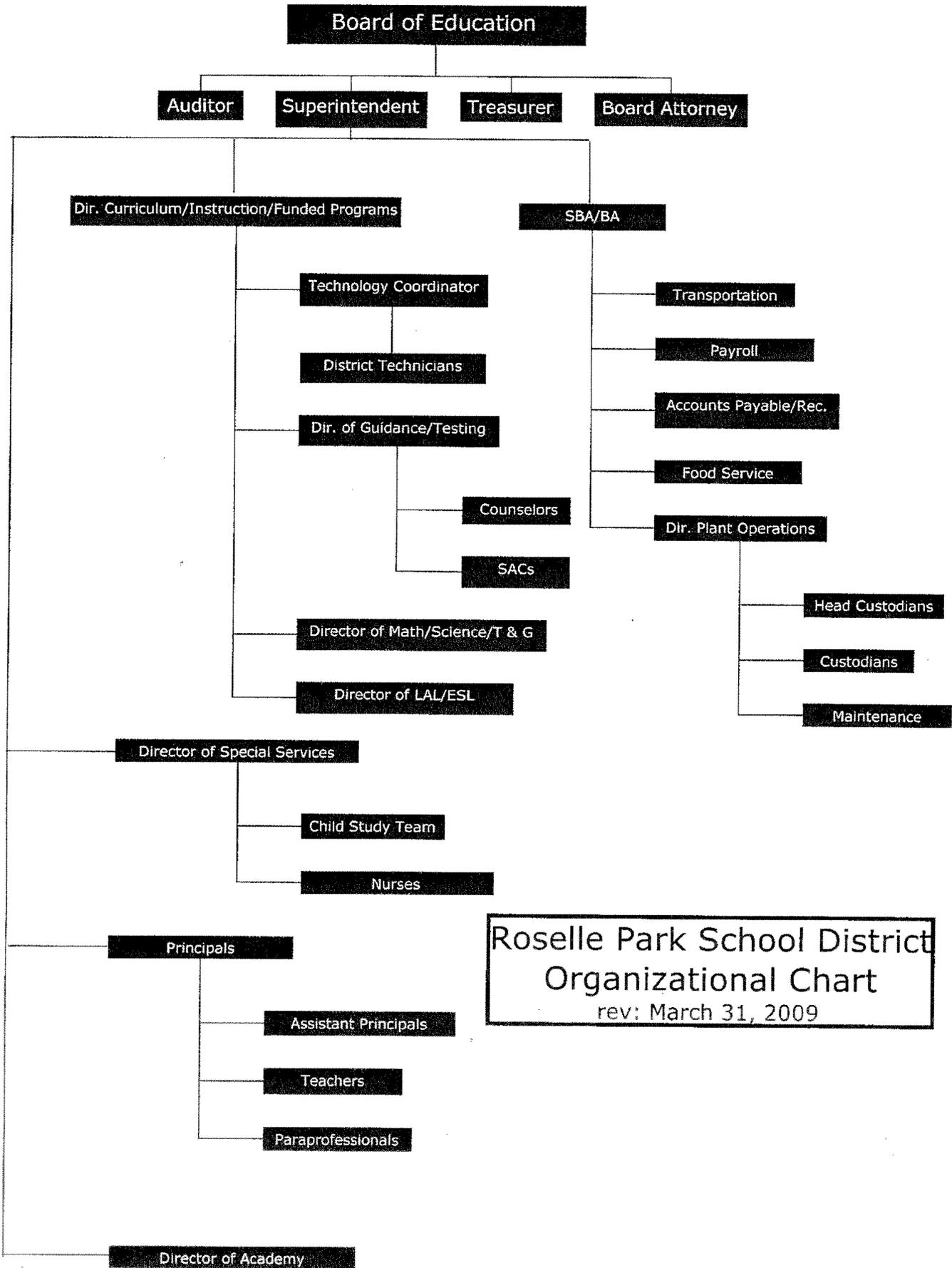
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430 Mountain Avenue
Murray Hill, New Jersey 07974

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Murray Hill, New Jersey 07974

Bond Counsel

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McManimon & Scotland, L.L.C.
One Riverfront Plaza
Fourth Floor
Newark, New Jersey 07102-5408



Roselle Park School District
Organizational Chart
rev: March 31, 2009

FINANCIAL SECTION

Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)

ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.

ROBERT A. HULSART, JR., C.P.A., P.S.A.

RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Board of Education of the Roselle Park School District, in the County of Union, State of New Jersey, as of and for the fiscal year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Roselle 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; 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 opinion.

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, each major fund, and the aggregate remaining fund information of the Roselle Park Board of Education, in the County of Union, State of New Jersey, as of June 30, 2011, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2011, on our consideration of the Roselle Park Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of this 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. This report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management Discussion and Analysis and Budgetary Comparison Information on pages 12 through 18 are not a required part of the basic financial statements but are supplementary information required by the 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 Roselle Park Board of Education's basic financial statements. The accompanying introductory section and other supplementary information such as the combining and individual non-major fund financial statements, long-term debt schedules, and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements 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 information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by 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.

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart
Licensed Public School Accountant
No. 322
Robert A. Hulsart and Company

November 1, 2011

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

ROSELLE PARK PUBLIC SCHOOL DISTRICT
BOROUGH OF ROSELLE PARK
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

The discussion and analysis of Roselle Park School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; it should be read in conjunction with the Comprehensive Annual Financial Report's (CAFR) Letter of Transmittal which is found in the Introductory Section, and the School Board's financial statements found in the Financial Section and the notes thereto.

Financial Highlights

Key Financial highlights for the 2010-2011 fiscal year are as follows:

- Total assets as of June 30, 2011 were \$44,560,260 which included \$257,817 for Proprietary funds.
- The total Governmental net assets included \$35,789,508 of capital assets and \$1,734,712 of restricted assets designated for state and federal projects, capital projects, and capital reserve.
- Total revenues for the year were \$32,564,709 which included \$31,580,039 in Governmental Funds, and \$984,670 for Proprietary Funds. Governmental Funds accounted for 97.7% of all revenues.
- There was state aid payments of \$918,131 that was not made in 2010-11 as a result of the New Jersey Legislature's Appropriations Act. This amount will be recognized in 2011-12.
- The General Fund revenues included \$9,565,899 of regular state aid payments; \$1,989,942 in state payments for Teacher's Pension and Annuity Fund (TPAF) and the reimbursed employer's share of Social Security for TPAF employees.
- Special Revenue Fund revenues were \$937,429 of which \$19,433 was for local projects, \$917,996 for federal projects. Special Revenue Funds made up 3% of the total of all Governmental Funds.
- Proprietary Fund revenues included \$640,947 for food service and \$348,641 for Summer Camp programs.
- Total District expenditures were \$32,029,941 of which \$31,040,353 were for Governmental Funds and \$989,588 for Proprietary Funds.

Using this Comprehensive Annual Financial Report (CAFR)

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

The *Statement of Net Assets and Statement of Activities* provide information about the activities of the whole school district, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Roselle Park School District, the General Fund is the most significant fund, with the Special Revenue Fund and certain Proprietary Funds also having significance.

The School Board's auditor has provided assurance in his Independent Auditor's Report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. A user of this report should read the Independent Auditor's Report carefully to ascertain the level of assurance being provided for each of the other parts of the Financial Section.

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions. The Statement of Net Assets and the Statement of Activities helps provide this information. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

- Governmental activities – All of the School District's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Business-Type Activities – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service Enterprise Fund, the Extended Day Care and Summer Camp Programs are reported as a business activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund and Debt Service Fund.

Governmental Funds

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

Proprietary Funds

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

The School District as a Whole

Table 1 provides a summary of the School District's net assets for the fiscal year 2010-2011.

Table 1
Net Assets

	<u>2010-2011</u>	<u>2009-2010</u>
<u>Assets</u>		
Current and Other Assets	\$ 1,658,096	1,521,370
Capital Assets, Net	<u>42,902,164</u>	<u>43,226,039</u>
Total Assets	\$ 44,560,260	44,747,409
<u>Liabilities</u>		
Long-Term Liabilities	\$ 7,680,676	8,521,246
Other Liabilities	<u>1,058,193</u>	<u>1,269,906</u>
Total Liabilities	\$ 8,738,869	9,791,152
<u>Net Assets</u>		
Invested in Capital Assets, Net of Debt	\$ 35,513,582	34,932,510
Restricted	1,734,712	1,384,139
Unrestricted	<u>(1,426,903)</u>	<u>(1,361,392)</u>
Total Net Assets	\$ 35,821,391	34,955,257

Table 2 shows the changes in net assets for fiscal year 2010-2011.

Table 2
Changes in Net Assets

	<u>2010-2011</u>	<u>2009-2010</u>
<u>Revenues</u>		
Program Revenues		
Charges for Services	\$ 1,169,216	727,014
Operating Grants and Contributions	1,220,942	2,989,031
General Revenues		
Property Taxes	18,202,846	17,693,554
Grants and Entitlements	11,734,108	10,808,534
Other	<u>137,597</u>	<u>376,527</u>
Total Revenues	<u>32,464,709</u>	<u>32,594,660</u>
<u>Program Expenses</u>		
Instruction	12,771,933	11,435,366
Tuition	1,184,976	821,919
Depreciation	289,817	266,580
Support Services		
Pupils/Instructional Services	3,032,352	3,454,142
Administrative-General, School, Business	2,367,981	3,233,032
Operations and Maintenance of Facilities	2,486,350	2,939,394
Pupil Transportation	313,355	366,144
ARRA		1,665,793
Employee Benefits	8,303,438	7,084,238
Debt Service	290,151	305,667
Food Service	640,947	677,463
Day Care/Summer Camp	<u>348,641</u>	<u>356,939</u>
Total	<u>32,029,941</u>	<u>32,606,677</u>
Increase (Decrease) in Net Assets	\$... 434,768	(12,017)

Governmental Activities

Local property taxes accounted for 56% of governmental fund revenues in 2010-11.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services.

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

Extra Curricular activities include school sponsored co-curricular activities such as publications, clubs, drama and music as well as interscholastic athletics.

Pupils/Instructional services include the activities involved with providing support services to pupils, both regular and special education, educational media services and assisting the staff with the content and process of teaching to students, including curriculum and staff development.

Governmental Activities (Continued)

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

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

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

Employee Benefits represent the cost of employer's share of pension and social security, health and dental insurance premiums, compensation for retiring employees' accumulated sick leave pursuant to collective bargaining agreements, and custodial uniforms.

Capital Outlay includes equipment items with a unit cost of \$2,000 or more, and facilities acquisition and construction services.

Debt Service involves the transactions associated with the payment of principal and interest on previously authorized debt incurred by the School District.

Business-Type Activities

Revenues for the District's business-type activities (food service program) were comprised of charges for services and federal and state reimbursements.

- Food service expenses exceeded revenues by \$12,770.
- Charges for services represent \$344,662 of revenue. This represents amount paid by patrons for daily food services.
- Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities was \$283,513.
- The Summer Camp program, which is a fee for service program, had total revenues of \$356,493.

The School Board's Funds

The School Board uses funds to control and manage money for particular purposes. The Fund's basic financial statements allows the School Board to demonstrate its stewardship over and accountability for resources received from the Borough of Roselle Park's taxpayer's and other entities, including the State of New Jersey and the Federal Government. These statements also allow the reader to obtain more insight into the financial workings of the School Board, and assess further the School Board's overall financial health.

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

Over the course of the year, the School Board revises its budget as it attempts to take into consideration unexpected changes in revenue and expenditures. A schedule showing the School Board's original and final budget compared with actual operating results is provided in the section of the CAFR, entitled Budgetary Comparison Schedules.

The School Board’s Funds (Continued)

On June 30, 2011 the district’s General Fund balance was \$2,249,705. This amount will be reduced by encumbrances of \$970,388, \$100 for Capital Reserve, and \$403,721 of excess surplus which is mandated for tax relief in 2012-2013, leaving an unrestricted balance of \$803,757. The unrestricted balance represents 2% of the current year’s budget. This relatively low surplus is primarily the result of utilizing surplus funds in previous years for tax relief, and the reduction of state aid.

Capital Assets

At June 30, 2011, the School Board had approximately \$42,902,164 million invested in a broad range of capital assets, including land, buildings, furniture, vehicles, computers, instructional equipment and other equipment. This amount is net of accumulated depreciation to date. Table 3 below shows the net book value of capital assets at the end of the 2011 fiscal year.

Table 3

	<u>Governmental Activities</u>	<u>Business Type Activities</u>
Capital Assets at June 30, 2011		
Land and Improvements	\$ 27,717,701	
Buildings	14,862,651	
Machinery, Equipment and Vehicles	<u>310,912</u>	<u>10,900</u>
Total	<u>\$ 42,891,264</u>	<u>10,900</u>

Debt Administration

At June 30, 2011, the School District had \$8,292,603 as outstanding debt. Of this amount \$896,984 is for compensated absences, and \$7,179,000 for bonds for school improvement, \$7,037 in loans payable, and \$209,582 in capital leases.

Economic Factors and Next Year’s Budget

At this time, the most important factor affecting the budget is the unsettled situation with State Aid, and recent legislation affecting future school budgets. The District can only assume that current funding levels from the state will be maintained, however, the legislation further restricts budget growth. The District expects to experience additional growth in student population. Additionally costs for personnel, special education and energy are expected to continue to increase. The tax levy will likely be the area that will need to absorb most of the increase in budget obligations.

In conclusion, the Roselle Park School District has committed itself to a thorough and efficient operation for delivering educational services to its school children. The School District is carefully managing its resources, and is planning to meet its future educational needs in as fiscally prudent a manner as possible.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact Susan Guercio, School Business Administrator/Board Secretary at Roselle Park Board of Education, 510 Chestnut Street, Roselle Park, NJ 07204.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS – A

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

Exhibit A-1

JUNE 30, 2011

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ -	186,511	186,511
Receivables, Net	533,848	54,255	588,103
Inventory		6,151	6,151
Restricted Assets:			
Cash and Cash Equivalents	877,231		877,231
Capital Reserve Account - Cash	100		100
Capital Assets - (Non-Depreciable)	27,615,850		27,615,850
Capital Assets, Net (Note 2)	15,275,414	10,900	15,286,314
Total Assets	<u>44,302,443</u>	<u>257,817</u>	<u>44,560,260</u>
<u>Liabilities</u>			
Accounts Payable And Accrued Interest	140,731	225,934	366,665
Prepaid District Taxes	5,722		5,722
Deferred Revenue	73,879		73,879
Noncurrent Liabilities: (Note 3)			
Due Within One Year	611,927		611,927
Due Beyond One Year	7,680,676		7,680,676
Total Liabilities	<u>8,512,935</u>	<u>225,934</u>	<u>8,738,869</u>
<u>Net Assets</u>			
Invested in Capital Assets, Net of Related Debt	35,502,682	10,900	35,513,582
Restricted For:			
Debt Service	4		4
Other	1,734,708		1,734,708
Unrestricted	<u>(1,447,886)</u>	<u>20,983</u>	<u>(1,426,903)</u>
Total Net Assets	<u>\$ 35,789,508</u>	<u>31,883</u>	<u>35,821,391</u>

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

ROSELLE PARK SCHOOL DISTRICT

Exhibit A-2
Sheet 1 of 2

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2011

	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<u>Functions/Programs</u>					
Governmental Activities:					
Instruction:					
Regular	\$9,152,917	468,059	(8,684,858)		(8,684,858)
Special Education	2,231,732	659,661	(1,572,071)		(1,572,071)
Other Special Instruction	776,620		(776,620)		(776,620)
Other Instruction	610,664		(610,664)		(610,664)
Support Services:					
Tuition	1,184,976		(1,184,976)		(1,184,976)
Student & Instruction Related Services	3,032,352	277,768	(2,754,584)		(2,754,584)
School Administrative Services	622,517		(622,517)		(622,517)
General and Business Administrative Services	1,745,464		(1,745,464)		(1,745,464)
Plant Operations and Maintenance	2,486,350		(2,486,350)		(2,486,350)
Pupil Transportation	313,355		(313,355)		(313,355)
Employee Benefits	8,303,438		(8,303,438)		(8,303,438)
Interest on Long-Term Debt	290,151		(290,151)		(290,151)
Depreciation	289,817		(289,817)		(289,817)
Total Government Activities	31,040,353	937,429	(29,634,865)	-	(29,634,865)
Business-Type Activities:					
Food Service	640,947	283,513		(12,770)	(12,770)
Child Care & Camps	348,641			7,852	7,852
Total Business-Type Activities	989,588	283,513	-	(4,918)	(4,918)
Total Primary Government	32,029,941	1,220,942	(29,634,865)	(4,918)	(29,639,783)

ROSELLE PARK SCHOOL DISTRICT

Exhibit A-2
Sheet 2 of 2

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2011

	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
General Revenues:					
Taxes					
Property Taxes, Levied for General Purpose, Net			17,505,170		17,505,170
Taxes Levied for Debt Service			697,676		697,676
Federal and State Aid Not Restricted			11,734,108		11,734,108
Miscellaneous Income			137,597		137,597
Transfers			100,000	(100,000)	
Total General Revenues, Special Items, Extraordinary Items and Transfers			30,174,551	(100,000)	30,074,551
Change in Net Assets			539,686	(104,918)	434,768
Adjustment for Beginning Fixed Assets and Debt			431,366		431,366
Net Assets - Beginning			34,818,456	136,801	34,955,257
Net Assets - Ending	\$ -		35,789,508	31,883	35,821,391

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

FUND FINANCIAL STATEMENTS – B

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2011

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>Assets</u>				
Cash and Cash Equivalents-Restricted	\$ 877,327		4	877,331
Receivables, Net	352,526	181,322		533,848
Interfund Receivable	107,443			107,443
Total Assets	<u>\$ 1,337,296</u>	<u>181,322</u>	<u>4</u>	<u>1,518,622</u>
<u>Liabilities and Fund Balance</u>				
Liabilities:				
Interfund Payable	\$ -	107,443		107,443
Prepaid Taxes	5,722			5,722
Deferred Revenue		73,879		73,879
Total Liabilities	<u>5,722</u>	<u>181,322</u>	<u>-</u>	<u>187,044</u>
Fund Balance:				
Restricted for:				
Excess Surplus	403,721			403,721
Committed To:				
Capital Reserve Account	100			100
Designated for Subsequent Year's Expenditures				
Excess Surplus	71,739			71,739
Assigned To:				
Other Purposes	970,388			970,388
Designated by the BOE for subsequent year's expenditures	288,760			288,760
Unassigned:				
Debt Service			4	4
General Fund	(403,134)			(403,134)
Total Fund Balances	<u>1,331,574</u>	<u>-</u>	<u>4</u>	<u>1,331,578</u>
Total Liabilities and Fund Balance	<u>\$ 1,337,296</u>	<u>181,322</u>	<u>4</u>	

Amounts reported for governmental activities in the Statement of Net Assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$53,502,456 and the accumulated depreciation is \$10,611,192 .

42,891,264

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 3)

(8,292,603)

Accrued Interest

(140,731)

Net assets of governmental activities

\$ 35,789,508

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

ROSELLE PARK SCHOOL DISTRICT

Exhibit B-2
Sheet 1 of 2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2011

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>Revenues</u>				
Local Sources:				
Local Tax Levy	\$17,505,170		697,676	18,202,846
Tuition Charges	468,059			468,059
Interest on Investments	4,544			4,544
Enterprise Fund	100,000			100,000
Miscellaneous	133,053	19,433		152,486
Total Local Sources	<u>18,210,826</u>	<u>19,433</u>	<u>697,676</u>	<u>18,927,935</u>
State Sources	11,701,747		679	11,702,426
Federal Sources	31,682	917,996		949,678
Total Revenues	<u>29,944,255</u>	<u>937,429</u>	<u>698,355</u>	<u>31,580,039</u>
<u>Expenditures</u>				
Current:		659,661		9,156,680
Regular Instruction	8,497,019			2,231,732
Special Education Instruction	2,231,732			776,620
Other Special Instruction	776,620			610,664
Other Instruction	610,664			
Support Services and Undistributed Costs:				
Tuition	1,184,976			1,184,976
Student and Instruction Related Services	2,754,584	277,768		3,032,352
School Administrative Services	622,517			622,517
Other Administrative Services	1,745,464			1,745,464
Plant Operations and Maintenance	2,486,350			2,486,350
Pupil Transportation	313,355			313,355
Unallocated Benefits	8,303,438			8,303,438
Debt Service:				
Principal			392,346	392,346
Interest and Other Charges			306,009	306,009
Capital Outlay	46,765			46,765
Total Expenditures	<u>29,573,484</u>	<u>937,429</u>	<u>698,355</u>	<u>31,209,268</u>

ROSELLE PARK SCHOOL DISTRICT

Exhibit B-2
Sheet 2 of 2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2011

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Excess (Deficiency) of Revenues Over Expenditures	370,771	-	-	370,771
Net Change in Fund Balances	370,771	-	-	370,771
Fund Balance - July 1	960,803		4	960,807
Fund Balance - June 30	<u>\$ 1,331,574</u>	<u>-</u>	<u>4</u>	<u>1,331,578</u>

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

ROSELLE PARK SCHOOL DISTRICT

Exhibit B-3

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURESAND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDSTO THE STATEMENT OF ACTIVITIESJUNE 30, 2011

Total Net Change in Fund Balances - Governmental Funds (From B-2)		\$ 370,771
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	(289,817)	
Capital Outlays	<u>46,765</u>	(243,052)
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.		392,346
Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.		
Accrued Interest		15,858
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation; when the paid amount exceeds the earned amount the difference is an addition to the reconciliation.		<u>3,763</u>
Change in Net Assets of Governmental Activities		<u>\$ 539,686</u>

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

ROSELLE PARK SCHOOL DISTRICT

COMBINING STATEMENT OF NET ASSETS

Exhibit B-4

PROPRIETARY FUNDS

JUNE 30, 2011

	Business-Type Activities - Enterprise Funds								
	Food Service	Cable 34	Adult School	Staff Computers	Coke Fund	Extended Day Care	Preschool	Summer Camp	Totals
Assets									
Current Assets:									
Cash and Cash Equivalents	\$ 48,990	2,469	(8,325)	1,500	8,581	26,235	1,950	105,111	186,511
Accounts Receivable:									
State	1,544								1,544
Federal	52,711								52,711
Inventory	6,151								6,151
Total Current Assets	109,396	2,469	(8,325)	1,500	8,581	26,235	1,950	105,111	246,917
Noncurrent Assets									
Equipment	303,698								303,698
Accumulated Depreciation	(292,798)								(292,798)
Total Fixed Assets	10,900	-	-	-	-	-	-	-	10,900
Total Assets	\$ 120,296	2,469	(8,325)	1,500	8,581	26,235	1,950	105,111	257,817
Liabilities									
Current Liabilities:									
Accounts Payable	\$ 224,531	-						1,403	225,934
Total Current Liabilities	\$ 224,531	-	-	-	-	-	-	1,403	225,934
Net Assets									
Investment in Capital Assets Unrestricted	\$ 10,900	2,469	(8,325)	1,500	8,581	26,235	1,950	103,708	20,983
Total Net Assets	\$ (104,235)	2,469	(8,325)	1,500	8,581	26,235	1,950	103,708	31,883

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

ROSELLE PARK SCHOOL DISTRICT

Exhibit B-5

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

PROPRIETARY FUNDS

JUNE 30, 2011

	Business-Type Activities - Enterprise Funds							Totals
	Food Service	Cable 34	Adult School	Staff Computers	Coke Fund	Extended Day Care	Preschool	
Operating Revenues:								
Daily Sales	\$ 344,664							344,664
Fees Charged								356,493
Total Operating Revenues	344,664							701,157
Operating Expenses:								
Salaries	19,210							294,240
Other Employee Benefits	1,470							20,666
Contracted Services	610,922							612,042
Supplies and Materials								7,736
Utilities								35,313
Depreciation	6,625							6,625
Miscellaneous	2,720							12,966
Operating Expenses	640,947							989,588
Operating Gain/(Loss)	(296,283)							(288,431)
Non-Operating Revenues:								
State Sources:								
State School Lunch Program	6,799							6,799
Federal Sources								
National School Lunch Program	229,232							229,232
Breakfast Program	17,970							17,970
Food Distribution Program	29,512							29,512
Total Non-Operating Revenues	283,513							283,513
Change in Net Assets	(12,770)							(4,918)
Other Financing Uses:								
Transfer to General Fund								(100,000)
Total Other Financing Source/(Uses)								(100,000)
Change in Net Assets after Other Financing Source/(Uses)	(12,770)							(104,918)
Total Net Assets - Beginning	(91,465)	2,469	(8,325)	1,500	8,581	26,235	1,950	136,801
Total Net Assets - Ending	\$ (104,235)	2,469	(8,325)	1,500	8,581	26,235	1,950	31,883

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

ROSELLE PARK SCHOOL DISTRICT

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

JUNE 30, 2011

Exhibit B-6

	Business-Type Activities - Enterprise Funds							Totals
	Food Service	Cable 34	Adult School	Staff Computers	Coke Fund	Extended Day Care	Preschool	
Cash Flows from Operating Activities:								
Receipts from Customers	\$ 344,664							356,493
Payments to Employees	(19,210)							(275,030)
Payments to Suppliers	(548,073)							(79,909)
Net Provided (Used) by Operating Activities	(222,619)	-	-	-	-	-	1,554	(221,065)
Cash Flows from Noncapital Financing Activities								
Federal & State Sources	254,001							254,001
Operating Transfers	254,001							(100,000)
Net Cash Provided by Noncapital Financing Activities	508,002							154,001
Net Increase (Decrease) in Cash and Cash Equivalents	31,382	-	-	-	-	-	1,554	(67,064)
Balances - Beginning of Year	17,608	2,469	(8,325)	1,500	8,581	26,235	1,950	253,575
Balances - End of Year	\$ 48,990	2,469	(8,325)	1,500	8,581	26,235	1,950	186,511
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:								
Operating Income (Loss)	\$ (296,283)							(288,431)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities								
Federal Commodities Consumed	29,512							29,512
Depreciation	6,625							6,625
Decrease/(Increase) in Inventory	2,831							2,831
(Decrease)/Increase in Accounts Payable	67,896							61,598
Decrease/(Increase) in Accounts Receivable	(33,200)							(33,200)
Net Provided (Used) by Operating Activities	\$ (222,619)	-	-	-	-	-	1,554	(221,065)

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

ROSELLE PARK SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET ASSETS

Exhibit B-7

FIDUCIARY FUNDS

JUNE 30, 2011

	<u>Unemployment Compensation Trust</u>	<u>Scholarship Fund</u>	<u>Agency Fund</u>
Assets:			
Cash and Cash Equivalents	\$ 83,213	1,977	14,655
Total Assets	\$ 83,213	1,977	14,655
Liabilities:			
Payroll Deductions and Withholdings	\$ -		14,655
Total Liabilities			14,655
Net Assets:		1,977	
Reserved - Scholarship	83,213		
Reserved - Unemployment Benefits			
Total Net Assets	\$ 83,213	1,977	

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

ROSELLE PARK SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

Exhibit B-8

FIDUCIARY FUNDS

JUNE 30, 2011

	<u>Unemployment Compensation Trust</u>	<u>Scholarship Fund</u>
<u>Additions</u>		
Contributions	\$ 31,292	900
Total Contributions	<u>31,292</u>	<u>900</u>
Investment Earnings:		
Interest	192	1
Net Investments Earnings	<u>192</u>	<u>1</u>
Total Additions	<u>31,484</u>	<u>901</u>
<u>Deductions</u>		
Unemployment Claims	28,424	950
Scholarship Payments	<u>28,424</u>	<u>950</u>
Total Deductions		
Change in Net Assets	3,060	(49)
Net Assets - Beginning of Year	<u>80,153</u>	<u>2,026</u>
Net Assets - End of Year	<u>\$ 83,213</u>	<u>1,977</u>

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

NOTES TO FINANCIAL STATEMENTS

BOARD OF EDUCATION
ROSELLE PARK SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2011

NOTE 1: Summary of Significant Accounting Policies

The financial statements of the Board of Education (Board) of the Roselle 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 Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of appointed 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 primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Government 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 government-wide and fund financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include three elementary schools, a middle school and a high school located in Roselle Park, County of Union, New Jersey. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. GASB Statement 14 established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. Furthermore the District is not includable in any other reporting entity on the basis of such criteria.

B. Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the District as a whole excluding fiduciary activities such as student activities. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by state and federal aid, tuition and county tax levies, from business-type activities generally financed in whole or in part with fees charged to external customers.

NOTE 1: Summary of Significant Accounting Policies (Continued)

B. Government-Wide Financial Statements (Continued)

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include (1) charges for services which report fees and other charges to users of the District's services and (2) operating grants and contributions. These revenues are subject to externally imposed restrictions to these program uses. Tax levies and other revenue sources not properly included with program revenues are reported as general revenues.

Fund financial statements are provided for governmental, proprietary and fiduciary funds. Major individual governmental and enterprise funds are reported in separate columns with composite columns for non-major funds.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statements of the District are prepared in accordance with generally accepted accounting principles (GAAP). The District's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. The government-wide and proprietary fund financial statements apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Proprietary and fiduciary fund financial statements also report using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met. The Unemployment Trust Fund recognizes employer and employee contributions in the period in which contributions are due.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to apply current liabilities. The District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for long-term pension and compensated absences, which are reported as expenditures in the year due.

Major revenue sources susceptible to accrual includes Intergovernmental revenues, and the property tax levy. In general, other revenues are recognized when cash is received.

NOTE 1: Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for food sales and for services provided to other governmental entities. Principles operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

D. Fund Accounting:

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The 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 trust or major capital projects) that are legally restricted to expenditures for specified purposes in the special revenue funds.

Capital Projects: 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 Fund: To account for operations that are financed and operated in a manner similar to private business enterprises, in which the intent of the District is that the costs of providing goods or services to the District on a continuing basis be financed or recovered primarily through user charges.

NOTE 1: Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued):

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 outside parties, including other governments, or on behalf of other funds within the District.

Unemployment Compensation Trust Fund: The trust fund is used to account for assets held under the terms of a formal trust agreement. The District reimburses the costs of unemployment benefits paid by the New Jersey Department of Labor.

Private-Purpose Trust Fund: The trust fund encompasses other trust fund arrangements for which principal and income benefit individuals outside of the school district. The District issued scholarships to students.

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

E. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the County office 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. 6A:23-2.2(g). All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2011 were insignificant, except for adjustments due to the reductions in state aid.

The Public School Education Act of 1975, limits the annual increase of any district's net current expense budget. The Commissioner of Education certifies the allowable amount for each district but may grant a higher level of increase if he determines that the sums so provided would be insufficient to meet the identified goals and needs of the district or that an anticipated enrollment increase requires additional funds.

The Commissioner must also review every proposed local school district budget for the next school year. He examines every item of appropriations for current expenses and budgeted capital outlay to determine their adequacy in relation to the identified needs and goals of the district. If, in his view, they are insufficient, the Commissioner must order remedial action. If necessary, he is authorized to order changes in the local district budget.

Once a budget is approved, it can be amended by transfers or additional appropriation of fund balances by approval of a majority of the members of the Board. Amendments are presented to the Board at their regular meetings. Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end as dictated by law. All uncommitted budget appropriations lapse at year-end.

NOTE 1: Summary of Significant Accounting Policies (Continued)

E. Budgets/Budgetary Control (Continued):

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

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

A reconciliation of the special revenue funds from the budgetary basis of accounting as presented in the Budgetary Comparison Schedule (C-2) to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds (B-2) is presented in the Budget-to-GAAP Reconciliation (C-3).

The following represents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General, Special Revenues and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances – All Governmental Fund Types. Note that the district does not report encumbrances outstanding at year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payment.

F. Encumbrances:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than 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 and/or reductions of receivables of other governments 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.

NOTE 1: Summary of Significant Accounting Policies (Continued)

G. Short-Term Interfund Receivables/Payables:

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

H. Inventories and Prepaid Expenses

Inventories and prepaid expenses, which benefit future periods, are recorded as an expenditure during the year of purchase. The value of inventories remaining at the end of the fiscal year is not included on the balance sheet.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2011.

I. Capital Assets and Depreciation

The District's property, buildings and improvements, equipment, vehicles, furniture and fixtures with useful lives of five years or more are stated at historical or estimated historical cost and are reported in the government-wide financial statements. Proprietary Fund capital assets are reported in its respective fund.

The District contracted with an outside service company during the 2003 fiscal year to provide a report with a comprehensive detail of capital assets and depreciation. The report dated October 10, 2002, included capital assets purchased during the 2002 fiscal year and prior with a historical cost of \$500 or more and capital assets purchased during the 2002-03 fiscal year with a historical cost of \$2,000 or more. Accumulated depreciation prior to fiscal year 2003, fiscal year 2003 depreciation expense, total accumulated depreciation and book values were also provided. The District has provided updates subsequent to 2003. The costs of normal maintenance and repairs that do not add to the asset value or materially extend the useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts. Estimated useful lives, in years, for depreciable assets are as follows:

Buildings and Improvements	20 – 50
Equipment and Vehicles	5 – 20
Furniture and Fixtures	5 – 20

The District is currently in the process of obtaining and installing software that will maintain proper capital asset and depreciation records.

NOTE 1: Summary of Significant Accounting Policies (Continued)**I. Capital Assets and Depreciation (Continued)**

Capital asset activity for the year ended June 30, 2011 was as follows:

	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Adj.</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2011</u>
Governmental Activities:					
Capital Assets That are Not Being Depreciated:					
Land	\$ 27,615,850	_____	_____	_____	27,615,850
Total Capital Assets Not Being Depreciated	<u>27,615,850</u>	_____	_____	_____	<u>27,615,850</u>
Depreciable Assets:					
Site Improvements	957,203				957,203
Buildings & Sites	19,345,286				19,345,286
Equipment	<u>5,611,550</u>	_____	_____	<u>27,433</u>	<u>5,584,117</u>
Total	<u>25,914,039</u>	_____	_____	<u>27,433</u>	<u>25,886,606</u>
Less: Accumulated Depreciation:					
Sites	(839,604)	(15,748)			(855,352)
Buildings	(4,266,182)	(216,453)			(4,482,635)
Equipment	<u>(5,215,589)</u>	<u>(57,616)</u>	_____	_____	<u>(5,273,205)</u>
Total Accumulated Depreciation	<u>(10,321,375)</u>	<u>(289,817)</u>	_____	_____	<u>(10,611,192)</u>
Net Depreciable Assets	<u>15,592,664</u>	<u>(289,817)</u>	_____	<u>27,433</u>	<u>15,275,414</u>
Governmental Activities Capital Assets (Net)	\$ 43,208,514	(289,817)	_____	27,433	<u>42,891,264</u>
Business-Type Activities:					
Equipment	\$ 303,698				303,698
Less Accumulated Depreciation for:					
Equipment	<u>(286,173)</u>	<u>(6,625)</u>	_____	_____	<u>(292,798)</u>
Business-Type Activities Capital Assets, Net	\$ 17,525	(6,625)	_____	_____	<u>10,900</u>

Depreciation expense was charged to governmental functions as follows:

Unallocated	\$ 289,817
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NOTE 1: Summary of Significant Accounting Policies (Continued)**I. Capital Assets and Depreciation (Continued)**

Accumulated depreciation was allocated to governmental activities as follows:

	<u>Prior Years'</u> <u>Accumulated</u> <u>Depreciation</u>	<u>Current Year</u> <u>Depreciation</u> <u>Expense</u>	<u>Total</u> <u>Accumulated</u> <u>Depreciation</u>
Instruction	\$ 1,380,768		1,380,768
Support Services	2,778,113		2,778,113
Unallocated	<u>6,162,494</u>	<u>289,817</u>	<u>6,452,311</u>
	<u>\$ 10,321,375</u>	<u>289,817</u>	<u>10,611,192</u>

J. Compensated Absences

District employees are permitted, within certain limitations, to accrue vacation and sick leave in varying amounts under the Districts personnel policies and may be paid at a later date according to contractual agreements.

The liability for vested compensated absences of the governmental fund types is recorded in the government-wide financial statements as a non-current liability. Governmental funds report only matured compensated absences payable to currently terminating employees and are included in wages and benefits payable

K. Deferred Revenue

Deferred revenue in the general and special revenue funds represent cash which has been received but not yet earned. Deferred revenue in the general fund represents property tax levy monies received for fiscal year 2011. See Note 1(F) regarding the special revenue fund.

L. Fund Equity

The governmental fund financial statements report reserved fund balance for amounts not available for appropriation or legally restricted for specified purposes. The general fund reserve for restricted purposes includes net assets relating to capital reserve.

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 District 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.

NOTE 2: Cash and Cash Equivalents and Investments (Continued)

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 average daily balance of collected public funds on deposit.

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

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

Investments

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

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or 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, 2011, cash and cash equivalents and investments of the District consisted of the following:

	Cash and Cash <u>Equivalents</u>
Checking, Money Market Accounts And Certificate of Deposit	\$ 1,188,617

NOTE 2: Cash and Cash Equivalents and Investments (Continued)**Investments (Continued)**

The carrying amount of the District's cash and cash equivalents at June 30, 2011 was \$1,188,617 and the bank balance was \$1,389,206. Of the bank balance, \$243,337 was covered by federal depository insurance and \$1,145,869 was covered by a collateral pool maintained by the banks as required by New Jersey statutes.

Credit Risk Categories

All bank deposits and investments as of the balance sheet date are classified as to credit risk by the following two categories described below:

GUDPA	\$ 1,145,869
FDIC	243,337

As of June 30, 2011, the District did not hold any long-term investments.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The District does not have a formal policy for custodial credit risk.

The District had no uninsured deposits.

NOTE 3: General Long-Term Debt

During the fiscal year ended June 30, 2011, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2011</u>	<u>Long-Term</u> <u>Portion</u>	<u>2011-12</u> <u>Payment</u>
Compensated Absences Payable	\$ 900,747		3,763	896,984	896,984	
Loans Payable	9,383		2,346	7,037	4,692	2,345
Bonds Payable	7,569,000		390,000	7,179,000	6,779,000	400,000
Capital Leases	<u>715,146</u>	<u> </u>	<u>505,564</u>	<u>209,582</u>	<u> </u>	<u>209,582</u>
	\$ 9,194,276		901,673	8,292,603	7,680,676	611,927

Capital Leases

Capital leases for various equipment for \$525,000 dated Aug 13, 2008 for five years at 3.23% interest maturing in 2011/2012 with a balance of \$209,582 at June 30, 2011.

NOTE 3: General Long-Term Debt (Continued)**Schedule of Capital Leases**

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011-12	\$ 209,582	10,209	219,791

Loans Payable

Twenty year loan dated 3/11/94 for \$44,560 at 1.50% interest maturing 7/15/2013 with a balance of \$7,037 at June 30, 2011.

Schedule of Payments

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011-12	\$ 2,345	88	2,433
2012-13	2,346	53	2,399
2013-14	<u>2,346</u>	<u>18</u>	<u>2,364</u>
	\$ 7,037	159	7,196

Bonds Payable

Bonds sold 8/15/2004 for \$9,219,000 at interest from 3.50% to 4.50% maturing 2/15/2025 with a balance of \$7,179,000 at June 30, 2011.

Schedule of Payments

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 400,000	292,236	692,236
2013	420,000	278,236	698,236
2014	440,000	263,536	703,536
2015	460,000	229,736	689,736
2016	480,000	229,736	709,736
2017-2021	2,690,000	840,906	3,530,906
2022-2025	<u>2,289,000</u>	<u>253,577</u>	<u>2,542,577</u>
	\$ 7,179,000	2,387,963	9,566,963

NOTE 4: Pension Plans

Description of Plans – All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teacher's Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

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

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

Vesting and Benefit Provisions – The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the 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 of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provide for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provision of the System.

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 contribution. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

NOTE 4: Pension Plans (Continued)

Significant Legislation - During the year ended June 30, 1997, legislation was enacted Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997), changed the asset valuation method from market related value to full-market value. This legislation also contains a provision to reduce the employee contribution rate by $\frac{1}{2}$ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Districts' normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits, accordingly, the pension costs for TPAF and PERS were reduced.

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

Legislation enacted during 1993 provides early retirement incentives for certain members of TPAF and PERS who met certain age and service requirements and who applied for retirement between certain dates in the 1994 fiscal year. The early retirement incentives included: (a) an additional five years of service credit for employees at least age 50 with a minimum of 25 years of service; (b) free health benefits for employees at least 60 years old with at least 20 years of service; and (c) an additional \$500 per month for two years for employees at least age 60 with 10 years but less than 20 years of service. The Board will assume the increased cost for the early retirement as it affects their districts.

The District's contributions to PERS for the year ended June 30, 2011 was \$355,222, \$275,010 for 2010 and \$219,372 for 2009, respectively, equal to the required contributions for each year.

During the year ended June 30, 2011, the State of New Jersey contributed \$985,895 to the TPAF pension benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$1,004,047 during the year ended June 30, 2011 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditure in accordance with GASB 24.

NOTE 4: Pension Plans (Continued)

<u>Three-Year Trend Information for TPAF</u>			
<u>Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/11	\$ 1,004,047	100%	0
6/30/10	936,730	100%	0
6/30/09	850,364	100%	0

<u>Three-Year Trend Information for PERS</u>			
<u>Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/11	\$ 355,222	100%	\$ 0
6/30/10	275,010	100%	0
6/30/09	219,372	100%	0

NOTE 5: Post-Retirement Benefits

P.L. 1987, c. 384 and P.L. 1990, c.6 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, c. 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, 2010, there were 87,288 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 prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides 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 \$126.3 million toward Chapter 126 benefits for 14,050 eligible retired members in Fiscal Year 2010.

NOTE 6: Interfund Receivables and Payables

	<u>From</u>	<u>To</u>
Special Revenue Fund	\$ 107,443	
General Fund		107,443
	\$ 107,443	107,443

NOTE 7: 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 right 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.

The liability for vested compensated absences of the governmental fund types is recorded in the general long-term debt account group (or current and long-term liabilities). 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, 2011, no liability existed for compensated absences in the Food Service Fund.

NOTE 8: Economic Dependency

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

NOTE 9: Capital Reserve Account

A capital reserve account was established by the Borough of Roselle Park Board of Education by inclusion of \$100 in 1999, 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. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d) 7, the balances in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

NOTE 9: Capital Reserve Account (Continued)

The activity of the capital reserve for the July 1, 2010 to June 30, 2011 fiscal year is as follows:

Beginning Balance, July 1, 2010	<u>\$ 100</u>
Ending Balance, June 30, 2011	<u>\$ 100</u>

NOTE 10: Risk Management

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

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 the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District’s expendable trust fund for the current year and previous year:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Reimbursed</u>	<u>Balance</u>
2010-2011	192	31,292	28,424	83,213
2009-2010	281	34,213	69,741	80,153
2008-2009	0	31,052	30,080	115,400

NOTE 11: Contingent Liabilities

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

NOTE 12: Equity Balance

At June 30, 2011, the General Fund equity balance was as follows:

Restricted Fund Balance:	
Capital Reserve	\$ 100
Excess Surplus	403,721
Designated for Subsequent Years Expenditures – Excess Surplus	71,739
Committed Fund Balance:	
Year-End Encumbrances	970,388
Unassigned Fund Balance	<u>803,757</u>
	<u>\$ 2,249,705</u>

2% Calculation of Excess Surplus

2010-11 Total General Fund Expenditures Per the CAFR	\$ 29,573,484
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>(1,989,942)</u>
Adjusted 2010-11 General Fund Expenditures	<u>\$ 27,583,542</u>
2% of Adjusted 2010-11 General Fund Expenditures	\$ 551,671
Increased by Allowable Adjustments	<u>252,086</u>
Maximum Unassigned Fund Balance	<u>\$ 803,757</u>

Section 2

Total General Fund – Fund Balance @ 6-30-11	\$ 2,249,705
Decreased by:	
Year-End Encumbrances	(970,388)
Legally Restricted - Designated for Subsequent Years Expenditures – Excess Surplus	(71,739)
Capital Reserve	<u>(100)</u>
Total Unassigned Fund Balance	<u>\$ 1,207,478</u>

Section 3

Reserved Fund Balance – Excess Surplus	\$ 403,721
Designated for Subsequent Year's Expenditures – Excess Surplus	<u>71,739</u>
	<u>\$ 475,460</u>

Detail of Allowable Adjustments

Extraordinary Aid	<u>\$ 252,086</u>
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Detail of Other Reserved Fund Balance

Capital Reserve	\$ 100
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NOTE 12: Equity Balance (Continued)

Reserved excess surplus represents a calculation under N.J.S.A. 18A:7F-7 which identifies an amount of surplus under the statute which must be restricted for use in the next succeeding budget. Designated for subsequent year's represents the amount appropriated in the 2011-2012 budget.

Unrestricted is surplus not previously committed or reserved for any other purpose.

NOTE 13: Significant Accounting Pronouncements

In June 2009, the FASB issued FASB ASC 105, Generally Accepted Accounting Principles, which establishes the FASB Accounting Standards Codification as the sole source of authoritative generally accepted accounting principles. Pursuant to the provisions of FASB ASC 105, the District has updated references to GAAP in its financial statements issued for the period ended June 30, 2010. The adoption of FASB ASC 105 did not impact the District's financial position or results of operations.

In May 2009, the FASB updated ASC 855, Subsequent Events, which is effective for reporting periods ending after June 15, 2009. ASC 855 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date, but before the financial statements are issued, or are available to be issued. The District adopted the amended sections of ASC 855 and it did not have an impact on the District's financial statements. The District evaluated all events or transactions that occurred after June 30, 2011 through November 1, 2011.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES – C

ROSELLE PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Exhibit C-1
Sheet 1 of 13

JUNE 30, 2011

	Original Budget	Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Local Sources:					
Tuition	\$ 342,958		342,958	468,059	125,101
Local Tax Levy	17,505,170		17,505,170	17,505,170	-
Interest on Investments			-	4,544	4,544
Enterprise Fund	117,644		117,644	100,000	(17,644)
Miscellaneous	42,570		42,570	133,053	90,483
Total Local Sources	18,008,342	-	18,008,342	18,210,826	202,484
State Sources:					
Equalization Aid	9,148,164		9,148,164	8,189,101	(959,063)
Special Education Aid	115,649		115,649	1,074,712	959,063
Extraordinary Aid	50,000		50,000	302,086	252,086
On-Behalf TPAF Pension Contribution (Non-Budgeted)			-	985,895	985,895
Reimbursed TPAF Social Security Contribution (Non-Budgeted)			-	1,004,047	1,004,047
Total State Sources	9,313,813	-	9,313,813	11,555,841	2,242,028
Federal Sources:					
Medicaid Reimbursement	24,341		24,341	31,682	7,341
Total Federal Sources	24,341	-	24,341	31,682	7,341
Total Revenues	27,346,496	-	27,346,496	29,798,349	2,451,853

ROSELLE PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Exhibit C-1
 Sheet 2 of 13

JUNE 30, 2011

	Original Budget	Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures:					
Current Expense:					
Instruction - Regular Programs:					
Salaries of Teachers:					
Kindergarten	238,534	(59,117)	179,417	175,182	4,235
Grades 1-5	2,938,545	101,156	3,039,701	3,039,701	-
Grades 6-8	1,645,202	135,492	1,780,694	1,780,694	-
Grades 9-12	2,980,812	(161,271)	2,819,541	2,819,541	-
Home Instruction:					
Salaries of Teachers	15,000	(9,940)	5,060	5,060	-
Purchased Professional Educational Services	5,000	3,295	8,295	5,783	2,512
Undistributed:					
Purchased Professional/Educational Services	2,500		2,500		2,500
Purchased Technical Services	10,700	802	11,502	3,081	8,421
Other Purchased Services	269,777	455,860	725,637	504,093	221,544
General Supplies	80,700	209,000	289,700	163,884	125,816
Textbooks	69,956	100,470	170,426		170,426
Other Objects	1,000		1,000		1,000
Total Regular Programs	<u>8,257,726</u>	<u>775,747</u>	<u>9,033,473</u>	<u>8,497,019</u>	<u>536,454</u>
Learning and/or Language Disabilities:					
Specific Learning Disabled:					
Salaries of Teachers	217,575	(80,827)	136,748	136,748	-
Other Salaries for Instruction	101,080	8,312	109,392	108,191	1,201
General Supplies	4,100	3,149	7,249	2,948	4,301
Textbooks	2,000		2,000		2,000
Other Objects	500		500	351	149
Total Specific Learning Disabled	<u>325,255</u>	<u>(69,366)</u>	<u>255,889</u>	<u>248,238</u>	<u>7,651</u>

ROSELLE PARK SCHOOL DISTRICT

Exhibit C-1
Sheet 3 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

JUNE 30, 2011

	<u>Original Budget</u>	<u>Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Behavioral Disabilities:					
Salaries of Teachers	168,807	43,616	212,423	209,984	2,439
Other Salaries for Instruction	31,431	(1,055)	30,376	27,610	2,766
Purchased Professional Educational Services	73,216	(67,609)	5,607	5,607	-
General Supplies	3,000	3,474	6,474	3,279	3,195
Other Objects	500		500	102	398
Total Behavioral Disabilities	<u>276,954</u>	<u>(21,574)</u>	<u>255,380</u>	<u>246,582</u>	<u>8,798</u>
Multiple Disabilities					
Salaries of Teachers	140,120	7,189	147,309	146,104	1,205
Other Salaries for Instruction	92,230	(23,991)	68,239	68,238	1
Other Purchased Services	1,500	(1,500)	-		-
General Supplies	150	7,508	7,658	33	7,625
Other Objects	750	46	796	706	90
Total Multiple Disabilities	<u>234,750</u>	<u>(10,748)</u>	<u>224,002</u>	<u>215,081</u>	<u>8,921</u>
Resource Room:					
Salaries of Teachers	1,195,174	65,754	1,260,928	1,260,927	1
General Supplies	10,000	1,047	11,047	6,079	4,968
Textbooks	1,000		1,000		1,000
Total Resource Room	<u>1,206,174</u>	<u>66,801</u>	<u>1,272,975</u>	<u>1,267,006</u>	<u>5,969</u>
Autism					
Salaries of Teachers	56,326	311	56,637	56,600	37
Other Salaries for Instruction	30,666	(5,834)	24,832	23,617	1,215
General Supplies	1,700	2,212	3,912	49	3,863
Textbooks	800		800		800
Other Objects	500		500		500
Total Autism	<u>89,992</u>	<u>(3,311)</u>	<u>86,681</u>	<u>80,266</u>	<u>6,415</u>

ROSELLE PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Exhibit C-1
 Sheet 4 of 13

JUNE 30, 2011

	Original Budget	Transfers	Final Budget	Actual	Variance Final to Actual
Preschool Disabilities Part-Time:					
Salaries of Teachers	63,286	(12,692)	50,594	47,997	2,597
Other Salaries for Instruction	17,335	17,931	35,266	34,960	306
General Supplies	850	848	1,698	1,133	565
Other Objects	400		400	348	52
Total Preschool Disabilities Part-Time	81,871	6,087	87,958	84,438	3,520
Preschool Disabilities Full-Time:					
Salaries of Teachers	62,160		62,160	61,230	930
Other Salaries for Instruction	28,172	638	28,810	28,810	-
Other Objects	400		400	81	319
Total Preschool Handicapped	90,732	638	91,370	90,121	1,249
Total Special Programs	2,305,728	(31,473)	2,274,255	2,231,732	42,523
Basic Skills/Remedial:					
Salaries of Teachers	354,830	(59,343)	295,487	292,145	3,342
General Supplies		15,130	15,130	15,068	62
Total Basic Skills/Remedial	354,830	(44,213)	310,617	307,213	3,404
Bilingual Education:					
Salaries of Teachers	450,253	18,827	469,080	467,345	1,735
General Supplies		6,739	6,739	2,062	4,677
Total Bilingual Education	450,253	25,566	475,819	469,407	6,412

ROSELLE PARK SCHOOL DISTRICT

Exhibit C-1
Sheet 5 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

JUNE 30, 2011

	Original Budget	Transfers	Final Budget	Actual	Variance Final to Actual
School Sponsored Co-Curricular & Extra-Curricular Activities:					
Salaries	122,644	10,803	133,447	133,446	1
Supplies and Materials		29,543	29,543	431	29,112
Other Objects		1,769	1,769	1,769	-
Total Co-Curricular & Extra-Curricular Activities	122,644	42,115	164,759	135,646	29,113
School Sponsored Athletics:					
Salaries	251,878	(4,470)	247,408	241,199	6,209
Other Purchased Services	33,495	610	34,105	23,246	10,859
Supplies and Materials	26,680	10,805	37,485	32,263	5,222
Other Objects	14,600		14,600	7,770	6,830
Transfers to Cover Deficit	38,900		38,900	38,900	-
Total School Sponsored Athletics	365,553	6,945	372,498	343,378	29,120
Community Services:					
Salaries	157,818	(19,222)	138,596	129,550	9,046
Supplies		5,487	5,487	2,090	3,397
Total Community Services	157,818	(13,735)	144,083	131,640	12,443
Total Instruction	12,014,552	760,952	12,775,504	12,116,035	659,469

ROSELLE PARK SCHOOL DISTRICT

Exhibit C-1
Sheet 6 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

JUNE 30, 2011

	Original Budget	Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures:					
Instruction:					
Transfer To Charter School		8,736	8,736	8,736	-
Tuition to Other LEA in State-Regular	13,200	(5,904)	7,296		7,296
Tuition to Other LEA in State-Special	99,836	191,646	291,482	291,433	49
Tuition to County Vocational School	513,500	8,700	522,200	473,600	48,600
Tuition to County Vocational School - Special	40,000	(3,150)	36,850	34,850	2,000
Tuition To CSSD & Regular Day Schools	242,041	(242,041)	-		-
Tuition to Private Schools - Handicapped Within State	220,892	126,483	347,375	347,375	-
Tuition-State Facilities	28,982		28,982	28,982	-
Total Undistributed Expenditures - Instruction	1,158,451	84,470	1,242,921	1,184,976	57,945
Attendance and Social Work Services:					
Salaries	17,890		17,890	17,742	148
Other Purchased Services		660	660	660	-
Total Attendance and Social Work Services	17,890	660	18,550	18,402	148
Health Services:					
Salaries	316,063	3,285	319,348	317,779	1,569
Purchased Professional Services	15,000	(1,694)	13,306	13,306	-
Other Purchased Services	2,000	(730)	1,270	168	1,102
Supplies and Materials	1,300	4,744	6,044	5,038	1,006
Total Health Services	334,363	5,605	339,968	336,291	3,677
Other Support Services - Students - Related Services:					
Salaries of Teachers	228,472	(1,769)	226,703	225,563	1,140
Purchased Professional Services	3,000	9,914	12,914	8,733	4,181
Supplies and Materials	2,000	2,490	4,490	2,115	2,375
Total Other Support Services - Students - Related Services	233,472	10,635	244,107	236,411	7,696

ROSELLE PARK SCHOOL DISTRICT

Exhibit C-1
Sheet 7 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

JUNE 30, 2011

	Original Budget	Transfers	Final Budget	Actual	Variance Final to Actual
Other Support Services - Students - Extraordinary Services:					
Other Salaries for Instruction	192,059	(36,116)	155,943	155,943	-
Purchased Professional Services	111,780	4,516	116,296	95,476	20,820
Total Other Support Services - Students - Extraordinary Services	303,839	(31,600)	272,239	251,419	20,820
Guidance Services:					
Salaries of Other Professional Staff	670,703	10,617	681,320	681,299	21
Salaries of Secretarial Assistants	83,163	351	83,514	83,513	1
Supplies and Materials	5,000		5,000	1,214	3,786
Total Guidance Services	758,866	10,968	769,834	766,026	3,808
Child Study Team Services:					
Salaries of Other Professional Staff	465,991	32,783	498,774	498,773	1
Salaries of Secretarial/Clerical Assistants	99,691	(46,252)	53,439	50,353	3,086
Other Purchased Professional Services	3,000	4,400	7,400	7,050	350
Miscellaneous Purchased Services	1,500	78	1,578	382	1,196
Supplies and Materials	4,000	2,960	6,960	6,227	733
Other Objects	1,450	(126)	1,324	157	1,167
Total Child Study Team Services	575,632	(6,157)	569,475	562,942	6,533

ROSELLE PARK SCHOOL DISTRICT

Exhibit C-1
Sheet 8 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

JUNE 30, 2011

	Original Budget	Transfers	Final Budget	Actual	Variance Final to Actual
Improvement of Instruction:					
Salaries of Supervisors of Instruction	79,050	(9,303)	69,747	69,748	(1)
Salaries of Secretarial Assistants	50,219		50,219	49,914	305
Supplies and Materials	41,500	12,988	54,488	37,023	17,465
Other Objects		611	611	611	-
Total Improvement of Instruction	<u>170,769</u>	<u>4,296</u>	<u>175,065</u>	<u>157,296</u>	<u>17,769</u>
Library/Media Services:					
Salaries	245,942	79,775	325,717	325,717	-
Other Purchased Services	31,200	12,865	44,065	42,809	1,256
Supplies and Materials		305	305	298	7
Total Educational Media Services	<u>277,142</u>	<u>92,945</u>	<u>370,087</u>	<u>368,824</u>	<u>1,263</u>
Staff Development:					
Salaries - Supervisors of Instruction	71,850	(19,225)	52,625	50,892	1,733
Other Purchased Services	500	3,348	3,848	2,360	1,488
Supplies		3,721	3,721	3,721	-
Total Staff Development	<u>72,350</u>	<u>(12,156)</u>	<u>60,194</u>	<u>56,973</u>	<u>3,221</u>

ROSELLE PARK SCHOOL DISTRICT

Exhibit C-1
Sheet 9 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

JUNE 30, 2011

	Original Budget	Transfers	Final Budget	Actual	Variance Final to Actual
General Administration:					
Salaries	247,882	1	247,883	247,882	1
Legal Services	65,000	19,600	84,600	72,512	12,088
Audit Fees	20,000	(1,500)	18,500	18,500	-
Other Purchased Professional Services	10,000		10,000	9,200	800
Communications/Telephone	93,200	(15,267)	77,933	77,895	38
Board Travel/Conference Expenses	1,000		1,000	155	845
Other Purchased Services	135,000	28,552	163,552	163,502	50
General Supplies	8,000		8,000	6,523	1,477
Miscellaneous Expenditures	16,000	708	16,708	12,980	3,728
BOE Membership Dues and Fees	10,000	3,368	13,368	13,368	-
Total General Administration	606,082	35,462	641,544	622,517	19,027
School Administration:					
Salaries of Principals/Assistants	923,575	(66,169)	857,406	856,443	963
Salaries of Other Professional Staff		13,954	13,954	13,954	-
Salaries of Secretarial and Clerical Assistants	288,515	86,181	374,696	374,696	-
Other Purchased Services	42,000	17,386	59,386	53,692	5,694
Supplies and Materials	8,500	5,914	14,414	11,825	2,589
Other Objects		15,690	15,690	8,175	7,515
Total School Administration	1,262,590	72,956	1,335,546	1,318,785	16,761

ROSELLE PARK SCHOOL DISTRICT

Exhibit C-1
Sheet 10 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

JUNE 30, 2011

	Original Budget	Transfers	Final Budget	Actual	Variance Final to Actual
Business/Central Services:					
Salaries	342,561	(47,292)	295,269	295,171	98
Miscellaneous Purchased Services	15,000	1,930	16,930	10,916	6,014
Supplies and Materials	5,000	11,470	16,470	6,188	10,282
Miscellaneous Expenditures	1,700		1,700	1,590	110
Total Business/Central Services	<u>364,261</u>	<u>(33,892)</u>	<u>330,369</u>	<u>313,865</u>	<u>16,504</u>
Technology Services:					
Salaries	56,420	(2,600)	53,820	53,820	-
Purchased Technical Services	10,700		10,700	3,707	6,993
Other Purchased Services	4,500	6,745	11,245	6,500	4,745
Supplies and Materials	25,000	41,612	66,612	45,367	21,245
Other Objects	6,000		6,000	3,420	2,580
Total Technology Services	<u>102,620</u>	<u>45,757</u>	<u>148,377</u>	<u>112,814</u>	<u>35,563</u>
Required Maintenance of School Facilities:					
Salaries	170,351	15,757	186,108	186,107	1
Cleaning, Repair & Maintenance Services	240,000	11,605	251,605	227,648	23,957
General Supplies	75,000	49,164	124,164	84,982	39,182
Total Required Maintenance of School Facilities	<u>485,351</u>	<u>76,526</u>	<u>561,877</u>	<u>498,737</u>	<u>63,140</u>

ROSELLE PARK SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

JUNE 30, 2011

	Original Budget	Transfers	Final Budget	Actual	Variance Final to Actual
Operation of Plant:					
Salaries	963,036	(791)	962,245	959,905	2,340
Purchased Professional Services	2,000		2,000		2,000
Cleaning, Repair, Maintenance Services	127,000	(20,790)	106,210	105,372	838
Rental of Land and Buildings	130,000	14,800	144,800	144,800	-
Other Purchased Property Services	49,641	11,201	60,842	44,842	16,000
Insurance	50,000		50,000	50,000	-
Other Purchased Services	60,246		60,246	60,246	-
General Supplies	75,000	52,309	127,309	71,752	55,557
Energy (Heat & Electricity)	665,500	(80,791)	584,709	548,689	36,020
Other Objects		2,007	2,007	2,007	-
Total Operations and Maintenance of Plant	<u>2,122,423</u>	<u>(22,055)</u>	<u>2,100,368</u>	<u>1,987,613</u>	<u>112,755</u>
Student Transportation Services:					
Other Transportation Salaries	2,000	41,037	43,037	40,628	2,409
Bus Driver Salary	37,844	25,359	63,203	63,203	-
Cleaning, Repair & Maint.		7,607	7,607	5,312	2,295
Contracted Services - Other than Bet Home & School-Vendor	51,000	(27,750)	23,250	11,079	12,171
Contracted Services-Special Ed-Vendors	50,000	(30,845)	19,155	14,424	4,731
Contracted Services - Regular-ESCs & CTSAs	90,000	14,576	104,576	69,764	34,812
Transportation - Special Ed- ESC & CTSAs	150,000	(4,598)	145,402	91,897	53,505
Miscellaneous Expenditures		17,159	17,159	17,048	111
Total Student Transportation Services	<u>380,844</u>	<u>42,545</u>	<u>423,389</u>	<u>313,355</u>	<u>110,034</u>

ROSELLE PARK SCHOOL DISTRICT

Exhibit C-1
Sheet 12 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

JUNE 30, 2011

	<u>Original Budget</u>	<u>Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Employee Benefits:					
Social Security Contributions	385,000	(57,655)	327,345	327,344	
Other Retirement Contributions-PERS	292,000	63,222	355,222	355,222	-
Unemployment Compensation	845,000	(505,736)	339,264	328,398	10,866
Workmen's Compensation	175,000	(18,860)	156,140	156,140	-
Health Benefits	4,527,945	351,700	4,879,645	4,874,712	4,933
Tuition Reimbursement	75,000	(51,251)	23,749	21,821	1,928
Other Employee Benefits	118,788	132,458	251,246	249,859	1,387
Total Personal Services Employee Benefits	<u>6,418,733</u>	<u>(86,122)</u>	<u>6,332,611</u>	<u>6,313,496</u>	<u>19,115</u>
On-behalf TPAF Pension				985,895	(985,895)
Contribution (Non-Budgeted)		-			
Reimbursed TPAF Social Security				1,004,047	(1,004,047)
Contribution (Non-Budgeted)		290,843	15,936,521	17,410,684	(1,474,163)
Total Undistributed Expenditures	<u>15,645,678</u>	<u>290,843</u>	<u>15,936,521</u>	<u>17,410,684</u>	<u>(1,474,163)</u>
Total Expenditures - Current Expense	<u>27,660,230</u>	<u>1,051,795</u>	<u>28,712,025</u>	<u>29,526,719</u>	<u>(814,694)</u>
Capital Outlay:					
Facilities Improvements:					
Construction Services	6,000		6,000	6,000	-
Other Objects	40,765		40,765	40,765	-
Total Facilities Improvements	<u>46,765</u>	<u>-</u>	<u>46,765</u>	<u>46,765</u>	<u>-</u>
Total Capital Outlay	<u>46,765</u>	<u>-</u>	<u>46,765</u>	<u>46,765</u>	<u>-</u>

ROSELLE PARK SCHOOL DISTRICT

Exhibit C-1
Sheet 13 of 13

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

JUNE 30, 2011

	<u>Original Budget</u>	<u>Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Total Expenditures	27,706,995	1,051,795	28,758,790	29,573,484	(814,694)
Excess (Deficiency) of Revs. Over (Under) Expenditures	(360,499)	(1,051,795)	(1,412,294)	224,865	1,637,159
Fund Balance July 1	2,024,840		2,024,840	2,024,840	-
Fund Balance June 30	<u>\$ 1,664,341</u>	<u>(1,051,795)</u>	<u>612,546</u>	<u>2,249,705</u>	<u>1,637,159</u>

Recapitulation:	
Restricted Fund Balance:	
Excess Surplus	\$ 403,721
Excess Surplus - Designated for Subsequent Year's Expenditures	71,739
Committed Fund Balance:	
Capital Reserve	100
Assigned Fund Balance:	
Year-End Encumbrances	970,388
Unassigned Fund Balance	803,757
	<u>2,249,705</u>
Reconciliation to Governmental Fund Statement (GAAP):	
Final State Aid Payments Not Recognized on GAAP Basis	<u>(918,131)</u>
Fund Balance Per Governmental Funds (GAAP)	<u>\$ 1,331,574</u>

ROSELLE PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Local Sources	\$ 19,433		19,433	19,433	
Federal Sources	990,609		990,609	990,609	
Total Revenues	<u>\$ 1,010,042</u>	<u>-</u>	<u>1,010,042</u>	<u>1,010,042</u>	<u>-</u>
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 311,537		311,537	311,537	
Other Salaries for Instruction	253,959		253,959	253,959	
Purchased Professional Educational Services	10,691		10,691	10,691	
Other Purchased Services	950		950	950	
Tuition	80,989		80,989	80,989	
General Supplies	56,227		56,227	56,227	
Total Instruction	<u>714,353</u>	<u>-</u>	<u>714,353</u>	<u>714,353</u>	<u>-</u>
Support Services:					
Salaries of Teachers	82,750		82,750	82,750	
Personal Services - Employee Benefits	78,049		78,049	78,049	
Purchased Professional and Technical Services	98,472		98,472	98,472	
Other Purchased Services	18,472		18,472	18,472	
Supplies and Materials	25		25	25	
Total Support Services	<u>277,768</u>	<u>-</u>	<u>277,768</u>	<u>277,768</u>	<u>-</u>
Facilities Acquisition and Construction Services:					
Construction Services	17,921		17,921	17,921	
Total Expenditures	<u>\$ 1,010,042</u>	<u>-</u>	<u>1,010,042</u>	<u>1,010,042</u>	<u>-</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

ROSELLE PARK SCHOOL DISTRICT**REQUIRED SUPPLEMENTARY INFORMATION**

Exhibit C-3

BUDGET TO GAAP RECONCILIATION**NOTE TO RSI****FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<u>Sources/Inflows of Resources</u>		
Actual Amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 29,798,349	1,010,042
Difference - Budget to GAAP: Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized (net)		(72,613)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	1,064,037	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(918,131)</u>	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 29,944,255</u>	<u>937,429</u>
<u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 29,573,484	1,010,042
Differences - budget to GAAP: Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes (net)		<u>(72,613)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 29,573,484</u>	<u>937,429</u>

OTHER SUPPLEMENTARY INFORMATION

SCHOOL LEVEL SCHEDULES – D

N/A

SPECIAL REVENUE FUND – E

ROSELLE PARK SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES EXPENDITURES - BUDGETARY BASIS

JUNE 30, 2011

	<u>Title I</u>	<u>Title II A</u>	<u>Title II D</u>	<u>Title III</u>	<u>IDEA Preschool ARRA</u>	<u>Title IV</u>	<u>IDEA ARRA</u>	<u>IDEA</u>	<u>IDEA Preschool</u>
Revenues:									
Federal Sources	\$ 298,721	53,186	1,552	50,277	6,702	1,246	109,394	446,971	15,615
Local Sources									
Total Revenue	\$ 298,721	53,186	1,552	50,277	6,702	1,246	109,394	446,971	15,615
Expenditures:									
Instruction:									
Salaries of Teachers	\$ 231,649	36,391		42,997				239,454	14,505
Other Salaries for Instruction								10,691	
Purchased Professional Services						950			
Other Purchased Services									
Tuition	17,281		539	985	3,742	296	50,237	30,752	
General Supplies							19,932	8,849	
Other Objects									
Total Instruction	248,930	36,391	539	43,982	3,742	1,246	70,169	289,746	14,505
Support Services:									
Salaries of Teachers	2,726		167					79,857	
Personal Services - Employee Benefits	34,096	5,328	13	6,295				30,009	1,110
Purchased Professional and Technical Services	11,034	4,226	833		1,691		34,775	43,757	
Other Purchased Services	1,910	7,241			1,269		4,450	3,602	
Supplies and Materials	25								
Total Support Services	49,791	16,795	1,013	6,295	2,960	-	39,225	157,225	1,110
Facilities Acquisition and Construction Services:									
Construction Services									
Total Expenditures	\$ 298,721	53,186	1,552	50,277	6,702	1,246	109,394	446,971	15,615

ROSELLE PARK SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES EXPENDITURES - BUDGETARY BASIS

JUNE 30, 2011

	<u>Title I ARRA</u>	<u>Safety Grant</u>	<u>7-11 Award</u>	<u>Future Fisherman</u>	<u>N.J. Veterinary Grant</u>	<u>Rebel Smoking Grant</u>	<u>Wal-Mart Grant</u>	<u>BJ's Award</u>	<u>Totals 2011</u>
Revenues:									
Federal Sources	6,945	17,921	66	74	519	500	6	347	990,609
Local Sources									19,433
Total Revenue	6,945	17,921	66	74	519	500	6	347	1,010,042
Expenditures:									
Instruction:						500			311,537
Salaries of Teachers									253,959
Other Salaries for Instruction									10,691
Purchased Professional Services									950
Other Purchased Services									80,989
Tuition	3,591	66		74	519		6	347	56,227
General Supplies									-
Other Objects				74	519	500	6	347	714,353
Total Instruction	3,591	66	66	74	519	500	6	347	714,353
Support Services:									82,750
Salaries of Teachers									78,049
Personal Services - Employee Benefits	1,198								98,472
Purchased Professional and Technical Services	2,156								18,472
Other Purchased Services									25
Supplies and Materials	3,354								277,768
Total Support Services	3,354	-	-	-	-	-	-	-	277,768
Facilities Acquisition and Construction Services:									17,921
Construction Services		17,921							
Total Expenditures	6,945	17,921	66	74	519	500	6	347	1,010,042

CAPITAL PROJECTS FUND – F

N/A

PROPRIETARY FUNDS – G

ROSELLE PARK SCHOOL DISTRICT

COMBINING SCHEDULE OF NET ASSETS

Exhibit G-1

ENTERPRISE FUNDS

JUNE 30, 2011

Business-Type Activities - Enterprise Funds

	<u>Food Service</u>	<u>Cable 34</u>	<u>Adult School</u>	<u>Staff Computers</u>	<u>Coke Fund</u>	<u>Extended Day Care</u>	<u>Preschool</u>	<u>Summer Camp</u>	<u>Totals</u>
<u>Assets</u>									
Current Assets:									
Cash and Cash Equivalents	\$ 48,990	2,469	(8,325)	1,500	8,581	26,235	1,950	105,111	186,511
Accounts Receivable:									
State	1,544								1,544
Federal	52,711								52,711
Inventory	6,151								6,151
Total Current Assets	109,396	2,469	(8,325)	1,500	8,581	26,235	1,950	105,111	246,917
Noncurrent Assets									
Equipment	303,698								303,698
Accumulated Depreciation	(292,798)								(292,798)
Total Fixed Assets	10,900								10,900
Total Assets	\$ 120,296	2,469	(8,325)	1,500	8,581	26,235	1,950	105,111	257,817
<u>Liabilities</u>									
Current Liabilities:									
Accounts Payable	\$ 224,531							1,403	225,934
Total Current Liabilities	\$ 224,531							1,403	225,934
<u>Net Assets</u>									
Investment in Capital Assets	\$ 10,900								10,900
Unrestricted	(115,135)	2,469	(8,325)	1,500	8,581	26,235	1,950	103,708	20,983
Total Net Assets	\$ (104,235)	2,469	(8,325)	1,500	8,581	26,235	1,950	103,708	31,883

ROSELLE PARK SCHOOL DISTRICT

Exhibit G-2

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2011

	Business-Type Activities - Enterprise Funds							Totals
	Food Service	Cable 34	Adult School	Staff Computers	Coke Fund	Extended Day Care	Preschool	
Operating Revenues:								
Daily Sales	\$ 344,664							344,664
Fees Charged							356,493	356,493
Total Operating Revenues	<u>344,664</u>						<u>356,493</u>	<u>701,157</u>
Operating Expenses:								
Salaries	19,210						275,030	294,240
Other Employee Benefits	1,470						19,196	20,666
Contracted Services	610,922						1,120	612,042
Supplies and Materials							7,736	7,736
Utilities							35,313	35,313
Depreciation	6,625							6,625
Miscellaneous	2,720						10,246	12,966
Operating Expenses	<u>640,947</u>						<u>348,641</u>	<u>989,588</u>
Operating Gain (Loss)	(296,283)						7,852	(288,431)
Non-Operating Revenues:								
State Sources:								
State School Lunch Program	6,799							6,799
Federal Sources								
National School Lunch Program	229,232							229,232
Breakfast Program	17,970							17,970
Food Distribution Program	29,512							29,512
Total Non-Operating Revenues	<u>283,513</u>							<u>283,513</u>
Change in Net Assets	(12,770)						7,852	(4,918)
Other Financing Uses:								
Transfer to General Fund							(100,000)	(100,000)
Total Other Financing Sources (Uses)							<u>(100,000)</u>	<u>(100,000)</u>
Change in Net Assets after Other Financing Sources (Uses)	(12,770)						(92,148)	(104,918)
Total Net Assets - Beginning	(91,465)	2,469	(8,325)	1,500	8,581	26,235	195,856	136,801
Total Net Assets - Ending	<u>\$ (104,235)</u>	<u>2,469</u>	<u>(8,325)</u>	<u>1,500</u>	<u>8,581</u>	<u>26,235</u>	<u>103,708</u>	<u>31,883</u>

ROSELLE PARK SCHOOL DISTRICT

COMBINING SCHEDULE OF CASH FLOWS

Exhibit G-3

FOR THE YEAR ENDED JUNE 30, 2011

	Business-Type Activities - Enterprise Funds							Totals
	Cable 34	Adult School	Staff Computers	Coke Fund	Extended Day Care	Preschool	Summer Camp	
Cash Flows from Operating Activities:								
Receipts from Customers	\$ 344,664				356,493			701,157
Payments to Employees	(19,210)				(275,030)			(294,240)
Payments to Suppliers	(548,073)				(79,909)			(627,982)
Net Provided (Used) by Operating Activities	(222,619)				1,554			(221,065)
Cash Flows from Noncapital Financing Activities								
Federal & State Sources	254,001				(100,000)			254,001
Operating Transfers					(100,000)			(100,000)
Net Cash Provided by Noncapital Financing Activities	254,001							154,001
Net Increase (Decrease) in Cash and Cash Equivalents	31,382							(67,064)
Balances - Beginning of Year	17,608				26,235	1,950		233,575
Balances - End of Year	\$ 48,990				26,235	1,950		186,511
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:								
Operating Income (Loss)	\$ (296,283)						7,852	(288,431)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities								
Federal Commodities Consumed	29,512							29,512
Depreciation	6,625							6,625
Decrease/(Increase) in Inventory	2,831							2,831
(Decrease)/Increase in Accounts Payable	67,896						(6,298)	61,598
Decrease/(Increase) in Accounts Receivable	(33,200)							(33,200)
Net Provided (Used) by Operating Activities	\$ (222,619)						1,554	(221,065)

FIDUCIARY FUND – H

ROSELLE PARK SCHOOL DISTRICT

Exhibit H-1

TRUST AND AGENCY FUND

COMBINING STATEMENT OF FIDUCIARY NET ASSETS

AS OF JUNE 30, 2011

	Scholarship Fund Non-Expendable Trust Fund	Student Activity	Payroll Agency	Net Salary	Unemployment Compensation Expendable Trust	Total 2011
Assets:						
Cash and Cash Equivalents	\$ 1,977	127,352	14,655	(4,553)	83,213	222,644
Accounts Receivable				4,553		4,553
Total Assets	\$ 1,977	127,352	14,655	-	83,213	227,197
Liabilities and Fund Balances:						
Liabilities:						
Payroll Deductions and Withholdings			14,655			14,655
Due to Student Groups		127,352				127,352
Total Liabilities	-	127,352	14,655	-	-	142,007
Net Assets:						
Reserved - Scholarships	1,977					1,977
Reserved - Unemployment Benefits					83,213	83,213
Total Net Assets	\$ 1,977				83,213	85,190

ROSELLE PARK SCHOOL DISTRICTEXPENDABLE TRUST FUND

Exhibit H-2

COMBINING STATEMENT OF CHANGESIN FIDUCIARY NET ASSETSJUNE 30, 2011

	<u>Scholarships</u>	<u>Unemployment Compensation Insurance Trust Fund</u>	<u>Totals</u>
Additions:			
Local Sources:			
Contributions	\$ 900	31,292	32,192
Interest on Investments	1	192	193
Total Additions	<u>901</u>	<u>31,484</u>	<u>32,385</u>
Deductions:			
Scholarship Payments	950		950
Unemployment Claims		(28,424)	(28,424)
Total Deductions	<u>950</u>	<u>(28,424)</u>	<u>(27,474)</u>
Change in Net Assets	(49)	3,060	3,011
Net Assets, July 1	<u>2,026</u>	<u>80,153</u>	<u>82,179</u>
Net Assets, June 30	<u>\$ 1,977</u>	<u>83,213</u>	<u>85,190</u>

ROSELLE PARK SCHOOL DISTRICT

Exhibit H-3

STUDENT ACTIVITY AGENCY FUND

SCHEDULE OF RECEIPTS AND DISBURSEMENTS

JUNE 30, 2011

	<u>Balance</u> <u>July 1, 2010</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2011</u>
Elementary Schools:				
Sherman	\$ 2,635	2,718	2,679	2,674
Aldene	2,794	5,787	5,536	3,045
Robert Gordon	1,204	4,893	5,124	973
Total Elementary Schools	<u>6,633</u>	<u>13,398</u>	<u>13,339</u>	<u>6,692</u>
Junior High School	<u>4,763</u>	<u>5,945</u>	<u>5,423</u>	<u>5,285</u>
Senior High School	<u>84,996</u>	<u>219,347</u>	<u>188,968</u>	<u>115,375</u>
Total All Schools	<u>\$ 96,392</u>	<u>238,690</u>	<u>207,730</u>	<u>127,352</u>

ROSELLE PARK SCHOOL DISTRICTPAYROLL AGENCY FUND

Exhibit H-4

SCHEDULE OF RECEIPTS AND DISBURSEMENTSJUNE 30, 2011

	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2011</u>
Assets:				
Cash and Cash Equivalents	\$ 137,682	8,024,222	8,147,249	14,655
Total Assets	<u>\$ 137,682</u>	<u>8,024,222</u>	<u>8,147,249</u>	<u>14,655</u>
Liabilities:				
Payroll Deductions, Withholdings	\$ 137,682	8,024,222	8,147,249	14,655
Total Liabilities	<u>\$ 137,682</u>	<u>8,024,222</u>	<u>8,147,249</u>	<u>14,655</u>

LONG-TERM DEBT – I

ROSELLE PARK SCHOOL DISTRICT

LONG-TERM DEBT

SCHEDULE OF SERIAL BONDS

JUNE 30, 2011

Exhibit I-1

Date of Issue	Original Issue	Annual Maturities		Interest Rate	Beginning Balance July 1, 2010	Retired	Ending Balance June 30, 2011
		Date	Amount				
Renovations/Additions to Schools	8/15/2004	\$ 9,219,000	\$ 400,000	3.500%	\$ 7,569,000	390,000	7,179,000
			420,000				
			440,000				
			460,000				
			480,000		4.000%		
			510,000				
			530,000				
			540,000		4.250%		
			550,000				
			560,000				
			565,000		4.375%		
		570,000					
		575,000		4.500%			
		579,000					
					\$ 7,569,000	390,000	7,179,000

ROSELLE PARK SCHOOL DISTRICT

LONG-TERM DEBT

SCHEDULE OF LOANS PAYABLE

JUNE 30, 2011

Exhibit I-1a

	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Date</u>	<u>Annual Maturities Amount</u>	<u>Interest Rate</u>	<u>Beginning Balance July 1, 2010</u>	<u>Retired</u>	<u>Ending Balance June 30, 2011</u>
Small Project Loan	3/11/1994	\$ 44,560	7/15/10-2013	\$ 2,345	1.50%	\$ 9,383	2,346	7,037

ROSELLE PARK SCHOOL DISTRICT

LONG-TERM LIABILITIES

Exhibit I-2

SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES

JUNE 30, 2011

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount Of Original Issue</u>	<u>Interest Rate</u>	<u>Balance July 1, 2010</u>	<u>Retired Current Year</u>	<u>Amount Outstanding June 30, 2011</u>
Tractor	5/11/2006	\$ 30,000	4.07%	\$ 5,965	5,965	-
Phone System	4/22/2005	261,906	4.45%	57,679	57,679	-
Equipment Lease	7/26/2007	600,000	3.92%	245,247	245,247	-
Equipment Lease	8/13/2008	525,000	3.23%	406,255	196,673	209,582
				<u>\$ 715,146</u>	<u>505,564</u>	<u>209,582</u>

ROSELLE PARK SCHOOL DISTRICT

Exhibit I-3

DEBT SERVICE FUND

BUDGETARY COMPARISON SCHEDULE

JUNE 30, 2011

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 697,676		697,676	697,676	-
State Sources:					
Debt Service Aid Type II	679		679	679	-
Total Revenues	<u>698,355</u>	<u>-</u>	<u>698,355</u>	<u>698,355</u>	<u>-</u>
Expenditures:					
Regular Debt Service:					
Redemption of Principal	392,346		392,346	392,345	1
Interest	306,011		306,011	306,009	2
Total Expenditures	<u>698,357</u>	<u>-</u>	<u>698,357</u>	<u>698,354</u>	<u>3</u>
Excess of Revenues over Expenditures	(2)	-	(2)	1	3
Fund Balance July 1	4		4	4	
Fund Balance June 30	<u>2</u>	<u>-</u>	<u>2</u>	<u>5</u>	<u>3</u>

STATISTICAL SECTION

(Unaudited)

Borough of Roselle Park School District
 Net Assets by Component
 Last Seven Fiscal Years

Exhibit J-1

	Fiscal Year Ending June 30,						
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Governmental Activities							
Invested in capital assets, net of related debt	\$ 26,216,862	\$ 33,626,706	\$ 34,405,028	\$ 34,742,679	\$ 34,538,264	\$ 34,914,985	\$ 35,270,764
Restricted	\$ 2,286,563	\$ 1,648,110	\$ 481,237	\$ 1,147,410	\$ 1,714,640	\$ 1,384,139	\$ 1,734,712
Unrestricted	\$ (1,368,097)	\$ (499,221)	\$ 240,553	\$ (1,038,633)	\$ (1,605,911)	\$ (1,480,668)	\$ (1,440,849)
Total governmental activities net assets	\$ 27,135,328	\$ 34,775,595	\$ 35,126,818	\$ 34,851,456	\$ 34,646,993	\$ 34,818,456	\$ 35,564,627
Business-type activities							
Invested in capital assets, net of related debt	\$ 53,975	\$ 17,813	\$ 13,957	\$ 12,029	\$ 10,126	\$ 17,525	\$ 10,900
Restricted							
Unrestricted	\$ 284,191	\$ 228,288	\$ 164,557	\$ 148,910	\$ 183,059	\$ 119,276	\$ 20,983
Total business-type activities net assets	\$ 338,166	\$ 246,101	\$ 178,514	\$ 160,939	\$ 193,185	\$ 136,801	\$ 31,883
District -wide							
Invested in capital assets, net of related debt	\$ 26,270,837	\$ 33,644,519	\$ 34,418,985	\$ 34,754,708	\$ 34,548,390	\$ 34,932,510	\$ 35,281,664
Restricted	\$ 2,283,563	\$ 1,648,110	\$ 485,479	\$ 1,147,410	\$ 1,714,640	\$ 1,384,139	\$ 1,734,712
Unrestricted	\$ (1,083,906)	\$ (270,933)	\$ 405,110	\$ (889,723)	\$ (1,422,852)	\$ (1,361,392)	\$ (1,419,866)
Total district net assets	\$ 27,470,494	\$ 35,021,696	\$ 35,309,574	\$ 35,012,395	\$ 34,840,178	\$ 34,955,257	\$ 35,596,510

Borough of Roselle Park School District
 Changes in Net Assets, Last Six Fiscal Years

Exhibit J-2

	Fiscal Year Ending June 30,					
	2006	2007	2008	2009	2010	2011
Expenses						
Governmental Activities						
Instruction						
Regular	\$ 7,086,973	\$ 7,066,791	\$ 8,684,930	\$ 8,899,940	\$ 7,044,348	\$ 9,152,917
Special Education	\$ 1,810,210	\$ 2,455,399	\$ 3,092,543	\$ 2,739,718	\$ 2,893,071	\$ 2,231,732
Other special education	\$ 1,179,555	\$ 505,689	\$ 664,603	\$ 1,009,635	\$ 955,683	\$ 776,620
Other instruction	\$ 578,563	\$ 527,696	\$ 559,596	\$ 556,395	\$ 542,264	\$ 610,664
Support Services:						
Tuition	\$ 647,863	\$ 711,625	\$ 568,657	\$ 573,427	\$ 821,919	\$ 1,184,976
Student & instruction related services	\$ 3,077,855	\$ 3,085,467	\$ 3,174,504	\$ 3,705,882	\$ 3,454,142	\$ 3,032,352
School administrative services	\$ 1,002,378	\$ 1,482,072	\$ 588,308	\$ 1,640,413	\$ 704,284	\$ 622,517
General & business administrative services	\$ 1,026,587	\$ 1,134,957	\$ 1,876,244	\$ 1,007,870	\$ 2,528,748	\$ 1,745,464
Plant operations and maintenance	\$ 2,214,172	\$ 2,178,796	\$ 2,343,633	\$ 2,795,372	\$ 2,939,394	\$ 2,486,350
Pupil transportation	\$ 370,315	\$ 286,989	\$ 330,000	\$ 320,620	\$ 366,144	\$ 313,355
Employee Benefits	\$ 5,892,247	\$ 7,090,821	\$ 7,423,220	\$ 6,341,953	\$ 7,084,238	\$ 8,303,438
ARRA						
Interest on long-term debt	\$ 391,548	\$ 342,699	\$ 350,143	\$ 332,599	\$ 305,667	\$ 290,151
Unallocated depreciation	\$ -	\$ 924,755	\$ 262,772	\$ 347,025	\$ 266,580	\$ 289,817
Total governmental activities expenses	\$ 25,278,266.00	\$ 27,793,756.00	\$ 29,919,153.00	\$ 30,270,849	\$ 31,572,275	\$ 31,040,353
Business-type activities						
Food Service	\$ 606,886	\$ 625,734	\$ 641,631	\$ 663,258	\$ 677,463	\$ 640,947
Child Care	\$ 525,303	\$ 500,813	\$ 308,691	\$ 319,177	\$ 356,939	\$ 348,641
Total business-type activities expense	\$ 1,132,189.00	\$ 1,126,547.00	\$ 950,322.00	\$ 982,435	\$ 1,034,402	\$ 989,588
Total district expenses	\$ 26,410,455.00	\$ 28,920,303.00	\$ 30,869,475.00	\$ 31,253,284	\$ 32,606,677	\$ 32,029,941
Program Revenues						
Governmental activities:						
Charges for services:						
Operating grants and contributions	\$ 794,361	\$ 884,197	\$ 990,654	\$ 791,606	\$ 2,720,592	\$ 937,429
Capital grants and contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total governmental activities program revenues	\$ 794,361	\$ 884,197	\$ 990,654	\$ 791,606	\$ 2,720,592	\$ 937,429

	Fiscal Year Ending June 30,					
	2006	2007	2008	2009	2010	2011
Program Revenues - Continued						
Business-type activities						
Charges for services						
Food Service	\$ 382,109	\$ 407,949	\$ 402,418	\$ 402,576	\$ 363,098	\$ 344,664
Child Care	\$ 505,954	\$ 432,660	\$ 356,083	\$ 416,439	\$ 363,916	\$ 356,493
Operating grants and contributions	\$ 187,493	\$ 218,351	\$ 224,246	\$ 245,565	\$ 268,439	\$ 283,513
Total business type activities program revenues	\$ 1,075,556	\$ 1,058,960	\$ 982,747	\$ 1,064,580	\$ 995,453	\$ 984,670
Total district program revenues	\$ 1,869,917	\$ 1,943,157	\$ 1,973,401	\$ 1,856,186	\$ 3,716,045	\$ 1,922,099
Net(Expense)/Revenue						
Governmental activities	\$ (24,483,905)	\$ (26,909,559)	\$ (28,928,499)	\$ (29,479,243)	\$ (28,851,683)	\$ (30,102,924)
Business-type activities	\$ (56,633)	\$ (67,587)	\$ 32,425	\$ 82,145	\$ (38,949)	\$ (4,918)
Total district-wide net expense	\$ (24,540,538)	\$ (26,977,146)	\$ (28,896,074)	\$ (29,397,098)	\$ (28,890,632)	\$ (30,107,842)
General Revenues and Other Changes in Net Assets						
Governmental activities:						
Property taxes levied for general purposes, net	\$ 14,678,841	\$ 15,686,219	\$ 16,740,794	\$ 16,740,794	\$ 17,003,024	\$ 17,505,170
Taxes levied for debt service	\$ 833,023	\$ 644,837	\$ 674,378	\$ 682,805	\$ 690,530	\$ 697,676
Unrestricted grants and contributions	\$ 10,016,289	\$ 10,780,883	\$ 11,202,163	\$ 11,573,947	\$ 10,808,534	\$ 11,734,108
Tuition		\$ 110,276	\$ 207,644	\$ 293,421	\$ 339,869	\$ 468,059
Miscellaneous income	\$ 238,340	\$ 158,023	\$ 96,846	\$ 15,477	\$ 86,658	\$ 137,597
Transfers	\$ (120,891)	\$ -	\$ 366,744	\$ 50,000	\$ -	\$ 100,000
Total governmental activities	\$ 25,645,602	\$ 27,380,238	\$ 29,288,569	\$ 29,356,444	\$ 28,928,615	\$ 30,642,610
Business-type activities:						
Investment earnings	\$ -	\$ -	\$ (50,000)	\$ (50,000)	\$ (50,000)	\$ (100,000)
Transfers	\$ -	\$ -	\$ (50,000)	\$ (49,899)	\$ (50,000)	\$ (100,000)
Total business-type activities	\$ -	\$ -	\$ (50,000)	\$ (49,899)	\$ (50,000)	\$ (100,000)
Total district-wide	\$ 25,645,602	\$ 27,380,238	\$ 29,238,569	\$ 29,306,545	\$ 28,878,615	\$ 30,542,610
Change in Net Assets						
Governmental activities	\$ 1,161,697	\$ 470,679	\$ 360,070	\$ (122,799)	\$ 76,932	\$ 539,686
Business-type activities	\$ (56,633)	\$ (67,587)	\$ 32,425	\$ 32,246	\$ (88,949)	\$ (104,918)
Total district	\$ 1,105,064	\$ 403,092	\$ 392,495	\$ (90,553)	\$ (12,017)	\$ 434,768

Borough of Roselle Park School District
Fund Balances, Governmental Funds,
Last Seven Fiscal Years

Exhibit J-3

	Fiscal Year Ending June 30,						
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General Fund							
Reserved	\$ 255,923.00	\$ 624,020.00	774,484.00	1,246,921.00	1,637,877.00	\$ 1,384,135.00	\$ 1,734,708.00
Unreserved	\$ 49,853.00	\$ 10,792.00	113,453.00	129,138.00	(427,921.00)	\$ (423,332.00)	\$ (403,134.00)
Total General Fund	\$ 305,776.00	\$ 634,812.00	\$ 887,937.00	\$ 1,376,059.00	\$ 1,209,956.00	\$ 960,803.00	\$ 1,331,574.00
All Other Governmental Funds							
Reserved							
Unreserved, reported in:							
Special Revenue Fund	\$ (4,264.00)	\$ (4,265.00)	(4,242.00)	(17,303.00)	\$ 86,759.00	\$ -	\$ -
Capital Projects Fund	\$ 2,007,269.00	\$ 1,631,860.00	\$ 485,378.00	\$ 9,192.00	\$ -	\$ -	\$ -
Debt Service Fund	\$ 24,635.00	\$ 20,415.00	1.00	2.00	4.00	4.00	4.00
Permanent Fund							
Designated for Subsequent Year Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total all other Governmental Funds	\$ 2,027,640.00	\$ 1,648,010.00	\$ 481,137.00	\$ (8,109.00)	\$ 86,763.00	\$ 960,807.00	\$ 1,331,578.00

Borough of Roselle Park School District
 Changes in Fund Balances, Governmental Funds,
 Last Seven Fiscal Years

	Fiscal Year Ending June 30,						
	2005	2006	2007	2008	2009	2010	2011
Revenues							
Local Sources	\$ 14,197,337	\$ 15,751,982	\$ 16,605,969	\$ 17,726,433	\$ 17,738,545	\$ 18,132,074	\$ 18,927,935
State Sources	\$ 9,847,622	\$ 10,109,817	\$ 11,201,329	\$ 11,724,869	\$ 11,573,947	\$ 10,781,776	\$ 11,702,426
Federal Sources	\$ 786,698	\$ 699,055	\$ 457,137	\$ 507,266	\$ 785,558	\$ 2,735,357	\$ 949,678
Total Revenue	\$ 24,831,657	\$ 26,560,854	\$ 28,264,435	\$ 29,958,568	\$ 30,098,050	\$ 31,649,207	\$ 31,580,039
Expenditures							
Instruction	\$ 11,289,944	\$ 10,793,507	\$ 11,031,173	\$ 12,397,061	\$ 13,133,186	\$ 11,552,692	\$ 12,775,696
Support Services	\$ 13,408,501	\$ 14,231,417	\$ 17,480,914	\$ 16,304,566	\$ 16,385,537	\$ 17,898,869	\$ 17,688,452
Capital Outlay	\$ 9,055,847	\$ 637,534	\$	\$ 949,599	\$ 103,692	\$ 89,666	\$ 46,765
ARRA-ESF						\$ 1,603,711	
ARRA-GSF						\$ 62,082	
Debt service:							
Principal	\$ 2,345	\$ 292,345	\$ 312,346	\$ 332,345	\$ 352,345	\$ 372,345	\$ 392,346
Interest and other charges	\$ 334	\$ 545,754	\$ 353,750	\$ 342,865	\$ 331,280	\$ 318,995	\$ 306,009
Total expenditures	\$ 33,756,971	\$ 26,500,557	\$ 29,178,183	\$ 30,326,436	\$ 30,306,040	\$ 31,898,360	\$ 31,209,268
Excess/(Deficiency) of revenues over/(under) expenditures	\$ (8,925,314)	\$ 60,297	\$ (913,748)	\$ (367,868)	\$ (207,990)	\$ (249,153)	\$ 370,771
Other Financing sources(uses)							
Transfers in	\$ -	\$ -	\$ -	\$ 650,016	\$ 50,000	\$ -	\$ 50,000
Transfers out	\$ -	\$ (110,891)	\$ -	\$ (283,272)	\$ -	\$ -	\$ -
Total other financing sources(uses)	\$ -	\$ (110,891)	\$ -	\$ 366,744	\$ 50,000	\$ -	\$ 50,000
Net changes in fund balances	\$ (8,925,314)	\$ (50,594)	\$ (913,748)	\$ (1,124)	\$ (157,990)	\$ (249,153)	\$ 420,771

Borough of Roselle Park School District
 General Fund-Other Local Revenue by Source
 Exhibit J-5

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u>	<u>Rentals-Use</u> <u>Of Facilities</u>	<u>Prior Year</u> <u>Refunds</u>	<u>Transportation</u> <u>Fees</u>	<u>Other</u>	<u>Total</u>
2005	\$ 141,726.00	\$ 115,297.00				\$ 64,396.00	\$ 321,419.00
2006	\$ 84,792.00	\$ 116,970.00	\$ 15,314.00			\$ 34,766.00	\$ 251,842.00
2007	\$ 76,984.00	\$ 110,276.00	\$ 13,802.00			\$ 24,845.00	\$ 225,907.00
2008	\$ 58,384.00	\$ 207,644.00	\$ 9,568.00			\$ 18,423.00	\$ 294,019.00
2009	\$ 5,817.00	\$ 293,421.00	\$ 8,770.00			\$ 10,773.00	\$ 318,781.00
2010	\$ 4,468.00	\$ 339,869.00	\$ 50,000.00			\$ 32,190.00	\$ 426,527.00
2011	\$ 4,544.00	\$ 468,059.00	\$ 152,486.00			\$ 100,000.00	\$ 725,089.00

Borough of Roselle Park School District
Assessed Value and Actual Value of Taxable Property

Exhibit J-6

Year Ended December 31	<u>Vacant Land</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Public Utilities</u>	<u>Net Valuation Taxable</u>	<u>Estimated Actual</u>
2004	\$ 433,000	\$ 232,643,200	\$ 25,431,600	\$ 5,897,800	\$ 25,884,700	\$ 259,128	\$ 290,549,428	\$ 812,271,255
2005	\$ 433,000	\$ 232,845,200	\$ 25,497,500	\$ 5,897,800	\$ 25,884,700	\$ 213,095	\$ 290,771,295	\$ 920,745,076
2006	\$ 433,000	\$ 233,339,000	\$ 25,594,700	\$ 5,797,800	\$ 25,809,700	\$ 165,964	\$ 291,140,164	\$ 1,058,306,667
2007	\$ 521,000	\$ 234,150,900	\$ 25,290,500	\$ 5,797,800	\$ 24,926,300	\$ 145,623	\$ 290,832,123	\$ 1,238,637,662
2008	\$ 422,000	\$ 234,621,600	\$ 25,555,900	\$ 5,797,800	\$ 23,635,200	\$ 138,589	\$ 290,171,089	\$ 1,351,518,812
2009	\$ 511,400	\$ 234,356,900	\$ 26,132,200	\$ 5,797,800	\$ 22,486,600	\$ 146,686	\$ 289,431,586	\$ 1,366,532,512
2010	\$ 389,300	\$ 234,506,500	\$ 26,131,300	\$ 4,999,300	\$ 21,977,800	\$ 149,050	\$ 288,153,250	\$ 1,292,167,040
2011	\$ 363,800	\$ 234,458,800	\$ 26,168,300	\$ 4,900,500	\$ 21,788,600	\$ 125,187	\$ 287,805,187	\$ 1,226,791,078

Borough of Roselle Park School District
 Direct and Overlapping Property Tax Rates

<u>Year Ended</u> <u>December 31,</u>	<u>Roselle Park School District Direct Rate</u>		<u>Overlapping Rates</u>		<u>Total Direct</u> <u>and</u> <u>Overlapping</u> <u>Tax Rate</u>	
	<u>Basic Rate</u>	<u>General</u> <u>Obligation</u> <u>Debt Service</u>	<u>Total</u> <u>Direct</u>	<u>Borough of</u> <u>Roselle Park</u>		<u>Union County</u>
2002			4.047	2.352	0.936	7.369
2003			4.370	2.505	1.042	7.955
2004			4.670	2.594	1.169	8.478
2005			5.036	2.745	1.264	9.096
2006			5.430	2.919	1.376	9.725
2007			5.803	3.105	1.486	10.394
2008			6.003	3.341	1.596	10.940
2009			6.067	3.530	1.666	11.263
2010			6.229	3.684	1.713	11.626
2011			6.324	3.836	1.823	11.983

Borough of Roselle Park School District
Principal Property Tax Payers

Exhibit J-8

2011

<u>Taxpayer</u>		<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
Woodside Gardens Assoc.	\$	4,750,000.00	1	1.70
Sunrise Village		3,740,000.00	2	1.30
Sumner Rose, LLC		2,000,000.00	3	0.70
Parkway Ford Realty		1,071,200.00	4	0.37
Sullivan Chevrolet		1,061,500.00	5	0.37
147 Westfield Avenue, LLC		1,050,000.00	6	0.36
Joseph Centanni		750,000.00	7	0.26
Paradise Management		730,000.00	8	0.25
415 Westfield Associates		725,000.00	9	0.25
Jakimowicz Partners		700,000.00	10	0.24
Vazquez, Evelides		700,000.00	10	0.24

Borough of Roselle Park School District
Property Tax Levies and Collections

Exhibit J-9

<u>Year Ended</u> <u>December 31,</u>	<u>Collected within the Fiscal Year</u> <u>of the Levy</u>		<u>Percentage</u> <u>of Levy</u>
	<u>Taxes Levied for</u> <u>the Fiscal Year</u>	<u>Amount</u>	
2001	\$ 20,109,492	19,800,971	98.32%
2002	21,397,799	21,073,241	98.36%
2003	23,123,776	22,704,882	98.18%
2004	24,649,531	24,351,999	98.79%
2005	26,487,668	26,069,735	98.42%
2006	28,348,652	27,831,223	98.17%
2007	30,248,800	29,598,499	97.85%
2008	31,802,107	30,974,661	97.39%
2009	32,620,843	31,925,961	97.86%
2010	33,535,571	32,804,581	97.82%

Exhibit J-10

Borough of Roselle Park School District
Ratios of Outstanding Debt by Type

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>General</u> <u>Obligation</u> <u>Bonds</u>	<u>Certificates</u> <u>of</u> <u>Participation</u>	<u>Capital</u> <u>Leases</u>	<u>Bond</u> <u>Anticipation</u> <u>Notes</u>	<u>Total</u> <u>Direct</u>	<u>Percentage of</u> <u>Personal</u> <u>Income</u>	<u>Per</u> <u>Capita</u>
2005	\$9,219,000		\$749,179				
2006	\$8,929,000		\$614,881				
2007	\$8,619,000		\$517,745	\$500,000			
2008	\$8,289,000		\$544,757				
2009	\$7,939,000		\$621,789				
2010	\$7,569,000		\$715,146				
2011	\$7,179,000		\$434,463				

Borough of Roselle Park School District
Ratios of Net General Bonded Debt Outstanding

Exhibit J-11

General Bonded Debt Outstanding

<u>Fiscal Year Ended June 30,</u>	<u>General Obligation Bonds</u>	<u>Deductions</u>	<u>Net General Bonded Debt Outstanding</u>	<u>Percentage Actual Taxable Value of Property</u>	<u>Per Capita</u>
2005	\$ 9,219,000.00		\$ 9,219,000.00		
2006	\$ 8,929,000.00		\$ 8,929,000.00		
2007	\$ 8,619,000.00		\$ 8,619,000.00		
2008	\$ 8,289,000.00		\$ 8,289,000.00		
2009	\$ 7,939,000.00		\$ 7,939,000.00		
2010	\$ 7,569,000.00		\$ 7,569,000.00		
2011	\$ 7,179,000.00		\$ 7,179,000.00		

Borough of Roselle Park School District Exhibit J-12
 Ratios of Overlapping Governmental Activities Debt

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Borough of Roselle Park	\$ 16,363,902	100%	\$ 16,363,902
Union County			
General Obligation Debt	\$ 9,015,971	1.74%	\$ 9,015,971
Other Debt			
Subtotal, overlapping debt			<u>\$ 25,379,873</u>
Roselle Park School			
District Direct Debt			<u>\$ 7,569,000</u>
Total direct and overlapping debt			\$ 32,948,873

Borough of Roselle Park School District
 Legal Debt Margin Information

Exhibit J-13

Legal Debt Margin Calculated for Fiscal Year 2011

Equalized valuation basis	
2011	\$ 287,805,187
2010	\$ 288,153,250
2009	\$ 289,284,900
	<u>\$ 865,243,337</u>
Average equalized valuation of taxable property	\$ 288,414,446
Debt limit (4% of average equalization value)	\$ 11,536,578
Net bonded school debt	\$ 7,179,000
Legal debt margin	\$ 4,357,578

Fiscal Year

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Debt Limit	\$ 11,536,578	\$ 11,568,123	\$ 11,616,970	\$ 11,616,970	\$ 11,616,970	\$ 11,616,970	\$ 11,616,970
Total net debt applicable to limit	\$ <u>7,179,000</u>	\$ <u>7,569,000</u>	\$ <u>7,939,000</u>	\$ <u>828,900</u>	\$ <u>8,619,000</u>	\$ <u>8,929,000</u>	\$ <u>9,219,000</u>
Legal debt margin	\$ 4,357,578	\$ 3,999,123	\$ 3,677,970	\$ 10,788,070	\$ 2,997,970	\$ 2,687,970	\$ 2,687,970

Total net debt applicable to the
 limit as a percentage of
 debt limit

Borough of Roselle Park School District
Demographic and Economic Statistics
Last Ten Years

Exhibit J-14

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Union County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2001	13,327		\$ 39,766	4.0
2002	13,356		\$ 39,483	5.6
2003	13,340		\$ 40,181	5.5
2004	13,268		\$ 42,728	4.9
2005	13,189		\$ 43,771	4.6
2006	13,281		\$ 44,544	3.5
2007	13,281		\$ 49,062	4.2
2008	13,281		\$ 51,054	7.1
2009	13,281		\$ 51,815	9.8
2010	13,292		N/A	9.9

N/A - Information not available

Borough of Roselle Park School District
Principal Employers,
2011

Exhibit J-15

<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
Roselle Park School District			
Borough of Roselle Park			
Hexacon Electric Supply Co.			
Valley National Bank			
Wells Fargo Bank			

Information was not available at the time of the audit

Borough of Roselle Park School District
Full-time Equivalent District Employees by Function/Program
Last Six Fiscal Years

Exhibit J-16

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Instruction						
Regular	131	135	139	140	146	138
Special Education	31	31	32	32	32	30
Other special education	31	40	48	52	54	40
Vocational						
Other instruction						
Nonpublic school programs						
Adult/continuing education						
Support Services:						
Student & instruction related services	53	54	54	54	52	44
School administrative services	10	11	11	12	14	11
General & Business Adm. services	1	1	1	1	1	1
Plant operations and maintenance	22	22	23	23	23	21
Pupil transportation					0	1
Business and other support services	18	19	20	20	20	15
Special Schools						
Food Service						
Child Care						
Total	297	313	328	334	342	301

Borough of Roselle Park School District
 Operating Statistics
 Last Seven Fiscal Years

Exhibit J-17

Fiscal Year	<u>Enrollment</u>	<u>Operating Expenditures</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Elementary</u>	<u>Middle School</u>	<u>High School</u>	<u>Avg. Daily Enrollment</u>	<u>Avg. Daily Attendance</u>	<u>% Change ADE</u>	<u>Student Attendance %</u>
2005	2094	\$ 22,976,803.00	\$ 9,760.00		216	1:18	1:16	1:16	2068	1968		95.2%
2006	2058	\$ 23,235,503.00	\$ 10,267.00		217	1:18	1:16	1:16	2041	1938		94.9%
2007	2048	\$ 23,599,936.00	\$ 11,011.00		217	1:19	1:21	1:17	2040	1940		95.1%
2008	2043	\$ 24,731,638.00	\$ 11,943.00		219	1:19	1:21	1:17	2017	1924		95.4%
2009	2,032	\$ 26,925,016.00	\$ 13,005.00		216	1:18	1:23	1:20	2009	1917		95.4%
2010	2,019	\$ 28,131,990.00	\$ 13,516.00		220	1:17	1:21	1:19	1992	1902		95.5%
2011	2,000	\$ 27,583,542.00	\$ 13,116.00		209	1:19	1:22	1:20	1981	1887		95.2%

Borough of Roselle Park School District
 School Building Information
 Last Six Fiscal Years

Exhibit J-18

<u>District Building</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Aldene						
Square Feet	32801	32801	32801	32801	32801	32801
Capacity						
Enrollment	262	273	277	271	285	279
Robert Gordon						
Square Feet	34342	34342	34342	34342	34342	34342
Capacity						
Enrollment	301	307	262	262	272	261
Sherman						
Square Feet	33560	33560	33560	33560	33560	33560
Capacity						
Enrollment	308	308	344	349	331	338
Middle School						
Square Feet	64420	64420	64420	64420	64420	64420
Capacity						
Enrollment	332	328	500	487	483	485
High School						
Square Feet	119968	119968	119968	119968	119968	119968
Capacity						
Enrollment	873	853	653	672	648	637
Board Office						
Square Feet	3124	3124	3124	3124	3124	3124

Number of Schools as of June 30, 2011

Elementary = 3

Middle School = 1

High School = 1

Borough of Roselle Park School District
 Schedule of Required Maintenance

Exhibit J-19

Fiscal Year Ending June 30	<u>Aldene</u>	<u>Robert Gordon</u>	<u>Sherman</u>	<u>Middle School</u>	<u>High School</u>	<u>Central Office</u>	<u>Total</u>
2005	\$ 11,781.00	\$ 15,823.00	\$ 25,228.00	\$ 103,387.00	\$ 305,457.00	\$ 12,188.00	\$ 473,864.00
2006	\$ 86,706.00	\$ 15,124.00	\$ 40,856.00	\$ 89,339.00	\$ 105,670.00	\$ 8,164.00	\$ 345,860.00
2007	\$ 28,948.00	\$ 15,233.00	\$ 46,541.00	\$ 48,237.00	\$ 58,852.00	\$ 6,312.00	\$ 204,123.00
2008	\$ 39,783.00	\$ 17,780.00	\$ 34,759.00	\$ 60,515.00	\$ 11,139.00	\$ 30,591.00	\$ 194,567.00
2009	\$ 42,787.00	\$ 24,565.00	\$ 52,263.00	\$ 47,306.00	\$ 215,522.00	\$ 65,749.00	\$ 300,393.00
2010	\$ 32,045.00	\$ 36,833.00	\$ 38,877.00	\$ 90,744.00	\$ 144,488.00	\$ 24,266.00	\$ 367,253.00
2011	\$ 29,362.00	\$ 27,362.00	\$ 15,377.00	\$ 70,140.00	\$ 86,267.00	\$ 5,627.00	\$ 234,135.00

Borough of Roselle Park School District
Insurance Schedule

Exhibit J-20

<u>School Package Policy</u>		<u>Coverage</u>	<u>Deductible</u>
Property		\$ 5,000,000,000.00	\$ 5,000.00
Comprehensive General Liability		\$ 16,000,000.00	n/a
Automobile Liability		\$ 16,000,000.00	n/a
Crime Coverage - Theft, Disappearance		\$ 5,000.00	\$ 500.00
Destruction loss of Money & Securities			
Money Orders & Counterfeit Paper Currency			
Forgery & Alteration		\$ 25,000.00	\$ 500.00
Extra Expense		\$ 50,000,000.00	\$ 5,000.00
Valuable Papers		\$ 10,000,000.00	\$ 5,000.00
Demolition and Increased Cost of Construction		\$ 10,000,000.00	n/a
Equipment Breakdown		\$ 100,000,000.00	\$ 5,000.00
Electronic Data		\$ 900,000.00	\$ 1,000.00
Workers Compensation	Each Accident	\$ 2,000,000.00	
	Disease Policy Limit	\$ 2,000,000.00	
	Disease Each Employee	\$ 2,000,000.00	
School Leaders Errors & Omissions Liability		\$ 16,000,000.00	\$ 5,000.00
		\$100,000/\$300,000	
Administrator - Bond		\$ 25,000.00	\$ 500.00
Treasurer - Bond		\$ 300,000.00	\$ 1,000.00
School Violents Acts		\$ 250,000.00	\$ 25,000.00
Student Accident		\$ 1,000,000.00	
Pollutant Cleanup and Removal		\$ 1,000,000.00	\$ 10,000.00
Automobile Physical Damage	Actual Cash Basis		\$ 1,000.00
Flood Deductible	All Zones Except A&V		\$ 10,000.00
Earthquake		\$50,000,000.00	\$ 5,000.00

SINGLE AUDIT SECTION

Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

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RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

REPORT ON COMPLIANCE AND 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

K-1

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

We have audited the general-purpose financial statements of the Board of Education of the Roselle Park School District, in the County of Union, State of New Jersey, as of and for the fiscal year ended June 30, 2011, and have issued our report thereon dated November 1, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Roselle 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 Roselle Park Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Roselle 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 District's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over 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 Roselle Park Board of Education's general-purpose 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 general-purpose 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.

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

Robert A. Hulsart
Licensed Public School Accountant
No. 322
Robert A. Hulsart and Company

November 1, 2011

Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
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RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

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

K-2

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

Compliance

We have audited the compliance of the Board of Education of the Roselle Park School District, in the County of Union, State of New Jersey, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2011. Roselle 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 state programs is the responsibility of the Roselle Park Board of Education's management. Our responsibility is to express an opinion on the Roselle 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 and state program occurred. An audit includes examining, on a test basis, evidence about the Roselle 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 on the Roselle Park Board of Education's compliance with those requirements.

In our opinion, the Board of Education of the Roselle Park School District, in the County of Union, State of New Jersey, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended June 30, 2011.

Internal Control Over Compliance

The management of the Board of Education of the Roselle Park School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Roselle 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Roselle Park Board of Education's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. Roselle 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 Roselle Park Board of Education's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the audit committee, management, the Roselle 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.

Robert A. Hulsart
Licensed Public School Accountant
No. 322
Robert A. Hulsart and Company

November 1, 2011

ROSELLE PARK SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Schedule A
K-3

Department of Education Project/Title	CFDA Number	Program or Award Amount	Grant Period		Balance at June 30, 2010	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year Balances	Balance at June 30, 2011	
			From	To							(Accounts Receivable)	Deferred Revenue
U.S. Department of Agriculture Passed Through State Department of Education												
National School Lunch Program	10.555	\$ 196,243	7-1-09	6-30-10	\$ (17,894)		17,894					
National School Lunch Program	10.555	229,232	7-1-10	6-30-11			180,653	(229,232)			(48,579)	
School Breakfast Program	10.553	18,179	7-1-09	6-30-10	(2,126)		2,126					
School Breakfast Program	10.553	17,970	7-1-10	6-30-11			13,839	(17,970)			(4,132)	
Food Distribution	10.550	29,512	7-1-10	6-30-11	(20,020)		29,512	(29,512)				
							244,024	(276,714)			(52,711)	
U.S. Department of Education Passed Through State Department of Education)												
General fund.												
Education Jobs Fund	84.410A	353,652	7-1-10	6-30-11			31,682	(31,682)				
Medicaid	93.778	31,682	7-1-10	6-30-11			31,682	(31,682)				
Title I												
Title I	84.010	301,186	9-1-09	8-31-10	(83,249)		84,579	(1,330)				
Title IA	84.010	312,462	9-1-10	8-31-11			241,251	(297,391)			(56,140)	
Title IA	84.367A	53,940	9-1-09	8-31-10	(12,102)		12,376	(274)				
Title IA	84.367A	54,586	9-1-10	8-31-11			42,275	(52,912)			(10,637)	
Title IB	84.318		9-1-08	8-31-09			82	(82)				
Title IB	84.318	3,001	9-1-09	8-31-10	(1,371)		1,988	(751)			(134)	
Title IB	84.318	719	9-1-10	8-31-11				(719)			(719)	
Title III	84.365A	39,364	9-1-09	8-31-10	(21,997)		22,982	(985)				
Title III	84.365A	54,112	9-1-10	8-31-11			36,596	(49,292)			(12,696)	
Title IV	84.298	6,255	9-1-09	8-31-10	(3,129)		3,129	(1,246)			(1,246)	
I.D.E. A.												
Part B	84.027	437,584	9-1-09	8-31-10	(78,021)		79,676	(1,655)				
Part B	84.027	445,316	9-1-10	8-31-11			367,058	(445,316)			(78,258)	
Preschool	84.173	14,896	9-1-09	8-31-10	(2,746)		2,746					
Preschool	84.173	15,615	9-1-10	8-31-11			13,054	(15,615)			(2,561)	
Title I ARRA	84.389	88,108	9-1-09	8-31-11	(26,673)		25,933	(6,945)			(7,685)	
I.D.E. A.												
Part B ARRA	84.391	469,115	9-1-09	8-31-11	(136,829)		236,247	(109,394)			(9,976)	
Preschool ARRA	84.392	16,916	9-1-09	8-31-11	(3,421)		8,853	(6,702)			(1,270)	
Total U.S. Department of Education					(369,538)		1,178,825	(990,609)			(181,322)	
Total Federal Financial Assistance					\$ (389,558)		1,454,531	(1,299,005)			(234,033)	

See Accompanying Notes to Schedules of Financial Assistance

ROSELLE PARK SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Schedule B
K-4

Department of Education Project/Title State Department of Education	State Grant Number	Program or Award Amount	Grant Period		Balance at June 30, 2010	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year Balances	Balance at June 30, 2011		MEMO Budgetary Receivable	Total Cumulative Expenditures
			From	To							(Accounts Receivable)	Deferred Revenue/ Interfund Payable		
Special Education Aid	11-495-034-5120-089	1,074,712	7/1/10	6/30/11	\$ -	-	1,074,712	(1,074,712)	-	-	(302,086)	-	(106,503)	1,074,712
Equalization Aid	11-495-034-5120-078	8,189,101	7/1/10	6/30/11	-	-	8,189,101	(8,189,101)	-	-	-	-	(811,628)	8,189,101
Extraordinary Aid	11-495-034-5120-044	302,086	7/1/10	6/30/11	-	-	-	(302,086)	-	-	-	-	-	302,086
Extraordinary Aid	10-495-034-5120-044	93,787	7/1/09	6/30/10	(93,787)	-	93,787	-	-	-	-	-	-	-
Reimbursed TPAF Social Security Contribution (Non-Budgeted)	10-100-034-5095-002	1,083,509	7/1/09	6/30/10	(53,597)	-	53,597	-	-	-	-	-	-	-
Reimbursed TPAF Social Security Contribution (Non-Budgeted)	11-100-034-5095-002	1,004,047	7/1/10	6/30/11	(147,384)	-	953,668	(1,004,047)	-	-	(50,440)	-	(918,131)	1,004,047
							10,364,805	(10,569,946)	-	-	(352,526)	-	-	10,569,946
Debt Service Type II Aid	11-495-034-5120-017	679	7/1/10	6/30/11	-	-	679	(679)	-	-	-	-	-	679
State School Breakfast Program	10-100-010-3360-096	1,364	7/1/09	6/30/10	(156)	-	156	-	-	-	-	-	-	-
State School Lunch Program (State Share)	10-100-010-3350-023	9,612	7/1/09	6/30/10	(879)	-	879	-	-	-	-	-	-	-
State School Lunch Program (State Share)	11-100-010-3350-023	6,799	7/1/10	6/30/11	(1,035)	-	5,255	(6,799)	-	-	(1,544)	-	-	6,799
							6,290	(6,799)	-	-	(1,544)	-	-	6,799
Total State Financial Assistance					\$ (148,419)	-	10,371,774	(10,577,424)	-	-	(354,070)	-	(918,131)	10,577,424

See Accompanying Notes to Schedules of Financial Assistance

BOARD OF EDUCATION

K-5

ROSELLE PARK SCHOOL DISTRICT**NOTES TO SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE****JUNE 30, 2011****NOTE 1: General**

The accompanying schedules of financial assistance present the activity of all federal and state financial assistance programs of the Board of Education, Roselle Park School District. The Board of Education is defined in Note 1(A) to the Board's general-purpose financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies is included on the schedule of federal financial assistance.

NOTE 2: Basis of Accounting

The accompanying schedules of financial assistance are presented using the modified accrual basis of accounting. This basis of accounting is described in Note 1(C) to the Board's general-purpose financial statements.

NOTE 3: Relationship to General Purpose Financial Statements

The general-purpose 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 one or more state aid June payments in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

Awards and financial assistance revenues are reported in the Board's general purpose financial statements on a GAAP basis as presented below:

NOTE 3: Relationship to General Purpose Financial Statements

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Food Service</u>	<u>Total</u>
<u>State Assistance</u>					
Actual Amounts (Budgetary) "Revenues" from the Schedule of Expenditures of State Financial Assistance	\$ 10,569,946		679	6,799	10,577,424
Difference – Budget to "GAAP" Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures and the Related Revenue is Recognized					
On Behalf Payments Recognized for GAAP Statements but Not Included in the Schedule of Expenditures of State Financial Assistance	985,895				985,895
The Last State Aid Payment Is Recognized as Revenue for Budgetary Purposes, and Differs from GAAP Which does not Recognize This Revenue Until the Subsequent Year When the State Recognizes the Related Expense (GASB 33)	<u>145,906</u>				<u>145,906</u>
Total State Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 11,701,747		679	6,799	11,709,225

NOTE 3: Relationship to General Purpose Financial Statements (Continued)

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Food Service</u>	<u>Total</u>
<u>Federal Assistance</u>					
Actual Amounts (Budgetary) "Revenues" from the Schedule of Expenditures of Federal Awards	\$ 31,682	990,609		276,715	1,299,006
Difference – Budget to "GAAP" Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures and the Related Revenue is Recognized	_____	(72,613)	_____	_____	(72,613)
Total Federal Revenue as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances	\$ 31,682	917,996	276,715	1,226,393

NOTE 4: Relationship to Federal and State Financial Reports

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

NOTE 5: Other

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state of behalf of the District for the year ended June 30, 2011. 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, 2011.

ROSELLE PARK SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Part 1 - Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued:

Unqualified

Internal control over financial reporting:

1) Material weakness(es) identified?

_____ Yes x No

2) Reportable conditions(s) identified that are not considered to be material weaknesses?

_____ Yes x None Reported

Noncompliance material to general purpose financial statements noted?

_____ Yes x No

Federal Awards

Internal control over compliance:

1) Material weakness(es) identified?

_____ Yes x No

2) Reportable condition(s) identified that are not considered to be material weaknesses?

_____ Yes x None Reported

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

Unqualified

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133?

_____ Yes x No

Identification of major programs:

CFDA Number(s)

84.010
84.389
84.027
84.173
84.391
84.392

Name of Federal Program or Cluster

Title I (Title I Cluster)
Title I-ARRA (Title I Cluster)
IDEA Part B (Special Education Cluster)
IDEA-Preschool (Special Education Cluster)
IDEA Part B-ARRA (Special Education Cluster)
ARRA-Preschool (Special Education Cluster)

Dollar threshold used to distinguish between type A and type B programs:

\$300,000

Auditee qualified as low-risk auditee?

 x Yes _____ No

ROSELLE PARK SCHOOL DISTRICTSCHEDULE OF FINDINGS AND QUESTIONED COSTS

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FOR THE FISCAL YEAR ENDED JUNE 30, 2011*Part 2 - Financial Statement Findings*

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the general purpose financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

Finding: None

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Cause: N/A

Recommendation: N/A

Management's Response: N/A

ROSELLE PARK SCHOOL DISTRICTSCHEDULE OF FINDINGS AND QUESTIONED COSTS

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FOR THE FISCAL YEAR ENDED JUNE 30, 2011*Part 3 - Federal Awards and State Financial Assistance Findings and Questioned Costs*

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and NJOMB Circular Letter 04-04.

Federal Awards

Finding: NONE

Information on the Federal Program: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Cause: N/A

Recommendation: N/A

Management's response: N/A

State Awards

Finding: NONE

Information on the State Program: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Cause: N/A

ROSELLE PARK SCHOOL DISTRICT**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

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FOR THE FISCAL YEAR ENDED JUNE 30, 2011*Part 3 - Federal Awards and State Financial Assistance Findings and Questioned Costs (Continued)***State Awards (Continued)**Recommendation: N/AManagement's response: N/A

ROSELLE PARK SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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Prior Audit Findings:

There were no prior year audit findings.