

SCHOOL DISTRICT
OF
ROCHELLE PARK

Rochelle Park School District
Board of Education
Rochelle Park, New Jersey

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2012

Comprehensive Annual
Financial Report

of the

Rochelle Park School District
Board of Education

Rochelle Park, New Jersey

For Fiscal Year Ended June 30, 2012

Prepared by

Rochelle Park School District
Board of Education

ROCHELLE PARK SCHOOL DISTRICT
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INTRODUCTORY SECTION



Rochelle Park School District

HERBERT AMMERMAN
INTERIM SUPERINTENDENT

Board of Education
300 Rochelle Avenue
Rochelle Park, NJ 07662
Phone: 201-843-5279
Fax: 201-843-5358

VINCENT J. OCCHINO
INTERIM BUSINESS ADMINISTRATOR

September 12, 2012

The Honorable President and
Members of the Board of Education
of the Rochelle Park School District
County of Bergen
Rochelle Park, New Jersey 07662

Dear Honorable President and Board Members:

The Comprehensive Annual Financial Report of the Rochelle Park School District (the "District") for the fiscal year ended June 30, 2012 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Rochelle Park School District (the "Board"). 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 basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Independent Auditors' Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected economical and demographic information, financial trends and the fiscal capacity of the District, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of 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*. Information related to this single audit, including the auditors' report on the internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

1. **REPORTING ENTITY AND ITS SERVICES:** Rochelle Park School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) Codification Section 2100. All funds of the District are included in this report. The Rochelle Park Board of Education and its school constitute the District's reporting entity.

The District continues to provide a full range of educational services appropriate to grade levels kindergarten through grade 8 and has a sending receiving relationship with Hackensack Public School for students in grades 9 through 12. These include regular, as well as, special education for handicapped students.

The Honorable President and Members
of the Board of Education
Rochelle Park School District
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The District completed the 2011-2012 school year with an average daily enrollment of 462 students. The following details the changes in the student enrollment over the last five years:

<u>Fiscal Year</u>	<u>Average Daily Student Enrollment</u>	<u>Percentage Change</u>
2011-2012	462	2.21%
2010-2011	452	-10.32%
2009-2010	504	-0.59%
2008-2009	507	2.22%
2007-2008	496	3.68%

2. ECONOMIC CONDITONS AND OUTLOOK: The Rochelle Park area is substantially developed with both residential and industrial taxpayers. The situation is expected to continue, which suggests that its tax base will remain stable.
3. MAJOR INITIATIVES: Preparing our students to take their rightful place in the future marketplace continues to be the driving force behind the District's major initiatives. Acquisition of state of the art, web-based systems and leading edge software products and services continue to integrate technology with the instructional programs. Systems like *On Course* supports both teachers in organizing their instructional day and enables students to check assignments as well as complete homework and lessons on line. Programs such as *Learnia* and *Study Island* provide opportunities for teachers to implement formative and summative assessments to gauge student learning outcomes as they relate to the latest national, state and local standards.

Hardware has also been added to the instructional day. Classrooms are equipped with ceiling-installed projectors and both teacher and student laptops are available for classroom use. Whiteboard or Mimio Systems that mimic white boards, are also readily available. More will be added next year. The hardware in unison with the web-based systems and software compel students to engage in the lessons being presented. They come to school with a high level of technology savvy and the school keeps them hooked for things innovative and technical. The WiFi System, to be installed this summer, will make the technology run more seamlessly and efficiently. The students demand this level of performance in their video games and hand-held devices and now it is part of their instructional day. An upgrade of the data pipe to the Internet will radically alter access from the network LAN. This will enable the opportunity for communication through data, voice and video down to the desktop computer.

After securing the necessary resources to support instruction and staff, the District turns to safeguarding another of its most treasured assets, its school building and grounds. The District continues to look for ways to address an aging building. There are at least plans to revisit the Long Range Facilities Plan and prioritize efforts to address the most pressing issues: boilers, window replacement, grounds, security, etc.

The District's administration is secure in the knowledge that its strategies and plans will safeguard the viability of the school district well into the twenty-first century.

4. INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP).

The Honorable President and Members
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September 12, 2012

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 awards, the District also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control system is also subject to periodic evaluation by the District's management.

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

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, the special revenue fund and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as restrictions, commitments and assignments of fund balance at June 30, 2012.

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. These funds are explained in "Notes to the Basic Financial Statements", Note 1.
7. DEBT ADMINISTRATION: At June 30, 2012, the District had \$1,125,000 of outstanding bonded debt.
8. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
9. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, excess liability, auto liability and comprehensive/collision, hazard and theft insurance on property and contents, workers' compensation, and fidelity bonds. A schedule of insurance coverage is found on Exhibit J-20.

The Honorable President and Members
of the Board of Education
Rochelle Park School District
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September 12, 2012

10. **OTHER INFORMATION: Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related OMB Circular A-133, *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*. The auditors' report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.
11. **ACKNOWLEDGEMENTS:** We would like to express our appreciation to the members of the Rochelle Park School District for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,



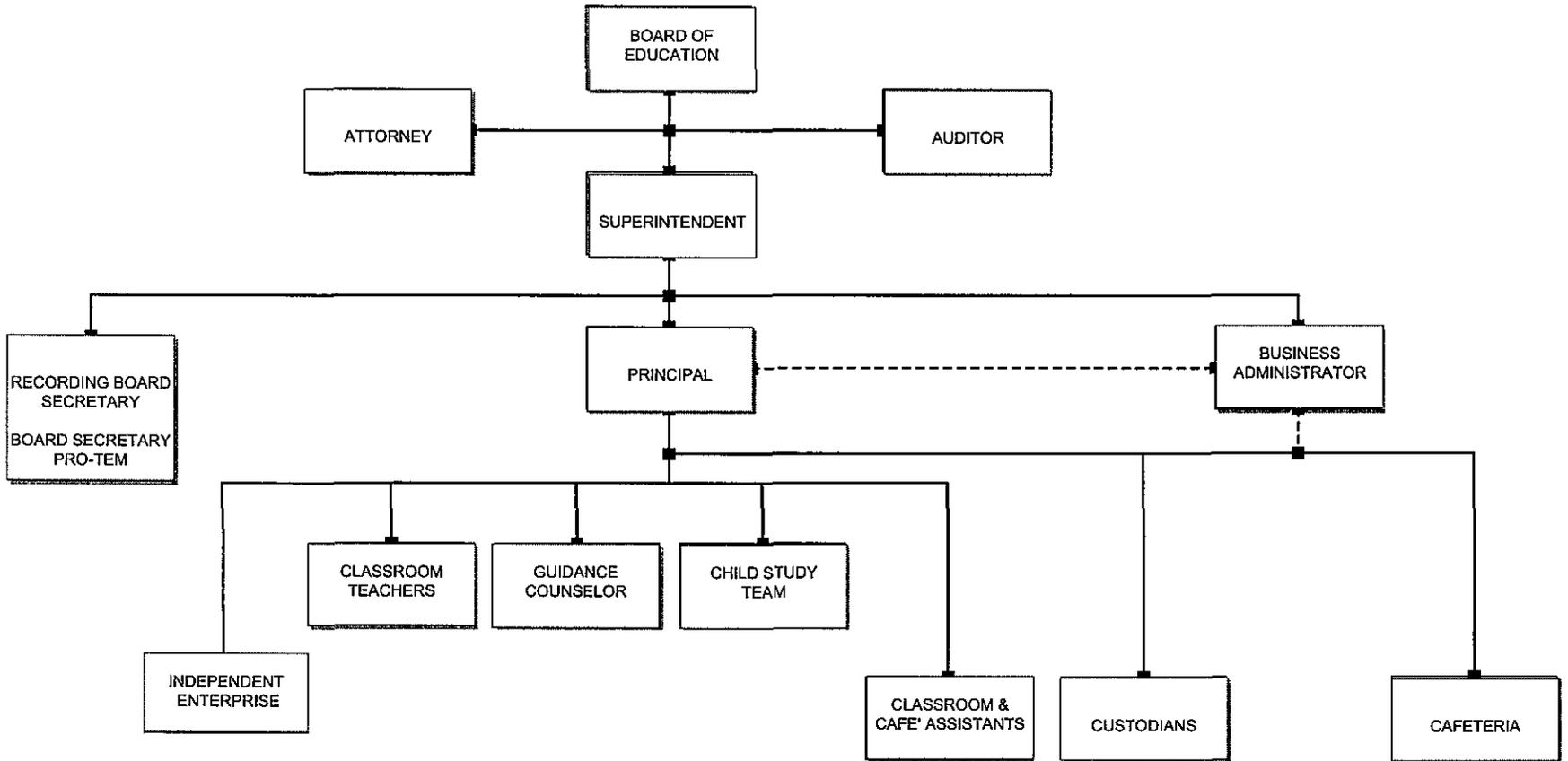
Herbert Ammerman
Interim Superintendent



Vincent J. Occhino
Interim Business Administrator

Rochelle Park Public School District

ORGANIZATIONAL CHART



ROCHELLE PARK SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2012

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Patricia Dee Bilka, President	2013
Robert Verhasselt, Vice President	2012
Sam Allos	2014
Teresa Cravello	2014
Robert J. Esposito	2012
Maria Lauerman	2014
Mark Scully	2013

Other Officials

- Herbert Ammerman, Interim Superintendent
- John DiPaola, School Business Administrator (7/1/2011 - 6/30/2012)
- Ellen Kobylarz, Recording Secretary
- Peter Bellani, Treasurer of School Monies
- Cara Hurd, Principal
- Stephen Fogarty, Board Attorney

ROCHELLE PARK SCHOOL DISTRICT

Consultants and Advisors
Year Ended June 30, 2012

Audit Firm

Nisivoccia LLP
Mount Arlington Corporate Center
200 Valley Road Suite 300
Mount Arlington, New Jersey 07856

Attorney

Stephen R. Fogarty
Fogarty & Hara
16-00 Route 208 South
Fair Lawn, New Jersey 07410

Official Depository

TD Bank, N.A.
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FINANCIAL SECTION



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Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Rochelle Park School District in the County of Bergen as of and for the fiscal year ended June 30, 2012, which collectively comprise the Board of Education's basic financial statements as listed in the foregoing table of contents. These financial statements are the responsibility of the 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 Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Rochelle Park School District in the County of Bergen as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows, thereof, for the fiscal 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 September 12, 2012 on our consideration of the Rochelle Park School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Honorable President and Members
of the Board of Education
Rochelle Park School District
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Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, which follows this report, and Budgetary Comparison Information in Exhibits C-1 through C-3 and I-3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board of Education of the Rochelle Park School District's financial statements. The accompanying supplementary information schedules such as the combining and individual nonmajor fund financial statements and the Schedules of Expenditures of Federal and State Awards, 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, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information such as the combining and individual nonmajor fund financial statements and the schedules of expenditures of federal and state awards are fairly stated in all material respects in relation to the financial statements as a whole. The accompanying other information, such as the introductory and statistical sections, is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

September 12, 2012
Mount Arlington, New Jersey

NISIVOCIA LLP



Heidi A. Wohlleb
Licensed Public School Accountant #2140
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION -
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Rochelle Park School District
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2012
(Unaudited)**

This section of Rochelle Park School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2012. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Financial Highlights

- The District's financial status improved significantly on a district-wide basis as well as in the governmental funds over the past year.
- Overall revenue was \$11,500,195.
- Overall expenses were \$10,856,888.
- Actual General Fund revenue (net of On-Behalf TPAF Pension and Post-Retirement Benefits Contributions and Reimbursed TPAF Social Security Contributions) was \$202,272 higher than expected, primarily in miscellaneous revenue, extraordinary aid and nonpublic transportation costs aid.

Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *District-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more* detail than the District-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- *Proprietary funds* statements offer *short-* and *long-term* financial information about the activities the District operates like a business, such as food services and the latchkey and preschool programs.
- *Fiduciary funds statements* provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

**Rochelle Park School District
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2012
(Unaudited)**

**Figure A-1
Organization of Rochelle Park School District's Financial Report**

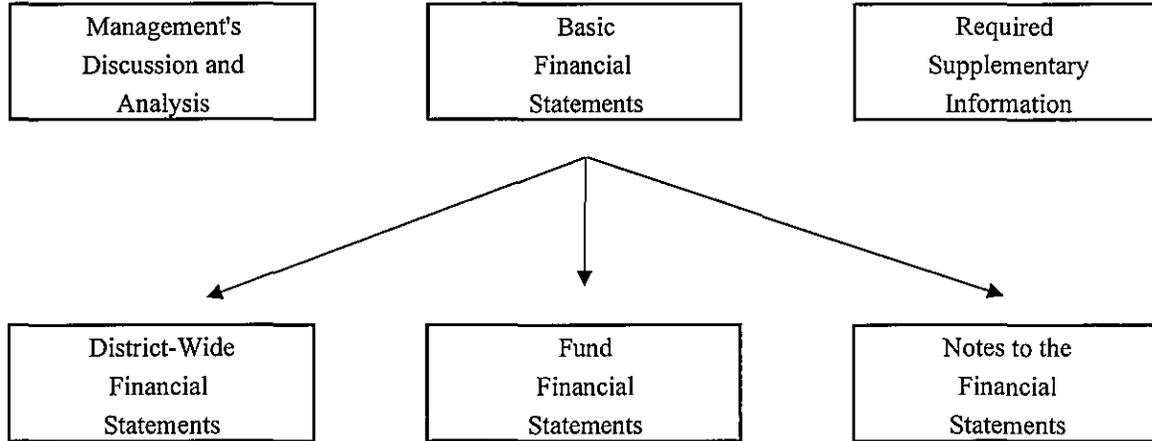


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents of each of the statements.

**Rochelle Park School District
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2012
(Unaudited)**

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

	Fund Financial Statements			
	District-Wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses; food services and latchkey and preschool programs	Instances in which the district administers resources on behalf of someone else, such as scholarship programs and student activities monies.
Required Financial Statements	<ul style="list-style-type: none"> • Statement of Net Assets • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenue, Expenditures, and Changes in Fund Balances 	<ul style="list-style-type: none"> • Statement of Net Assets • Statement of Revenue, Expenses, and Changes in Net Assets • Statement of Cash Flows 	<ul style="list-style-type: none"> • Statement of Fiduciary Net Assets • Statement of Fiduciary Net Assets
Accounting basis and measurement focus	Accrual Accounting and Economic Resources focus	Modified Accrual Accounting and Current Financial Focus	Accrual Accounting and Economic Resources focus	Accrual Accounting and Economic Resources focus
Type of Asset/Liability Information	All Assets and Liabilities, both Financial and Capital, Short-Term and Long-Term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow/Outflow Information	All Revenue and Expenses during the year, regardless of when Cash is Received or Paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All Revenue and Expenses during the year, regardless of when cash is received or paid	All Additions and Deductions during the year, regardless of when cash is received or paid

**Rochelle Park School District
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2012
(Unaudited)**

District-Wide Statements

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

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

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the District-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities:* Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state formula aid finance most of these activities.
- *Business-type activities:* The District charges fees to help it cover the costs of certain services it provides. The District's food service and the District's latchkey and preschool programs are included here.

Fund Financial Statements

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

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenue (such as federal grants).

The District has three kinds of funds:

- *Governmental funds:* Most of the District's basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- *Proprietary funds:* Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows.

**Rochelle Park School District
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2012
(Unaudited)**

- *Fiduciary funds:* The District is the trustee, or *fiduciary*, for assets that belong to others, such as scholarship funds and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations.

Notes to Financial Statements

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

Financial Analysis of the District as a Whole

Net Assets. The District's net assets are shown in Figure A-3.

Figure A-3

Condensed Statement of Net Assets

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2012	2011	2012	2011	2012	2011	2011-2012
Current and Other Assets	\$ 1,186,782	\$ 954,080	\$ 155,322	\$ 83,741	\$ 1,342,104	\$ 1,037,821	29.32%
Capital Assets	1,726,914	1,778,080	22,294	28,089	1,749,208	1,806,169	-3.15%
Total Assets	<u>2,913,696</u>	<u>2,732,160</u>	<u>177,616</u>	<u>111,830</u>	<u>3,091,312</u>	<u>2,843,990</u>	8.70%
Long-Term Debt Outstanding	1,210,903	1,458,033			1,210,903	1,458,033	-16.95%
Other Liabilities	665,919	805,223	21,871	31,422	687,790	836,645	-17.79%
Total Liabilities	<u>1,876,822</u>	<u>2,263,256</u>	<u>21,871</u>	<u>31,422</u>	<u>1,898,693</u>	<u>2,294,678</u>	-17.26%
Net Assets:							
Invested in Capital Assets,							
Net of Related Debt	601,914	433,080	22,294	28,089	624,208	461,169	35.35%
Restricted	85,696	48,960			85,696	48,960	75.03%
Unrestricted/(Deficit)	<u>349,264</u>	<u>(13,136)</u>	<u>133,451</u>	<u>52,319</u>	<u>482,715</u>	<u>39,183</u>	1131.95%
Total Net Assets	<u>\$ 1,036,874</u>	<u>\$ 468,904</u>	<u>\$ 155,745</u>	<u>\$ 80,408</u>	<u>\$ 1,192,619</u>	<u>\$ 549,312</u>	117.11%

Changes in net assets. The District's combined net assets were \$1,192,619 on June 30, 2012, \$643,307 or 117.11% higher than the year before (See Figure A-3). The net assets of the governmental activities increased by \$546,029 due primarily to an excess in Extraordinary and Nonpublic Transportation State Aids as well as miscellaneous revenue in the General Fund of \$202,272 (net of On-Behalf TPAF Pension and Post-Retirement Benefits Contributions and Reimbursed TPAF Social Security Contributions), unexpended budget appropriations in the General Fund as well as a reduction in long term debt outstanding of \$220,000. The net assets of the business-type activities increased \$75,337 due primarily to the increased participation in the latchkey and preschool programs and an increase in federal lunch reimbursements due to increased participation in the lunch program in the current fiscal year.

**Rochelle Park School District
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2012
(Unaudited)**

**Figure A-4
Changes in Net Assets from Operating Results**

	Governmental		Business-Type		Total School District		Total
	Activities		Activities				Percentage
	2012	2011	2012	2011	2012	2011	Change 2011-2012
Revenue:							
Program Revenue:							
Charges for Services			\$ 318,655	\$ 276,576	\$ 318,655	\$ 276,576	15.21%
Operating Grants and Contributions	\$ 1,302,745	\$ 1,154,183	45,682	43,892	1,348,427	1,198,075	12.55%
General Revenue:							
Property Taxes	9,719,231	9,531,647			9,719,231	9,531,647	1.97%
Federal and State Aid	41,637	20,703			41,637	20,703	101.12%
Unrestricted	72,217	8,400	28	314	72,245	8,714	729.07%
Total Revenue	11,135,830	10,714,933	364,365	320,782	11,500,195	11,035,715	4.21%
Expenses:							
Instruction	5,038,105	4,804,684			5,038,105	4,804,684	4.86%
Tuition	2,755,948	2,874,295			2,755,948	2,874,295	-4.12%
Pupil & Instruction Services	874,633	942,207			874,633	942,207	-7.17%
Administrative and Business	773,469	764,659			773,469	764,659	1.15%
Maintenance & Operations	590,287	600,775			590,287	600,775	-1.75%
Transportation	369,318	339,440			369,318	339,440	8.80%
Other	146,100	205,836	309,028	300,134	455,128	505,970	-10.05%
Total Expenses	10,547,860	10,531,896	309,028	300,134	10,856,888	10,832,030	0.23%
Transfers	(20,000)	(20,374)	20,000	20,374			
Increase/(Decrease) in Net Assets	\$ 567,970	\$ 162,663	\$ 75,337	\$ 41,022	\$ 643,307	\$ 203,685	215.83%

Revenue Sources. The District's total revenue for the 2011/2012 school year was \$11,500,195. (See Figure A-4). Local property taxes accounted for most of the District's revenue, with local taxes accounting for \$9,719,231 of the total, or 84.51%. (See Figure A-5). Another 12.09% came from state and federal aid and grants and the remainder from miscellaneous sources. It is important to note that of the Categorical Grants amount of \$1,024,551, there is \$360,533 included in funds that are not paid to the District for TPAF Pension and Post Retirement Benefits that the State of New Jersey is paying on behalf of the District.

**Rochelle Park School District
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2012
(Unaudited)**

**Figure A-5
Sources of Revenue for Fiscal Year 2012**

Sources of Income	Amount	Percentage
State Formula Aid	\$ 365,513	3.18%
Property Taxes	9,719,231	84.51%
Federal and State Categorical Grants	1,024,551	8.91%
Charges for Services	318,655	2.77%
Other	72,245	0.63%
	<u>\$ 11,500,195</u>	<u>100.00%</u>

The total cost of all programs and services was \$10,856,888. The District's expenses are predominantly related to instructing, tuition, caring for (pupil services) and transporting students (83.25%). (See Figure A-6). The District's administrative and business activities accounted for 7.12% of total costs.

**Figure A-6
Expenses for Fiscal Year 2012**

Expense Category	Amount	Percentage
Instruction	\$ 5,038,105	46.41%
Tuition	2,755,948	25.38%
Pupil & Instruction Services	874,633	8.06%
Administrative and Business	773,469	7.12%
Maintenance & Operations	590,287	5.44%
Transportation	369,318	3.40%
Other	455,128	4.19%
	<u>\$ 10,856,888</u>	<u>100.00%</u>

Salaries and benefits expenses for employees for 2011/12 accounted for approximately 57% of total expenses. Administrative and Business functions included costs for the district's legal, professional and auditing fees, liability insurance, telephone, postage, technology and internet costs, environmental testing and election expenses.

Operations and maintenance expenses of approximately 5.44% included costs for the upkeep and maintenance of the facility including cleaning, landscaping and maintenance contracts, pest control, utilities and property insurance.

Transportation expenses included costs for regular and special education to and from the Midland School, Hackensack High School and out-of-district special education placements. The District is also responsible for the transportation costs or the payment of "aid-in-lieu" of transportation for non-public students who reside within the District. The total transportation costs were about 3.40%.

**Rochelle Park School District
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2012
(Unaudited)**

Governmental Activities

As discussed elsewhere in this commentary, the financial position of the District improved significantly. However, maintaining existing programs as well as providing for a multitude of special programs and services for special needs pupils place great demands on the District's resources. Careful management of expenses remains essential for the District to sustain its financial health. Among the many significant cost savings actions implemented during the year were:

- A significant number of special needs pupils continue to be educated in programs within the District rather than being sent out-of-District whereby the District would have to pay tuition as well as increased transportation costs. Rochelle Park School District has been cited for its inclusion programs.
- Rochelle Park School District is maximizing its joint purchasing/cooperative agreements. We currently jointly purchase supplies (teaching, custodial, etc.), and insurances (health, property/casualty). The District also participates in an energy purchasing consortium (ACES) and a telecommunication services consortium (ACTS).

It is crucial that the District examine its expenditures carefully. Increasing parental and student demands for new activities and programs must be evaluated thoroughly. District resources are at their tightest level in a decade.

Figure A-7, on the next page, presents the cost of seven major District activities: instruction, tuition, pupil and instructional services, administration and business, maintenance and operations, transportation, and other. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these functions.

Figure A-7

Net Cost of Governmental Activities

	Total		Net	
	Cost of Services		Cost of Services	
	2012	2011	2012	2011
Instruction	\$ 5,038,105	\$ 4,804,684	\$ 3,936,845	\$ 3,741,593
Tuition	2,755,948	2,874,295	2,631,929	2,874,295
Pupil & Instruction Services	874,633	942,207	829,507	904,734
Administrative and Business	773,469	764,659	752,265	750,255
Maintenance & Operations	590,287	600,775	590,287	600,775
Transportation	369,318	339,440	358,182	300,225
Other	146,100	205,836	146,100	205,836
Total	\$ 10,547,860	\$ 10,531,896	\$ 9,245,115	\$ 9,377,713

- The cost of all governmental activities this year was \$10.55 million.
- The federal and state governments subsidized certain programs with grants and contributions (\$978,869).
- Most of the District's costs, however, were financed by District taxpayers (\$9.72 million).
- A portion of governmental activities was financed with \$365,513 in state formula aid.
- The remainder of the funding came from miscellaneous revenue (\$72,217).

**Rochelle Park School District
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2012
(Unaudited)**

Business-Type Activities

Net assets from the District's business-type activities increased by \$75,337 (refer to Figure A-4). The primary reason for the increase is the increased participation in the latchkey and preschool programs as well as an increase in federal lunch reimbursements due to increased participation in the lunch program.

Financial Analysis of the District's Funds

Difficult economic times have had a direct impact upon the District's revenue sources. Interest from investments continues to be significantly lower than in prior years. The District has also reduced its level of using surplus to reduce the tax levy. As overall revenue for the District is strained, the amount of funds generated for this purpose likewise decreases. The ratables in the municipality of the District have not significantly changed, thus generating concern for the local tax levy in the future.

All of these factors are likely to continue for the next several years. To maintain a stable financial position, the District must continue to practice sound fiscal management.

General Fund Budgetary Highlights

The 2011/2012 budget is reflective of the District's desire to provide its students and staff with the best opportunities, in a safe learning environment while being responsible to its taxpayers. Through careful budgeting, prudent planning and internal controls, the use of cooperative purchasing, shared services with the Township of Rochelle Park and other school districts in areas such as facility services, vehicle maintenance and technology, the District has been successful in maximizing its available resources.

Over the course of the year, the District revised its annual operating budget several times. These budget amendments were for changes made within budgetary line items for changes in school-based needs for programs, supplies and equipment.

Capital Asset and Debt Administration

Figure A-8

Capital Assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2012	2011	2012	2011	2012	2011	2011-2012
Sites (Land)	\$ 15,740	\$ 15,740			\$ 15,740	\$ 15,740	0.00%
Site Improvements	48,832	57,697			48,832	57,697	-15.36%
Buildings & Improvements	1,589,074	1,631,402			1,589,074	1,631,402	-2.59%
Machinery and Equipment	73,268	73,241	\$ 22,294	\$ 28,089	95,562	101,330	-5.69%
Total	\$ 1,726,914	\$ 1,778,080	\$ 22,294	\$ 28,089	\$ 1,749,208	\$ 1,806,169	-3.15%

During the fiscal year, the District's governmental activities acquired \$14,328 in equipment and depreciated \$65,494 of its capital assets. The District's business-type activities depreciated \$5,795 of its existing equipment during the fiscal year.

**Rochelle Park School District
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2012
(Unaudited)**

Business-Type Activities

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Difficult economic times have had a direct impact upon the District's revenue sources. Interest from investments continues to be significantly lower than in prior years. The District has also reduced its level of using surplus to reduce the tax levy. As overall revenue for the District is strained, the amount of funds generated for this purpose likewise decreases. The ratables in the municipality of the District have not significantly changed, thus generating concern for the local tax levy in the future.

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Capital Asset and Debt Administration

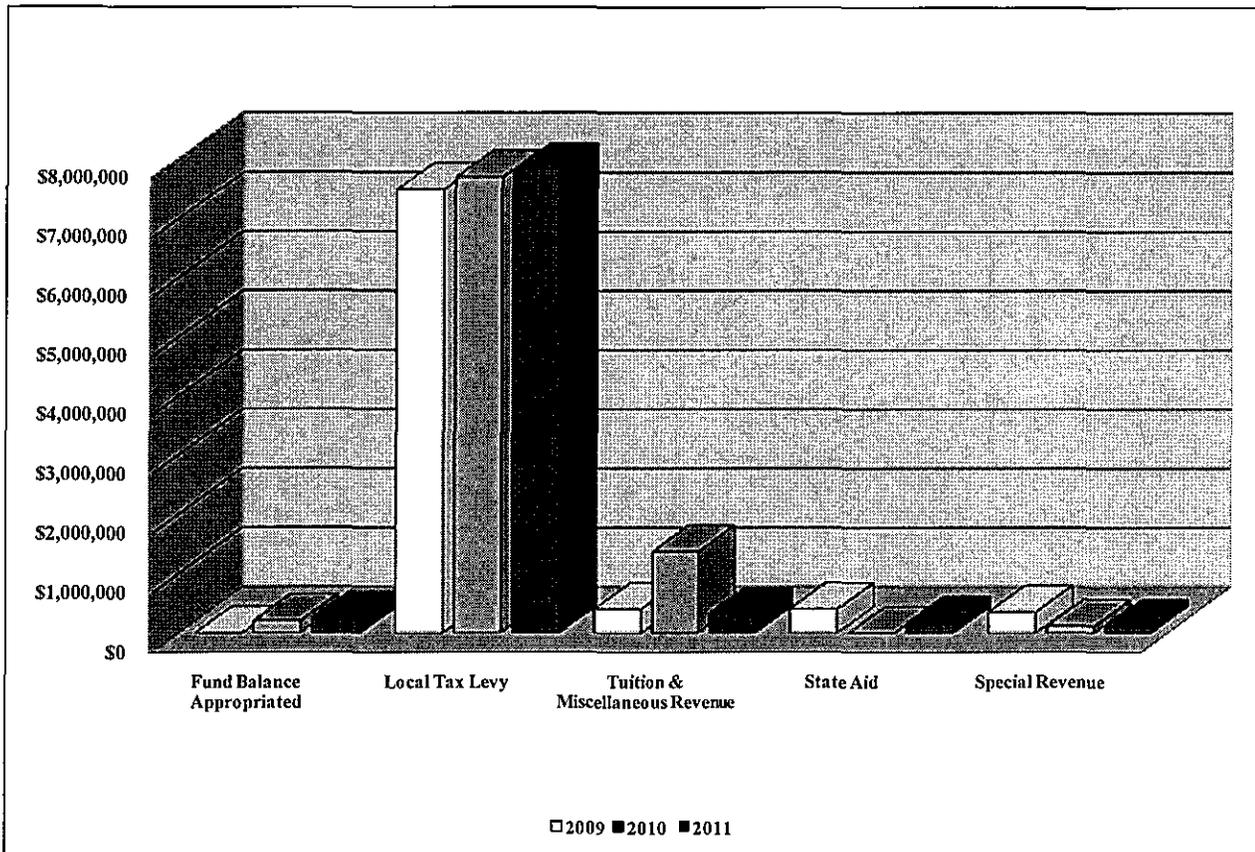
Figure A-8

Capital Assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2012	2011	2012	2011	2012	2011	2011-2012
	Sites (Land)	\$ 15,740	\$ 15,740			\$ 15,740	\$ 15,740
Site Improvements	48,832	57,697			48,832	57,697	-15.36%
Buildings & Improvements	1,589,074	1,631,402			1,589,074	1,631,402	-2.59%
Machinery and Equipment	73,268	73,241	\$ 22,294	\$ 28,089	95,562	101,330	-5.69%
Total	\$ 1,726,914	\$ 1,778,080	\$ 22,294	\$ 28,089	\$ 1,749,208	\$ 1,806,169	-3.15%

During the fiscal year, the District's governmental activities acquired \$14,328 in equipment and depreciated \$65,494 of its capital assets. The District's business-type activities depreciated \$5,795 of its existing equipment during the fiscal year.

**Rochelle Park School District
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2012
(Unaudited)**



Source: District Records

The discussion about the constant increases in local property taxes in the media has polarized many communities, and in the center of this discontent is the cost of education. The state legislatures have embraced this opportunity to shift the problems of inefficiency and accountability from state bureaucracy to the cost of funding public schools.

FUTURE CHALLENGES FOR FINANCIAL PLANNING

It is reasonable to say that many public school districts across the country are, or will be, facing fiscal difficulties and will need to raise additional revenue or limit expenditures. Prior to 2003, school districts in New Jersey were allowed to maintain a maximum unassigned general fund balances equal to six percent of the districts' total general fund expenditure. Adding to the financial stress was the passage of S 1701. Adopted by the State of New Jersey on June 17, 2004, this law forced school districts to decrease their allowable unassigned general fund balance and to either give it back to the local tax payers or apply the excess surplus to fund a subsequent fiscal year's budget.

Unassigned general fund balance can best be described as a "rainy-day" savings account. The funds would be available for any unplanned emergency, such as repairs to an aging boiler, or implementing the individual educational plan of a special needs student arriving in the district mid-year. This new legislation required districts to decrease their allowable surplus from six percent to three percent by the end of the 2003-04 school year. The following year districts had to cut even further. Beginning in 2004-05 school year districts could only maintain an unassigned general fund balance of two percent.

**Rochelle Park School District
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2012
(Unaudited)**

Proponents of education vigorously opposed S1701, not only because it made districts vulnerable in the event of costly emergencies, but also placed restrictions on adjusting a financial plan that was created 12 months prior to its implementation. Specifically, the law places limits on the district's ability to transfer funds into capital reserve for the construction and maintenance of school facilities, the ability to transfer available balance as needed, and the ability to transfer available funds between appropriation accounts. These restrictions on transferring available funds during the budget year severely impact the ability of the District to maintain and improve facilities.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board of Education Office, 300 Rochelle Avenue, Rochelle Park, New Jersey 07662.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

Exhibit A-1

ROCHELLE PARK SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2012

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 987,557	\$ 144,197	\$ 1,131,754
Receivables from Federal Government		2,388	2,388
Receivables from State Government	160,900	106	161,006
Internal Balances	(5,713)	5,713	
Restricted Cash and Cash Equivalents:			
Capital Reserve Account	44,038		44,038
Inventories		2,918	2,918
Capital Assets, Net:			
Sites (Land)	15,740		15,740
Depreciable Site Improvements, Buildings and Building Improvements, Machinery and Equipment	1,711,174	22,294	1,733,468
Total Assets	<u>2,913,696</u>	<u>177,616</u>	<u>3,091,312</u>
LIABILITIES			
Intergovernmental Payable- Federal	2,929		2,929
Interfund Payable	1,925		1,925
Accounts Payable	642,057	7,589	649,646
Accrued Interest Payable	18,436		18,436
Deferred Revenue	572	14,282	14,854
Noncurrent Liabilities:			
Due Within One Year	230,000		230,000
Due Beyond One Year	980,903		980,903
Total Liabilities	<u>1,876,822</u>	<u>21,871</u>	<u>1,898,693</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	601,914	22,294	624,208
Restricted for:			
Debt Service	1,363		1,363
Capital Projects	44,038		44,038
Other Purposes	40,295		40,295
Unrestricted	349,264	133,451	482,715
Total Net Assets	<u>\$ 1,036,874</u>	<u>\$ 155,745</u>	<u>\$ 1,192,619</u>

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

ROCHELLE PARK SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Functions/Programs	Program Revenue			Net Expense and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 3,812,794		\$ 521,816	\$ (3,290,978)		\$ (3,290,978)
Special Education	878,544		541,776	(336,768)		(336,768)
Other Special Instruction	305,811		37,668	(268,143)		(268,143)
School Sponsored/Other Instruction	40,956			(40,956)		(40,956)
Support Services:						
Tuition	2,755,948		124,019	(2,631,929)		(2,631,929)
Student & Instruction Related Services	874,633		45,126	(829,507)		(829,507)
General Administrative Services	294,656			(294,656)		(294,656)
School Administrative Services	283,464		21,204	(262,260)		(262,260)
Central Services	195,349			(195,349)		(195,349)
Plant Operations and Maintenance	590,287			(590,287)		(590,287)
Pupil Transportation	369,318		11,136	(358,182)		(358,182)
Unallocated Depreciation	52,231			(52,231)		(52,231)
Capital Outlay	5,213			(5,213)		(5,213)
Transfer of Funds to Charter Schools	36,826			(36,826)		(36,826)
Interest on Long-Term Debt	51,830			(51,830)		(51,830)
Total Governmental Activities	10,547,860		1,302,745	(9,245,115)		(9,245,115)
Business-Type Activities:						
Latchkey and Preschool Programs	136,999	\$ 196,875			\$ 59,876	59,876
Food Service	172,029	121,780	45,682		(4,567)	(4,567)
Total Business-Type Activities	309,028	318,655	45,682		55,309	55,309
Total Primary Government	\$ 10,856,888	\$ 318,655	\$ 1,348,427	(9,245,115)	55,309	(9,189,806)

ROCHELLE PARK SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

<u>Functions/Programs</u>	<u>Program Revenue</u>		<u>Net Expense and Changes in Net Assets</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				\$ 9,442,533		\$ 9,442,533
Taxes Levied for Debt Service				276,698		276,698
Federal and State Aid Not Restricted				41,637		41,637
Miscellaneous Income				72,217	\$ 28	72,245
Transfers				(20,000)	20,000	
Total General Revenues and Transfers				9,813,085	20,028	9,833,113
Change in Net Assets				567,970	75,337	643,307
Net Assets - Beginning				468,904	80,408	549,312
Net Assets - Ending				\$ 1,036,874	\$ 155,745	\$ 1,192,619

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

FUND FINANCIAL STATEMENTS

Exhibit B-1

ROCHELLE PARK SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 978,996	\$ 7,198	\$ 1,363	\$ 987,557
Receivables From State Government	160,900			160,900
Restricted Cash and Cash Equivalents	44,038			44,038
Total Assets	\$ 1,183,934	\$ 7,198	\$ 1,363	\$ 1,192,495
LIABILITIES AND FUND BALANCES				
Liabilities:				
Intergovernmental Payable- Federal		\$ 2,929		\$ 2,929
Interfund Payable	\$ 7,638			7,638
Accounts Payable	638,360	3,697		642,057
Deferred Revenue		572		572
Total Liabilities	645,998	7,198		653,196
Fund Balances:				
Restricted:				
Capital Reserve	44,038			44,038
Excess Surplus	40,295			40,295
Debt Service			1,363	1,363
Assigned:				
Year-End Encumbrances	59,152			59,152
Designated for Subsequent Year's Expenditures	40,000			40,000
Unassigned	354,451			354,451
Total Fund Balances	537,936		1,363	539,299
Total Liabilities and Fund Balances	\$ 1,183,934	\$ 7,198	\$ 1,363	\$ 1,192,495

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

Total Fund Balances from Above	\$ 539,299
Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$3,430,433 and the accumulated depreciation is \$1,703,519.	1,726,914
Interest on long-term debt is not accrued in the Governmental Funds, but rather is recognized as an expenditure when due.	(18,436)
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.	(1,210,903)
Net Assets of Governmental Activities	\$ 1,036,874

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

ROCHELLE PARK SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
REVENUE:				
Local Sources:				
Local Tax Levy	\$ 9,442,533		\$ 276,698	\$ 9,719,231
Interest Earned on Capital Reserve Funds	3			3
Miscellaneous	72,214			72,214
Total - Local Sources	9,514,750		276,698	9,791,448
State Sources	1,124,970			1,124,970
Federal Sources	23,327	\$ 196,085		219,412
Total Revenue	10,663,047	196,085	276,698	11,135,830
EXPENDITURES:				
Current:				
Regular Instruction	2,664,362	61,380		2,725,742
Special Education Instruction	539,779	134,705		674,484
Other Special Instruction	207,805			207,805
School Sponsored/Other Instruction	33,245			33,245
Support Services and Undistributed Costs:				
Tuition	2,755,948			2,755,948
Student & Instruction Related Services	698,392			698,392
General Administrative Services	251,301			251,301
School Administrative Services	215,287			215,287
Central Services	179,769			179,769
Plant Operations and Maintenance	523,226			523,226
Pupil Transportation	367,481			367,481
Unallocated Benefits	1,773,386			1,773,386

ROCHELLE PARK SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
EXPENDITURES (Cont'd):				
Debt Service:				
Principal			\$ 220,000	\$ 220,000
Interest and Other Charges			55,335	55,335
Capital Outlay	\$ 29,102			29,102
Transfer of Funds to Charter Schools	36,826			36,826
Total Expenditures	<u>10,275,909</u>	<u>\$ 196,085</u>	<u>275,335</u>	<u>10,747,329</u>
Excess of Revenue Over Expenditures	<u>387,138</u>		<u>1,363</u>	<u>388,501</u>
Other Financing Uses:				
Operating Transfers Out	(20,000)			(20,000)
Total Other Financing Uses	<u>(20,000)</u>			<u>(20,000)</u>
Net Change in Fund Balances	367,138		1,363	368,501
Fund Balance - July 1	<u>170,798</u>			<u>170,798</u>
Fund Balance - June 30	<u>\$ 537,936</u>	<u>\$ -0-</u>	<u>\$ 1,363</u>	<u>\$ 539,299</u>

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

ROCHELLE PARK SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 368,501

Amounts Reported for Governmental Activities in the Statement
of Activities (A-2) are Different Because:

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

Depreciation Expense	\$ (65,494)	
Capital Outlays	<u>14,328</u>	(51,166)

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+). 27,130

Repayment of bond principal and other long-term obligation liabilities 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. (+) 220,000

In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. When the accrued interest exceeds the interest paid, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition in the reconciliation. (+) 3,505

Change in Net Assets of Governmental Activities (from A-2) \$ 567,970

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

Exhibit B-4

ROCHELLE PARK SCHOOL DISTRICT
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2012

	Enterprise Funds
	Non-Major Funds
<u>ASSETS:</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 144,197
Accounts Receivable:	
Federal	2,388
State	106
Interfund Receivable - General Fund	5,713
Inventory	2,918
Total Current Assets	155,322
Non-Current Assets:	
Capital Assets	134,256
Accumulated Depreciation	(111,962)
Total Non-Current Assets	22,294
Total Assets	177,616
<u>LIABILITIES:</u>	
Current Liabilities:	
Accounts Payable - Vendors	7,589
Deferred Revenue	14,282
Total Current Liabilities	21,871
<u>NET ASSETS:</u>	
Invested in Capital Assets, Net of Related Debt	22,294
Unrestricted	133,451
Total Net Assets	\$ 155,745

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

Exhibit B-5

ROCHELLE PARK SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Enterprise Funds
	Non-Major Funds
Operating Revenue:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 69,729
Daily Sales - Non-Reimbursable Programs	50,495
Special Functions	1,556
Program Fees	196,875
	318,655
Total Operating Revenue	318,655
Operating Expenses:	
Cost of Sales	59,471
Salaries, Benefits & Payroll Taxes	180,100
Other Purchased Services	6,282
Management Fee	13,247
Supplies and Materials	14,133
Depreciation	5,795
Building Maintenance	30,000
	309,028
Total Operating Expenses	309,028
Operating Income	9,627
Non-Operating Revenue:	
Federal Sources:	
National School Lunch Program	43,653
State Sources:	
School Lunch Program	2,029
Local Sources:	
Interest	28
	45,710
Total Non-Operating Revenue	45,710
Net Income Before Operating Transfers	55,337
Operating Transfer In - General Fund	20,000
	75,337
Change in Net Assets	75,337
Net Assets - Beginning of Year	80,408
	155,745
Net Assets - End of Year	\$ 155,745

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

Exhibit B-6

ROCHELLE PARK SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Enterprise Funds
	Non-Major Funds
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 320,869
Payments to Employees	(123,897)
Payments to Food Service Contractor	(148,190)
Payments to Suppliers	(6,642)
Payments for Building Maintenance	(30,000)
Net Cash Provided by Operating Activities	12,140
Cash Flows from Investing Activities:	
Local Sources - Interest Income	28
Net Cash Provided by Investing Activities	28
Cash Flows from Noncapital Financing Activities:	
Cash Received from General Fund	20,000
Cash Received From Federal Reimbursements	37,529
Cash Received From State Reimbursements	1,772
Net Cash Provided by Noncapital Financing Activities	59,301
Net Increase in Cash and Cash Equivalents	71,469
Cash and Cash Equivalents, July 1	72,728
Cash and Cash Equivalents, June 30	\$ 144,197
Reconciliation of Operating Income to Net Cash	
Provided by Operating Activities:	
Operating Income	\$ 9,627
Adjustment to Reconcile Operating Income to	
Cash Provided by Operating Activities:	
Depreciation	5,795
Changes in Assets and Liabilities:	
Decrease in Accounts Receivable	7,242
Increase in Inventory	(973)
Decrease in Accounts Payable	(4,523)
Decrease in Deferred Revenue	(5,028)
Net Cash Provided by Operating Activities	\$ 12,140

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

Exhibit B-7

ROCHELLE PARK SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2012

	Agency	Private Purpose Scholarship Trust
<u>ASSETS:</u>		
Cash and Cash Equivalents	\$ 247,120	\$ 544
Interfund Receivable - General Fund	1,925	
Total Assets	249,045	544
<u>LIABILITIES:</u>		
Payroll Deductions and Withholdings	19,005	
Accounts Payable - Vendors	6,355	
Accrued Salaries and Wages	208,699	
Due to Student Groups	14,986	
Total Liabilities	249,045	
<u>NET ASSETS:</u>		
Restricted for Scholarships		544
Total Net Assets	\$ -0-	\$ 544

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

ROCHELLE PARK SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Private Purpose Scholarship Trust</u>
ADDITIONS:	
Contributions:	
Scholarships	\$ 6,000
Total Contributions	6,000
Total Additions	6,000
DEDUCTIONS:	
Scholarships Awarded	11,000
Total Deductions	11,000
Change in Net Assets	(5,000)
Net Assets - Beginning of the Year	5,544
Net Assets - End of the Year	\$ 544

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

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

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

Governmental Accounting Standards Board publication, Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e. benefit of economic resources, access/entitlement to economic resources, and significance) should be included in the financial reporting entity. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include an elementary school located in the Township of Rochelle Park. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation:

District-Wide Financial Statements:

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

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

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

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

B. Basis of Presentation: (Cont'd)

Fund Financial Statements:

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

The District reports the following governmental funds:

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

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

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

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

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

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

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

B. Basis of Presentation: (Cont'd)

The District reports the following proprietary funds:

Food Service Enterprise Fund: The Food Service Fund accounts for all revenue and expenses pertaining to the Board's cafeteria operations.

Latchkey and Preschool Programs Enterprise Fund: The Latchkey and Preschool Programs Fund accounts for all revenue and expenses pertaining to the Board's after school childcare program and preschool programs.

The funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Additionally, the District reports the following fund type:

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

C. Measurement Focus and Basis of Accounting:

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

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

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

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

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

C. Measurement Focus and Basis of Accounting: (Cont'd)

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

Reports for the District's Enterprise Funds are prepared following the Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989; Accounting Principles Board Opinions; and Accounting Research Bulletins, unless those pronouncements conflict with Governmental Accounting Standards Board (GASB) pronouncements.

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2012 was submitted to the County office and was voted upon at the school election on the fourth Wednesday in April, 2011. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be made by School Board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized reserves of the annual budget during the year).

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

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

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

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

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

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 10,683,429	\$ 193,214
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis recognizes Encumbrances as Revenue and Expenditures, whereas the GAAP Basis does not. - Prior Year Encumbrances		2,871
Prior Year State Aid Payments Recognized for GAAP Statements	10,322	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(30,704)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 10,663,047</u>	<u>\$ 196,085</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 10,275,909	\$ 193,214
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.		<u>2,871</u>
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 10,275,909</u>	<u>\$ 196,085</u>

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

(Continued)

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

E. Cash and Cash Equivalents, and Investments:

Cash and cash equivalents include petty cash, change funds, amount in deposits, and short-term investments with maturities of one year or less.

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

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

F. Interfund Transactions:

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

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

G. Allowance for Uncollectible Accounts:

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

H. Encumbrances:

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

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

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

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

H. Encumbrances: (Cont'd)

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

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2012.

K. Capital Assets:

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

The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$500. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the district-wide statements and proprietary funds are as follows:

	<u>Estimated Useful Life</u>
Buildings	50 Years
Site Improvements	20 Years
Furniture and Equipment	10 to 15 Years
Computer and Related Technology	5 Years
Vehicles	8 Years

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

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

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

L. Long Term Liabilities:

In the district-wide and enterprise fund statements of net assets, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or enterprise funds. Bond issuance costs, as well as applicable bond premium and discounts, are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, governmental fund types recognize bond issuance costs, as expenditures in the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

M. Accrued Salaries and Wages:

The District allows employees who provide services to the District over the ten-month academic year the option to have their salaries evenly disbursed during the entire twelve month year; therefore, there were \$208,699 of accrued salaries and wages as of June 30, 2012.

N. Compensated Absences:

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's various employee contracts/agreements. Upon termination, employees are paid for accrued vacation. The District's various employee contracts/agreements permit 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 respective employee contract/agreement.

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

O. Deferred Revenue:

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

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

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

P. Fund Balance Appropriated:

General Fund: Of the \$537,936 General Fund fund balance at June 30, 2012, \$59,152 is assigned for year-end encumbrances; \$40,000 is assigned and included as anticipated revenue for the year ending June 30, 2013; \$44,038 is restricted in the capital reserve account; \$40,295 is restricted for excess surplus in accordance with N.J.S.A. 18A:7F-7, as amended and will be included as anticipated revenue for the year ending June 30, 2014 and \$354,451 is unassigned fund balance (which is \$30,704 less than the calculated maximum unassigned fund balance, on a GAAP basis, due to the final state aid payments, which are not recognized until the fiscal year ended June 30, 2012).

Debt Service Fund: The Debt Service Fund fund balance at June 30, 2012 is \$1,363, which is restricted for debt service.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, c.73 (S1701), the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District had excess fund balance at June 30, 2012 as defined above.

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$30,704 as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event state school aid payments are not made until the following school budget year, districts must record the related state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize the last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments.

Q. Net Assets:

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

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

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

R. Fund Balance Restrictions, Commitments and Assignments:

The District implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, during the prior fiscal year. The objective of this standard is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions (as detailed in Note 1B). This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

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

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

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has no committed resources at June 30, 2012.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances and for the amounts designated for subsequent year's expenditures in the General Fund at June 30, 2012.

S. Revenue - Exchange and Nonexchange Transactions:

Revenue, resulting from exchange transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

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

S. Revenue - Exchange and Nonexchange Transactions: (Cont'd)

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

T. Operating Revenue and Expenses:

Operating revenue are those revenues that are generated directly from the primary activity of the Enterprise Fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the respective Enterprise Fund.

U. Management Estimates:

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

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

Investments are stated at cost, which approximates market. The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

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

GASB Statement No. 40, *Governmental Accounting Standards Board Deposit and Investment Risk Disclosures*, requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents, and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned.

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

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

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, and

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 Board to purchase the following types of securities:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

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

Investments: (Cont'd)

- (4) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;
- (5) Local government investment pools;
- (6) Deposits with the State of New Jersey Cash Management Fund; or
- (7) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in statute; and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

As of June 30, 2012, cash and cash equivalents and investments of the District consisted of the following:

	<u>Capital Reserve</u>	<u>Cash and Cash Equivalents</u>	<u>Total</u>
Checking Accounts	<u>\$ 44,038</u>	<u>\$1,379,418</u>	<u>\$1,423,456</u>

During the period ended June 30, 2012, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2012, was \$1,423,456 and the bank balance was \$2,094,787.

ROCHELLE PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
 (Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT

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

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

The activity of the capital reserve for the July 1, 2011 to June 30, 2012 fiscal year is as follows:

Balance at June 30, 2011	\$	44,035
Interest earnings		3
Balance at June 30, 2012	\$	44,038

The balance in the capital reserve at June 30, 2012 did not exceed the balance of local support costs of uncompleted capital projects in the District’s approved LRFP.

ROCHELLE PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

NOTE 5. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2012 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases/ Adjustments</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets not being Depreciated:				
Sites (Land)	\$ 15,740			\$ 15,740
Total Capital Assets not Being Depreciated	15,740			15,740
Capital Assets Being Depreciated:				
Site Improvements	291,265			291,265
Buildings and Building Improvements	2,762,391			2,762,391
Machinery and Equipment	362,322	\$ 14,328	\$ (15,613)	361,037
Total Capital Assets Being Depreciated	3,415,978	14,328	(15,613)	3,414,693
Governmental Activities Capital Assets	3,431,718	14,328	(15,613)	3,430,433
Less Accumulated Depreciation for:				
Site Improvements	(233,568)	(8,865)		(242,433)
Buildings and Building Improvements	(1,130,989)	(42,328)		(1,173,317)
Machinery and Equipment	(289,081)	(14,301)	15,613	(287,769)
Total Accumulated Depreciation	(1,653,638)	(65,494)	15,613	(1,703,519)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	1,778,080	(51,166)	-0-	1,726,914
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	134,256			134,256
Less Accumulated Depreciation	(106,167)	(5,795)		(111,962)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	28,089	(5,795)	-0-	22,294
GRAND TOTAL	<u>\$ 1,806,169</u>	<u>\$ (56,961)</u>	<u>\$ -0-</u>	<u>\$ 1,749,208</u>

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 11,095
Special Education Instruction	210
Student and Instruction Related Services	944
School Administration	934
Central Services	80
Unallocated	52,231
	<u>\$ 65,494</u>

ROCHELLE PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

NOTE 6: TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2012, the District transferred \$9,980 to the capital outlay accounts for equipment which did not require approval from the County Superintendent. The District also transferred \$9,561 from a capital outlay equipment line item to a non-equipment capital outlay line item for the required Department of Education debt service assessment payment.

NOTE 7. LONG TERM LIABILITIES

During the fiscal year ended June 30, 2012, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2011	Accrued	Retired	Balance 6/30/2012
Compensated Absences Payable	\$ 113,033	\$ 2,963	\$ 30,093	\$ 85,903
Bonds Payable	1,345,000		220,000	1,125,000
	<u>\$ 1,458,033</u>	<u>\$ 2,963</u>	<u>\$ 250,093</u>	<u>\$ 1,210,903</u>

A. Bonds and Loans Payable:

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

The District had bonds outstanding as of June 30, 2012 as follows:

Final Maturity Date	<u>Serial Bonds</u>	Amount
	Interest Rate	
8/15/16	4.25% - 4.50%	\$ 1,070,000
3/15/14	5.45%	55,000
		<u>\$ 1,125,000</u>

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

Year Ending June 30,	<u>Bonds</u>		Total
	Principal	Interest	
2013	\$ 230,000	\$ 45,473	\$ 275,473
2014	240,000	35,160	275,160
2015	215,000	24,228	239,228
2016	220,000	14,712	234,712
2017	220,000	4,950	224,950
	<u>\$ 1,125,000</u>	<u>\$ 124,523</u>	<u>\$ 1,249,523</u>

ROCHELLE PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

NOTE 7. LONG TERM LIABILITIES (Cont'd)

B. Bonds Authorized But Not Issued:

As of June 30, 2012, the District has no bonds authorized but not issued.

C. Capital Leases Payable:

As of June 30, 2012, the District had no capital leases payable.

D. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities. There is no current portion of the compensated absences liability at June 30, 2012. Thus, the entire balance of compensated absences of \$85,903 is a long term liability.

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, 2012, no liability existed for compensated absences in the Enterprise Funds.

The General Fund will be used to liquidate Compensated Absences Payable. The Debt Service Fund will be used to liquidate the Serial Bonds.

NOTE 8. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey. These systems are sponsored and administered by the State of New Jersey. The TPAF is considered a cost-sharing, multiple employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other non-contribution employers. The PERS is also considered a cost-sharing, multiple-employer plan.

Employees who are members of TPAF and PERS and retire at a specified age according to the relevant tier category for that employee are entitled to a retirement benefit based upon a formula which takes "final average salary" during years of creditable service. Vesting occurs after 8 to 10 years of service.

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

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

NOTE 8. PENSION PLANS

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey regulation. Effective with the first payroll to be paid on or after October 1, 2011 the employee contributions for PERS and TPAF went from 5.5% to 6.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate.

The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits, and post-retirement medical premiums. Under current statute, the District is a noncontributing employer of the TPAF.

District Contributions to PERS amounted to \$69,418, \$66,382 and \$49,958 for the fiscal years ended June 30, 2012, 2011 and 2010, respectively.

During the fiscal years ended June 30, 2012, 2011 and 2010 the State of New Jersey contributed \$119,768, and \$-0-, respectively, to the TPAF for normal pension benefits on-behalf of the District.

P.L. 2009, c.29, provided regular school districts the option of deferring 50 percent of the District's 2008/2009 regular PERS pension liability. Districts that elected to defer the pension liability began repaying the deferred amount over fifteen years starting in April 2012.

The District elected to defer \$20,122 of their \$40,243 regular pension liability for the year ended June 30, 2009 and started repaying this during the 2011/2012 budget year.

NOTE 9. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. Chapter 103 of Public Law amended the law to eliminate the funding of post-retirement medical benefits through TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2011, there were 93,323 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. 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 Chapter 126, P.L. 1992 c. 126, which provides free health benefits to members of PERS, TPAF and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$144 million toward Chapter 126 benefits for 15,709 eligible retired members in Fiscal Year 2011.

The State's on behalf Post Retirement Medical Contributions to TPAF for the District amounted to \$240,765, \$235,919 and \$227,839 for 2012, 2011 and 2010, respectively.

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

NOTE 10. DEFERRED COMPENSATION

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

The plan administrators are as follows:

AXA/Equitable Life
Valic

Metropolitan Life
Lincoln Life

Equitable Life Assurance and MetLife are the plan administrators for the District's Internal Revenue Code 457 plans.

NOTE 11. RISK MANAGEMENT

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

Property, Liability and Health Benefits

The Board is a member of the Northeast Bergen County School Board Insurance Group ("NESBIG"). The NESBIG provides its members with Workers' Compensation, Comprehensive General Liability and Automobile Liability, Property, Boiler and Machinery, and School Board Legal Liability Insurance. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report. The NESBIG is a risk-sharing fund that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage for their members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective district for the purpose of creating a governing body from which officers for the NESBIG are elected.

As a member of the NESBIG, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the NESBIG were to be exhausted, members would become responsible for their respective shares of the NESBIG's liabilities.

The NESBIG can declare and distribute dividends to members upon approval of the State of New Jersey Department of Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with Statement No. 10 of the Government Accounting Standards Board, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
 (Continued)

NOTE 11. RISK MANAGEMENT (Cont'd)

Property, Liability and Health Benefits (Cont'd)

The audit report for the fiscal year ended June 30, 2012 was not available as of the date of this report. Selected financial information for the NESBIG as of June 30, 2011 is as follows:

	<u>Northeast Bergen County School Board Insurance Group</u>
Total Assets	\$ 20,698,901
Net Assets	\$ 12,451,154
Total Revenue	\$ 12,595,301
Total Expenses	\$ 9,871,887
Change in Net Assets	\$ 2,723,414
Net Assets Distribution to Participating Members	\$ 1,000,000

Financial statements for the Fund are available at the Fund's Executive Director's Office:

Burton Agency
 44 Bergen Street
 P.O. Box 270
 Westwood, NJ 07675

New Jersey Unemployment Compensation Insurance

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

NOTE 12. ECONOMIC DEPENDENCY

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

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

NOTE 13. INTERFUND RECEIVABLES AND PAYABLES

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund		\$ 7,638
Food Service Fund	\$ 5,713	
Agency Fund - Payroll Agency	1,925	
	<u>\$ 7,638</u>	<u>\$ 7,638</u>

The interfund receivable in the Food Service Fund due from the General Fund is the balance of subsidy receipts received in the General Fund but not remitted to the Food Service Fund. There is also \$1,925 due from the General Fund to the Payroll Agency Fund, which is the balance of current year Payroll Agency Fund reimbursements collected in the General Fund.

NOTE 14. TAX CALENDAR

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

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

NOTE 15. COMMITMENTS AND CONTINGENCIES

Grant Programs

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

Litigation

The District is periodically involved in various lawsuits. The District estimates that the potential claims against it resulting from any such litigation and not covered by insurance would not materially affect the financial statements of the District.

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 15. COMMITMENTS AND CONTINGENCIES (Cont'd)

Encumbrances

At June 30, 2012, there were encumbrances as detailed below in the governmental funds.

General Fund	Total Governmental Funds
<u>\$ 59,152</u>	<u>\$ 59,152</u>

NOTE 16. ACCOUNTS PAYABLE

Payables as of June 30, 2012 were as detailed below:

	Governmental Funds		Total	Business- Type Activities Proprietary Funds	Fiduciary Funds Student Activity Agency Fund
	General Fund	Special Revenue Fund	Governmental Funds		
Vendors	\$ 288,233	\$ 3,697	\$ 291,930	\$ 7,589	\$ 6,355
Accrued Salaries and Wages	350,127		350,127		
	<u>\$ 638,360</u>	<u>\$ 3,697</u>	<u>\$ 642,057</u>	<u>\$ 7,589</u>	<u>\$ 6,355</u>

BUDGETARY COMPARISON SCHEDULES

ROCHELLE PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 9,442,533		\$ 9,442,533	\$ 9,442,533	
Interest Earned on Capital Reserve Funds	100		100	3	\$ (97)
Miscellaneous	5,000		5,000	72,214	67,214
Total - Local Sources	9,447,633		9,447,633	9,514,750	67,117
State Sources:					
Categorical Special Education Aid	286,833	\$ 53,826	340,659	340,659	
Security Aid		45,236	45,236	45,236	
Extraordinary Aid				124,019	124,019
Nonpublic School Transportation Costs				11,136	11,136
On-Behalf Contributions;					
TPAF Pension (Non-Budgeted)				119,768	119,768
TPAF Post Retirement Medical (Non-Budgeted)				240,765	240,765
TPAF Social Security (Reimbursed - Non-Budgeted)				263,769	263,769
Total State Sources	286,833	99,062	385,895	1,145,352	759,457
Federal Sources:					
Education Jobs Fund		23,327	23,327	23,327	
Total Federal Sources		23,327	23,327	23,327	
TOTAL REVENUES	9,734,466	122,389	9,856,855	10,683,429	826,574

ROCHELLE PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 80,444	\$ 58,754	\$ 139,198	\$ 137,900	\$ 1,298
Grades 1-5 - Salaries of Teachers	1,334,861	48,805	1,383,666	1,382,064	1,602
Grades 6-8 - Salaries of Teachers	815,106	68,577	883,683	881,582	2,101
Regular Programs - Home Instruction:					
Salaries of Teachers	2,000		2,000		2,000
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	74,730	97,956	172,686	172,289	397
Purchased Professional - Educational Services	500	6,529	7,029	207	6,822
Purchased Technical Services	18,647	(10,798)	7,849		7,849
Other Purchased Services (400-500 series)	21,000	11,788	32,788	32,613	175
General Supplies	45,684	6,285	51,969	50,154	1,815
Textbooks	5,497	61,163	66,660	5,406	61,254
Other Objects	1,800	800	2,600	2,147	453
Total Regular Programs - Instruction	<u>2,400,269</u>	<u>349,859</u>	<u>2,750,128</u>	<u>2,664,362</u>	<u>85,766</u>
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	63,229	752	63,981	62,905	1,076
General Supplies	1,072	(752)	320	320	
Total Learning and/or Language Disabilities	<u>64,301</u>		<u>64,301</u>	<u>63,225</u>	<u>1,076</u>
Resource Room/Resource Center:					
Salaries of Teachers	368,038	26,146	394,184	394,184	
General Supplies	7,276	(1,959)	5,317	5,317	
Total Resource Room/Resource Center	<u>375,314</u>	<u>24,187</u>	<u>399,501</u>	<u>399,501</u>	

ROCHELLE PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Special Education - Instruction:					
Preschool Disabilities - Part Time:					
Purchased Professional - Educational Services	\$ 72,909	\$ 3,722	\$ 76,631	\$ 76,631	
General Supplies	1,618	(1,196)	422	422	
Total Preschool Disabilities - Part Time	<u>74,527</u>	<u>2,526</u>	<u>77,053</u>	<u>77,053</u>	
Total Special Education Instruction	<u>514,142</u>	<u>26,713</u>	<u>540,855</u>	<u>539,779</u>	\$ 1,076
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	167,642	(5,880)	161,762	160,705	1,057
General Supplies	2,400	208	2,608	2,608	2,608
Total Basic Skills/Remedial - Instruction	<u>170,042</u>	<u>(5,672)</u>	<u>164,370</u>	<u>160,705</u>	<u>3,665</u>
Bilingual Education - Instruction					
Salaries of Teachers	35,473	10,775	46,248	46,248	
General Supplies	432	500	932	852	80
Total Bilingual Education - Instruction	<u>35,905</u>	<u>11,275</u>	<u>47,180</u>	<u>47,100</u>	<u>80</u>
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	13,790	16,691	30,481	30,481	
Supplies and Materials	2,000		2,000	1,465	535
Total School-Sponsored Cocurricular Activities - Instruction	<u>15,790</u>	<u>16,691</u>	<u>32,481</u>	<u>31,946</u>	<u>535</u>

ROCHELLE PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
School-Sponsored Cocurricular Athletics - Instruction:					
Salaries	\$ 2,960	\$ (600)	\$ 2,360		\$ 2,360
Purchased Services (300-500 series)		1,000	1,000	\$ 825	175
Supplies and Materials		600	600	474	126
Total School-Sponsored Cocurricular Athletics - Instruction	<u>2,960</u>	<u>1,000</u>	<u>3,960</u>	<u>1,299</u>	<u>2,661</u>
Total Instruction	<u>3,139,108</u>	<u>399,866</u>	<u>3,538,974</u>	<u>3,445,191</u>	<u>93,783</u>
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Regular	1,894,335	(184,742)	1,709,593	1,708,635	958
Tuition to Other LEAs Within the State - Special	690,737	(58,901)	631,836	590,706	41,130
Tuition to County Vocational School District - Regular	135,220	(8,999)	126,221	114,668	11,553
Tuition to County Vocational School District - Special	26,100	14,200	40,300	31,829	8,471
Tuition to CSSD and Regional Day Schools Within the State	53,949	15,351	69,300	69,300	
Tuition to Private Schools for the Handicapped Within the State	382,896	(113,951)	268,945	240,810	28,135
Total Undistributed Expenditures - Instruction	<u>3,183,237</u>	<u>(337,042)</u>	<u>2,846,195</u>	<u>2,755,948</u>	<u>90,247</u>
Attendance & Social Work:					
Salaries	10,485	1,432	11,917	11,917	
Purchased Professional and Technical Services	9,400	169	9,569	9,569	
Total Attendance & Social Work	<u>19,885</u>	<u>1,601</u>	<u>21,486</u>	<u>21,486</u>	

ROCHELLE PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Health Services:					
Salaries	\$ 55,620	\$ (1,215)	\$ 54,405	\$ 53,656	\$ 749
Purchased Professional and Technical Services	2,100		2,100	2,100	
Other Purchased Services (400-500 series)	500	208	708	697	11
Supplies and Materials	1,525	631	2,156	1,903	253
Total Health Services	<u>59,745</u>	<u>(376)</u>	<u>59,369</u>	<u>58,356</u>	<u>1,013</u>
Speech, OT, PT & Related Services:					
Salaries	54,871		54,871	54,871	
Supplies and Materials	1,208	(500)	708		708
Total Speech, OT, PT & Related Services	<u>56,079</u>	<u>(500)</u>	<u>55,579</u>	<u>54,871</u>	<u>708</u>
Other Support Services - Students - Extraordinary Services:					
Purchased Professional - Educational Services	87,686	22,482	110,168	106,453	3,715
Total Other Support Services - Students - Extraordinary Services	<u>87,686</u>	<u>22,482</u>	<u>110,168</u>	<u>106,453</u>	<u>3,715</u>
Guidance:					
Salaries of Other Professional Staff	93,861		93,861	92,861	1,000
Supplies and Materials	9,675	(2,436)	7,239	7,183	56
Total Guidance	<u>103,536</u>	<u>(2,436)</u>	<u>101,100</u>	<u>100,044</u>	<u>1,056</u>

ROCHELLE PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Child Study Teams:					
Salaries of Other Professional Staff	\$ 212,238	\$ (1,388)	\$ 210,850	\$ 210,850	
Purchased Professional - Educational Services	2,000	1,175	3,175	3,175	
Other Purchased Professional and Technical Services	400		400	391	\$ 9
Supplies and Materials	2,506	133	2,639	2,639	
Total Child Study Teams	<u>217,144</u>	<u>(80)</u>	<u>217,064</u>	<u>217,055</u>	<u>9</u>
Educational Media Services/School Library:					
Salaries	99,541	792	100,333	100,197	136
Other Purchased Services (400-500 series)	7,700	12,120	19,820	19,820	
Supplies and Materials	26,928	(11,000)	15,928	15,530	398
Other Objects	5,200	(620)	4,580	4,580	
Total Educational Media Services/School Library	<u>139,369</u>	<u>1,292</u>	<u>140,661</u>	<u>140,127</u>	<u>534</u>
Support Services - General Administration:					
Salaries	184,112	(5,600)	178,512	171,375	7,137
Legal Services	25,000	(6,279)	18,721	16,664	2,057
Audit Fees	22,000	6,355	28,355	28,355	
Communications/Telephone	12,000	(3,780)	8,220	7,398	822
BOE Other Purchased Services	200	213	413	413	

ROCHELLE PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Support Services - General Administration: (Cont'd)					
Miscellaneous Purchased Services (400-500)	\$ 3,500	\$ 807	\$ 4,307	\$ 3,090	\$ 1,217
General Supplies	3,000	1,487	4,487	4,484	3
BOE Membership Dues and Fees	8,663	10,954	19,617	19,522	95
Total Support Services - General Administration	258,475	4,157	262,632	251,301	11,331
Support Services - School Administration:					
Salaries of Principals/Assistant Principals/Program Directors	92,000	39,978	131,978	116,498	15,480
Salaries of Secretarial and Clerical Assistants	55,512	25,789	81,301	81,301	
Other Purchased Services (400-500 series)	7,500	2,704	10,204	10,090	114
Supplies and Materials	7,000	398	7,398	7,398	
Total Support Services - School Administration	162,012	68,869	230,881	215,287	15,594
Central Services:					
Salaries	153,743	(81,691)	72,052	66,359	5,693
Purchased Professional Services	25,000	13,619	38,619	38,019	600
Purchased Technical Services	3,500	61,772	65,272	65,272	
Other Purchased Services (400-500 series)		165	165	165	
Supplies and Materials	3,000	5,660	8,660	8,660	
Interest on Lease Purchase Agreements	200	450	650	583	67
Miscellaneous Expenditures	1,400		1,400	711	689
Total Central Services	186,843	(25)	186,818	179,769	7,049

ROCHELLE PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Required Maintenance of School Facilities:					
Salaries	\$ 23,876		\$ 23,876	\$ 22,874	\$ 1,002
Cleaning, Repair and Maintenance Services	27,000	\$ 39,230	66,230	63,613	2,617
General Supplies	10,000	6,233	16,233	15,084	1,149
Total Required Maintenance of School Facilities	60,876	45,463	106,339	101,571	4,768
Custodial Services:					
Salaries	196,598	13,567	210,165	204,417	5,748
Purchased Professional and Technical Services	14,750	18,190	32,940	32,219	721
Cleaning, Repair and Maintenance Services	16,000	14,100	30,100	27,080	3,020
Other Purchased Property Services	3,000	1,396	4,396	4,396	
Insurance	61,046	(6,000)	55,046	53,929	1,117
General Supplies	2,000	3,448	5,448	5,010	438
Energy (Electricity)	80,000	(11,001)	68,999	61,603	7,396
Energy (Natural Gas)	80,000	(44,000)	36,000	33,001	2,999
Total Custodial Services	453,394	(10,300)	443,094	421,655	21,439
Student Transportation Services:					
Salaries of Non-Instructional Aides	7,215	48	7,263	7,263	
Contracted Services:					
Between Home and School - Vendors	82,008	(25,471)	56,537	55,686	851
Other Between Home and School - Vendors	1,000	1,547	2,547	2,277	270
Special Education Students - Joint Agreements	16,634	1,476	18,110	18,110	
Regular Students - ESCs and CTSA's	10,883	4,187	15,070	15,070	

ROCHELLE PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Student Transportation Services: (Cont'd)					
Contracted Services:					
Special Education Students - ESCs and CTSA's	\$ 158,221	\$ 62,800	\$ 221,021	\$ 209,954	\$ 11,067
Aid in Lieu Payments - Nonpublic Students	62,054	(2,731)	59,323	59,121	202
Total Student Transportation Services	<u>338,015</u>	<u>41,856</u>	<u>379,871</u>	<u>367,481</u>	<u>12,390</u>
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	65,000	15,680	80,680	80,680	
Other Retirement Contributions - PERS	73,033	(3,242)	69,791	69,791	
Unemployment Compensation	15,000	(15,000)			
Workmen's Compensation	51,636	(7,114)	44,522	44,522	
Health Benefits	985,531	(79,305)	906,226	906,226	
Tuition Reimbursement	30,000	(6,340)	23,660	20,078	3,582
Other Employee Benefits	7,500	20,287	27,787	27,787	
Total Unallocated Benefits - Employee Benefits	<u>1,227,700</u>	<u>(75,034)</u>	<u>1,152,666</u>	<u>1,149,084</u>	<u>3,582</u>
TPAF Contributions:					
On-Behalf TPAF Pension (non-budgeted)				119,768	(119,768)
On-Behalf TPAF Post Retirement Medical Benefits (non-budgeted)				240,765	(240,765)
Reimbursed TPAF Social Security Contributions (non-budgeted)				263,769	(263,769)
Total TPAF Contributions				<u>624,302</u>	<u>(624,302)</u>
Total Personal Services - Employee Benefits	<u>1,227,700</u>	<u>(75,034)</u>	<u>1,152,666</u>	<u>1,773,386</u>	<u>(620,720)</u>
Total Undistributed Expenses	<u>6,553,996</u>	<u>(240,073)</u>	<u>6,313,923</u>	<u>6,764,790</u>	<u>(450,867)</u>

ROCHELLE PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
TOTAL GENERAL CURRENT EXPENSE	<u>\$ 9,693,104</u>	<u>\$ 159,793</u>	<u>\$ 9,852,897</u>	<u>\$ 10,209,981</u>	<u>\$ (357,084)</u>
CAPITAL OUTLAY					
Equipment:					
Undistributed Expenditures:					
Non-Instructional Equipment	<u>9,561</u>	<u>9,980</u>	<u>19,541</u>	<u>19,541</u>	
Total Equipment	<u>9,561</u>	<u>9,980</u>	<u>19,541</u>	<u>19,541</u>	
Facilities Acquisition and Construction Services:					
Other Objects		<u>9,561</u>	<u>9,561</u>	<u>9,561</u>	
Total Facilities Acquisition and Construction Services		<u>9,561</u>	<u>9,561</u>	<u>9,561</u>	
TOTAL CAPITAL OUTLAY	<u>9,561</u>	<u>19,541</u>	<u>29,102</u>	<u>29,102</u>	
Transfer of Funds to Charter Schools	<u>36,626</u>	<u>200</u>	<u>36,826</u>	<u>36,826</u>	
TOTAL EXPENDITURES	<u>9,739,291</u>	<u>179,534</u>	<u>9,918,825</u>	<u>10,275,909</u>	<u>(357,084)</u>

ROCHELLE PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	\$ (4,825)	\$ (57,145)	\$ (61,970)	\$ 407,520	\$ 469,490
Other Financing Uses:					
Operating Transfer Out - Enterprise Fund - Food Service		(20,000)	(20,000)	(20,000)	
Total Other Financing Uses		(20,000)	(20,000)	(20,000)	
Excess/(Deficiency) of Revenue Over/(Under) Expenditures and Other Financing Uses	(4,825)	(77,145)	(81,970)	387,520	469,490
Fund Balance, July 1	181,120		181,120	181,120	
Fund Balance, June 30	<u>\$ 176,295</u>	<u>\$ (77,145)</u>	<u>\$ 99,150</u>	<u>\$ 568,640</u>	<u>\$ 469,490</u>
<u>Recapitulation:</u>					
Restricted Fund Balance:					
Capital Reserve				\$ 44,038	
Excess Surplus				40,295	
Assigned Fund Balance:					
Year-End Encumbrances				59,152	
Designated for Subsequent Year's Expenditures				40,000	
Unassigned Fund Balance				<u>385,155</u>	
				568,640	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payments not Recognized on GAAP Basis				(30,704)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 537,936</u>	

ROCHELLE PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Federal Sources	\$ 80,000	\$ 113,214	\$ 193,214	\$ 193,214	
Total Revenues	<u>80,000</u>	<u>113,214</u>	<u>193,214</u>	<u>193,214</u>	
EXPENDITURES:					
Instruction					
Salaries		20,442	20,442	20,442	
Purchased Professional and Technical Services		19,436	19,436	19,436	
Tuition	80,000	47,983	127,983	127,983	
General Supplies		5,061	5,061	5,061	
Total Instruction	<u>80,000</u>	<u>92,922</u>	<u>172,922</u>	<u>172,922</u>	
Support Services					
Salaries		1,362	1,362	1,362	
Personal Services - Employee Benefits		3,516	3,516	3,516	
Purchased Professional Educational Services		3,237	3,237	3,237	
Other Purchased Professional and Technical Services		12,177	12,177	12,177	
Total Support Services		<u>20,292</u>	<u>20,292</u>	<u>20,292</u>	
Total Expenditures	<u>80,000</u>	<u>113,214</u>	<u>193,214</u>	<u>193,214</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

ROCHELLE PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)

Note A - Explanation of Differences Between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 10,683,429	\$ 193,214
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, whereas GAAP does not - Prior Year Encumbrances		2,871
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Statements	10,322	
Current Year State Aid Payments Recognized for Budgetary Statements, not Recognized for GAAP Statements	(30,704)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 10,663,047	\$ 196,085
Uses/Outflows of Resources		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 10,275,909	\$ 193,214
Differences - Budget to GAAP:		
Encumbrances Ordered but not Received are Reported in the Year the Order is Place for Budgetary Purposes, but in the Year they are Received for Financial Reporting Purposes.		2,871
Total Expenditures as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 10,275,909	\$ 196,085

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2012 was submitted to the County office and was voted upon at the school election on the fourth Wednesday in April, 2011. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be made by School Board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

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

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

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

ROCHELLE PARK SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	NCLB Consolidated Grant			
	Title I	Title II - Part A	Carryover	
			Title I	Title II - Part A
REVENUES:				
Federal Sources	\$ 26,683	\$ 10,814	\$ 14,561	\$ 6,822
Total Revenues	<u>26,683</u>	<u>10,814</u>	<u>14,561</u>	<u>6,822</u>
EXPENDITURES:				
Instruction:				
Salaries	20,442			
Purchased Professional and Technical Services			7,263	6,822
Tuition				
General Supplies			4,061	
Total Instruction	<u>20,442</u>		<u>11,324</u>	<u>6,822</u>
Support Services:				
Salaries	1,362			
Personal Services - Employee Benefits	3,516			
Purchased Professional Educational Services			3,237	
Other Purchased Professional and Technical Services	1,363	10,814		
Total Support Services	<u>6,241</u>	<u>10,814</u>	<u>3,237</u>	
Total Expenditures	<u>\$ 26,683</u>	<u>\$ 10,814</u>	<u>\$ 14,561</u>	<u>\$ 6,822</u>

ROCHELLE PARK SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	IDEA, Part B		American Recovery and Reinvestment Act	Totals June 30, 2012
	Basic	Preschool	IDEA, Part B Preschool	
REVENUES:				
Federal Sources	\$ 127,983	\$ 5,351	\$ 1,000	\$ 193,214
Total Revenues	<u>127,983</u>	<u>5,351</u>	<u>1,000</u>	<u>193,214</u>
EXPENDITURES:				
Instruction:				
Salaries				20,442
Purchased Professional and Technical Services		5,351		19,436
Tuition	127,983			127,983
General Supplies			1,000	5,061
Total Instruction	<u>127,983</u>	<u>5,351</u>	<u>1,000</u>	<u>172,922</u>
Support Services:				
Salaries				1,362
Personal Services - Employee Benefits				3,516
Purchased Professional Educational Services				3,237
Other Purchased Professional and Technical Services				12,177
Total Support Services				<u>20,292</u>
Total Expenditures	<u>\$ 127,983</u>	<u>\$ 5,351</u>	<u>\$ 1,000</u>	<u>\$ 193,214</u>

CAPITAL PROJECTS FUND

(NOT APPLICABLE)

PROPRIETARY FUNDS

Exhibit G-1

ROCHELLE PARK SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2012

	<u>Latchkey and Preschool Programs</u>	<u>Food Service</u>	<u>Total</u>
<u>ASSETS:</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 113,640	\$ 30,557	\$ 144,197
Accounts Receivable:			
Federal		2,388	2,388
State		106	106
Interfund Receivable - General Fund		5,713	5,713
Inventory		2,918	2,918
Total Current Assets	<u>113,640</u>	<u>41,682</u>	<u>155,322</u>
Non-Current Assets:			
Capital Assets		134,256	134,256
Accumulated Depreciation		(111,962)	(111,962)
Total Non-Current Assets		<u>22,294</u>	<u>22,294</u>
Total Assets	<u>113,640</u>	<u>63,976</u>	<u>177,616</u>
<u>LIABILITIES:</u>			
Current Liabilities:			
Accounts Payable - Vendors	267	7,322	7,589
Deferred Revenue	14,282		14,282
Total Current Liabilities	<u>14,549</u>	<u>7,322</u>	<u>21,871</u>
<u>NET ASSETS:</u>			
Invested in Capital Assets, Net of Related Debt		22,294	22,294
Unrestricted	99,091	34,360	133,451
Total Net Assets	<u>\$ 99,091</u>	<u>\$ 56,654</u>	<u>\$ 155,745</u>

Exhibit G-2

ROCHELLE PARK SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Latchkey and Preschool Programs</u>	<u>Food Service</u>	<u>Total</u>
Operating Revenue:			
Local Sources:			
Daily Sales - Reimbursable Programs		\$ 69,729	\$ 69,729
Daily Sales - Non-Reimbursable Programs		50,495	50,495
Special Functions		1,556	1,556
Program Fees	\$ 196,875		196,875
Total Operating Revenue	<u>196,875</u>	<u>121,780</u>	<u>318,655</u>
Operating Expenses:			
Cost of Sales		59,471	59,471
Salaries, Benefits & Payroll Taxes	103,897	76,203	180,100
Other Purchased Services		6,282	6,282
Management Fee		13,247	13,247
Supplies and Materials	3,102	11,031	14,133
Depreciation		5,795	5,795
Building Maintenance	30,000		30,000
Total Operating Expenses	<u>136,999</u>	<u>172,029</u>	<u>309,028</u>
Operating Income/(Loss)	<u>59,876</u>	<u>(50,249)</u>	<u>9,627</u>
Non-Operating Revenue:			
Federal Sources:			
National School Lunch Program		43,653	43,653
Special Milk Program			
U.S.D.A. Commodities			
State Sources:			
School Lunch Program		2,029	2,029
Local Sources:			
Interest	23	5	28
Total Non-Operating Revenue	<u>23</u>	<u>45,687</u>	<u>45,710</u>
Net Income/(Loss) Before Operating Transfers	59,899	(4,562)	55,337
Operating Transfer In - General Fund		20,000	20,000
Change in Net Assets	59,899	15,438	75,337
Net Assets - Beginning of Year	<u>39,192</u>	<u>41,216</u>	<u>80,408</u>
Net Assets - End of Year	<u>\$ 99,091</u>	<u>\$ 56,654</u>	<u>\$ 155,745</u>

Exhibit G-3

ROCHELLE PARK SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Latchkey and Preschool Programs</u>	<u>Food Service</u>	<u>Total</u>
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 191,847	\$ 129,022	\$ 320,869
Payments to Employees	(103,897)	(20,000)	(123,897)
Payments to Food Service Contractor		(148,190)	(148,190)
Payments to Suppliers	(2,835)	(3,807)	(6,642)
Payments for Building Maintenance	(30,000)		(30,000)
Net Cash Provided by/(Used for) Operating Activities	<u>55,115</u>	<u>(42,975)</u>	<u>12,140</u>
Cash Flows from Investing Activities:			
Local Sources - Interest Income	23	5	28
Net Cash Provided by Investing Activities	<u>23</u>	<u>5</u>	<u>28</u>
Cash Flows from Noncapital Financing Activities:			
Cash Received from General Fund		20,000	20,000
Cash Received from Federal Reimbursements		37,529	37,529
Cash Received from State Reimbursements		1,772	1,772
Net Cash Provided by Noncapital Financing Activities		<u>59,301</u>	<u>59,301</u>
Net Increase in Cash and Cash Equivalents	55,138	16,331	71,469
Cash and Cash Equivalents, July 1	<u>58,502</u>	<u>14,226</u>	<u>72,728</u>
Cash and Cash Equivalents, June 30	<u>\$ 113,640</u>	<u>\$ 30,557</u>	<u>\$ 144,197</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:			
Operating Income/(Loss)	\$ 59,876	\$ (50,249)	\$ 9,627
Adjustment to Reconcile Operating Income/(Loss) to Cash Provided by/(Used for) Operating Activities:			
Depreciation		5,795	5,795
Changes in Assets and Liabilities:			
Decrease in Accounts Receivable		7,242	7,242
Increase in Inventory		(973)	(973)
Increase/(Decrease) in Accounts Payable	267	(4,790)	(4,523)
Decrease in Deferred Revenue	(5,028)		(5,028)
Net Cash Provided by/(Used for) Operating Activities	<u>\$ 55,115</u>	<u>\$ (42,975)</u>	<u>\$ 12,140</u>

FIDUCIARY FUNDS

ROCHELLE PARK SCHOOL DISTRICT
FIDUCIARY FUND
COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2012

	Agency		Private Purpose Scholarship Trust	Totals
	Student Activity	Payroll		
ASSETS:				
Cash and Cash Equivalents	\$ 21,341	\$ 225,779	\$ 247,120	\$ 544
Interfund Receivable - General Fund		1,925	1,925	1,925
Total Assets	21,341	227,704	249,045	544
LIABILITIES:				
Payroll Deductions and Withholdings		19,005	19,005	19,005
Accounts Payable	6,355		6,355	6,355
Accrued Salaries and Wages		208,699	208,699	208,699
Due to Student Groups	14,986		14,986	14,986
Total Liabilities	21,341	227,704	249,045	249,045
NET ASSETS:				
Restricted for Scholarships			544	544
Total Net Assets	\$ -0-	\$ -0-	\$ -0-	\$ 544

ROCHELLE PARK SCHOOL DISTRICT
FIDUCIARY FUND
STATEMENT OF CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>Private Purpose Scholarship Trust</u>
ADDITIONS:	
Contributions:	
Scholarships	\$ 6,000
Total Additions	<u>6,000</u>
DEDUCTIONS:	
Scholarships Awarded	<u>11,000</u>
Total Deductions	<u>11,000</u>
Change in Net Assets	(5,000)
Net Assets—Beginning of the Year	<u>5,544</u>
Net Assets—End of the Year	<u>\$ 544</u>

Exhibit H-3

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

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>
ASSETS:				
Cash and Cash Equivalents	\$ 15,100	\$ 17,884	\$ 11,643	\$ 21,341
Total Assets	<u>\$ 15,100</u>	<u>\$ 17,884</u>	<u>\$ 11,643</u>	<u>\$ 21,341</u>
 LIABILITIES:				
Liabilities:				
Accounts Payable - Vendors		\$ 6,355		\$ 6,355
Due to Student Groups	\$ 15,100	11,529	\$ 11,643	14,986
Total Liabilities	<u>\$ 15,100</u>	<u>\$ 17,884</u>	<u>\$ 11,643</u>	<u>\$ 21,341</u>

ROCHELLE PARK SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF ACTIVITY

	<u>Balance</u> <u>July 1, 2011</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Accounts</u> <u>Payable</u>	<u>Balance</u> <u>June 30, 2012</u>
Student Activities	\$ 15,100	\$ 17,884	\$ 11,643	\$ 6,355	\$ 14,986
Total All Funds	<u>\$ 15,100</u>	<u>\$ 17,884</u>	<u>\$ 11,643</u>	<u>\$ 6,355</u>	<u>\$ 14,986</u>

Exhibit H-5

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

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2012</u>
ASSETS:				
Cash and Cash Equivalents	\$ 16,267	\$ 5,033,805	\$ 4,824,293	\$ 225,779
Interfund Receivable - General Fund		1,925		1,925
Total Assets	<u>\$ 16,267</u>	<u>\$ 5,035,730</u>	<u>\$ 4,824,293</u>	<u>\$ 227,704</u>
LIABILITIES:				
Payroll Deductions and Withholdings	\$ 14,896	\$ 4,826,022	\$ 4,821,913	\$ 19,005
Accrued Salaries and Wages		208,699		208,699
Interfund Payable - General Fund	1,371	1,009	2,380	
Total Liabilities	<u>\$ 16,267</u>	<u>\$ 5,035,730</u>	<u>\$ 4,824,293</u>	<u>\$ 227,704</u>

LONG-TERM DEBT

ROCHELLE PARK SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance July 1, 2011	Matured	Balance June 30, 2012
			Date	Amount				
School Bonds: Additions and Alterations to Midland School	08/15/01	\$ 2,760,000	08/15/12	\$ 205,000	4.250 %			
			08/15/13	210,000	4.375 %			
			08/15/14	215,000	4.375 %			
			08/15/15	220,000	4.375 %			
			08/15/16	220,000	4.500 %	\$ 1,265,000	\$ 195,000	\$ 1,070,000
School Pension Refunding Bonds	03/17/03	260,000	03/15/13	25,000	5.450 %			
			03/15/14	30,000	5.450 %	80,000	25,000	55,000
						<u>\$ 1,345,000</u>	<u>\$ 220,000</u>	<u>\$ 1,125,000</u>

ROCHELLE PARK SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOT APPLICABLE

ROCHELLE PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 276,698		\$ 276,698	\$ 276,698	
Total Revenues	<u>276,698</u>		<u>276,698</u>	<u>276,698</u>	
EXPENDITURES:					
Regular Debt Service:					
Interest	56,698		56,698	55,335	\$ 1,363
Redemption of Principal	<u>220,000</u>		<u>220,000</u>	<u>220,000</u>	
Total Regular Debt Service	<u>276,698</u>		<u>276,698</u>	<u>275,335</u>	<u>1,363</u>
Total Expenditures	<u>276,698</u>		<u>276,698</u>	<u>275,335</u>	<u>1,363</u>
Excess of Revenue Over Expenditures				1,363	1,363
Fund Balance, July 1					
Fund Balance, June 30	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ 1,363</u>	<u>\$ 1,363</u>
Recapitulation:					
Restricted				<u>\$ 1,363</u>	

STATISTICAL SECTION

STATISTICAL SECTION
(UNAUDITED)

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

Contents

	<u>Exhibit</u>
<p>Financial Trends</p> <p>These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.</p>	J-1 thru J-5
<p>Revenue Capacity</p> <p>These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.</p>	J-6 thru J-9
<p>Debt Capacity</p> <p>These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.</p>	J-10 thru J-13
<p>Demographic and Economic Information</p> <p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.</p>	J-14 thru J-15
<p>Operating Information</p> <p>These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.</p>	J-16 thru J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. The District implemented Statement 34 in a previous fiscal year. Schedules presenting government-wide information include information beginning in the fiscal year ended June 30, 2005.

ROCHELLE PARK SCHOOL DISTRICT
NET ASSETS BY COMPONENT,
LAST EIGHT FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

	Fiscal Year Ending June 30,							
	2005	2006	2007	2008	2009	2010	2011	2012
Governmental Activities								
Invested in Capital Assets, Net of Related Debt	\$ 22,872	\$ 95,915	\$ 144,104	\$ 218,520	\$ 276,672	\$ 278,303	\$ 433,080	\$ 601,914
Restricted	328,403	112,392	440,501	212,050	620,275	43,686	48,960	85,696
Unrestricted/(Deficit)	<u>275,217</u>	<u>126,695</u>	<u>(55,528)</u>	<u>256,501</u>	<u>(45,050)</u>	<u>(15,748)</u>	<u>(13,136)</u>	<u>349,264</u>
Total Governmental Activities Net Assets	<u>\$ 626,492</u>	<u>\$ 335,002</u>	<u>\$ 529,077</u>	<u>\$ 687,071</u>	<u>\$ 851,897</u>	<u>\$ 306,241</u>	<u>\$ 468,904</u>	<u>\$ 1,036,874</u>
Business-Type Activities								
Invested in Capital Assets, Net of Related Debt	\$ 63,067	\$ 57,549	\$ 51,271	\$ 45,475	\$ 39,680	\$ 33,885	\$ 28,089	\$ 22,294
Unrestricted	<u>29,458</u>	<u>18,944</u>	<u>18,861</u>	<u>18,158</u>	<u>8,412</u>	<u>5,501</u>	<u>52,319</u>	<u>133,451</u>
Total Business-Type Activities Net Assets	<u>\$ 92,525</u>	<u>\$ 76,493</u>	<u>\$ 70,132</u>	<u>\$ 63,633</u>	<u>\$ 48,092</u>	<u>\$ 39,386</u>	<u>\$ 80,408</u>	<u>\$ 155,745</u>
District-Wide								
Invested in Capital Assets, Net of Related Debt	\$ 85,939	\$ 153,464	\$ 195,375	\$ 263,995	\$ 316,352	\$ 312,188	\$ 461,169	\$ 624,208
Restricted	328,403	112,392	440,501	212,050	620,275	43,686	48,960	85,696
Unrestricted/(Deficit)	<u>304,675</u>	<u>145,639</u>	<u>(36,667)</u>	<u>274,659</u>	<u>(36,638)</u>	<u>(10,247)</u>	<u>39,183</u>	<u>482,715</u>
Total District-Wide Net Assets	<u>\$ 719,017</u>	<u>\$ 411,495</u>	<u>\$ 599,209</u>	<u>\$ 750,704</u>	<u>\$ 899,989</u>	<u>\$ 345,627</u>	<u>\$ 549,312</u>	<u>\$ 1,192,619</u>

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Source: School District Financial Reports

ROCHELLE PARK SCHOOL DISTRICT
CHANGE IN NET ASSETS BY COMPONENT, LAST FIVE FISCAL YEARS
UNAUDITED
(accrual basis of accounting)

	Fiscal Year Ending June 30,				
	2008	2009	2010	2011	2012
Expenses:					
Governmental Activities					
Instruction:					
Regular	\$ 2,593,706	\$ 2,815,642	\$ 2,780,590	\$ 3,640,567	\$ 3,812,794
Special Education	549,376	583,295	644,947	824,690	878,544
Other Special Instruction	169,357	208,005	225,041	303,915	305,811
School-Sponsored/Other Instruction	45,749	54,132	38,296	35,512	40,956
Support Services:					
Tuition	2,616,313	2,546,645	2,703,222	2,874,295	2,755,948
Student and Instruction Related Services	833,720	873,130	822,429	942,207	874,633
General Administrative Services	325,172	315,441	276,574	307,041	294,656
School Administrative Services	163,224	169,434	160,766	211,841	283,464
Central Services	195,992	193,059	209,796	245,777	195,349
Plant Operations and Maintenance	569,284	598,452	538,987	600,775	590,287
Pupil Transportation	364,024	347,451	409,039	339,440	369,318
Unallocated Employee Benefits	1,886,844	1,521,004	1,662,822		
Unallocated Depreciation				67,713	52,231
Charter Schools				32,888	36,826
Capital Outlay	201,457	312,036	234,006	18,521	5,213
Interest on Long-Term Debt	90,964	82,648	73,891	86,714	51,830
Total Governmental Activities Expenses	<u>10,605,182</u>	<u>10,620,374</u>	<u>10,780,406</u>	<u>10,531,896</u>	<u>10,547,860</u>

ROCHELLE PARK SCHOOL DISTRICT
CHANGE IN NET ASSETS BY COMPONENT, LAST FIVE FISCAL YEARS
UNAUDITED
(accrual basis of accounting)

	Fiscal Year Ending June 30,				
	2008	2009	2010	2011	2012
Expenses:					
Business-Type Activities:					
Food Service	\$ 160,943	\$ 169,242	\$ 184,334	\$ 173,651	\$ 172,029
Latchkey and Preschool Programs				126,483	136,999
Total Business-Type Activities Expense	<u>160,943</u>	<u>169,242</u>	<u>184,334</u>	<u>300,134</u>	<u>309,028</u>
Total District Expenses	<u>\$ 10,766,125</u>	<u>\$ 10,789,616</u>	<u>\$ 10,964,740</u>	<u>\$ 10,832,030</u>	<u>\$ 10,856,888</u>
Program Revenues:					
Governmental Activities:					
Operating Grants and Contributions	\$ 1,480,999	\$ 1,148,240	\$ 1,204,946	\$ 1,154,183	\$ 1,302,745
Total Governmental Activities Program Revenues	<u>1,480,999</u>	<u>1,148,240</u>	<u>1,204,946</u>	<u>1,154,183</u>	<u>1,302,745</u>
Business-Type Activities:					
Charges for Services:					
Food Service	98,428	98,073	105,486	110,994	121,780
Latchkey and Preschool Programs				165,582	196,875
Operating Grants and Contributions	29,425	29,345	39,739	43,892	45,682
Total Business-Type Activities Program Revenues	<u>127,853</u>	<u>127,418</u>	<u>145,225</u>	<u>320,468</u>	<u>364,337</u>
Total District Program Revenues	<u>\$ 1,608,852</u>	<u>\$ 1,275,658</u>	<u>\$ 1,350,171</u>	<u>\$ 1,474,651</u>	<u>\$ 1,667,082</u>
Net (Expense)/Revenue:					
Governmental Activities	\$ (9,124,183)	\$ (9,472,134)	\$ (9,575,460)	\$ (9,377,713)	\$ (9,245,115)
Business-Type Activities	(33,090)	(41,824)	(39,109)	20,334	55,309
Total District-Wide Net Expense	<u>\$ (9,157,273)</u>	<u>\$ (9,513,958)</u>	<u>\$ (9,614,569)</u>	<u>\$ (9,357,379)</u>	<u>\$ (9,189,806)</u>

ROCHELLE PARK SCHOOL DISTRICT
CHANGE IN NET ASSETS BY COMPONENT, LAST FIVE FISCAL YEARS
UNAUDITED
(accrual basis of accounting)

	Fiscal Year Ending June 30,				
	2008	2009	2010	2011	2012
General Revenues and Other Changes in Net Assets:					
Governmental Activities:					
Property Taxes Levied for General Purposes, Net	\$ 8,791,803	\$ 8,775,772	\$ 8,699,726	\$ 9,257,385	\$ 9,442,533
Taxes Levied for Debt Service	277,863	273,940	276,706	274,262	276,698
Unrestricted Grants and Contributions	178,529	441,712	117,162	20,703	41,637
Investment Earnings				349	
Miscellaneous Income	60,004	171,709	13,556	8,051	72,217
Transfers	(26,022)	(26,173)	(77,346)	(20,374)	(20,000)
Total Governmental Activities	<u>9,282,177</u>	<u>9,636,960</u>	<u>9,029,804</u>	<u>9,540,376</u>	<u>9,813,085</u>
Business-Type Activities:					
Miscellaneous Income	569	110	107	314	28
Transfers	26,022	26,173	30,296	20,374	20,000
Total Business-Type Activities	<u>26,591</u>	<u>26,283</u>	<u>30,403</u>	<u>20,688</u>	<u>20,028</u>
Total District-Wide	<u>\$ 9,308,768</u>	<u>\$ 9,663,243</u>	<u>\$ 9,060,207</u>	<u>\$ 9,561,064</u>	<u>\$ 9,833,113</u>
Change in Net Assets:					
Governmental Activities	\$ 157,994	\$ 164,826	\$ (545,656)	\$ 162,663	\$ 567,970
Business-Type Activities	(6,499)	(15,541)	(8,706)	41,022	75,337
Total District	<u>\$ 151,495</u>	<u>\$ 149,285</u>	<u>\$ (554,362)</u>	<u>\$ 203,685</u>	<u>\$ 643,307</u>

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Source: School District Financial Reports

ROCHELLE PARK SCHOOL DISTRICT
FUND BALANCES, GOVERNMENT FUNDS
LAST EIGHT FISCAL YEARS
UNAUDITED
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,							
	2005	2006	2007	2008	2009	2010	2011	2012
General Fund								
Reserved/Restricted	\$ 80,922	\$ 222,888	\$ 376,702	\$ 503,447	\$ 505,827	\$ 138,878	\$ 44,035	\$ 84,333
Assigned							4,925	99,152
Unassigned	591,420	259,738	251,809	274,955	208,917	192	121,838	354,451
Total General Fund	<u>\$ 672,342</u>	<u>\$ 482,626</u>	<u>\$ 628,511</u>	<u>\$ 778,402</u>	<u>\$ 714,744</u>	<u>\$ 139,070</u>	<u>\$ 170,798</u>	<u>\$ 537,936</u>
All Other Governmental Funds								
Unreserved, Reported in:								
Capital Projects Fund	\$ 63,828	\$ 63,828	\$ 63,828	\$ 63,828	\$ 111,752	\$ 194		
Debt Service Fund	226,255	4,758	6,809	5,893	2,696	511		
Restricted:								
Debt Service Fund								\$ 1,363
Total All Other Governmental Funds	<u>\$ 290,083</u>	<u>\$ 68,586</u>	<u>\$ 70,637</u>	<u>\$ 69,721</u>	<u>\$ 114,448</u>	<u>\$ 705</u>	<u>\$ -0-</u>	<u>\$ 1,363</u>

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Source: School District Financial Reports

ROCHELLE PARK SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENT FUNDS
LAST FIVE FISCAL YEARS
UNAUDITED
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,				
	2008	2009	2010	2011	2012
Revenues:					
Local Tax Levy	\$ 9,069,666	\$ 9,049,712	\$ 8,976,432	\$ 9,531,647	\$ 9,719,231
Interest Earnings on Capital Reserve	1,429	1,009	348	349	3
Miscellaneous	58,575	170,700	13,556	8,051	72,214
State Sources	1,511,047	1,251,805	1,095,619	948,173	1,124,970
Federal Sources	148,481	148,481	226,141	226,713	219,412
Total Revenue	<u>10,789,198</u>	<u>10,621,707</u>	<u>10,312,096</u>	<u>10,714,933</u>	<u>11,135,830</u>
Expenditures:					
Instruction:					
Regular Instruction	2,593,706	2,815,642	2,780,590	2,650,331	2,725,742
Special Education Instruction	549,376	583,295	644,947	641,338	674,484
Other Special Instruction	169,357	208,005	225,041	215,139	207,805
School-Sponsored/Other Instruction	45,749	54,132	38,296	29,364	33,245
Support Services:					
Tuition	2,616,313	2,546,645	2,703,222	2,874,295	2,755,948
Student and Instruction Related Services	833,720	873,130	822,429	757,922	698,392
General Administrative Services		315,441	276,574	259,742	251,301
School Administrative Services	325,172	169,434	160,766	161,243	215,287
Central Services	163,224	193,059	209,796	203,025	179,769
Plant Operations and Maintenance	282,729	598,452	538,987	544,016	523,226
Pupil Transportation	482,547	347,451	409,039	337,639	367,481
Unallocated Benefits	2,252,715	1,522,527	1,674,952	1,663,300	1,773,386

ROCHELLE PARK SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENT FUNDS,
LAST FIVE FISCAL YEARS
UNAUDITED
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,				
	2008	2009	2010	2011	2012
Expenditures: (Cont'd)					
Capital Outlay	\$ 117,711	\$ 109,604	\$ 160,637	\$ 18,521	\$ 29,102
Charter Schools				32,888	36,826
Debt Service:					
Principal	190,000	195,000	205,000	210,000	220,000
Interest and Other Charges	90,964	82,648	73,891	64,773	55,335
Total Expenditures	<u>10,713,283</u>	<u>10,614,465</u>	<u>10,924,167</u>	<u>10,663,536</u>	<u>10,747,329</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>75,915</u>	<u>7,242</u>	<u>(612,071)</u>	<u>51,397</u>	<u>388,501</u>
Other Financing Sources (Uses):					
Transfers In				196	
Transfers Out	(26,022)	(26,173)	(77,346)	(20,570)	(20,000)
Total Other Financing Sources (Uses)	<u>(26,022)</u>	<u>(26,173)</u>	<u>(77,346)</u>	<u>(20,374)</u>	<u>(20,000)</u>
Net Change in Fund Balances	<u>\$ 49,893</u>	<u>\$ (18,931)</u>	<u>\$ (689,417)</u>	<u>\$ 31,023</u>	<u>\$ 368,501</u>
Debt Service as a Percentage of Noncapital Expenditures	2.65 %	2.64 %	2.59 %	2.58 %	2.57 %

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Source: School District Financial Reports

Exhibit J-5

ROCHELLE PARK SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST SIX FISCAL YEARS
UNAUDITED
(modified accrual basis of accounting)

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Prior Year</u> <u>Refunds/</u> <u>Reimbursements</u>	<u>Other</u>	<u>Total</u>
2007	\$ 29,609	\$ 39,239		\$ 68,848
2008	44,383	10,578		54,961
2009	12,633	82,067	\$ 75,413	170,113
2010	9,381	3,957		13,338
2011	7,685		413	8,098
2012	38	30,457	41,722	72,217

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Source: Rochelle Park School District records

ROCHELLE PARK SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
UNAUDITED

Year Ended December 31,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2002	\$ 10,680,600	\$ 374,399,100	\$ 222,153,100	\$ 26,366,900	\$ 21,830,100	\$ 655,429,800	\$ 38,057,400	\$ 25,604,700	\$ 681,034,500	\$ 0.93	\$ 605,426,324
2003	10,116,700	375,882,400	221,022,700	26,308,600	21,830,100	655,160,500	38,273,600	25,745,594	680,906,094	1.10	697,361,075
2004	10,046,800	391,040,200	222,469,000	25,616,100	21,730,100	670,902,200	38,364,900	25,730,836	696,633,036	1.11	764,262,156
2005	9,564,400	391,230,600	221,611,800	24,498,800	21,730,100	668,635,700	38,562,000	25,603,194	694,238,894	1.11	793,462,186
2006	12,977,700	391,636,200	221,900,500	24,498,800	21,730,100	672,743,300	38,572,000	20,322,987	693,066,287	1.23	887,879,147
2007	8,087,901	415,706,800	216,896,300	24,498,800	23,899,100	689,088,901	39,262,700	17,789,752	706,878,653	1.26	1,037,448,129
2008	8,761,001	416,907,900	211,950,500	23,848,800	23,899,100	685,367,301	39,234,200	17,560,579	702,927,880	1.27	1,139,935,685
2009	8,998,700	418,915,200	192,045,320	22,993,300	23,899,100	666,851,620	39,259,200	14,984,048	681,835,668	1.30	1,133,648,896
* 2010	11,715,400	604,811,200	315,071,900	32,392,800	20,821,200	984,812,500	57,172,800	27,395,337	1,012,207,837	0.93	1,089,014,589
2011	5,803,900	604,321,800	315,635,400	32,392,800	20,821,200	978,975,100	60,951,000	24,940,711	1,003,915,811	0.96	1,070,397,320

* A Revaluation of Real Property was effective in this year.

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

^b Tax Rates are per \$100 of Assessed Value.

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

ROCHELLE PARK SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
UNAUDITED
(RATE PER \$100 OF ASSESSED VALUE)

Year Ended December 31,	Rochelle Park School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Township of Rochelle Park	Bergen County	
2002	N/A	N/A	\$ 0.93	\$ 0.67	\$ 0.20	\$ 1.80
2003	N/A	N/A	1.10	0.74	0.22	2.06
2004	N/A	N/A	1.11	0.79	0.23	2.13
2005	N/A	N/A	1.11	0.84	0.23	2.18
2006	N/A	N/A	1.23	0.91	0.24	2.38
2007	1.22	0.04	1.26	0.96	0.26	2.48
2008	1.23	0.04	1.27	1.03	0.30	2.59
2009	1.26	0.04	1.30	1.10	0.30	2.70
2010	*	0.91	0.93	0.81	0.21	1.95
2011		0.93	0.96	0.84	0.22	2.01

N/A This information is not available.

* A Revaluation of Real Property was effective in this year.

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

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

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

ROCHELLE PARK SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

Taxpayer	2011		Taxpayer	2002	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Mack-Cali Realty LP	\$ 30,797,200	3.07 %	Verizon	\$ 36,768,294	12.24 %
Verizon	26,451,640	2.63 %	Mack-Cali Realty LP	30,000,000	9.99 %
Rochelle Park Holding, LLC	19,468,800	1.94 %	Rochelle Park Holding, LLC	14,400,000	4.80 %
395 W. Passaic LLC	16,718,200	1.67 %	Rochelle Park Investments, LLC	12,897,900	4.29 %
SAC Realty LLC	15,479,700	1.54 %	Coolidge Park 17 LLC	11,801,000	3.93 %
Rte. 17 Invest LLC	15,466,800	1.54 %	Coolidge Park 17 LLC	11,284,100	3.76 %
Coolidge Park 17 LLC	14,875,500	1.48 %	450 Corp	10,950,400	3.65 %
Rochelle Park JT Vent.	12,676,500	1.26 %	120 Passaic Street	10,796,300	3.60 %
Sims Associates	11,370,900	1.13 %	Whitehall Holding	9,623,200	3.20 %
Sherebrooke Holding Company	10,267,700	1.02 %	Sherebrooke Holding Company	8,512,300	2.83 %
Total	\$ 173,572,940	17.29 %	Total	\$ 157,033,494	52.29 %

Source: Municipal Tax Assessor

ROCHELLE PARK SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS,
LAST FIVE FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Percentage of Levy	Collections in Subsequent Years
		Amount			
2008	\$ 9,069,666	\$ 9,069,666		100.00 %	-0-
2009	9,049,712	9,049,712		100.00 %	-0-
2010	8,976,432	8,976,432		100.00 %	-0-
2011	9,531,647	9,531,647		100.00 %	-0-
2012	9,719,231	9,719,231		100.00 %	-0-

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

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

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

Exhibit J-10

ROCHELLE PARK SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Capital Leases			
2003	\$ 2,670,000	\$ -0-	\$ 2,670,000	0.94 %	\$ 486
2004	2,410,000	-0-	2,410,000	0.86 %	440
2005	2,495,000	-0-	2,495,000	0.81 %	441
2006	2,325,000	-0-	2,325,000	0.71 %	403
2007	2,145,000	-0-	2,145,000	0.58 %	363
2008	1,955,000	-0-	1,955,000	0.48 %	323
2009	1,760,000	-0-	1,760,000	0.43 %	291
2010	1,555,000	-0-	1,555,000	0.41 %	256
2011	1,345,000	-0-	1,345,000	0.37 %	243
2012	1,125,000	-0-	1,125,000	0.31 %	202

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

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

Source: School District Financial Reports

ROCHELLE PARK SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST EIGHT FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obiligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2005	\$ 2,495,000	\$ -0-	\$ 2,495,000	0.36 %	\$ 441
2006	2,325,000	-0-	2,325,000	0.33 %	403
2007	2,145,000	-0-	2,145,000	0.31 %	363
2008	1,955,000	-0-	1,955,000	0.28 %	323
2009	1,760,000	-0-	1,760,000	0.25 %	291
2010	1,555,000	-0-	1,555,000	0.23 %	256
2011	1,345,000	-0-	1,345,000	0.13 %	243
2012	1,125,000	-0-	1,125,000	0.11 %	202

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

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

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

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Source: School District Financial Reports

ROCHELLE PARK SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2011
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid With Property Taxes			
Township of Rochelle Park	\$ 10,823,000	100.00 %	\$ 10,823,000
Bergen County General Obligation Debt	698,412,830	0.62 %	<u>4,314,794</u>
Subtotal, Overlapping Debt			15,137,794
Rochelle Park School District			<u>1,150,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 16,287,794</u></u>

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

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

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

Exhibit J-13

ROCHELLE PARK SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST EIGHT FISCAL YEARS
UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2012

2011	\$ 951,754,910
2010	1,046,448,305
2009	1,052,148,343
	\$ 3,050,351,558
 Average Equalized Valuation of Taxable Property	 \$ 1,016,783,853
 Debt Limit (3% of Average Equalization Value) ^a	 \$ 30,503,516
Net Bonded School Debt at June 30, 2012	1,125,000
Legal Debt Margin	\$ 29,378,516

	Fiscal Year			
	2009	2010	2011	2012
Debt Limit	\$ 34,879,558	\$ 34,025,607	\$ 34,115,608	\$ 30,503,516
Total Net Debt Applicable to Limit	1,760,000	1,555,000	1,345,000	1,125,000
Legal Debt Margin	\$ 33,119,558	\$ 32,470,607	\$ 32,770,608	\$ 29,378,516
 Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	 5.05 %	 4.57 %	 3.94 %	 3.69 %

	Fiscal Year			
	2005	2006	2007	2008
Debt Limit	\$ 23,395,921	\$ 26,134,367	\$ 29,706,721	\$ 34,263,011
Total Net Debt Applicable to Limit	2,495,000	2,325,000	2,145,000	1,955,000
Legal Debt Margin	\$ 20,900,921	\$ 23,809,367	\$ 27,561,721	\$ 32,308,011
 Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	 10.66 %	 8.90 %	 7.22 %	 5.71 %

^a Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts.

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

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

ROCHELLE PARK SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income (thousands of dollars) ^b</u>	<u>Bergen County Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2003	5,473	\$ 279,845,436	\$ 51,132	N/A
2004	5,659	308,200,458	54,462	4.60 %
2005	5,767	327,023,502	56,706	4.20 %
2006	5,904	370,263,456	62,714	4.40 %
2007	6,045	407,396,730	67,394	3.90 %
2008	6,046	412,500,442	68,227	5.10 %
2009	6,063	383,169,474	63,198	9.10 %
2010	5,536	362,530,496	65,486	9.30 %
2011	5,566	364,495,076	65,486 *	9.10 %
2012	5,566 **	364,495,076	65,486 *	N/A

* - Latest Bergen County per capita personal income available (2010) was used for calculation purposes.

** - Latest population data available (2011) was used for calculation purposes.

N/A - Information Unavailable

Source:

^a Population information provided by the New Jersey Department of Labor and Workforce Development

^b Personal income has been estimated based upon the municipal population and per capita personal income presented

^c Per capita personal income by county provided by the New Jersey Department of Labor and Workforce Development

^d Unemployment data provided by the New Jersey Department of Labor and Workforce Development

ROCHELLE PARK SCHOOL DISTRICT
PRINCIPAL EMPLOYERS - BERGEN COUNTY
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

<u>2011</u>			<u>2002</u>		
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>

Information is Not Available

Information is Not Available

NOTE: The District was unsuccessful in its attempt to obtain information regarding the principal employers of the Township.

ROCHELLE PARK SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM,
LAST EIGHT FISCAL YEARS
UNAUDITED

<u>Function/Program</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Instruction:								
Regular	42.0	42.0	42.0	41.0	42.0	41.0	42.0	42.0
Support Services:								
Student and Instruction Related Services	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0
School Administrative Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
General Administrative Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Plant Operations and Maintenance	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Pupil Transportation								
Business and Other Support Services	2.0	2.0	2.5	2.5	2.5	3.0	3.0	3.0
	<u>66.0</u>	<u>66.0</u>	<u>66.5</u>	<u>65.5</u>	<u>66.5</u>	<u>66.0</u>	<u>67.0</u>	<u>67.0</u>
Food Service	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Latchkey/After School Program						4.0	4.0	4.0
	<u>6.0</u>	<u>6.0</u>	<u>6.0</u>	<u>6.0</u>	<u>6.0</u>	<u>10.0</u>	<u>10.0</u>	<u>10.0</u>
Total	<u>72.0</u>	<u>72.0</u>	<u>72.5</u>	<u>71.5</u>	<u>72.5</u>	<u>76.0</u>	<u>77.0</u>	<u>77.0</u>

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Source: District Personnel Records

ROCHELLE PARK SCHOOL DISTRICT
OPERATING STATISTICS,
LAST FIVE FISCAL YEARS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^b	Percentage Change	Teaching Staff ^c	Elementary/Middle		% Change in Average Daily Enrollment	Student Attendance Percentage	
						Pupil/Teacher Ratio	Average Daily Enrollment (ADE) ^d			Average Daily Attendance (ADA) ^d
2008	498	\$ 10,314,608	\$ 20,712	N/A	49	10:2	496	472	3.68 %	95.16 %
2009	505	10,227,213	20,252	-2.22 %	50	10:1	507	485	2.22 %	95.56 %
2010	510	10,484,639	20,558	1.51 %	49	10:2	504	483	-0.59 %	95.81 %
2011	452	10,370,242	22,943	11.60 %	47	9:6	452	431	-10.32 %	95.33 %
2012	462	10,442,892	22,604	-1.48 %	47	9:6	462	442	2.21 %	95.67 %

N/A This information is not available.

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

^b Cost per pupil is the sum as operating expenditures divided by enrollment. This cost per pupil may be different from the State's per pupil calculations.

^c Teaching staff includes only full-time equivalents of certificated staff.

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

Note: Enrollment based on annual October district count.

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Source: Rochelle Park School District records

ROCHELLE PARK SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST EIGHT FISCAL YEARS
UNAUDITED

<u>District Building</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Midland School								
Square Feet	33,500	33,500	33,500	33,500	33,500	33,500	33,500	33,500
Capacity (Students)	506	506	506	506	506	506	506	506
Enrollment	481	471	480	498	505	510	452	462
Number of Schools at June 30, 2012								
Elementary/Middle = 1								

Note: Enrollment is based on the annual October district count.

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Source: Rochelle Park School District Facilities Office

ROCHELLE PARK SCHOOL DISTRICT
SCHEDULE OF ALLOWABLE MAINTENANCE EXPENDITURES BY SCHOOL FACILITIES
LAST SEVEN FISCAL YEARS
UNAUDITED

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

<u>School Facility</u>	<u>Project #</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Midland School	N/A	\$ 83,909	\$ 80,176	\$ 86,737	\$ 88,869	\$ 80,275	\$ 71,550	\$ 101,571
		<u>\$ 83,909</u>	<u>\$ 80,176</u>	<u>\$ 86,737</u>	<u>\$ 88,869</u>	<u>\$ 80,275</u>	<u>\$ 71,550</u>	<u>\$ 101,571</u>

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

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

Source: Rochelle Park School District records

Exhibit J-20

ROCHELLE PARK SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2012
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
Northeast Bergen County School Board Insurance Group (NESBIG):		
Package Policy - Selective Insurance Company		
Property	\$ 14,477,943	\$ 5,000
Earthquake/Flood (Outside Zones A & V)	5,000,000	50,000
Flood Zones A & V	1,000,000	500,000
Liability		
Automobile (Comprehensive & Collision)	1,000,000	1,000
Comprehensive General Liability	1,000,000	None
Crime (Non-statutory Bonds)	100,000	5,000
Per Employee (Primary)	400,000	None
Per Loss (Excess)		
Boiler & Machinery	Included	
Environmental - ACE	1,000,000	15,000
Fund Aggregate	20,000,000	
Educator's Legal Liability/	1,000,000	10,000
Employment Practices - Darwin		15,000
Commercial Umbrella - Selective	9,000,000	10,000
Excess Umbrella - Fireman's Fund	50,000,000	
Fund Aggregate		
Surety Bond Coverage:		
Treasurer of School Monies	185,000	

Source: District records

SINGLE AUDIT SECTION



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Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance
 and Other Matters Based on an Audit of Financial Statements Performed in Accordance with
 Government Auditing Standards

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Rochelle Park School District, in the County of Bergen (the "Board") as of, and for the fiscal year ended June 30, 2012, which collectively comprise the School District's basic financial statements and have issued our report thereon dated September 12, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Board's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of the Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Board'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Board's financial statements will not be prevented, or detected and corrected on a timely basis.

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

The Honorable President and Members
of the Board of Education
Rochelle Park School District
Page 2

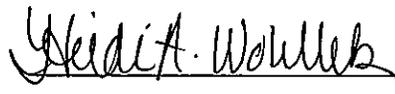
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. However, we noted certain matters that we have reported to the Board in the *Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance* dated September 12, 2012.

This report is intended solely for the information and use of management, the members of the Board of Education, and to meet the requirements for filing with 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.

September 12, 2012
Mount Arlington, New Jersey

NISIVOCIA LLP



Heidi A. Wohlleb
Licensed Public School Accountant #2140
Certified Public Accountant



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Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and New Jersey OMB's Circular 04-04

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

Compliance

We have audited the compliance of the Board of Education of the Rochelle Park School District in the County of Bergen (the "Board") 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 could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2012. The Board's major state programs are identified in the summary of auditors' 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 Board's management. Our responsibility is to express an opinion on the Board'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; audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*; and Federal Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards, Federal 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 state program occurred. An audit includes examining, on a test basis, evidence about the Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Board's compliance with those requirements.

In our opinion, the Board complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2012.

The Honorable President and Members
of the Board of Education
Rochelle Park School District
Page 2

Internal Control Over Compliance

The management of the Board 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 Board's internal control over compliance with requirements that could have a direct and material effect on a major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the *New Jersey State Aid/Grant Compliance Supplement*, but not for the purpose of expressing our opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over compliance.

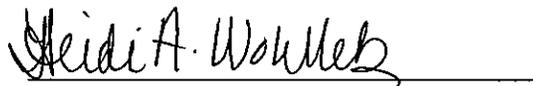
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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

This report is intended solely for the information and use of management, the members of the Board of Education, and to meet the requirements for filing with 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.

September 12, 2012
Mount Arlington, New Jersey

NISIVOCIA LLP



Heidi A. Wohlleb
Licensed Public School Accountant #2140
Certified Public Accountant

ROCHELLE PARK SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Federal Grantor Pass Through Grantor/ Program/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2011		Prior Year Adjustment	Cancellation of Prior Year's Accounts Payable	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Balance at June 30, 2012		
					Deferred Revenue (Accounts Receivable)	Due to Grantor						(Accounts Receivable)	Deferred Revenue	Due to Grantor
U.S. Department of Agriculture														
Passed-through State Department of Education:														
Child Nutrition Cluster:														
National School Lunch Program	10.555	N/A	7/1/11-6/30/12	\$ 43,653						\$ 41,265	\$ (43,653)	\$ (2,388)		
Special Milk Program	10.556	N/A	7/1/10-6/30/11	835	\$ (64)					64				
National School Lunch Program	10.555	N/A	7/1/10-6/30/11	29,744	(1,661)					1,661				
Total Child Nutrition Cluster					(1,725)					42,990	(43,653)	(2,388)		
Total U.S. Department of Agriculture					(1,725)					42,990	(43,653)	(2,388)		
Total Enterprise Funds					(1,725)					42,990	(43,653)	(2,388)		
U.S. Department of Education														
Passed-through State Department of Education:														
Special Revenue Fund:														
NCLB Consolidated Grant:														
Title I	84.010A	NCLB-4470-12	9/1/11-8/31/12	27,255						27,255	(26,683)		\$ 572	
Title II - Part A	84.278A	NCLB-4470-12	9/1/11-8/31/12	10,814						10,814	(10,814)			
Title I	84.010A	NCLB-4470-11	9/1/10-8/31/11	31,113	(15,840)		\$ (1,648)			32,049	(14,561)			
Title II - Part A	84.278A	NCLB-4470-11	9/1/10-8/31/11	11,946	(11,946)					18,768	(6,822)			
Title II - Part D	84.318A	NCLB-4470-11	9/1/10-8/31/11	66	(66)					66				
Title I Carryover	84.010A	NCLB-4470-10	9/1/09-8/31/11	20,468	(2,191)		(4,390)			6,581				
Title II - Part A Carryover	84.278A	NCLB-4470-10	9/1/09-8/31/11	23,790	(760)		(9,514)			10,274				
Title IV	84.186A	NCLB-4470-10	9/1/09-8/31/11	192						192				\$ 192
Title IV	84.186A	NCLB-4470-10	9/1/09-8/31/10	779	(729)		(732)			1,461				
					(31,532)		(16,284)			107,460	(58,880)		572	192
Special Education Cluster:														
IDEA Part B, Basic	84.027	IDEA-4470-12	9/1/11-8/31/12	127,983						127,983	(127,983)			
IDEA Part B, Preschool	84.173	IDEA-4470-12	9/1/11-8/31/12	5,351						5,351	(5,351)			
IDEA Part B, Basic	84.027	IDEA-4470-11	9/1/10-8/31/11	128,684	(127,910)		(774)			128,684				
IDEA Part B, Preschool	84.173	IDEA-4470-11	9/1/10-8/31/11	4,972	(2,762)		(2,210)			4,972				
IDEA Part B, Preschool Carryover	84.173	IDEA-4470-10	9/1/09-8/31/10	4,745	(145)					145				
American Recovery and Reinvestment Act:														
IDEA Part B, Basic	84.391	IDEA-4470-10	9/1/09-8/31/11	127,032	(39,275)		\$ 2,726			39,286				2,737
IDEA Part B, Preschool	84.392	IDEA-4470-10	9/1/09-8/31/11	4,594						1,000	(1,000)			
Total Special Education Cluster					(170,092)		(2,984)	2,726		307,421	(134,334)			2,737
Total Special Revenue Fund					(201,624)		(19,268)	2,726		414,881	(193,214)		572	2,929
General Fund:														
Education Jobs Fund	84.410	N/A	8/10/10-9/30/12	23,327						23,327	(23,327)			
Total General Fund										23,327	(23,327)			
Total U.S. Department of Education					(201,624)		(19,268)	2,726		438,208	(216,541)		572	2,929
Total Federal Financial Awards					\$ (203,349)	\$ -0-	\$ (19,268)	\$ 2,726	\$ -0-	\$ 481,198	\$ (260,194)	\$ (2,388)	\$ 572	\$ 2,929

N/A - Not Available/Applicable

ROCHELLE PARK SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2011		Cash Received	Budgetary Expenditures	Balance at June 30, 2012			Memo	
				(Accounts Receivable)	Due to Grantor			GAAP (Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary (Accounts Receivable)	Cumulative Total Expenditures
State Department of Education:												
General Fund:												
Special Education Categorical Aid	12-495-034-5120-089	7/1/11-6/30/12	\$ 340,659			\$ 313,554	\$ (340,659)				\$ (27,105)	\$ 340,659
Security Aid	12-495-034-5120-084	7/1/11-6/30/12	45,236			41,637	(45,236)				(3,599)	45,236
Extraordinary Special Education Aid	12-100-034-5120-473	7/1/11-6/30/12	124,019				(124,019)	\$ (124,019)			(124,019)	124,019
Nonpublic Transportation	12-495-034-5120-014	7/1/11-6/30/12	11,136				(11,136)	(11,136)			(11,136)	11,136
Reimbursed TPAF Social Security Contributions	12-495-034-5095-002	7/1/11-6/30/12	263,769			238,024	(263,769)	(25,745)			(25,745)	263,769
	11-495-034-5095-002	7/1/10-6/30/11	280,565	\$ (27,239)		27,239						
Special Education Categorical Aid	11-495-034-5120-089	7/1/10-6/30/11	187,770	(10,322)		10,322						
Extraordinary Special Education Aid	11-100-034-5120-473	7/1/10-6/30/11	150,714	(150,714)		150,714						
Nonpublic Transportation	11-495-034-5120-014	7/1/10-6/30/11	13,920	(13,920)		13,920						
Total General Fund State Aid				(202,195)		795,410	(784,819)	(160,900)			(191,604)	784,819
Enterprise Fund:												
State School Lunch Program	12-100-010-3350-023	7/1/11-6/30/12	2,029			1,923	(2,029)	(106)			(106)	2,029
State School Lunch Program	11-100-010-3350-023	7/1/10-6/30/11	1,724	(101)		101						
Total Enterprise Fund				(101)		2,024	(2,029)	(106)			(106)	2,029
Total State Financial Awards				\$ (202,296)	\$ -0-	\$ 797,434	\$ (786,848)	\$ (161,006)	\$ -0-	\$ -0-	\$ (191,710)	\$ 786,848

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of the Board of Education, Rochelle Park School District under programs of the federal and state governments for the fiscal year ended June 30, 2012. The information in these schedules is presented in accordance with the Federal Office of Management and Budget (OMB), *Audits of States and 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*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net assets or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting with the exception of programs recorded in the Food Service Fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements. Such expenditures are recognized following the cost principles contained in federal OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governmental Units*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through identifying numbers are presented where available.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general, special revenue and debt service funds 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 payments for the prior year and for the current budget year, which is mandated pursuant to P.L. 2003, C.97. For GAAP purposes, the current year payments are not recognized until the subsequent budget year due to the state deferral and recording of the last two state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$20,382) for the general fund and \$2,871 for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Additionally, the schedule of expenditures of state awards does not include the on-behalf TPAF Pension and Post Retirement Contributions revenue of \$119,768, and \$240,765, respectively. Awards and financial assistance revenue are reported on the Board's basic financial statements on a GAAP basis as presented on the following page.

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(Continued)

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 23,327	\$ 1,124,970	\$ 1,148,297
Special Revenue Fund	196,085		196,085
Food Service Fund	<u>43,653</u>	<u>2,029</u>	<u>45,682</u>
Total Awards	<u>\$ 263,065</u>	<u>\$ 1,126,999</u>	<u>\$ 1,390,064</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. FEDERAL AND STATE LOANS OUTSTANDING

Rochelle Park School District had no outstanding federal or state loan balances at June 30, 2012.

NOTE 6. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the year ended June 30, 2012.

ROCHELLE PARK SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Summary of Auditors' Results:

- An unqualified report was issued on the District's financial statements.
- The audit did not disclose any material weaknesses or significant deficiencies in the internal controls of the District.
- The audit did not disclose any noncompliance which is material in relation to the financial statements of the District.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey OMB's Circular 04-04 or Federal OMB Circular A-133.
- The District was not subject to the single audit provisions of Federal OMB Circular A-133 for fiscal year end June 30, 2012 as federal grant expenditures were less than the single audit threshold of \$500,000 identified in the federal Circular.
- The District's major state programs for the current fiscal year consisted of the following state aid:

	<u>Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
Special Education Categorical Aid	12-495-034-5120-089	7/1/11-6/30/12	\$ 340,659	\$ 340,659
Security Aid	12-495-034-5120-084	7/1/11-6/30/12	45,326	45,326
Reimbursed TPAF Social Security Contributions	12-495-034-5095-002	7/1/11-6/30/12	263,769	263,769

- The threshold for distinguishing Type A and Type B State programs was \$300,000.
- The District qualified as a "low-risk" auditee for State programs under the provisions of section 530 of the federal Circular.

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

Findings and Questioned Costs for Federal Awards:

- Not Applicable since federal expenditures were below the single audit threshold.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any finding or questioned costs for state awards as defined in section 510(a) of the federal circular and NJOMB 04-04.

ROCHELLE PARK BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2012

Status of Prior Year Findings:

There were no prior year audit findings.