

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, 2016

Comprehensive Annual
Financial Report

of the

Rochelle Park School District
Board of Education

Rochelle Park, New Jersey

For Fiscal Year Ended June 30, 2016

Prepared by

Rochelle Park School District
Board of Education

ROCHELLE PARK SCHOOL DISTRICT
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INTRODUCTORY SECTION



Rochelle Park School District

Board of Education

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

Geoffrey W. Zoeller, Jr., Ed.D.
 SUPERINTENDENT OF SCHOOLS

Jennifer Pfohl
 BUSINESS ADMINISTRATOR

Ellen Kobylarz
 BOARD SECRETARY

October 15, 2016

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, 2016 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 economic 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *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 preschool through grade 8 and has a sending receiving relationship with Hackensack Public Schools 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 2015/2016 fiscal year with an average daily enrollment of 497 students, which is an increase of 27 students over the previous year's average daily enrollment.

2. ECONOMIC CONDITONS AND MAJOR INITIATIVES: The District seeks to achieve multiple initiatives in this school year and beyond. The major initiatives that will be of great focus are writing of the new K-8 English language arts and art curriculum documents, greater infusion of instructional technologies, strengthening of the teacher evaluation system, ongoing job-embedded professional development, and shared services with other educational and municipal entities. The District also continues to operate a curriculum consortium with two of the three sending districts and the receiving high school district. All the curriculum related materials, revisions, and sequencing will be fully articulated between and amongst the districts as a whole. Class size and staffing components will also be addressed based on demographic figures, increased enrollments in Kindergarten and special education, as well as new hires precipitated by resignations and retirements.
3. 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 is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP).

The internal control system 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.


4. BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by a vote of the Board of Education. 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, 2016.

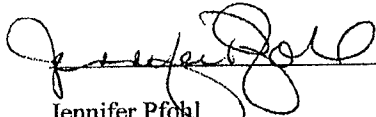
The Honorable President and Members
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Rochelle Park School District
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October 15, 2016

5. ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements", Note 1.
6. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the 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.
7. 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.
8. 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *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.
9. ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Rochelle Park School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,



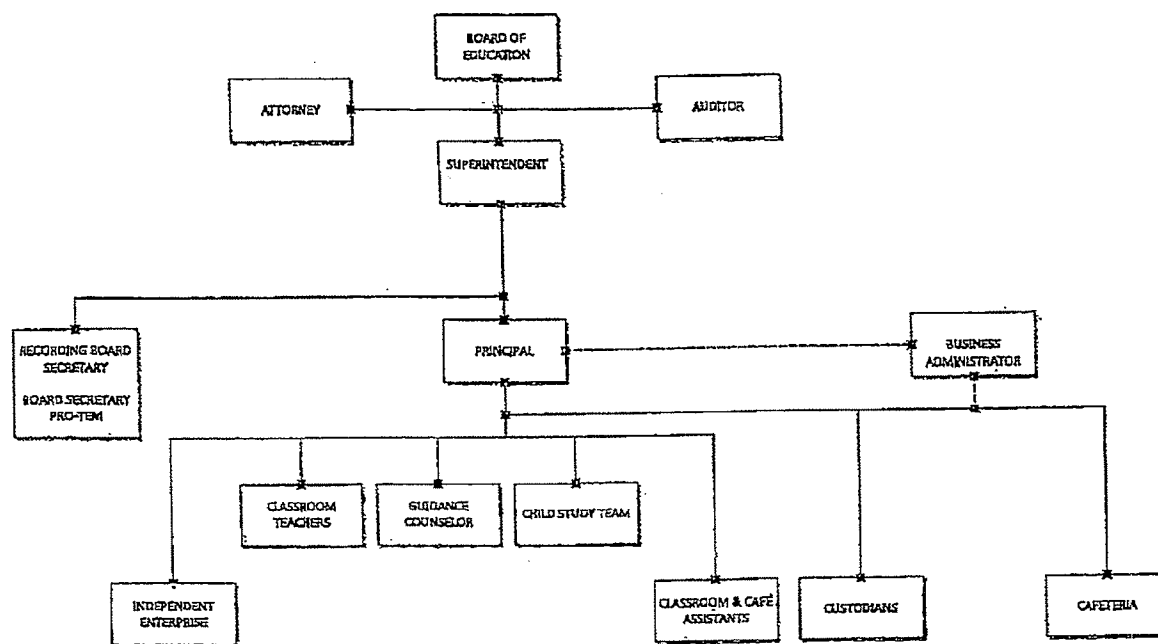
Geoffrey W. Zoeller, Jr., Ed.D.
Superintendent of Schools



Jennifer Pfohl
Business Administrator

Rochelle Park Public School District

ORGANIZATIONAL CHART



ROCHELLE PARK BOARD OF EDUCATION
ROSTER OF OFFICIALS
JUNE 30, 2016

Members of the Board of Education**Term Expires**

Dimitria Leakas, President	2018
Sam Allos, Vice President	2017
Shirley Abraham	2017
Arlene Ciliento-Buyck	2016
Theresa Judge-Cravello	2018
Maria Lauerman	2017
Mark Scully	2016

Other Officials

Geoffrey W. Zoeller, Jr., Ed.D.	Superintendent of Schools
Jennifer Pfohl	Business Administrator
Ellen Kobylarz	Board Secretary/Recording Secretary
Charles Hangle	Treasurer of School Monies
Brian Cannici	Midland School Principal
Stephen Fogarty	Board Attorney

ROCHELLE PARK BOARD OF EDUCATION

Consultants and Advisors
Fiscal Year Ended June 30, 2016

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

Architect

Charles L. Koch AIA, PP, CID, NCARB
Principal
Environetics
180 Sylvan Avenue
Englewood Cliffs, New Jersey 07632

Official Depository

Capital One Bank
Government Banking
710 Route 46 – 3rd Floor
Fairfield, New Jersey 07004

FINANCIAL SECTION



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

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

Independent Auditors' Report

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which follows this report, the pension schedules in Exhibits L-1 through L-3 and the related notes, and the budgetary comparison information in Exhibits C-1 through C-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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information such as the combining and individual non-major fund financial statements and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and the other information, such as the introductory and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary schedules such as the combining and individual non-major fund financial statements and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Honorable President and Members
of the Board of Education
Rochelle Park School District
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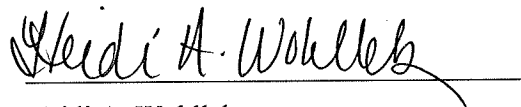
The accompanying other information such as the introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2016 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

October 15, 2016
Mount Arlington, New Jersey

NISIVOCCIA LLP

A handwritten signature in cursive script that reads "Heidi A. Wohlleb". The signature is written in black ink and is positioned above a horizontal line.

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, 2016
(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, 2016. 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 over the past year.
- Overall revenue was \$14,919,536.
- Overall expenses were \$13,886,425.

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 program.
- *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 Notes to the *Basic Financial Statements* provide additional information to full understanding of *District-wide* and *fund financial statements*.

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, 2016
(Unaudited)**

Figure A-1

Organization of Rochelle Park School District's Financial Report

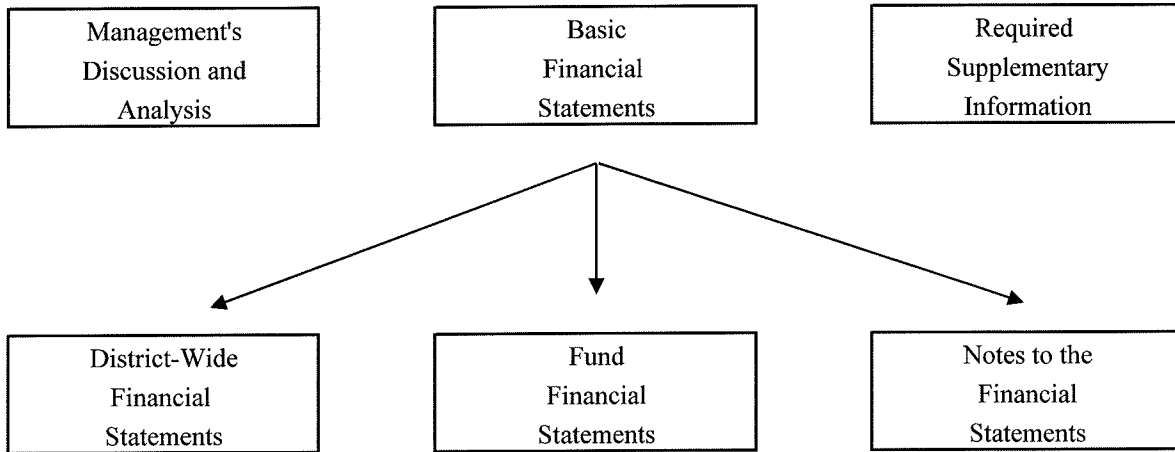


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents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

**Rochelle Park School District
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2016
(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 program	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 Position • 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 Position • Statement of Revenue, Expenses, and Changes in Net Position • Statement of Cash Flows 	<ul style="list-style-type: none"> • Statement of Fiduciary Net Position • Statement of Fiduciary Net Position
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, 2016
(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 position includes all of the District's assets, deferred inflows and outflows, 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 position* and how they have changed. Net position – the difference between the District's assets, deferred inflows and outflows, and liabilities – is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position 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 latchkey 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. The District uses *internal service funds* (the

**Rochelle Park School District
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2016
(Unaudited)**

other kind of proprietary fund) to report activities that provide supplies and services for its other programs and activities. The District currently does not maintain any internal service funds.

- *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 the Basic Financial Statements

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

Financial Analysis of the District as a Whole

Net Position. The District's net position is shown in Figure A-3.

Figure A-3

Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2016	2015	2016	2015	2016	2015	2015-2016
Current and Other Assets	\$ 2,419,220	\$ 5,858,919	\$ 121,923	\$ 66,084	\$ 2,541,143	\$ 5,925,003	-57.11%
Capital Assets, Net	7,796,574	3,937,612	19,626	26,023	7,816,200	3,963,635	97.20%
Total Assets	10,215,794	9,796,531	141,549	92,107	10,357,343	9,888,638	4.74%
Deferred Outflows of Resources	302,073	57,055			302,073	57,055	429.44%
Other Liabilities	149,191	460,507	8,654	9,365	157,845	469,872	-66.41%
Long-Term Liabilities	8,947,971	8,876,703			8,947,971	8,876,703	0.80%
Total Liabilities	9,097,162	9,337,210	8,654	9,365	9,105,816	9,346,575	-2.58%
Deferred Inflows of Resources	61,028	139,657			61,028	139,657	-56.30%
Net Position:							
Net Investment in Capital							
Assets	1,183,574	1,149,409	19,626	26,023	1,203,200	1,175,432	2.36%
Restricted	1,957,283	629,046			1,957,283	629,046	211.15%
Unrestricted/(Deficit)	(1,781,180)	(1,401,736)	113,269	56,719	(1,667,911)	(1,345,017)	-24.01%
Total Net Position	\$ 1,359,677	\$ 376,719	\$ 132,895	\$ 82,742	\$ 1,492,572	\$ 459,461	224.85%

**Rochelle Park School District
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2016
(Unaudited)**

Changes in net position. The District's combined net position was \$1,492,572 on June 30, 2016, \$1,033,111 or 224.85% higher than the year before (See Figure A-3). The net position of the governmental activities increased by \$982,958 primarily caused by an increase in capital assets acquired through budgeted capital outlay, the current year bond maturities, the current year capital lease acquisition, in addition to an excess in miscellaneous revenue and unexpended budget balances. The net position of the business-type activities increased by \$50,153, a positive change from the prior year, due primarily to a decrease in the latchkey enterprise fund salary and benefits expenses of \$33,768, an increase in latchkey program fees of \$5,824 offset by an increase in miscellaneous expenses of \$5,334 as well as an increase in its food service operating revenue of \$15,080.

Figure A-4

Changes in Net Position from Operating Results

	Governmental		Business-Type		Total School District		Total
	Activities		Activities				Percentage
	2016	2015	2016	2015	2016	2015	Change
Revenue:							
Program Revenue:							
Charges for Services	\$ 67,833	\$ 50,310	\$ 292,112	\$ 271,208	\$ 359,945	\$ 321,518	11.95%
Operating Grants and Contributions	2,726,583	2,505,726	61,623	55,281	2,788,206	2,561,007	8.87%
General Revenue:							
Property Taxes	11,272,173	10,547,757			11,272,173	10,547,757	6.87%
Unrestricted Federal and State Aid	312,161	58,593			312,161	58,593	432.76%
Other	187,051	230,166		221	187,051	230,387	-18.81%
Total Revenue	14,565,801	13,392,552	353,735	326,710	14,919,536	13,719,262	8.75%
Expenses:							
Instruction	6,746,477	6,205,379			6,746,477	6,205,379	8.72%
Tuition	3,077,760	3,560,980			3,077,760	3,560,980	-13.57%
Pupil & Instruction Services	1,129,648	858,857			1,129,648	858,857	31.53%
Administrative and Business	1,096,567	1,080,319			1,096,567	1,080,319	1.50%
Maintenance & Operations	819,657	785,920			819,657	785,920	4.29%
Transportation	359,645	344,778			359,645	344,778	4.31%
Other	353,089	406,251	303,582	363,048	656,671	769,299	-14.64%
Total Expenses	13,582,843	13,242,484	303,582	363,048	13,886,425	13,605,532	2.06%
Transfers		(36,695)		36,695			0.00%
Increase in Net Position	\$ 982,958	\$ 113,373	\$ 50,153	\$ 357	\$ 1,033,111	\$ 113,730	808.39%

Revenue Sources. The District's total revenue for the 2015/2016 school year was \$14,919,536 (See Figure A-4). Local property taxes accounted for most of the District's revenue, with local taxes accounting for \$11,272,173 of the total, or 75.55%. (See Figure A-5). Approximately 20.78% came from state and federal aid and grants and the remaining 3.67% was from charges for services and other. It is important to note that of the Categorical Grants amount of \$2,651,296, there is \$1,664,767 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 and should have contributed for the District.

**Rochelle Park School District
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2016
(Unaudited)**

Figure A-5

Sources of Revenue for Fiscal Year 2016

Sources of Income	Amount	Percentage
State Formula Aid	\$ 449,071	3.01%
Property Taxes	11,272,173	75.55%
Federal and State Categorical Grants	2,651,296	17.77%
Charges for Services	359,945	2.41%
Other	187,051	1.26%
	\$ 14,919,536	100.00%

Figure A-6

Expenses for Fiscal Year 2016

Expense Category	Amount	Percentage
Instruction	\$ 6,746,477	48.58%
Tuition	3,077,760	22.16%
Pupil & Instruction Services	1,129,648	8.14%
Administrative and Business	1,096,567	7.90%
Maintenance & Operations	819,657	5.90%
Transportation	359,645	2.59%
Other	656,671	4.73%
	\$ 13,886,425	100.00%

The total cost of all programs and services was \$13,886,425. The District's expenses are predominantly related to instructing, tuition, caring for (pupil services) and transporting students (81.47%). (See Figure A-6). The District's administrative and business activities accounted for 7.90% of total costs.

Administrative and Business functions included costs for the District's legal, professional fees, liability insurance, telephone, postage, technology and internet costs and election expenses.

Operations and maintenance expenses of approximately 5.90% 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 2.59%.

Other expenses include unallocated depreciation, transfer of funds to charter school, interest on long term debt as well as the latchkey and food service program expenses. Other expenses represent 4.73% of total expenses for the fiscal year.

**Rochelle Park School District
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2016
(Unaudited)**

Governmental Activities

As discussed elsewhere in this commentary, the financial position of the District improved significantly over the prior year. However, maintaining existing programs as well as providing for a multitude of improved 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 or continued 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 expenses 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, 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	
	2016	2015	2016	2015
Instruction	\$ 6,746,477	\$ 6,205,379	\$ 4,333,646	\$ 3,949,938
Tuition	3,077,760	3,560,980	3,077,760	3,560,980
Pupil & Instruction Services	1,129,648	858,857	970,426	768,151
Administrative and Business	1,096,567	1,080,319	971,221	958,756
Maintenance & Operations	819,657	785,920	756,586	734,012
Transportation	359,645	344,778	325,699	308,360
Other	353,089	406,251	353,089	406,251
Total	\$ 13,582,843	\$ 13,242,484	\$ 10,788,427	\$ 10,686,448

- The cost of all governmental activities this year was \$13.58 million.
- The federal and state governments subsidized certain programs with grants and contributions (\$2,589,673).
- Most of the District's costs, however, were financed by District taxpayers (\$11.27 million).
- A portion of governmental activities was financed with \$449,071 in state formula aid.
- The remainder of the funding came from miscellaneous revenue (\$187,051).

**Rochelle Park School District
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2016
(Unaudited)**

Business-Type Activities

Net position from the District's business-type activities increased by \$50,153, a positive change from the prior year, due primarily to a decrease in the latchkey enterprise fund salary and benefits expenses of \$33,768, an increase in latchkey program fees of \$5,824 offset by an increase in miscellaneous expenses of \$5,334 as well as an increase in its food service operating revenue of \$15,080.

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 declined, 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 2015/2016 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 Assets

Figure A-8

Capital Assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2016	2015	2016	2015	2016	2015	2015-2016
	Sites (Land)	\$ 15,740	\$ 15,740			\$ 15,740	\$ 15,740
Construction in Progress	6,272,446	2,371,324			6,272,446	2,371,324	164.51%
Site Improvements	18,272	22,237			18,272	22,237	-17.83%
Buildings & Building Improvements	1,419,762	1,462,090			1,419,762	1,462,090	-2.90%
Machinery and Equipment	70,354	66,221	\$ 19,626	\$ 26,023	89,980	92,244	-2.45%
Total	\$ 7,796,574	\$ 3,937,612	\$ 19,626	\$ 26,023	\$ 7,816,200	\$ 3,963,635	97.20%

During the fiscal year, the District's governmental activities recorded \$3,901,122 in Construction in Progress, \$40,779 in additions to machinery and equipment, \$2,559 of deletions and adjustments and depreciated \$80,380 of its capital assets. The District's business-type activities depreciated \$5,701 of its equipment during the fiscal year and deleted and adjusted \$696 of its capital assets.

**Rochelle Park School District
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2016
(Unaudited)**

Long-Term Liabilities

At year-end, the District had \$6,383,000 in general obligation bonds, as well as other long-term liabilities outstanding – a total increase of \$71,268 from last year – as shown in Figure A-9. (More detailed information about the District's long-term liabilities is presented in Note 7 to the financial statements.)

Figure A-9

Outstanding Long-Term Liabilities

	Total School District		Total Percentage Change
	2016	2015	2015-2016
General Obligation Bonds (Financed with Property Taxes)	\$ 6,383,000	\$ 6,953,000	-8.20%
Capital Leases	230,000		100.00%
Net Pension Liability	2,195,159	1,814,416	20.98%
Other Long Term Liabilities	139,812	109,287	27.93%
Total	\$ 8,947,971	\$ 8,876,703	0.80%

- The District continued to pay down its debt, retiring \$570,000 of general obligation bonds.
- The District acquired \$230,000 of capital leases in the current year for energy savings improvement programs.
- The District also had a net increase in compensated absences payable of \$30,525.
- The District had an increase of \$380,743 in its net pension liability.

Looking Ahead

BUILDING FOR THE FUTURE

During the 2013-2014 school year the Rochelle Park School District administration and Board of Education solicited the Rochelle Park Township residents' approval via a referendum election held on December 10, 2013. Projects included in the referendum addressed several critical facility needs listed in the district's Long-Range Facilities Plan (LRFP). Upon approval of said referendum, the Rochelle Park School District began the architectural design phase to renovate and upgrade the Midland School including a boiler replacement project including unit ventilator replacements, roof replacement project, window replacement project, building envelope improvements and internal renovations and upgrades, bathroom upgrades and installation of new bathrooms in special education rooms, ceiling and energy efficient lighting upgrades, electrical infrastructure upgrades, floor replacement, exterior door replacement, installation of a security access and surveillance system, school wide public announcement/intercom system upgrades and fire/safety upgrades. The district then began the construction phase during the summer of 2014. The referendum projects' construction phase was initiated on June 18, 2014 and is expected to be completed on or about August 31, 2017.

These projects were made possible through State Debt Service Aid, NJ Department of Education ROD grant funding, a self-funding Energy Savings Improvement Program (ESIP), and with referendum monies obtained through the sale of school bonds which was approved by the Rochelle Park Township residents in December 2013.

**Rochelle Park School District
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2016
(Unaudited)**

PLANNING FOR THE FUTURE

The Rochelle Park Public School District is actively addressing the economic challenges which are affecting New Jersey public school districts. Some of our financial goals are as follows:

- ✓ carefully develop balanced budgets for revenues and expenditures for all funds.
- ✓ ensure expenditures are within the budgeted amounts.
- ✓ monitor the budgets on an ongoing basis and ensure that appropriations are not overspent.
- ✓ develop a long-term (five-year) fiscal plan and update it annually.
- ✓ Continually investigate cost-savings measures which will allow the district to maintain and improve its programs in times of stagnant state funding

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

ROCHELLE PARK SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2016

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 1,854,769	\$ 85,082	\$ 1,939,851
Receivables from Federal Government	20,939	8,407	29,346
Receivables from State Government	184,126	330	184,456
Receivables from Other Governments	7,500		7,500
Internal Balances	(20,496)	20,496	
Interfund Receivable	879		879
Other Receivables	1,680	5,895	7,575
Restricted Cash and Cash Equivalents:			
Capital Reserve Account	369,823		369,823
Inventory		1,713	1,713
Capital Assets, Net:			
Sites (Land) and Construction in Progress	6,288,186		6,288,186
Depreciable Site Improvements, Buildings and Building Improvements, Machinery and Equipment	1,508,388	19,626	1,528,014
Total Assets	10,215,794	141,549	10,357,343
DEFERRED OUTFLOWS OF RESOURCES			
Changes in Assumptions - Pensions	235,743		235,743
Difference between Expected and Actual Experience - Pensions	52,369		52,369
Changes in Proportions - Pensions	13,961		13,961
Total Deferred Outflows of Resources	302,073		302,073
LIABILITIES			
Intergovernmental Payable- State	16,244		16,244
Accounts Payable	73,579	6,920	80,499
Accrued Interest Payable	59,368		59,368
Unearned Revenue		1,734	1,734
Noncurrent Liabilities:			
Due Within One Year	416,677		416,677
Due Beyond One Year	8,531,294		8,531,294
Total Liabilities	9,097,162	8,654	9,105,816
DEFERRED INFLOWS OF RESOURCES			
Investment Gains - Pensions	35,294		35,294
Changes in Proportions - Pensions	25,734		25,734
Total Deferred Inflows of Resources	61,028		61,028

ROCHELLE PARK SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2016

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
NET POSITION			
Net Investment in Capital Assets	\$ 1,183,574	\$ 19,626	\$ 1,203,200
Restricted for:			
Debt Service	14,961		14,961
Capital Projects	1,477,387		1,477,387
Other Purposes	464,935		464,935
Unrestricted/(Deficit)	<u>(1,781,180)</u>	<u>113,269</u>	<u>(1,667,911)</u>
Total Net Position	<u>\$ 1,359,677</u>	<u>\$ 132,895</u>	<u>\$ 1,492,572</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, 2016

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>		<u>Net Expense and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Governmental Activities:						
Instruction:						
Regular	\$ 4,845,825	\$ 67,833	\$ 1,250,013	\$ (3,527,979)		\$ (3,527,979)
Special Education	1,555,783		1,005,090	(550,693)		(550,693)
Other Special Instruction	228,565		77,104	(151,461)		(151,461)
School Sponsored/Other Instruction	116,304		12,791	(103,513)		(103,513)
Support Services:						
Tuition	3,077,760			(3,077,760)		(3,077,760)
Student & Instruction Related Services	1,129,648		159,222	(970,426)		(970,426)
General Administrative Services	464,101		45,714	(418,387)		(418,387)
School Administrative Services	284,485		60,004	(224,481)		(224,481)
Central Services	178,759		296	(178,463)		(178,463)
Administration Information Technology	169,222		19,332	(149,890)		(149,890)
Plant Operations and Maintenance	819,657		63,071	(756,586)		(756,586)
Pupil Transportation	359,645		33,946	(325,699)		(325,699)
Unallocated Depreciation	50,434			(50,434)		(50,434)
Capital Outlay	18,820			(18,820)		(18,820)
Transfer of Funds to Charter Schools	71,654			(71,654)		(71,654)
Interest on Long-Term Debt	212,181			(212,181)		(212,181)
Total Governmental Activities	13,582,843	67,833	2,726,583	(10,788,427)		(10,788,427)
Business-Type Activities:						
Latchkey Program	123,454	166,387			\$ 42,933	42,933
Food Service	180,128	125,725	61,623		7,220	7,220
Total Business-Type Activities	303,582	292,112	61,623		50,153	50,153
Total Primary Government	\$ 13,886,425	\$ 359,945	\$ 2,788,206	(10,788,427)	50,153	(10,738,274)

ROCHELLE PARK SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

<u>Functions/Programs</u>	<u>Net Expense and Changes in Net Position</u>		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Taxes:			
Property Taxes, Levied for General Purposes, Net	\$ 10,747,678		\$ 10,747,678
Taxes Levied for Debt Service	524,495		524,495
Federal and State Aid Not Restricted	312,161		312,161
Miscellaneous Income	187,051		187,051
Total General Revenues	11,771,385		11,771,385
Change in Net Position	982,958	\$ 50,153	1,033,111
Net Position - Beginning	376,719	82,742	459,461
Net Position - Ending	\$ 1,359,677	\$ 132,895	\$ 1,492,572

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

FUND FINANCIAL STATEMENTS

ROCHELLE PARK SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 895,744	\$ 3,626	\$ 955,399		\$ 1,854,769
Receivables From Federal Government		20,939			20,939
Receivables From State Government	184,126				184,126
Receivables From Other Governments	7,500				7,500
Interfund Receivable	8,720		173,951	\$ 22,802	205,473
Other Receivables	1,680				1,680
Restricted Cash and Cash Equivalents	369,823				369,823
Total Assets	\$ 1,467,593	\$ 24,565	\$ 1,129,350	\$ 22,802	\$ 2,644,310
LIABILITIES AND FUND BALANCES					
Liabilities:					
Intergovernmental Payable- State		\$ 16,244			\$ 16,244
Interfund Payable	\$ 194,447		\$ 22,802	\$ 7,841	225,090
Accounts Payable	63,600	8,321	1,658		73,579
Total Liabilities	258,047	24,565	24,460	7,841	314,913
Fund Balances:					
Restricted:					
Capital Reserve	369,823				369,823
Excess Surplus	250,000				250,000
Excess Surplus - Subsequent Year's Expenditures	214,935				214,935
Capital Projects Fund			1,107,564		1,107,564
Debt Service				\$ 14,961	14,961
Assigned:					
Year-End Encumbrances	98,992				98,992
Designated for Subsequent Year's Expenditures	40,632				40,632
Unassigned/(Deficit)	235,164		(2,674)		232,490
Total Fund Balances	1,209,546		1,104,890	14,961	2,329,397
Total Liabilities and Fund Balances	\$ 1,467,593	\$ 24,565	\$ 1,129,350	\$ 22,802	\$ 2,644,310

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

Total Fund Balances from Above	\$ 2,329,397
Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$9,615,987 and the accumulated depreciation is \$1,819,413.	7,796,574
Interest on long-term debt is not accrued in the Governmental Funds, but rather is recognized as an expenditure when due.	(59,368)
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.	(6,752,812)

ROCHELLE PARK SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

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

The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	\$ (2,195,159)
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds.	
Changes in Assumptions - Pensions	235,743
Difference between Expected and Actual Experience - Pensions	52,369
Investment Gains - Pensions	(35,294)
Changes in Proportions - Pensions	(11,773)
	\$ 1,359,677
Net Position of Governmental Activities	\$ 1,359,677

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, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 10,747,678			\$ 524,495	\$ 11,272,173
Tuition from Individuals	67,833				67,833
Interest Earned on Capital Reserve Funds			\$ 27		27
Miscellaneous	187,024				187,024
Total - Local Sources	11,002,535		27	524,495	11,527,057
State Sources	1,529,943			253,454	1,783,397
Federal Sources		\$ 229,117			229,117
Total Revenue	12,532,478	229,117	27	777,949	13,539,571
EXPENDITURES:					
Current:					
Regular Instruction	2,896,604	94,477			2,991,081
Special Education Instruction	852,568	134,640			987,208
Other Special Instruction	106,834				106,834
School Sponsored/Other Instruction	96,322				96,322
Support Services and Undistributed Costs:					
Tuition	3,077,760				3,077,760
Student & Instruction Related Services	817,377				817,377
General Administrative Services	362,913				362,913
School Administrative Services	170,080				170,080
Central Services	177,780				177,780
Administration Information Technology	126,431				126,431
Plant Operations and Maintenance	676,049				676,049
Pupil Transportation	359,645				359,645
Unallocated Benefits	2,136,477				2,136,477

ROCHELLE PARK SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
EXPENDITURES (Cont'd):					
Debt Service:					
Principal				\$ 570,000	\$ 570,000
Interest and Other Charges				215,790	215,790
Capital Outlay	\$ 508,076		\$ 3,450,086		3,958,162
Transfer of Funds to Charter Schools	71,654				71,654
Total Expenditures	<u>12,436,570</u>	<u>\$ 229,117</u>	<u>3,450,086</u>	<u>785,790</u>	<u>16,901,563</u>
Excess/(Deficit) of Revenue Over/(Under) Expenditures	<u>95,908</u>		<u>(3,450,059)</u>	<u>(7,841)</u>	<u>(3,361,992)</u>
Other Financing Sources/(Uses):					
Operating Transfers Out			(27)		(27)
Operating Transfers In				27	27
Capital Leases (Non-Budgeted)			230,000		230,000
Total Other Financing Sources/(Uses)			<u>229,973</u>	<u>27</u>	<u>230,000</u>
Net Change in Fund Balances	95,908		(3,220,086)	(7,814)	(3,131,992)
Fund Balance - July 1	<u>1,113,638</u>		<u>4,324,976</u>	<u>22,775</u>	<u>5,461,389</u>
Fund Balance - June 30	<u>\$ 1,209,546</u>	<u>\$ -0-</u>	<u>\$ 1,104,890</u>	<u>\$ 14,961</u>	<u>\$ 2,329,397</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, 2016

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ (3,131,992)

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

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

Depreciation Expense	\$ (80,380)	
Capital Asset Disposals	(2,559)	
Capital Outlays	<u>3,941,901</u>	3,858,962

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 (+). (30,525)

Capital leases entered into by the District are an other financing source in the governmental funds, but the acquisition increases long-term liabilities in the statement of net position and is not reported in the statement of activities. (230,000)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. (+) 570,000

The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:

Changes in Net Pension Liability	(380,743)	
Deferred Outflows:		
Changes in Assumptions	178,688	
Difference between expected and actual experience	52,369	
Deferred Inflows:		
Net Difference between projected and actual investment earnings on Pension Plan Investments	72,835	
Changes in Proportions	<u>19,755</u>	(57,096)

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, 2016

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. (+)

Change in Net Position of Governmental Activities (from A-2)

\$	3,609
<hr/>	
\$	982,958
<hr/>	

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 POSITION
PROPRIETARY FUNDS
JUNE 30, 2016

		<u>Enterprise Funds</u>
		<u>Non-Major Funds</u>
<u>ASSETS:</u>		
Current Assets:		
Cash and Cash Equivalents	\$	85,082
Accounts Receivable:		
Federal		8,407
State		330
Interfund Receivable - General Fund		20,496
Other Receivables		5,895
Inventory		1,713
		121,923
Total Current Assets		121,923
Non-Current Assets:		
Capital Assets		158,301
Accumulated Depreciation		(138,675)
		19,626
Total Non-Current Assets		19,626
Total Assets		141,549
<u>LIABILITIES:</u>		
Current Liabilities:		
Accounts Payable - Vendors		6,920
Unearned Revenue		1,734
		8,654
Total Current Liabilities		8,654
<u>NET POSITION:</u>		
Investment in Capital Assets		19,626
Unrestricted		113,269
		132,895
Total Net Position	\$	132,895

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 POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Enterprise Funds
	Non-Major Funds
Operating Revenue:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 78,056
Daily Sales - Nonreimbursable Meals	40,629
Special Functions	7,040
Program Fees	166,387
	292,112
Total Operating Revenue	292,112
Operating Expenses:	
Cost of Sales for Reimbursable Programs	57,296
Cost of Sales for Nonreimbursable Programs	24,207
Salaries, Benefits & Payroll Taxes	167,351
Other Purchased Services	11,242
Management Fee	15,174
Supplies and Materials	16,581
Other Expenses	5,334
Depreciation	6,397
	303,582
Total Operating Expenses	303,582
Operating Loss	(11,470)
Non-Operating Revenue:	
Federal Sources:	
National School Lunch Program	45,484
School Breakfast Program	1,684
U.S.D.A. Commodities	12,559
State Sources:	
School Lunch Program	1,896
	1,896
Total Non-Operating Revenue	61,623
Change in Net Position	50,153
Net Position - Beginning of Year	82,742
Net Position - End of Year	\$ 132,895

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, 2016

	Enterprise Funds	Non-Major Funds
Cash Flows from Operating Activities:		
Receipts from Customers	\$ 290,346	
Payments to/for Employees	(107,219)	
Payments to Food Service Contractor	(166,528)	
Payments to Suppliers	(15,327)	
	1,272	
Net Cash Used for Operating Activities		1,272
Cash Flows from Noncapital Financing Activities:		
Interfund Advanced - General Fund		(3,008)
Cash Received From Federal Reimbursements - Collected in Food Service Fund		41,213
Cash Received From State Reimbursements - Collected in Food Service Fund		1,654
		39,859
Net Cash Provided by Noncapital Financing Activities		39,859
Net Increase in Cash and Cash Equivalents		41,131
Cash and Cash Equivalents, July 1		43,951
Cash and Cash Equivalents, June 30	\$	85,082
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:		
Operating Loss	\$	(11,470)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:		
Depreciation		6,397
Food Distribution Program		12,559
Changes in Assets and Liabilities:		
(Increase) in Other Receivables		(5,895)
Increase in Inventory		392
Increase/(Decrease) in Accounts Payable		(985)
Increase/(Decrease) in Unearned Revenue		274
		274
Net Cash Used for Operating Activities	\$	1,272

Noncash Investing and Financing Activities:

The Food Service Enterprise Fund received and utilized commodities from the Federal Food Distribution Program valued at \$12,559 for the fiscal year ended June 30, 2016.

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 POSITION
FIDUCIARY FUNDS
JUNE 30, 2016

	<u>Agency</u>	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Trust</u>
<u>ASSETS:</u>			
Cash and Cash Equivalents	\$ 156,878	\$ 20,306	\$ 1,565
Total Assets	<u>156,878</u>	<u>20,306</u>	<u>1,565</u>
<u>LIABILITIES:</u>			
Payroll Deductions and Withholdings	117		
Accrued Salaries and Wages	125,489		
Due to Student Groups	30,393		
Interfund Payable - General Fund	<u>879</u>		
Total Liabilities	<u>156,878</u>		
<u>NET POSITION:</u>			
Held in Trust for Unemployment Claims		20,306	
Restricted for Scholarships			<u>1,565</u>
Total Net Position	<u>\$ -0-</u>	<u>\$ 20,306</u>	<u>\$ 1,565</u>

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 POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Unemployment Compensation Trust	Private Purpose Scholarship Trust
ADDITIONS:		
Contributions:		
Scholarship Donations		\$ 6,000
Board Contribution	\$ 25,000	
Employee Contributions	5,773	
Total Contributions	30,773	6,000
Total Additions	30,773	6,000
DEDUCTIONS:		
Unemployment Contribution Payments	47,186	
Scholarships Awarded		5,000
Total Deductions	47,186	5,000
Change in Net Position	(16,413)	1,000
Net Position - Beginning of the Year	36,719	565
Net Position - End of the Year	\$ 20,306	\$ 1,565

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, 2016

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

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, 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, 2016
 (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, 2016
(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 Program Enterprise Fund: The Latchkey Program Fund accounts for all revenue and expenses pertaining to the Board's after school childcare program.

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, Unemployment Compensation Trust Fund and the Private Purpose Scholarship 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, 2016
(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 position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenue.

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, 2016 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be made by School Board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

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

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

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

The Capital Projects Fund budgetary revenue differs from GAAP revenue due to a difference in the recognition of SDA grants. These grants are recognized on the budgetary basis in full when they are awarded but recognized on the GAAP basis only to the extent of expenditures which have been submitted for reimbursement.

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(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:

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 12,535,974	\$ 229,117
Differences - Budget to GAAP:		
Prior Year State Aid Payments Recognized for GAAP Statements	18,140	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(21,636)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 12,532,478	\$ 229,117
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 12,436,570	\$ 229,117
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 12,436,570	\$ 229,117
Capital Projects Fund		
Fund Balance		
Summary Schedule of Revenue, Expenditures and Changes in Fund Balance (Budgetary Basis) (per Exhibit F-1)		
Committed Fund Balance		\$ 119,526
Restricted Fund Balance		1,107,564
Total Revenue/Fund Balance - Budgetary Basis		1,227,090
Reconciliation to Governmental Funds Statement (GAAP):		
SDA Grants are Recognized as Revenue on the Budgetary Basis when awarded but are not Recognized on the GAAP Basis until Expended.		(122,200)
Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds (GAAP Basis) (per Exhibit B-2)		\$ 1,104,890

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

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

(Continued)

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

E. Cash and Cash Equivalents, and Investments (Cont'd)

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 position, except for amounts due between governmental and business-type activities, which are presented as internal balances.

G. Allowance for Uncollectible Accounts:

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

H. Encumbrances:

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

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

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

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

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

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, 2016.

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 \$2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the district-wide statements and proprietary funds are as follows:

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

L. Long Term Liabilities:

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

M. Accrued Salaries and Wages:

The District 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 \$125,489 of accrued salaries and wages as of June 30, 2016.

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

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

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 Position*, the liabilities, whose average maturities are greater than one year, should be reported in two components – the amount due within one year and the amount due in more than one year.

O. Unearned Revenue:

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

P. Fund Balance Appropriated:

General Fund: Of the \$1,209,546 General Fund fund balance at June 30, 2016, \$40,632 is assigned and included as anticipated revenue for the fiscal year ending June 30, 2017; \$98,992 is assigned for year-end encumbrances, \$369,823 is restricted in the capital reserve account; \$214,935 is prior year excess surplus and has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2017 in accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701); \$250,000 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, 2018 and \$235,164 is unassigned fund balance (which is \$21,636 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, 2016).

Debt Service Fund: The Debt Service Fund fund balance at June 30, 2016 is \$14,961, which is restricted for debt service.

Capital Projects Fund: Of the \$1,104,890 Capital Projects Fund balance at June 30, 2016, \$1,107,564 is restricted for capital projects authorized by referendum and there is a deficit of (\$2,674) in unassigned fund balance. The unassigned fund balance is \$122,200 less than the budgetary basis due to SDA grants receivable not recognized on a GAAP basis until the expenditures are submitted for reimbursement.

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 surplus at June 30, 2016 as detailed above.

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

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

P. Fund Balance Appropriated: (Cont'd)

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$21,636 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. Deficit Net Position:

The District has a deficit in unrestricted net position of \$1,781,180 in governmental activities, which is a result of \$59,368 of accrued interest payable, \$139,812 of compensated absences payable, investment gains in pensions of \$35,294, changes in proportion in pensions of \$25,734 and the net pension liability of \$2,195,159; net of the \$235,743 change in assumption for pensions, \$52,369 difference between expected and actual experience in pensions, changes in proportion in pensions of \$13,961, \$40,632 of fund balance assigned for subsequent year's expenditures, (\$2,674) in unassigned fund balance for capital projects, \$235,164 of general fund unassigned fund balance, and \$98,992 assigned for encumbrances. This deficit does not indicate that the District is facing financial difficulties and is a permitted practice under generally accepted accounting principles.

R. Net Position:

Net Position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows of resources at June 30, 2016 for the changes in assumptions in pensions, the changes in proportion in pensions and for the changes between expected and actual experience in pensions.

The District had deferred inflows of resources at June 30, 2016 for the net difference between projected and actual investment earnings on pension plan investments and the charges in proportion in pensions.

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

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

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

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

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

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

S. Fund Balance Restrictions, Commitments and Assignments:

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

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

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 had no committed resources at June 30, 2016 on a GAAP basis in the Capital Projects Fund.

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 amounts designated for subsequent year's expenditures and encumbrances in the General Fund at June 30, 2016.

T. Revenue - Exchange and Nonexchange Transactions:

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

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

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

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

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

U. Operating Revenue and Expenses:

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

V. Management Estimates:

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

W. Pensions:

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

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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.

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 in the section entitled Investments of this note.

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

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

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;
- (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

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

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

Investments: (Cont'd)

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

As of June 30, 2016, cash and cash equivalents of the District consisted of the following:

	Restricted Cash and Cash Equivalents Capital Reserve	Cash and Cash Equivalents	Total
Checking Accounts	\$ 369,823	\$ 2,118,600	\$ 2,488,423

During the period ended June 30, 2016, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2016, was \$2,488,423 and the bank balance was \$2,753,352.

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, 2015 to June 30, 2016 fiscal year is as follows:

Balance at June 30, 2015	\$ 322,647
Deposits:	
Transfer per Board Resolution - June 2016	553,132
	875,779
Withdrawals:	
Budgeted Withdrawal as per 2015/2016 Budget	(505,956)
Balance at June 30, 2016	\$ 369,823

The balance in the capital reserve at June 30, 2016 did not exceed the balance of local support costs of uncompleted capital projects in the District's approved LRFP. The withdrawal from the capital reserve was for use in DOE approved facilities projects, consistent with the District's LRFP.

ROCHELLE PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

(Continued)

NOTE 5: TUITION RESERVE ACCOUNT

A tuition reserve account may be established in accordance with N.J.A.C. 6A:23-3.1(f) for tuition between two Boards of Education that are in a formal sending/receiving relationship. The maximum amount that may be restricted at year end is 10% of the estimated contract year. Upon certification of tuition rates in the second year following the contract year, full appropriation of the applicable year's reserve must be liquidated and any remaining balance related to that year must be restricted and budgeted for tax relief.

The District established a \$68,689 tuition reserve during the 2013/2014 school year which was used to pay for the tuition adjustment for the fiscal year ending June 30, 2016.

The activity of the tuition reserve account for the July 1, 2015 to June 30, 2016 fiscal year is as follows:

Balance at June 30, 2015	\$	68,689
Withdrawals:		
Budgeted Withdrawal as per 2015/2016 Budget		(68,689)
Balance at June 30, 2016	\$	-0-

NOTE 6. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2016 were as follows:

	Beginning Balance	Increases	Decreases/ Adjustments	Ending Balance
Governmental Activities:				
Capital Assets not being Depreciated:				
Sites (Land)	\$ 15,740			\$ 15,740
Construction in Progress	2,371,324	\$ 3,901,122		6,272,446
Total Capital Assets not Being Depreciated	2,387,064	3,901,122		6,288,186
Capital Assets Being Depreciated:				
Site Improvements	291,265			291,265
Buildings and Building Improvements	2,762,391			2,762,391
Machinery and Equipment	412,182	40,779	\$ (178,816)	274,145
Total Capital Assets Being Depreciated	3,465,838	40,779	(178,816)	3,327,801
Governmental Activities Capital Assets	5,852,902	3,941,901	(178,816)	9,615,987
Less Accumulated Depreciation for:				
Site Improvements	(269,028)	(5,505)	1,540	(272,993)
Buildings and Building Improvements	(1,300,301)	(42,328)		(1,342,629)
Machinery and Equipment	(345,961)	(32,547)	174,717	(203,791)
Total Accumulated Depreciation	(1,915,290)	(80,380)	176,257	(1,819,413)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	3,937,612	3,861,521	(2,559)	7,796,574
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	158,301			158,301
Less Accumulated Depreciation	(132,278)	(6,397)		(138,675)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	26,023	(6,397)	-0-	19,626
GRAND TOTAL	\$ 3,963,635	\$ 3,855,124	\$ (2,559)	\$ 7,816,200

ROCHELLE PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 6. CAPITAL ASSETS (Cont'd)

Capital asset balances and activity for the year ended June 30, 2016 were as follows:
Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 29,008
Special Education Instruction	201
Student and Instruction Related Services	190
School Administration	223
Central Services	324
Unallocated	50,434
	<u>\$ 80,380</u>

NOTE 7. LONG TERM LIABILITIES

During the fiscal year ended June 30, 2016, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2015	Accrued	Retired	Balance 6/30/2016
Compensated Absences Payable	\$ 109,287	\$ 38,762	\$ 8,237	\$ 139,812
Capital Leases Payable		230,000		230,000
Net Pension Liability	1,814,416	380,743		2,195,159
Bonds Payable	6,953,000		570,000	6,383,000
	<u>\$ 8,876,703</u>	<u>\$ 649,505</u>	<u>\$ 578,237</u>	<u>\$ 8,947,971</u>

A. Bonds Payable:

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

The District had bonds outstanding as of June 30, 2016 as follows:

Final Maturity Date	<u>Serial Bonds</u>	Amount
	Interest Rates	
8/15/16	4.50%	\$ 220,000
3/15/35	3.00%-3.50%	6,163,000
		<u>\$ 6,383,000</u>

ROCHELLE PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 7. LONG TERM LIABILITIES (Cont'd)

A. Bonds Payable: (Cont'd)

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

<u>Fiscal</u> <u>Year Ending June 30,</u>	<u>Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2017	\$ 395,000	\$ 195,528	\$ 590,528
2018	275,000	185,328	460,328
2019	275,000	177,078	452,078
2020	300,000	168,828	468,828
2021	300,000	159,828	459,828
2022 - 2026	1,688,000	655,107	2,343,107
2027 - 2031	1,750,000	395,937	2,145,937
2032 - 2035	1,400,000	119,875	1,519,875
	<u>\$ 6,383,000</u>	<u>\$ 2,057,509</u>	<u>\$ 8,440,509</u>

The 2014 Bonds maturing on or after March 15, 2025 are subject to redemption at the option of the Board in whole or in part on any date on or after March 15, 2024 upon notice as required, at one hundred percent (100%) of the principal amount to be redeemed (the "Redemption Price"), together with interest accrued to the date of redemption.

<u>Date</u>	<u>Sinking Fund</u> <u>Installment</u>
March 15, 2025	\$ 350,000
March 15, 2026	350,000
March 15, 2027	350,000

The 2014 Bonds maturing on March 15, 2027 are subject to mandatory redemption from sinking fund installments made on each March 15, beginning March 15, 2025, and shall be redeemed on the dates set forth below at a Redemption Price equal to one hundred percent (100%) of the principal amount of the Bonds called for redemption, plus interest accrued and unpaid to the date fixed for redemption, according to the schedule set forth below:

<u>Date</u>	<u>Sinking Fund</u> <u>Installment</u>
March 15, 2028	\$ 350,000
March 15, 2029	350,000

The 2014 Bonds maturing on March 15, 2029 are subject to mandatory redemption from sinking fund installments made on each March 15, beginning March 15, 2028, and shall be redeemed on the dates set forth below at a Redemption Price equal to one hundred percent (100%) of the principal amount of the Bonds called for redemption, plus interest accrued and unpaid to the date fixed for redemption, according to the schedule set forth below:

ROCHELLE PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 7. LONG TERM LIABILITIES (Cont'd)

A. Bonds Payable: (Cont'd)

<u>Date</u>	<u>Sinking Fund Installment</u>
March 15, 2030	\$ 350,000
March 15, 2031	350,000
March 15, 2032	350,000
March 15, 2033	350,000
March 15, 2034	350,000
March 15, 2035	350,000

B. Bonds Authorized But Not Issued:

As of June 30, 2016, the District has no bonds authorized but not issued.

C. Capital Leases Payable:

On May 3, 2016 the District entered into a capital lease for energy conservation measures was is for a period of 10 years. The schedule of the future minimum lease payments under the District's capital leases and the present value of the net minimum lease payments at June 30, 2016 are detailed below.

<u>Fiscal Year</u>	<u>Amount</u>
2017	\$ 27,121
2018	27,833
2019	29,416
2020	29,953
2021	30,291
2022	22,191
2023	22,398
2024	22,456
2025	23,600
2026	23,579
	<u>258,838</u>
Less: Amount representing interest	<u>(28,838)</u>
Present value of net minimum lease payments	<u>\$ 230,000</u>

The current portion of capital leases payable at June 30, 2016 is \$21,677 and the long-term portion is \$208,323.

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, 2016. Thus, the entire balance of \$139,812 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, 2016, no liability existed for compensated absences in the Enterprise Funds.

ROCHELLE PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 7. LONG TERM LIABILITIES (Cont'd)

E. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2016 is \$-0- and the long-term portion is \$2,195,159. See Note 8 for further information on the PERS.

NOTE 8. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP).

A. Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

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

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

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

ROCHELLE PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$84,072 for fiscal year 2016.

The employee contribution rate was 7.06% effective July 1, 2015. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

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

At June 30, 2016, the District reported a liability of \$2,195,159 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2015, the District's proportion was 0.0098%, which was an increase of 0.00001% from its proportion measured as of June 30, 2014.

For the fiscal year ended June 30, 2016, the District recognized pension expense of \$143,384. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions - 2014	6.44	\$ 46,989	
Changes in Assumptions - 2015	5.72	188,754	
Changes in Proportion - 2014	6.44		\$ 25,734
Changes in Proportion - 2015	5.72	13,961	
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments - 2014	5		81,832
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments - 2015	5		(46,538)
Difference Between Expected and Actual Experience - 2014			
Difference Between Expected and Actual Experience - 2015	5.72	<u>52,369</u>	
		<u>\$ 302,073</u>	<u>\$ 61,028</u>

ROCHELLE PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

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

Fiscal Year Ending June 30,	Total
2016	\$ 46,025
2017	46,025
2018	46,025
2019	73,305
2020	41,438
	\$ 252,818

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions:

Inflation Rate	3.04%
Salary Increases:	
2012-2021	2.15 – 4.40% based on age
Thereafter	3.15 – 5.40% based on age
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback one year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block in which best-estimate ranges of expected future real rates of return (expected_returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2015 are summarized in the following table:

ROCHELLE PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex. U.S.	3.50%	-0.40%
REIT	4.25%	5.12%

Discount Rate

The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9% and a municipal bond rate of 3.80% as of June 30, 2015 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the average of the last five years of contributions made in relation to the last five years of actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2015 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Fiscal Year Ended June 30, 2015		
	1% Decrease (3.90%)	Current Discount Rate (4.90%)	1% Increase (5.90%)
District's proportionate share of the Net Pension Liability	\$ 2,728,314	\$ 2,195,159	\$ 1,748,166

ROCHELLE PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

Pension plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

Benefits Provided

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

The following represents the membership tiers for TPAF:

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

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

ROCHELLE PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2015, the State's pension contribution was less than the actuarially determined amount.

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2016, the State of New Jersey contributed \$291,473 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$1,317,703.

The employee contribution rate was 7.06% effective July 1, 2015. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

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

At June 30, 2016, the State's proportionate share of the net pension liability associated with the District was \$21,580,821. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2015, the District's proportion was 0.034%, which was an increase of 0.001% from its proportion measured as of June 30, 2014.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	21,580,821
Total	\$21,580,821

For the fiscal year ended June 30, 2016, the State recognized pension expense on behalf of the District in the amount of \$1,317,703 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2016 financial statements.

ROCHELLE PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

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

	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions - 2014	8.5	\$ 1,999,074,013	
Changes in Assumptions - 2015	8.3	5,201,079,373	
Difference Between Expected and Actual Experience - 2014	8.5		\$ 19,039,817
Difference Between Expected and Actual Experience - 2015	8.3	321,224,871	
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments - 2014	5		1,305,927,430
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments - 2015	5		(770,568,242)
		<u>\$ 7,521,378,257</u>	<u>\$ 554,399,005</u>

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

Fiscal Year Ending June 30,	Total
2016	\$ 818,433,596
2017	818,433,596
2018	818,433,598
2019	1,253,742,742
2020	1,061,100,680
Thereafter	2,196,835,040
	<u>\$ 6,966,979,252</u>

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90%

ROCHELLE PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Actuarial Assumptions (Cont'd)

Mortality rates were based on the RP-2000 Health Annuitant Mortality Tables for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Cash	5.00%	0.53%
U.S. Government Bonds	1.75%	1.39%
U.S. Credit Bonds	13.50%	2.72%
U.S. Mortgages	2.10%	2.54%
U.S. Inflation-Indexed Bonds	1.50%	1.47%
U.S. High Yield Bonds	2.00%	4.57%
U.S. Equity Market	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Market Equities	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds - MultiStrategy	4.00%	4.59%
Hedge Funds - Equity Hedge	4.00%	5.68%
Hedge Funds - Distressed	4.00%	4.30%

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 4.13% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90% and a municipal bond rate of 3.80% as of June 30, 2015 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the average of the last five years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2015 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Fiscal Year Ended June 30, 2015		
	At 1% Decrease (3.13%)	At Current Discount Rate (4.13%)	At 1% Increase (5.13%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 25,647,993	\$ 21,580,821	\$ 18,076,699

Pension Plan Fiduciary Net Position - TPAF

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

C. Defined Contribution Retirement Program (DCRP)

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

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

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

For DCRP, the District recognized pension expense of \$3,804 for the fiscal year ended June 30, 2016. Employee contributions to DCRP amounted to \$2,759 for the fiscal year ended June 30, 2016.

NOTE 9. POST-RETIREMENT BENEFITS

P.L. 1987, c.384 and P.L. 1990, c.6 of Public Laws 1990 required the 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, 2015, there were 107,314 retirees receiving post-retirement medical benefits, and the State contributed \$1.25 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides employer paid benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pension and Benefits issues a publically available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained from the Treasury website at <http://www.nj.gov/treasury/pensions/pdf/financial2015combined.pdf>.

The State's on behalf Post-Retirement Medical Contributions to TPAF for the District amounted to \$347,064, \$293,050, and \$231,515 for 2016, 2015 and 2014, respectively.

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 for the District's Internal Revenue Code Sections 403(b) plans 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.

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

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 pool 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 Banking and 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 Governmental Accounting Standards Board, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

The audit report for the fiscal year ended June 30, 2016 was not available as of the date of this report. Selected financial information for the NESBIG as of June 30, 2015 is as follows:

	<u>Northeast Bergen County School Board Insurance Group</u>
Total Assets	\$ 33,128,528
Net Position	\$ 18,401,049
Total Revenue	\$ 6,861,232
Total Expenses	\$ 6,029,315
Change in Net Position	\$ 831,917
Members Dividends	\$ -0-

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

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

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 11. RISK MANAGEMENT (Cont'd)

New Jersey Unemployment Compensation Insurance

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following table details the District contributions, employee contributions, interest earned and amounts reimbursed for the prior two fiscal years. The District did not establish a separate Unemployment Compensation Insurance bank account until the prior fiscal year ended June 30, 2015.

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015-2016	\$ 25,000	\$ 5,773		\$ 47,186	\$ 20,306
2014-2015	25,000	17,296	\$ 46	24,598	36,719
2013-2014		18,936	39		18,975

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.

NOTE 13. INTERFUND RECEIVABLES AND PAYABLES

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 8,720	\$ 194,447
Capital Projects Fund	173,951	22,802
Debt Service Fund	22,802	7,841
Food Service Fund	17,488	
Latchkey Program Fund	3,008	
Agency Fund - Payroll Agency		879
	<u>\$ 225,969</u>	<u>\$ 225,969</u>

The \$8,720 interfund receivable in the General Fund is composed of an interfund payable due from the Payroll Agency fund of \$879 for payroll refunds collected and an interfund payable from the Debt Service Fund of \$7,841. The \$194,447 of General Fund interfund payable is made up of the prior year's \$183,300 interfund receivable in the Capital Projects Fund for the local share of the sprinkler project, netted with \$9,274 of prior year expenditures paid by the General Fund on behalf of the Capital Projects Fund that were not settled and current year expenditures paid by the General Fund for the ESIP project of \$7,325, netted by \$7,250 of disbursement refunds collected by the General fund on behalf of the referendum account, a prior year \$17,488 interfund receivable in the Food Service Fund for subsidy receipts received in the General Fund but not remitted to the Food Service Fund, and \$3,008 for current year latchkey fees collected in the General Fund and not yet turned over at year end. The interfund between the Debt Service Fund and the Capital Projects Fund is for a prior year interfund not settled and current year interest earned in the Capital Projects referendum account, which needs to be turned over to the Debt Service Fund.

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

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 CONTINGENCIESGrant 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 position of the District.

Encumbrances

At June 30, 2016, there were encumbrances as detailed below in the governmental funds.

<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
\$ 98,992	\$ 243,977	\$ 342,969

There is \$226,831 of encumbrances payable included in the Capital Projects Fund's Restricted fund balance at June 30, 2016. There is also \$17,146 of encumbrances payable included in the Capital Projects Fund's Unassigned fund balance at June 30, 2016.

NOTE 16: TRANSFERS TO CAPITAL OUTLAY

There were transfers to the capital outlay accounts requiring County Superintendent approval, during the fiscal year ended June 30, 2016. Proper approval was obtained by the District for these transfers.

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 17. ACCOUNTS PAYABLE

Payables as of June 30, 2016 were as detailed below:

	Governmental Funds			Total Governmental Funds	Business- Type Activities
	General Fund	Special Revenue Fund	Capital Projects Fund		Proprietary Funds
Vendors	\$ 63,600	\$ 8,321	\$ 1,658	\$ 73,579	\$ 6,920
	<u>\$ 63,600</u>	<u>\$ 8,321</u>	<u>\$ 1,658</u>	<u>\$ 73,579</u>	<u>\$ 6,920</u>

REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)

ROCHELLE PARK SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST THREE FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,		
	2014	2015	2016
District's proportion of the net pension liability	0.0098862667%	0.0096909750%	0.0097788635%
District's proportionate share of the net pension liability	\$ 1,889,462	\$ 1,814,416	\$ 2,195,159
District's covered employee payroll	\$ 643,899	\$ 529,650	\$ 498,898
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	293.44%	342.57%	440.00%
Plan fiduciary net position as a percentage of the total pension liability	48.72%	52.08%	47.93%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

ROCHELLE PARK SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST THREE FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,		
	2014	2015	2016
Contractually required contribution	\$ 74,491	\$ 79,891	\$ 84,072
Contributions in relation to the contractually required contribution	<u>(74,491)</u>	<u>(79,891)</u>	<u>(84,072)</u>
Contribution deficiency/(excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
District's covered employee payroll	\$ 643,899	\$ 529,650	\$ 498,898
Contributions as a percentage of covered employee payroll	11.57%	15.08%	16.85%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

ROCHELLE PARK SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND
LAST THREE FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,		
	2014	2015	2016
State's proportion of the net pension liability attributable to the District	0.0377213778%	0.0333773035%	0.0341445621%
State's proportionate share of the net pension liability attributable to the District	\$ 19,064,088	\$ 17,839,082	\$ 21,580,821
District's covered employee payroll	\$ 3,552,551	\$ 3,829,646	\$ 3,934,460
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	536.63%	465.82%	548.51%
Plan fiduciary net position as a percentage of the total pension liability	33.76%	33.64%	28.71%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 5.39% as of June 30, 2014 to 4.90% as of June 30, 2015. The inflation rate changed from 3.01% as of June 30, 2014 to 3.04% as of June 30, 2015.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.68% as of June 30, 2014 to 4.13% as of June 30, 2015.

BUDGETARY COMPARISON SCHEDULES

ROCHELLE PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR END JUNE 30, 2016
(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	\$ 10,747,678		\$ 10,747,678	\$ 10,747,678	
Tuition from Individuals	80,000		80,000	67,833	\$ (12,167)
Interest Earned on Capital Reserve Funds	10		10	10	(10)
Miscellaneous	150,000		150,000	187,024	37,024
Total - Local Sources	<u>10,977,688</u>		<u>10,977,688</u>	<u>11,002,535</u>	<u>24,847</u>
State Sources:					
Categorical Special Education Aid	366,046		366,046	366,046	
Extraordinary Aid	175,000		175,000	149,692	(25,308)
Security Aid	46,303		46,303	46,303	
Other Aids	12,860		12,860	12,860	
Transportation Aid	27,358		27,358	27,358	
Nonpublic Transportation				6,800	6,800
On-Behalf TPAF Pension (non-budgeted)				291,473	291,473
On-Behalf TPAF Post Retirement Medical Benefits (non-budgeted)				347,064	347,064
Reimbursed TPAF Social Security Contributions (non-budgeted)				285,843	285,843
Total State Sources	<u>627,567</u>		<u>627,567</u>	<u>1,533,439</u>	<u>905,872</u>
TOTAL REVENUES	<u>11,605,255</u>		<u>11,605,255</u>	<u>12,535,974</u>	<u>930,719</u>
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	47,415	1,650	49,065	49,065	
Kindergarten - Salaries of Teachers	164,475	(1,568)	162,907	162,418	489
Grades 1-5 - Salaries of Teachers	1,470,215	(22,425)	1,447,790	1,441,788	6,002
Grades 6-8 - Salaries of Teachers	790,935	19,586	810,521	805,422	5,099

ROCHELLE PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR END JUNE 30, 2016
(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 - Home Instruction:					
Salaries of Teachers	\$ 2,000	3,025	\$ 5,025	\$ 5,025	
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	6,500	47,558	54,058	54,058	
Purchased Professional - Educational Services	7,000	(4,726)	2,274	1,169	\$ 1,105
Purchased Technical Services	14,000	(4,996)	9,004	6,429	2,575
Other Purchased Services (400-500 series)	40,200	2,898	43,098	41,357	1,741
General Supplies	75,000	260,669	335,669	300,080	35,589
Textbooks	60,000	(30,840)	29,160	28,785	375
Other Objects	4,000	(2,922)	1,078	1,008	70
Total Regular Programs - Instruction	<u>2,681,740</u>	<u>267,909</u>	<u>2,949,649</u>	<u>2,896,604</u>	<u>53,045</u>
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers		596	596	425	171
Total Learning and/or Language Disabilities		<u>596</u>	<u>596</u>	<u>425</u>	<u>171</u>
Resource Room/Resource Center:					
Salaries of Teachers	481,537	(19,085)	462,452	462,452	
Other Salaries for Instruction	78,080	35,540	113,620	113,620	
General Supplies	7,000	(304)	6,696	6,696	
Total Resource Room/Resource Center	<u>566,617</u>	<u>16,151</u>	<u>582,768</u>	<u>582,768</u>	

ROCHELLE PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR END JUNE 30, 2016
(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					
Autism					
Salaries of Teachers	\$ 47,060	\$ 1,250	\$ 48,310	\$ 48,310	
Other Salaries for Instruction	97,600	(36,906)	60,694	60,694	
General Supplies	3,000	(1,480)	1,520	1,520	
Total Autism	<u>147,660</u>	<u>(37,136)</u>	<u>110,524</u>	<u>110,524</u>	
Preschool Disabilities - Full Time:					
Salaries of Teachers	46,565	42,107	88,672	88,672	
Other Salaries for Instruction	39,040	26,518	65,558	65,558	
General Supplies	3,000	(149)	2,851	2,149	\$ 702
Total Preschool Disabilities - Full Time	<u>88,605</u>	<u>68,476</u>	<u>157,081</u>	<u>156,379</u>	<u>702</u>
Home Instruction					
Purchased Professional Ed. Services		2,500	2,500	2,472	28
Total Home Instruction		<u>2,500</u>	<u>2,500</u>	<u>2,472</u>	<u>28</u>
Total Special Education Instruction	<u>802,882</u>	<u>50,587</u>	<u>853,469</u>	<u>852,568</u>	<u>901</u>
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	139,950	(34,063)	105,887	105,887	
General Supplies	3,000	(2,053)	947	947	
Total Basic Skills/Remedial - Instruction	<u>142,950</u>	<u>(36,116)</u>	<u>106,834</u>	<u>106,834</u>	
Bilingual Education - Instruction					
Salaries of Teachers	32,785	29,329	62,114	62,114	
General Supplies	1,000	(209)	791	791	
Total Bilingual Education - Instruction	<u>33,785</u>	<u>29,120</u>	<u>62,905</u>	<u>62,905</u>	
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	19,764	(1,792)	17,972	14,913	3,059
Supplies and Materials	5,000		5,000	2,337	2,663
Total School-Sponsored Cocurricular Activities - Instruction	<u>24,764</u>	<u>(1,792)</u>	<u>22,972</u>	<u>17,250</u>	<u>5,722</u>

ROCHELLE PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR END JUNE 30, 2016
(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	\$ 15,232	\$ (2,160)	\$ 13,072	\$ 12,957	\$ 115
Purchased Services (300-500 series)	1,000	2,160	3,160	3,160	
Supplies and Materials	500		500	50	450
Total School-Sponsored Cocurricular Athletics - Instruction	16,732		16,732	16,167	565
Total Instruction	3,702,853	309,708	4,012,561	3,952,328	60,233
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Regular	2,412,212	(219,008)	2,193,204	2,149,201	44,003
Tuition to Other LEAs Within the State - Special	519,797	(131,091)	388,706	335,424	53,282
Tuition to County Vocational School District - Regular	161,250	(24,193)	137,057	120,190	16,867
Tuition to County Vocational School District - Special	154,800	49,360	204,160	160,748	43,412
Tuition to CSSD and Regional Day Schools Within the State	261,540	(26,711)	234,829	226,929	7,900
Tuition to Private Schools for the Handicapped Within the State	220,231	(98,448)	121,783	80,088	41,695
Tuition to Private Schools for Dis. & Other LEAs Outside the State		5,180	5,180	5,180	
Tuition - State Facilities		3,090	3,090		3,090
Total Undistributed Expenditures - Instruction:	3,729,830	(441,821)	3,288,009	3,077,760	210,249
Attendance & Social Work:					
Salaries	14,100	(12,000)	2,100	1,983	117
Purchased Professional and Technical Services	20,000		20,000	13,886	6,114
Total Attendance & Social Work	34,100	(12,000)	22,100	15,869	6,231
Health Services:					
Salaries	69,485	30	69,515	69,515	
Purchased Professional and Technical Services	2,100	85	2,185	2,185	
Other Purchased Services (400-500 series)	500	(115)	385	110	275
Supplies and Materials	2,000		2,000	1,022	978
Total Health Services	74,085		74,085	72,832	1,253

ROCHELLE PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR END JUNE 30, 2016
(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:					
Speech, OT, PT & Related Services:					
Salaries	\$ 56,307	\$ (497)	\$ 55,810	\$ 55,810	
Purchased Prof. Ed. Services		98,360	98,360	5,480	\$ 92,880
Supplies and Materials	2,000	794	2,794	2,636	158
Total Speech, OT, PT & Related Services	<u>58,307</u>	<u>98,657</u>	<u>156,964</u>	<u>63,926</u>	<u>93,038</u>
Other Support Services - Students - Extraordinary Services:					
Purchased Professional - Educational Services	150,000	41,384	191,384	180,305	11,079
Total Other Support Services - Students - Extraordinary Services	<u>150,000</u>	<u>41,384</u>	<u>191,384</u>	<u>180,305</u>	<u>11,079</u>
Guidance:					
Salaries of Other Professional Staff	62,307	(1,483)	60,824	60,824	
Supplies and Materials	6,000	(3,781)	2,219	2,104	115
Total Guidance	<u>68,307</u>	<u>(5,264)</u>	<u>63,043</u>	<u>62,928</u>	<u>115</u>
Child Study Teams:					
Salaries of Other Professional Staff	204,598	28,581	233,179	226,208	6,971
Purchased Professional - Educational Services	3,500	13,289	16,789	12,212	4,577
Other Purchased Professional and Technical Services	500		500	200	300
Supplies and Materials	3,500		3,500	832	2,668
Other Objects		11,146	11,146	10,846	300
Total Child Study Teams	<u>212,098</u>	<u>53,016</u>	<u>265,114</u>	<u>250,298</u>	<u>14,816</u>
Instruction Services:					
Salaries of Supervisor of Instruction	75,000	31,000	106,000	106,000	
Total Guidance	<u>75,000</u>	<u>31,000</u>	<u>106,000</u>	<u>106,000</u>	
Educational Media Services/School Library:					
Salaries	47,485	1,485	48,970	48,970	
Other Purchased Services (400-500 series)	4,000	(235)	3,765	2,430	1,335
Supplies and Materials	17,400	(5,165)	12,235	6,666	5,569
Other Objects	5,000	(5,000)			
Total Educational Media Services/School Library	<u>73,885</u>	<u>(8,915)</u>	<u>64,970</u>	<u>58,066</u>	<u>6,904</u>

ROCHELLE PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR END JUNE 30, 2016
(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:					
Instructional Staff Training					
Purchased Professional - Educational Services	\$ 10,000		\$ 10,000	\$ 7,067	\$ 2,933
Other Purchased Services (400-500 series)	2,000	\$ (977)	1,023	86	937
Total Instructional Staff Training	<u>12,000</u>	<u>(977)</u>	<u>11,023</u>	<u>7,153</u>	<u>3,870</u>
Support Services - General Administration:					
Salaries	174,750	40,840	215,590	215,000	590
Legal Services	26,000	30,034	56,034	55,064	970
Audit Fees	26,000	5,318	31,318	31,318	
Other Purchased Professional Services		18,701	18,701	18,701	
Purchased Technical Services		6,447	6,447	6,447	
Communications/Telephone	5,000	(2,378)	2,622	2,287	335
BOE Other Purchased Services	500	441	941	747	194
Miscellaneous Purchased Services (400-500) (O/T 530 & 585)	4,000	10,895	14,895	9,394	5,501
General Supplies	4,500	3,262	7,762	7,762	
BOE Membership Dues and Fees	20,000	(3,499)	16,501	16,193	308
Total Support Services - General Administration	<u>260,750</u>	<u>110,061</u>	<u>370,811</u>	<u>362,913</u>	<u>7,898</u>
Support Services - School Administration:					
Salaries of Principals/Assistant Principals/Program Directors	98,000	7,000	105,000	105,000	
Salaries of Secretarial and Clerical Assistants	67,581	(11,800)	55,781	55,563	218
Other Purchased Services (400-500 series)	10,000	(10,000)			
Supplies and Materials	8,000	328	8,328	8,328	
Other Objects	4,000	(2,429)	1,571	1,189	382
Total Support Services - School Administration	<u>187,581</u>	<u>(16,901)</u>	<u>170,680</u>	<u>170,080</u>	<u>600</u>

ROCHELLE PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR END JUNE 30, 2016
(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:					
Central Services:					
Salaries	\$ 156,785	\$ (155,393)	\$ 1,392	\$ 1,392	
Purchased Professional Services	31,000	107,880	138,880	138,214	\$ 666
Purchased Technical Services	20,201	2,703	22,904	22,904	
Supplies and Materials	9,500	5,982	15,482	14,576	906
Interest on Lease Purchase Agreements	600		600		600
Miscellaneous Expenditures	1,500	(500)	1,000	694	306
Total Central Services	<u>219,586</u>	<u>(39,328)</u>	<u>180,258</u>	<u>177,780</u>	<u>2,478</u>
Administration Information Technology:					
Salaries					
Purchased Professional and Technical Services	85,000	6,680	91,680	90,920	760
Other Purchased Services (400-500 series)	8,000	7,958	15,958	14,843	1,115
Supplies and Materials	30,000	(8,750)	21,250	20,668	582
Total Admin. Info. Technology	<u>123,000</u>	<u>5,888</u>	<u>128,888</u>	<u>126,431</u>	<u>2,457</u>
Required Maintenance of School Facilities:					
Salaries	45,485	61,143	106,628	106,380	248
Cleaning, Repair and Maintenance Services	56,300	109,876	166,176	127,366	38,810
General Supplies	26,000	(278)	25,722	25,407	315
Other Objects		250	250	250	
Total Required Maintenance of School Facilities	<u>127,785</u>	<u>170,991</u>	<u>298,776</u>	<u>259,403</u>	<u>39,373</u>
Custodial Services:					
Salaries	288,808	(98,554)	190,254	190,254	
Salaries of Non-Instructional Aides	40,000	8,988	48,988	37,251	11,737
Purchased Professional and Technical Services	250	(48)	202		202
Cleaning, Repair and Maintenance Services	35,000	(23,935)	11,065	11,065	
Other Purchased Property Services	5,000	(2,737)	2,263	2,263	
Insurance	70,000	(3,000)	67,000	66,121	879
Miscellaneous Purchased Services		8,277	8,277	8,277	
General Supplies	3,000	7,315	10,315	9,668	647
Energy (Electricity)	90,000	(73,495)	16,505	12,468	4,037
Energy (Natural Gas)	58,000	20,790	78,790	78,790	
Total Custodial Services	<u>590,058</u>	<u>(156,399)</u>	<u>433,659</u>	<u>416,157</u>	<u>17,502</u>
Care and Upkeep of Grounds					
Cleaning, Repair, & Maintenance Serv.		23,978	23,978	489	23,489
Total Care and Upkeep of Grounds		<u>23,978</u>	<u>23,978</u>	<u>489</u>	<u>23,489</u>

ROCHELLE PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR END JUNE 30, 2016
(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:					
Contracted Services:					
Between Home and School - Vendors	\$ 45,000	\$ (45,000)			
Other Between Home and School - Vendors	4,500	(4,500)			
Between Home and School - Joint Agreements	6,000	(6,000)			
Special Education Students - Joint Agreements		3,147	\$ 3,147	\$ 2,652	\$ 495
Regular Students - ESCs and CTSA's	20,000	134,546	154,546	154,546	
Special Education Students - ESCs and CTSA's	254,000	(92,551)	161,449	161,449	
Aid in Lieu Payments - Nonpublic School	53,272	(10,881)	42,391	40,998	1,393
Total Student Transportation Services	<u>382,772</u>	<u>(21,239)</u>	<u>361,533</u>	<u>359,645</u>	<u>1,888</u>
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	98,000		98,000	72,059	25,941
Other Retirement Contributions - PERS	85,035		85,035	84,072	963
Other Retirement Contributions - Regular		4,000	4,000	3,804	196
Unemployment Compensation	25,000	68,849	93,849	46,228	47,621
Workmen's Compensation	65,000		65,000	46,998	18,002
Health Benefits	1,200,784	(204,688)	996,096	935,069	61,027
Tuition Reimbursement	20,000	10,000	30,000	23,867	6,133
Other Employee Benefits	2,500		2,500		2,500
Total Unallocated Benefits - Employee Benefits	<u>1,496,319</u>	<u>(121,839)</u>	<u>1,374,480</u>	<u>1,212,097</u>	<u>162,383</u>
TPAF Contributions:					
On-Behalf TPAF Pension (non-budgeted)				291,473	(291,473)
On-Behalf TPAF Post Retirement Medical Benefits (non-budgeted)				347,064	(347,064)
Reimbursed TPAF Social Security Contributions (non-budgeted)				285,843	(285,843)
Total TPAF Contributions				<u>924,380</u>	<u>(924,380)</u>
Total Personal Services - Employee Benefits	<u>1,496,319</u>	<u>(121,839)</u>	<u>1,374,480</u>	<u>2,136,477</u>	<u>(761,997)</u>
Total Undistributed Expenses	<u>7,875,463</u>	<u>(289,708)</u>	<u>7,585,755</u>	<u>7,904,512</u>	<u>(318,757)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>11,578,316</u>	<u>20,000</u>	<u>11,598,316</u>	<u>11,856,840</u>	<u>(258,524)</u>

ROCHELLE PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR END JUNE 30, 2016
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CAPITAL OUTLAY					
Equipment:					
Grades 1-5		\$ 58,722	\$ 58,722	\$ 21,348	37,374
Grades 6-8	\$ 68,035	(68,035)			
Custodial Services	15,000	9,313	24,313	19,431	4,882
Total Equipment	<u>83,035</u>		<u>83,035</u>	<u>40,779</u>	<u>42,256</u>
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	34,000	8,019	42,019	37,105	4,914
Construction Services	442,028	(8,019)	434,009	415,589	18,420
Assessment for Debt Service SDA Funding	14,603		14,603	14,603	
Total Facilities Acquisition and Construction Services	<u>490,631</u>		<u>490,631</u>	<u>467,297</u>	<u>23,334</u>
TOTAL CAPITAL OUTLAY	<u>573,666</u>		<u>573,666</u>	<u>508,076</u>	<u>65,590</u>
Transfer of Funds to Charter Schools	<u>100,985</u>		<u>100,985</u>	<u>71,654</u>	<u>29,331</u>
TOTAL EXPENDITURES	<u>12,252,967</u>	<u>20,000</u>	<u>12,272,967</u>	<u>12,436,570</u>	<u>(163,603)</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>(647,712)</u>	<u>(20,000)</u>	<u>(667,712)</u>	<u>99,404</u>	<u>767,116</u>
Other Financing Uses:					
Capital Reserve - Transfer to Capital Projects Fund	(141,808)		(141,808)		141,808
Operating Transfer Out - Enterprise Fund - Food Service: Board Contribution	<u>(20,000)</u>	<u>20,000</u>			
Total Other Financing Uses	<u>(161,808)</u>	<u>20,000</u>	<u>(141,808)</u>		<u>141,808</u>

ROCHELLE PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR END JUNE 30, 2016
(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 Revenue					
Over/(Under) Expenditures and Other Financing Uses	\$ (809,520)		\$ (809,520)	\$ 99,404	\$ 908,924
Fund Balance, July 1	1,131,778		1,131,778	1,131,778	
Fund Balance, June 30	<u>\$ 322,258</u>	<u>\$ -0-</u>	<u>\$ 322,258</u>	<u>\$ 1,231,182</u>	<u>\$ 908,924</u>

Recapitulation:

Restricted Fund Balance:

 Capital Reserve

\$ 369,823

 Excess Surplus - Designated for Subsequent Year's Expenditures

214,935

 Excess Surplus

250,000

Assigned Fund Balance:

 Year-End Encumbrances

98,992

 Designated for Subsequent Year's Expenditures

40,632

Unassigned Fund Balance

256,800

1,231,182

Reconciliation to Governmental Funds Statements (GAAP):

 Last State Aid Payments not Recognized on GAAP Basis

(21,636)

Fund Balance per Governmental Funds (GAAP)

\$ 1,209,546

ROCHELLE PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(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	\$ 130,674	\$ 98,443	\$ 229,117	\$ 229,117	
Total Revenues	<u>130,674</u>	<u>98,443</u>	<u>229,117</u>	<u>229,117</u>	
EXPENDITURES:					
Instruction					
Salaries		33,363	33,363	33,363	
Purchased Professional and Educational Services		12,363	12,363	12,363	
Tuition	100,674	21,603	122,277	122,277	
General Supplies	30,000	15,440	45,440	45,440	
Total Instruction	<u>130,674</u>	<u>82,769</u>	<u>213,443</u>	<u>213,443</u>	
Support Services					
Personal Services - Employee Benefits		8,674	8,674	8,674	
Purchased Professional Educational Services		7,000	7,000	7,000	
Total Support Services		<u>15,674</u>	<u>15,674</u>	<u>15,674</u>	
Total Expenditures	<u>130,674</u>	<u>98,443</u>	<u>229,117</u>	<u>229,117</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Exhibit C-3

ROCHELLE PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(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	\$ 12,535,974	\$ 229,117
Difference - Budget to GAAP:		
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Statements	18,140	
Current Year State Aid Payments Recognized for Budgetary Statements, not Recognized for GAAP Statements	(21,636)	
 Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	 \$ 12,532,478	 \$ 229,117
 Uses/Outflows of Resources		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 12,436,570	\$ 229,117
Total Expenditures as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 12,436,570	\$ 229,117

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the County office and are was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)l. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary 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 the 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.

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, 2016

	<u>IDEA, Part B</u>		<u>NCLB Consolidated Grant</u>	
	<u>Basic</u>	<u>Preschool</u>	<u>Title I</u>	<u>Title II - Part A</u>
REVENUES:				
Federal Sources	\$ 129,477	\$ 5,163	\$ 58,252	\$ 9,566
Total Revenues	<u>129,477</u>	<u>5,163</u>	<u>58,252</u>	<u>9,566</u>
EXPENDITURES:				
Instruction:				
Salaries			32,363	1,000
Purchased Professional and Educational Services	7,200	5,163		
Tuition	122,277			
General Supplies			17,475	1,306
Total Instruction	<u>129,477</u>	<u>5,163</u>	<u>49,838</u>	<u>2,306</u>
Support Services:				
Personal Services - Employee Benefits			8,414	260
Other Purchased Services				7,000
Total Support Services			<u>8,414</u>	<u>7,260</u>
Total Expenditures	<u>\$ 129,477</u>	<u>\$ 5,163</u>	<u>\$ 58,252</u>	<u>\$ 9,566</u>

ROCHELLE PARK SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	IIS Competitive Grant (RTTT- Phase III)	Totals June 30, 2016
REVENUES:		
Federal Sources	\$ 26,659	\$ 229,117
Total Revenues	26,659	229,117
EXPENDITURES:		
Instruction:		
Salaries		33,363
Purchased Professional and Educational Services		12,363
Tuition		122,277
General Supplies	26,659	45,440
Total Instruction	26,659	213,443
Support Services:		
Personal Services - Employee Benefits		8,674
Other Purchased Services		7,000
Total Support Services		15,674
Total Expenditures	\$ 26,659	\$ 229,117

CAPITAL PROJECTS FUND

Exhibit F-1

ROCHELLE PARK SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Revenue and Other Financing Sources:	
Lease Purchase Agreements Proceeds	\$ 230,000
Interest Revenue	27
	<hr/>
Total Revenues and Other Financing Sources	230,027
	<hr/>
Expenditures and Other Financing Uses:	
Other Purchased Professional and Technical Services	138,451
Legal Services	16,942
Construction Services	3,184,725
Other Objects	109,968
Transfer to Debt Service Fund - Interest Earnings	27
	<hr/>
Total Expenditures and Other Financing Uses	3,450,113
	<hr/>
Deficit of Revenue and Other Financing Sources Under Expenditures and Other Financing Uses	(3,220,086)
	<hr/>
Fund Balance - Beginning Balance	4,447,176
	<hr/>
Fund Balance - Ending Balance	\$ 1,227,090
	<hr/> <hr/>
Recapitulation of Fund Balance:	
Restricted - Other Purposes	\$ 880,733
Restricted - Year End Encumbrances	226,831
Committed - Other Purposes	102,380
Committed - Year End Encumbrances	17,146
	<hr/>
Fund Balance per Governmental Funds (Budgetary Basis)	1,227,090
Reconciliation to Governmental Funds Statement (GAAP):	
SDA Grants not Recognized on the GAAP Basis	(122,200)
	<hr/>
Fund Balance per Governmental Funds (GAAP)	\$ 1,104,890
	<hr/> <hr/>

ROCHELLE PARK SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
INFRASTRUCTURE REPAIRS AND BUILDING SECURITY ENHANCEMENTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Prior Periods	Current Year	Total	Authorized Cost
Revenue and Other Financing Sources:				
Bond Proceeds	\$ 6,513,000		\$ 6,513,000	\$ 6,513,000
Total Revenue and Other Financing Sources	6,513,000		6,513,000	6,513,000
Expenditures:				
Other Purchased Professional and Technical Services	502,377	\$ 101,571	603,948	915,225
Legal Services	69,591	1,942	71,533	86,500
Construction Services	1,754,737	2,843,932	4,598,669	5,010,250
General Supplies	145		145	145
Other Objects	21,353	109,788	131,141	500,880
Total Expenditures	2,348,203	3,057,233	5,405,436	6,513,000
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 4,164,797	\$ (3,057,233)	\$ 1,107,564	\$ -0-

Additional Project Information:

State Project Numbers:	4470-050-14-4000; 4470-050-14-5000
Bond Authorization Date	12/10/2013
Bonds Authorized	\$ 6,513,000
Bonds Issued	6,513,000
Original Authorized Cost	6,513,000
Additional Authorized Cost	-0-
Revised Authorized Cost	6,513,000
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	83%
Original Target Completion Date	8/31/2015
Revised Target Completion Date	8/31/2017

ROCHELLE PARK SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
MIDLAND ELEMENTARY SCHOOL - SPRINKLER SYSTEM CONSTRUCTION SERVICES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30,2016

	Prior Periods	Current Year	Total	Authorized Cost
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 122,200		\$ 122,200	\$ 122,200
Transfer from Capital Reserve	183,300		183,300	183,300
Total Revenue and Other Financing Sources	<u>305,500</u>		<u>305,500</u>	<u>305,500</u>
Expenditures:				
Other Purchased Professional and Technical Services	23,121	\$ 3,240	26,361	40,500
Legal Services				6,500
Construction Services		186,988	186,988	235,000
Other Objects		180	180	23,500
Total Expenditures	<u>23,121</u>	<u>190,408</u>	<u>213,529</u>	<u>305,500</u>
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 282,379</u>	<u>\$ (190,408)</u>	<u>\$ 91,971</u>	<u>\$ -0-</u>

Additional Project Information:

Project Numbers	4470-050-14-1003
Grant Date	1/6/2014
Original Authorized Cost	\$ 305,500
Additional Authorized Cost	-0-
Revised Authorized Cost	305,500
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	70%
Original Target Completion Date	8/31/2014
Revised Target Completion Date	12/31/2016

ROCHELLE PARK SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
ENERGY CONSERVATION MEASURES PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Prior Periods	Current Year	Total	Authorized Cost
Revenue and Other Financing Sources:				
Capital Lease Purchase Agreement Proceeds		\$ 230,000	\$ 230,000	\$ 230,000
Total Revenue and Other Financing Sources		230,000	230,000	230,000
Expenditures:				
Other Purchased Professional and Technical Services		\$ 33,640	33,640	33,640
Legal Services		15,000	15,000	15,000
Construction Services		153,805	153,805	181,360
Total Expenditures		202,445	202,445	230,000
Excess of Revenue and Other Financing Sources Over Expenditures	\$ -0-	\$ 27,555	\$ 27,555	\$ -0-
Additional Project Information:				
State Project Numbers:		N/A		
Lease Authorization Date		5/3/2016		
Lease Authorized		\$ 230,000		
Lease Issued		230,000		
Original Authorized Cost		230,000		
Additional Authorized Cost		-0-		
Revised Authorized Cost		230,000		
Percentage Increase over Original Authorized Cost		0%		
Percentage Completion		88%		
Original Target Completion Date		12/31/2016		
Revised Target Completion Date		N/A		

PROPRIETARY FUNDS

Exhibit G-1

ROCHELLE PARK SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2016

	<u>Non-Major Funds</u>		<u>Total</u>
	<u>Latchkey Program</u>	<u>Food Service</u>	
<u>ASSETS:</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 74,090	\$ 10,992	\$ 85,082
Accounts Receivable:			
Federal		8,407	8,407
State		330	330
Interfund Receivable - General Fund	3,008	17,488	20,496
Other Receivables	2,040	3,855	5,895
Inventory		1,713	1,713
Total Current Assets	<u>79,138</u>	<u>42,785</u>	<u>121,923</u>
Non-Current Assets:			
Capital Assets	9,580	148,721	158,301
Accumulated Depreciation	<u>(3,352)</u>	<u>(135,323)</u>	<u>(138,675)</u>
Total Non-Current Assets	<u>6,228</u>	<u>13,398</u>	<u>19,626</u>
Total Assets	<u>85,366</u>	<u>56,183</u>	<u>141,549</u>
<u>LIABILITIES:</u>			
Current Liabilities:			
Accounts Payable - Vendors	430	6,490	6,920
Unearned Revenue		1,734	1,734
Total Current Liabilities	<u>430</u>	<u>8,224</u>	<u>8,654</u>
<u>NET POSITION:</u>			
Net Investment in Capital Assets	6,228	13,398	19,626
Unrestricted	<u>78,708</u>	<u>34,561</u>	<u>113,269</u>
Total Net Position	<u>\$ 84,936</u>	<u>\$ 47,959</u>	<u>\$ 132,895</u>

Exhibit G-2

ROCHELLE PARK SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Non-Major Funds</u>		<u>Total</u>
	<u>Latchkey Program</u>	<u>Food Service</u>	
Operating Revenue:			
Local Sources:			
Daily Sales - Reimbursable Programs		\$ 78,056	\$ 78,056
Daily Sales - Nonreimbursable Meals		40,629	40,629
Special Functions		7,040	7,040
Program Fees	\$ 166,387		166,387
Total Operating Revenue	<u>166,387</u>	<u>125,725</u>	<u>292,112</u>
Operating Expenses:			
Cost of Sales for Reimbursable Programs		57,296	57,296
Cost of Sales for Nonreimbursable Programs		24,207	24,207
Salaries, Benefits & Payroll Taxes	107,649	59,702	167,351
Other Purchased Services		11,242	11,242
Management Fee		15,174	15,174
Supplies and Materials	8,555	8,026	16,581
Miscellaneous Expenses	5,334		5,334
Depreciation	1,916	4,481	6,397
Total Operating Expenses	<u>123,454</u>	<u>180,128</u>	<u>303,582</u>
Operating Income/(Loss)	<u>42,933</u>	<u>(54,403)</u>	<u>(11,470)</u>
Non-Operating Revenue:			
Federal Sources:			
National School Lunch Program		45,484	45,484
School Breakfast Program		1,684	1,684
U.S.D.A. Commodities		12,559	12,559
State Sources:			
School Lunch Program		1,896	1,896
Total Non-Operating Revenue		<u>61,623</u>	<u>61,623</u>
Change in Net Position	42,933	7,220	50,153
Net Position - Beginning of Year	<u>42,003</u>	<u>40,739</u>	<u>82,742</u>
Net Position - End of Year	<u>\$ 84,936</u>	<u>\$ 47,959</u>	<u>\$ 132,895</u>

Exhibit G-3

ROCHELLE PARK SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Non-Major Funds</u>		<u>Total</u>
	<u>Latchkey Program</u>	<u>Food Service</u>	
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 162,887	\$ 127,459	\$ 290,346
Payments to/for Employees	(107,219)		(107,219)
Payments to Food Service Contractor		(166,528)	(166,528)
Payments to Suppliers	(13,889)	(1,438)	(15,327)
Net Cash Provided by/(Used for) Operating Activities	<u>41,779</u>	<u>(40,507)</u>	<u>1,272</u>
Cash Flows from Noncapital Financing Activities:			
Interfund Advanced - General Fund	(3,008)		(3,008)
Cash Received From Federal Reimbursements - Collected in Food Service Fund		41,213	41,213
Cash Received From State Reimbursements - Collected in Food Service Fund		1,654	1,654
Net Cash Provided by Noncapital Financing Activities	<u>(3,008)</u>	<u>42,867</u>	<u>39,859</u>
Net Increase in Cash and Cash Equivalents	38,771	2,360	41,131
Cash and Cash Equivalents, July 1	<u>35,319</u>	<u>8,632</u>	<u>43,951</u>
Cash and Cash Equivalents, June 30	<u>\$ 74,090</u>	<u>\$ 10,992</u>	<u>\$ 85,082</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:			
Operating Income/(Loss)	\$ 42,933	\$ (54,403)	\$ (11,470)
Adjustment to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:			
Depreciation	1,916	4,481	6,397
Food Distribution Program		12,559	12,559
Changes in Assets and Liabilities:			
(Increase) in Other Receivables	(2,040)	(3,855)	(5,895)
Increase in Inventory		392	392
Increase/(Decrease) in Accounts Payable	430	(1,415)	(985)
Increase/(Decrease) in Unearned Revenue	(1,460)	1,734	274
Net Cash Provided by/(Used for) Operating Activities	<u>\$ 41,779</u>	<u>\$ (40,507)</u>	<u>\$ 1,272</u>

Noncash Investing and Financing Activities:

The Food Service Enterprise Fund received and utilized commodities from the Federal Food Distribution Program valued at \$12,559 for the fiscal year ended June 30, 2016.

FIDUCIARY FUNDS

ROCHELLE PARK SCHOOL DISTRICT
FIDUCIARY FUND
COMBINING STATEMENT OF NET OF POSITION
JUNE 30, 2016

	<u>Student Activity</u>	<u>Agency Payroll</u>	<u>Total Agency</u>	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Trust</u>	<u>Totals</u>
ASSETS:						
Cash and Cash Equivalents	\$ 30,393	\$ 126,485	\$ 156,878	\$ 20,306	\$ 1,565	\$ 178,749
Total Assets	<u>30,393</u>	<u>126,485</u>	<u>156,878</u>	<u>20,306</u>	<u>1,565</u>	<u>178,749</u>
LIABILITIES:						
Payroll Deductions and Withholdings		117	117			117
Accrued Salaries and Wages		125,489	125,489			125,489
Due to Student Groups	30,393		30,393			30,393
Interfund Payable - General Fund		879	879			879
Total Liabilities	<u>30,393</u>	<u>126,485</u>	<u>156,878</u>			<u>156,878</u>
NET POSITION:						
Held in Trust for Unemployment Claims				20,306		20,306
Restricted for Scholarships					1,565	1,565
Total Net Position	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 20,306</u>	<u>\$ 1,565</u>	<u>\$ 21,871</u>

Exhibit H-2

ROCHELLE PARK SCHOOL DISTRICT
FIDUCIARY FUND
STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Trust</u>
ADDITIONS:		
Contributions:		
Scholarship Donations		\$ 6,000
Board Contribution	\$ 25,000	
Employee Contributions	5,773	
Total Contributions	<u>30,773</u>	<u>6,000</u>
Total Additions	<u>30,773</u>	<u>6,000</u>
DEDUCTIONS:		
Unemployment Contribution Payments	47,186	
Scholarships Awarded		<u>5,000</u>
Total Deductions	<u>47,186</u>	<u>5,000</u>
Change in Net Position	(16,413)	1,000
Net Position—Beginning of the Year	<u>36,719</u>	<u>565</u>
Net Position—End of the Year	<u>\$ 20,306</u>	<u>\$ 1,565</u>

Exhibit H-3

ROCHELLE PARK SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
ASSETS:				
Cash and Cash Equivalents	\$ 21,307	\$ 34,190	\$ 25,104	\$ 30,393
Total Assets	<u>\$ 21,307</u>	<u>\$ 34,190</u>	<u>\$ 25,104</u>	<u>\$ 30,393</u>
 LIABILITIES:				
Liabilities:				
Due to Student Groups	\$ 21,307	\$ 34,190	\$ 25,104	\$ 30,393
Total Liabilities	<u>\$ 21,307</u>	<u>\$ 34,190</u>	<u>\$ 25,104</u>	<u>\$ 30,393</u>

Exhibit H-4

ROCHELLE PARK SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2016</u>
Student Activities	\$ 21,307	\$ 34,190	\$ 25,104	\$ 30,393

Exhibit H-5

ROCHELLE PARK SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
ASSETS:				
Cash and Cash Equivalents	\$ 123,725	\$ 5,737,980	\$ 5,735,220	\$ 126,485
Interfund Receivable - General Fund	10,252		10,252	
Total Assets	<u>\$ 133,977</u>	<u>\$ 5,737,980</u>	<u>\$ 5,745,472</u>	<u>\$ 126,485</u>
LIABILITIES:				
Payroll Deductions and Withholdings		\$ 5,608,472	\$ 5,608,355	\$ 117
Accrued Salaries and Wages	133,977	128,629	137,117	125,489
Interfund Payable - General Fund		879		879
Total Liabilities	<u>\$ 133,977</u>	<u>\$ 5,737,980</u>	<u>\$ 5,745,472</u>	<u>\$ 126,485</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 June 30, 2016		Interest Rate	Balance July 1, 2015	Matured	Balance June 30, 2016
			Date	Amount				
School Bonds: Additions and Alterations to Midland School	08/15/01	\$ 2,760,000	08/15/16	220,000	4.500 %	\$ 440,000	\$ 220,000	\$ 220,000
School Bonds- Series 2014 - Infrastructure Repairs and Building Security Enhancements	03/27/14	6,513,000	3/15/2017	175,000	3.000 %	6,513,000	350,000	6,163,000
			3/15/2018	275,000	3.000 %			
			3/15/2019	275,000	3.000 %			
			3/15/2020	300,000	3.000 %			
			3/15/2021	300,000	3.000 %			
			3/15/2022	325,000	3.000 %			
			3/15/2023	325,000	3.000 %			
			3/15/2024	338,000	3.000 %			
			3/15/2025	350,000	3.000 %			
			3/15/2026	350,000	3.000 %			
			3/15/2027	350,000	3.000 %			
			3/15/2028	350,000	3.000 %			
			3/15/2029	350,000	3.000 %			
			3/15/2030	350,000	3.000 %			
			3/15/2031	350,000	3.125 %			
			3/15/2032	350,000	3.250 %			
			3/15/2033	350,000	3.250 %			
			3/15/2034	350,000	3.500 %			
			3/15/2035	350,000	3.500 %			
						<u>\$ 6,953,000</u>	<u>\$ 570,000</u>	<u>\$ 6,383,000</u>

Exhibit I-2

ROCHELLE PARK SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

<u>Item</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance July 1, 2015</u>	<u>Issued</u>	<u>Balance June 30, 2016</u>
Energy Conservation Measures	2.42%	230,000		\$ 230,000	\$ 230,000
			\$ -0-	\$ 230,000	\$ 230,000

ROCHELLE PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 524,495		\$ 524,495	\$ 524,495	
Debt Service Aid	253,454		253,454	253,454	
Total Revenues	<u>777,949</u>		<u>777,949</u>	<u>777,949</u>	
EXPENDITURES:					
Regular Debt Service:					
Interest	215,790		215,790	215,790	
Redemption of Principal	570,000		570,000	570,000	
Total Regular Debt Service	<u>785,790</u>		<u>785,790</u>	<u>785,790</u>	
Total Expenditures	<u>785,790</u>		<u>785,790</u>	<u>785,790</u>	
(Deficit) of Revenue Under Expenditures	<u>(7,841)</u>		<u>(7,841)</u>	<u>(7,841)</u>	
Other Financing Sources:					
Transfer from Capital Projects Fund - Interest Earned				27	\$ 27
Total Other Financing Sources				<u>27</u>	<u>27</u>
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	(7,841)		(7,841)	(7,814)	27
Fund Balance, July 1	<u>22,775</u>		<u>22,775</u>	<u>22,775</u>	
Fund Balance, June 30	<u>\$ 14,934</u>	<u>\$ - 0 -</u>	<u>\$ 14,934</u>	<u>\$ 14,961</u>	<u>\$ 27</u>
Recapitulation:					
Restricted				<u>\$ 14,961</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

ROCHELLE PARK SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

	June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities										
Net Investment in Capital Assets	\$ 144,104	\$ 218,520	\$ 276,672	\$ 278,303	\$ 433,080	\$ 601,914	\$ 787,894	\$ 967,901	\$ 1,149,409	\$ 1,183,574
Restricted	440,501	212,050	620,275	43,686	48,960	85,696	762,007	776,812	629,046	1,957,283
Unrestricted/(Deficit)	(55,528)	256,501	(45,050)	(15,748)	(13,136)	349,264	376,405	(1,481,367)	(1,401,736)	(1,781,180)
Total Governmental Activities Net Position	<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>	<u>\$ 1,926,306</u>	<u>\$ 263,346</u>	<u>\$ 376,719</u>	<u>\$ 1,359,677</u>
Business-Type Activities										
Net Investment in Capital Assets	\$ 51,271	\$ 45,475	\$ 39,680	\$ 33,885	\$ 28,089	\$ 22,294	\$ 16,498	\$ 27,429	\$ 26,023	\$ 19,626
Unrestricted	18,861	18,158	8,412	5,501	52,319	133,451	147,174	54,956	56,719	109,189
Total Business-Type Activities Net Position	<u>\$ 70,132</u>	<u>\$ 63,633</u>	<u>\$ 48,092</u>	<u>\$ 39,386</u>	<u>\$ 80,408</u>	<u>\$ 155,745</u>	<u>\$ 163,672</u>	<u>\$ 82,385</u>	<u>\$ 82,742</u>	<u>\$ 128,815</u>
District-Wide										
Net Investment in Capital Assets	\$ 195,375	\$ 263,995	\$ 316,352	\$ 312,188	\$ 461,169	\$ 624,208	\$ 804,392	\$ 995,330	\$ 1,175,432	\$ 1,203,200
Restricted	440,501	212,050	620,275	43,686	48,960	85,696	762,007	776,812	629,046	1,957,283
Unrestricted/(Deficit)	(36,667)	274,659	(36,638)	(10,247)	39,183	482,715	523,579	(1,426,411)	(1,345,017)	(1,671,991)
Total District-Wide Net Position	<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>	<u>\$ 2,089,978</u>	<u>\$ 345,731</u>	<u>\$ 459,461</u>	<u>\$ 1,488,492</u>

Source: School District Financial Reports

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

	Fiscal Year Ending June 30,								
	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses:									
Governmental Activities									
Instruction:									
Regular	\$ 2,593,706	\$ 2,815,642	\$ 2,780,590	\$ 3,640,567	\$ 3,812,794	\$ 3,577,736	\$ 3,874,004	\$ 4,599,659	\$ 4,845,825
Special Education	549,376	583,295	644,947	824,690	878,544	982,242	964,163	1,140,360	1,555,783
Other Special Instruction	169,357	208,005	225,041	303,915	305,811	369,982	353,283	404,569	228,565
School-Sponsored/Other Instruction	45,749	54,132	38,296	35,512	40,956	39,986	38,778	60,791	116,304
Support Services:									
Tuition	2,616,313	2,546,645	2,703,222	2,874,295	2,755,948	3,088,795	3,412,474	3,560,980	3,077,760
Student and Instruction Related Services	833,720	873,130	822,429	942,207	874,633	876,642	814,337	858,857	1,129,648
General Administrative Services	325,172	315,441	276,574	307,041	294,656	256,588	275,701	349,459	464,101
School Administrative Services	163,224	169,434	160,766	211,841	283,464	211,090	286,785	287,788	284,485
Central Services	195,992	193,059	209,796	245,777	195,349	244,219	213,836	269,338	178,759
Administration Information Technology							190,560	173,734	169,222
Plant Operations and Maintenance	569,284	598,452	538,987	600,775	590,287	664,467	675,858	785,920	819,657
Pupil Transportation	364,024	347,451	409,039	339,440	369,318	292,327	318,507	344,778	359,645
Unallocated Employee Benefits	1,886,844	1,521,004	1,662,822						
Unallocated Depreciation				67,713	52,231	52,153	52,149	52,149	50,434
Transfer of Funds to Charter Schools				32,888	36,826	35,245	73,215	102,716	18,820
Capital Outlay	201,457	312,036	234,006	18,521	5,213			32,600	71,654
Interest on Long-Term Debt	90,964	82,648	73,891	86,714	51,830	41,808	83,183	218,786	212,181
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>	<u>10,733,280</u>	<u>11,626,833</u>	<u>13,242,484</u>	<u>13,582,843</u>

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

	Fiscal Year Ending June 30,								
	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses:									
Business-Type Activities:									
Food Service	\$ 160,943	\$ 169,242	\$ 184,334	\$ 173,651	\$ 172,029	\$ 193,904	\$ 193,903	\$ 212,045	\$ 208,413
Latchkey and Preschool Programs				126,483	136,999	280,714	280,714	151,003	180,128
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>	<u>474,618</u>	<u>474,617</u>	<u>363,048</u>	<u>388,541</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>	<u>\$ 11,207,898</u>	<u>\$ 12,101,450</u>	<u>\$ 13,605,532</u>	<u>\$ 13,971,384</u>
Program Revenues:									
Governmental Activities:									
Charges for Services								\$ 50,310	\$ 67,833
Operating Grants and Contributions	\$ 1,480,999	\$ 1,148,240	\$ 1,204,946	\$ 1,154,183	\$ 1,302,745	\$ 1,474,900	\$ 1,464,573	2,505,726	2,726,583
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>	<u>1,474,900</u>	<u>1,464,573</u>	<u>2,556,036</u>	<u>2,794,416</u>
Business-Type Activities:									
Charges for Services:									
Food Service	98,428	98,073	105,486	110,994	121,780	109,088	106,788	110,645	125,725
Latchkey and Preschool Programs				165,582	196,875	153,206	205,557	160,563	247,266
Operating Grants and Contributions	29,425	29,345	39,739	43,892	45,682	56,928	59,995	55,281	61,623
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>	<u>319,222</u>	<u>372,340</u>	<u>326,489</u>	<u>434,614</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>	<u>\$ 1,794,122</u>	<u>\$ 1,836,913</u>	<u>\$ 2,882,525</u>	<u>\$ 3,229,030</u>
Net (Expense)/Revenue:									
Governmental Activities	\$ (9,124,183)	\$ (9,472,134)	\$ (9,575,460)	\$ (9,377,713)	\$ (9,245,115)	\$ (9,258,380)	\$ (10,162,260)	\$ (10,686,448)	\$ (10,788,427)
Business-Type Activities	(33,090)	(41,824)	(39,109)	20,334	55,309	(155,396)	(102,277)	(36,559)	46,073
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>	<u>\$ (9,413,776)</u>	<u>\$ (10,264,537)</u>	<u>\$ (10,723,007)</u>	<u>\$ (10,742,354)</u>

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

	Fiscal Year Ending June 30,								
	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Revenues and Other Changes in Net Position:									
Governmental Activities:									
Property Taxes Levied for General Purposes, Net	\$ 8,791,803	\$ 8,775,772	\$ 8,699,726	\$ 9,257,385	\$ 9,442,533	\$ 9,691,383	\$ 9,963,292	\$ 10,308,529	\$ 10,747,678
Taxes Levied for Debt Service	277,863	273,940	276,706	274,262	276,698	275,473	273,797	239,228	524,495
Unrestricted Grants and Contributions	178,529	441,712	117,162	20,703	41,637	48,325	47,095	58,593	312,161
Investment Earnings				349					
Miscellaneous Income	60,004	171,709	13,556	8,051	72,217	152,631	124,578	230,166	187,051
Transfers	(26,022)	(26,173)	(77,346)	(20,374)	(20,000)	(20,000)	(20,000)	(36,695)	
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>	<u>10,147,812</u>	<u>10,388,762</u>	<u>10,799,821</u>	<u>11,771,385</u>
Business-Type Activities:									
Miscellaneous Income	569	110	107	314	28	813	992	221	
Transfers	26,022	26,173	30,296	20,374	20,000	20,000	20,000	36,695	
Total Business-Type Activities	<u>26,591</u>	<u>26,283</u>	<u>30,403</u>	<u>20,688</u>	<u>20,028</u>	<u>20,813</u>	<u>20,992</u>	<u>36,916</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>	<u>\$ 10,168,625</u>	<u>\$ 10,409,754</u>	<u>\$ 10,836,737</u>	<u>\$ 11,771,385</u>
Change in Net Position:									
Governmental Activities	\$ 157,994	\$ 164,826	\$ (545,656)	\$ 162,663	\$ 567,970	\$ 889,432	\$ 226,502	\$ 113,373	\$ 982,958
Business-Type Activities	(6,499)	(15,541)	(8,706)	41,022	75,337	(134,583)	(81,285)	357	46,073
Total District	<u>\$ 151,495</u>	<u>\$ 149,285</u>	<u>\$ (554,362)</u>	<u>\$ 203,685</u>	<u>\$ 643,307</u>	<u>\$ 754,849</u>	<u>\$ 145,217</u>	<u>\$ 113,730</u>	<u>\$ 1,029,031</u>

This schedule does not contain ten years of information as the information for the fiscal year 2007 is not available.

Source: School District Financial Reports

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

	June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved/Restricted	\$ 376,702	\$ 503,447	\$ 505,827	\$ 138,878	\$ 44,035	\$ 84,333	\$ 760,644	\$ 768,971	\$ 606,271	\$ 834,758
Assigned					4,925	99,152	175,155	124,000	234,875	139,624
Unassigned	251,809	274,955	208,917	192	121,838	354,451	300,164	426,277	272,492	235,164
Total General Fund	\$ 628,511	\$ 778,402	\$ 714,744	\$ 139,070	\$ 170,798	\$ 537,936	\$ 1,235,963	\$ 1,319,248	\$ 1,113,638	\$ 1,209,546
All Other Governmental Funds										
Unreserved, Reported in:										
Capital Projects Fund	\$ 63,828	\$ 63,828	\$ 111,752	\$ 194						
Debt Service Fund	6,809	5,893	2,696	511			\$ 1,363			
Committed:										
Capital Projects Fund									\$ 160,179	\$ 1,107,564
Restricted:										
Capital Projects Fund								\$ 6,313,423	4,164,797	
Unassigned/(Deficit): Capital Projects Fund								(9,793)		(2,674)
Debt Service Fund						\$ 1,363		7,841	22,775	14,961
Total All Other Governmental Funds	\$ 70,637	\$ 69,721	\$ 114,448	\$ 705	\$ -0-	\$ 1,363	\$ 1,363	\$ 6,311,471	\$ 4,347,751	\$ 1,119,851

Source: School District Financial Reports

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

	Fiscal Year Ending June 30,								
	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues:									
Local Tax Levy	\$ 9,069,666	\$ 9,049,712	\$ 8,976,432	\$ 9,531,647	\$ 9,719,231	\$ 9,966,856	\$ 10,237,089	\$10,547,757	\$11,272,173
Tuition Charges								50,310	67,833
Interest Earnings on Capital Reserve	1,429	1,009	348	349	3	70	71	40	27
Miscellaneous	58,575	170,700	13,556	8,051	72,214	152,561	124,507	230,126	187,024
State Sources	1,511,047	1,251,805	1,095,619	948,173	1,124,970	1,336,787	1,311,532	1,506,104	1,783,397
Federal Sources	148,481	148,481	226,141	226,713	219,412	186,438	200,136	282,903	229,117
Total Revenue	10,789,198	10,621,707	10,312,096	10,714,933	11,135,830	11,642,712	11,873,335	12,617,240	13,539,571
Expenditures:									
Instruction:									
Regular Instruction	2,593,706	2,815,642	2,780,590	2,650,331	2,725,742	2,473,166	2,724,869	2,957,564	2,991,081
Special Education Instruction	549,376	583,295	644,947	641,338	674,484	697,602	708,940	766,375	987,208
Other Special Instruction	169,357	208,005	225,041	215,139	207,805	244,587	241,962	248,967	106,834
School-Sponsored/Other Instruction	45,749	54,132	38,296	29,364	33,245	32,291	27,327	40,462	96,322
Support Services:									
Tuition	2,616,313	2,546,645	2,703,222	2,874,295	2,755,948	3,088,795	3,412,474	3,560,980	3,077,760
Student and Instruction Related Services	833,720	873,130	822,429	757,922	698,392	692,128	676,331	650,421	817,377
General Administrative Services		315,441	276,574	259,742	251,301	218,194	236,976	272,544	362,913
School Administrative Services	325,172	169,434	160,766	161,243	215,287	153,278	211,925	190,796	170,080
Central Services	163,224	193,059	209,796	203,025	179,769	204,065	183,185	206,688	177,780
Administration Information Technology							96,972	142,934	126,431
Plant Operations and Maintenance	282,729	598,452	538,987	544,016	523,226	523,713	597,980	642,511	676,049
Pupil Transportation	482,547	347,451	409,039	337,639	367,481	290,356	318,507	344,778	359,645
Unallocated Benefits	2,252,715	1,522,527	1,674,952	1,663,300	1,773,386	1,917,896	1,886,337	1,968,464	2,136,477

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

	Fiscal Year Ending June 30,								
	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenditures: (Cont'd)									
Capital Outlay	\$ 117,711	\$ 109,604	\$ 160,637	\$ 18,521	\$ 29,102	\$ 77,896	\$ 300,782	\$ 2,220,072	\$ 3,958,162
Charter Schools				32,888	36,826	35,245	73,215	102,716	71,654
Debt Service:									
Principal	190,000	195,000	205,000	210,000	220,000	230,000	240,000	215,000	570,000
Interest and Other Charges	90,964	82,648	73,891	64,773	55,335	45,473	35,160	218,603	215,790
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>	<u>10,924,685</u>	<u>11,972,942</u>	<u>14,749,875</u>	<u>16,901,563</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>	<u>718,027</u>	<u>(99,607)</u>	<u>(2,132,635)</u>	<u>(3,361,992)</u>
Other Financing Sources (Uses):									
Bond Proceeds							\$ 6,513,000		
Transfers In				196			7,841	392,609	27
Transfers Out	(26,022)	(26,173)	(77,346)	(20,570)	(20,000)	(20,000)	(27,841)	(429,304)	(27)
Capital Leases (Non-Budgeted)									230,000
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>	<u>(20,000)</u>	<u>6,493,000</u>	<u>(36,695)</u>	<u>230,000</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>	<u>\$ 698,027</u>	<u>\$ 6,393,393</u>	<u>\$ (2,169,330)</u>	<u>\$ (3,131,992)</u>
Debt Service as a Percentage of Noncapital Expenditures	2.65 %	2.64 %	2.59 %	2.58 %	2.57 %	2.54 %	2.36 %	3.46 %	6.07 %

This schedule does not contain ten years of information as the information for the fiscal year 2007 is not available.

Source: School District Financial Reports

Exhibit J-5

ROCHELLE PARK SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN 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>Tuition from</u> <u>Individuals</u>	<u>Contribution</u> <u>from Township</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
2013	70	36,817	15,744		\$ 100,000	152,631
2014	71	11,061	10,998		94,607	116,737
2015	40	18,870	778	\$ 50,310	195,544	265,542
2016			89,024	67,833	98,000	254,857

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)
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
2012	5,374,000	603,442,100	314,727,200	32,247,600	20,821,200	976,612,100	60,951,000	26,451,640	1,003,063,740	0.98	980,904,991
2013	4,934,400	601,560,500	312,497,200	32,045,600	20,626,700	971,664,400	60,675,500		971,664,400	1.04	896,065,307
2014	5,112,800	600,122,200	305,389,200	31,876,500	20,821,500	963,322,200	62,929,500		963,322,200	1.08	954,162,242
2015	4,733,000	598,696,400	294,709,900	31,388,900	20,821,500	950,349,700	62,929,500		950,349,700	1.18	945,928,214

* 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.

Source: Municipal Tax Assessor

Exhibit J-7

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		
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	0.03	0.93	0.81	0.21	1.95	
2011	0.93	0.03	0.96	0.84	0.22	2.01	
2012	0.96	0.03	0.98	0.86	0.21	2.06	
2013	1.02	0.03	1.04	0.86	0.21	2.11	
2014	1.06	0.02	1.08	0.89	0.24	2.21	
2015	1.12	0.05	1.18	0.96	0.24	2.37	

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.

Source: Municipal Tax Collector and School Business Administrator

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

Taxpayer	2016		Taxpayer	2007	
	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	3.20 %			
Verizon	24,940,711	2.59 %			
Rochelle Park Holding LLC	19,468,800	2.02 %			
395 W Passaic LLC	16,718,200	1.74 %		NOT AVAILABLE	
SAC Realty LLC	15,479,700	1.61 %			
Rte 17 Invest LLC	15,466,800	1.61 %			
Coolidge Park 17 LLC	14,875,500	1.54 %			
Rochelle Pk. Jt. Vent. (c/o Mandelbaum)	12,676,500	1.32 %			
Sims Associates (c/o S. Goldsmith)	11,370,900	1.18 %			
Sherebrooke Holding Company	10,267,700	1.07 %			
Total	\$ 172,062,011	17.86 %			

Source: Municipal Tax Assessor

Exhibit J-9

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2008	\$ 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-
2013	9,966,856	9,966,856	100.00 %	-0-
2014	10,237,089	10,237,089	100.00 %	-0-
2015	10,547,757	10,547,757	100.00 %	-0-
2016	11,272,173	11,272,173	100.00 %	-0-

This schedule does not contain ten years of information as the information for the fiscal year 2007 was not available.

^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			
2007	\$ 2,145,000	\$ -0-	\$ 2,145,000	0.58 %	\$ 363
2008	1,955,000	-0-	1,955,000	0.47 %	323
2009	1,760,000	-0-	1,760,000	0.42 %	291
2010	1,555,000	-0-	1,555,000	0.40 %	256
2011	1,345,000	-0-	1,345,000	0.37 %	243
2012	1,125,000	-0-	1,125,000	0.30 %	202
2013	895,000	-0-	895,000	0.22 %	161
2014	7,168,000	-0-	7,168,000	1.73 %	1,246
2015	6,953,000	-0-	6,953,000	1.66 %	1,230
2016	6,383,000	230,000	6,613,000	1.58 %	1,164

^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

Exhibit J-11

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General	Deductions	Net General		
	Obiligation Bonds		Bonded Debt Outstanding		
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
2013	895,000	-0-	895,000	0.09 %	161
2014	7,168,000	-0-	7,168,000	0.74 %	1,246
2015	6,953,000	-0-	6,953,000	0.72 %	1,223
2016	6,383,000	-0-	6,383,000	0.67 %	1,123

^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.

Source: School District Financial Reports

Exhibit J-12

ROCHELLE PARK SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2015
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	\$ 11,285,000	100.00 %	\$ 11,285,000
Bergen County General Obligation Debt	963,604,537	1.00 %	<u>9,636,045</u>
Subtotal, Overlapping Debt			20,921,045
Rochelle Park School District			<u>6,733,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 27,654,045</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.

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

Legal Debt Margin Calculation for Fiscal Year 2016

2015	\$ 950,349,700
2014	950,225,414
2013	946,422,970
	<u>\$ 2,846,998,084</u>
 Average Equalized Valuation of Taxable Property	 <u>\$948,999,361.33</u>
 Debt Limit (3% of Average Equalization Value) ^a	 \$ 28,469,981
Net Bonded School Debt at June 30, 2016	6,733,000
Legal Debt Margin	<u>\$ 21,736,981</u>

	Fiscal Year				
	2012	2013	2014	2015	2016
Debt Limit	\$ 30,503,516	\$ 28,943,420	\$ 29,309,875	\$ 28,644,291	\$ 28,469,981
Total Net Debt Applicable to Limit	1,125,000	895,000	7,168,000	6,953,000	6,733,000
Legal Debt Margin	<u>\$ 29,378,516</u>	<u>\$ 28,048,420</u>	<u>\$ 22,141,875</u>	<u>\$ 21,691,291</u>	<u>\$ 21,736,981</u>
 Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	 3.69 %	 3.09 %	 24.46 %	 24.27 %	 23.65 %

	Fiscal Year				
	2007	2008	2009	2010	2011
Debt Limit	\$ 29,706,721	\$ 34,263,011	\$ 34,879,558	\$ 34,025,607	\$ 34,115,608
Total Net Debt Applicable to Limit	2,145,000	1,955,000	1,760,000	1,555,000	1,345,000
Legal Debt Margin	<u>\$ 27,561,721</u>	<u>\$ 32,308,011</u>	<u>\$ 33,119,558</u>	<u>\$ 32,470,607</u>	<u>\$ 32,770,608</u>
 Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	 7.22 %	 5.71 %	 5.05 %	 4.57 %	 3.94 %

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

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

Exhibit J-14

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

Year	Population ^a	Personal Income (thousands of dollars) ^b	Bergen County Per Capita Personal Income ^c	Unemployment Rate ^d
2007	6,045	\$ 411,948,615	\$ 68,147	3.90 %
2008	6,046	414,441,208	68,548	5.10 %
2009	6,063	391,493,973	64,571	9.10 %
2010	5,536	361,362,400	65,275	9.30 %
2011	5,566	379,846,104	68,244	9.10 %
2012	5,575	397,943,500	71,380	9.30 %
2013	5,754	405,645,492	70,498	12.10 %
2014	5,655	415,846,080	73,536	5.70 %
2015	5,683	417,905,088	73,536 *	5.70 %
2016	5,683 **	417,905,088 ***	73,536 *	N/A

* - Latest Bergen County per capita personal income available (2014) was used for calculation purposes.

** - Latest population data available (2015) was used for calculation purposes.

*** - Latest available population data (2015) and latest available Bergen County per capita personal income (2014) 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

	2016			2007	
Employer	Employees	Percentage of Total Employment	Employer	Employees	Percentage of Total Employment

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 County.

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

<u>Function/Program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Instruction:										
Regular	42.0	41.0	42.0	41.0	42.0	42.0	42.0	44.0	45.0	46.0
Support Services:										
Student and Instruction Related Services	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	19.0
School Administrative Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0
General Administrative Services	2.0	2.0	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	5.0	5.0
Business and Other Support Services	2.5	2.5	2.5	3.0	3.0	3.0	3.0	3.0	3.0	
	<u>66.5</u>	<u>65.5</u>	<u>66.5</u>	<u>66.0</u>	<u>67.0</u>	<u>67.0</u>	<u>67.0</u>	<u>69.0</u>	<u>70.0</u>	<u>75.0</u>
Food Service	6.0	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	4.0	4.0	4.0	4.0
	<u>6.0</u>	<u>6.0</u>	<u>6.0</u>	<u>10.0</u>	<u>10.0</u>	<u>10.0</u>	<u>10.0</u>	<u>10.0</u>	<u>10.0</u>	<u>4.0</u>
Total	<u>72.5</u>	<u>71.5</u>	<u>72.5</u>	<u>76.0</u>	<u>77.0</u>	<u>77.0</u>	<u>77.0</u>	<u>79.0</u>	<u>80.0</u>	<u>79.0</u>

Source: District Personnel Records

ROCHELLE PARK SCHOOL DISTRICT
OPERATING STATISTICS,
LAST NINE 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 %
2013	463	10,571,316	22,832	1.01 %	47	9:6	456	435	-1.30 %	95.39 %
2014	458	11,397,000	24,884	8.99 %	48	9:5	458	437	0.44 %	95.41 %
2015	479	12,096,200	25,253	1.48 %	45	9:5	470	448	2.62 %	95.32 %
2016	497	12,157,611	24,462	-3.13 %	45	9:5	497	474	5.74 %	95.37 %

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 the information for the fiscal year 2007 is not available.

Source: Rochelle Park School District records

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>District Building</u>										
Midland School										
Square Feet	33,500	33,500	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	506	506
Enrollment	480	498	505	510	452	462	463	458	479	497
Number of Schools at June 30, 2016										
Elementary = 1										

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

Source: Rochelle Park School District Facilities Office

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

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

<u>School Facility</u>	<u>Project #</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Midland School	N/A	\$ 80,176	\$ 86,737	\$ 88,869	\$ 80,275	\$ 71,550	\$ 101,571	\$ 79,657	\$ 77,131	\$ 131,763	\$ 259,403
		<u>\$ 80,176</u>	<u>\$ 86,737</u>	<u>\$ 88,869</u>	<u>\$ 80,275</u>	<u>\$ 71,550</u>	<u>\$ 101,571</u>	<u>\$ 79,657</u>	<u>\$ 77,131</u>	<u>\$ 131,763</u>	<u>\$ 259,403</u>

* 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, 2016
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
Northeast Bergen County School Board Insurance Group (NESBIG):		
Package Policy - Selective Insurance Company		
Property	\$ 15,293,399	\$ 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)		
Per Employee (Primary)	100,000	5,000
Per Loss (Excess)	400,000	None
Boiler & Machinery		
	Property Limit	
Environmental - ACE	2,000,000	15,000
Fund Aggregate	20,000,000	
Educator's Legal Liability/ Employment Practices - Darwin	1,000,000	10,000 15,000
Commercial Umbrella - Selective	9,000,000	10,000
Excess Umbrella - Fireman's Fund Fund Aggregate	50,000,000	
Cyber Liability - XL	1,000,000	15,000
Fund Aggregate	4,000,000	
Surety Bond Coverage:		
Treasurer of School Monies	185,000	
Business Administrator	185,000	

Source: Rochelle Park School District records

SINGLE AUDIT SECTION



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 200 Valley Road, Suite 300
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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*

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, in accordance with the 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 the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), 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 "District") as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 15, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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 District's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Compliance and Other Matters

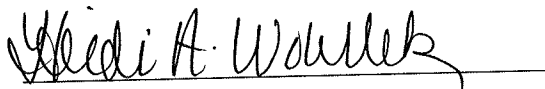
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

October 15, 2016
Mount Arlington, New Jersey

NISIVOCCIA LLP



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



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Report on Compliance For Each Major State Program;
 Report on Internal Control Over Compliance

Independent Auditors' Report

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

Report on Compliance for Each Major State Program

We have audited the Board of Education of the Rochelle Park School District's (the "District's") compliance with the types of compliance requirements described in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major state programs for the fiscal year ended June 30, 2016. The District's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 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 District'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 on compliance for each major state program. However, our audit does not provide a legal determination of the District's compliance.

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

Opinion on Each Major State Program

In our opinion, the District complied, in all material respects, with the types of compliance 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, 2016.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and NJOMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

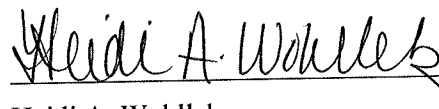
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance or NJOMB 15-08. Accordingly, this report is not suitable for any other purpose.

October 15, 2016
Mount Arlington, New Jersey

NISIVOCCIA 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, 2016

Federal Grantor Pass Through Grantor/ Program/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2015			Budgetary Expenditures	Amounts Provided to Subrecipients	Balance at June 30, 2016		
					Unearned Revenue (Accounts Receivable)	Due to Grantor	Cash Received			(Accounts Receivable)	Unearned Revenue	Due to Grantor
U.S. Department of Agriculture												
Passed-through State Department of Agriculture:												
Child Nutrition Cluster:												
National School Lunch Program	10.555	N/A	7/1/14-6/30/15	\$ 49,205	\$ (2,362)		\$ 2,362					
National School Lunch Program	10.555	N/A	7/1/15-6/30/16	45,484			37,511	\$ (45,484)		\$ (7,973)		
National School Breakfast Program	10.553	N/A	7/1/14-6/30/15	1,283	(90)		90					
National School Breakfast Program	10.553	N/A	7/1/15-6/30/16	1,684			1,250	(1,684)		(434)		
Federal Food Distribution Program	10.555	N/A	7/1/15-6/30/16	12,559			12,559	(12,559)				
Total Child Nutrition Cluster					(2,452)		53,772	(59,727)		(8,407)		
Total U.S. Department of Agriculture					(2,452)		53,772	(59,727)		(8,407)		
Total Enterprise Funds					(2,452)		53,772	(59,727)		(8,407)		
U.S. Department of Education												
Passed-through State Department of Education:												
Special Revenue Fund:												
NCLB Consolidated Grant:												
Title I	84.010A	NCLB-4470-16	7/1/15-6/30/16	58,252			55,016	(58,252)		(3,236)		
Title II - Part A	84.278A	NCLB-4470-16	7/1/15-6/30/16	9,566			9,566	(9,566)				
							64,582	(67,818)		(3,236)		
Special Education Cluster:												
IDEA Part B, Basic	84.027	IDEA-4470-16	7/1/15-6/30/16	129,477			111,774	(129,477)		(17,703)		
IDEA Part B, Preschool	84.173	IDEA-4470-16	7/1/15-6/30/16	5,163			5,163	(5,163)				
Total Special Education Cluster							116,937	(134,640)		(17,703)		
Race to the Top:												
IIS Competitive Grant (RTTT- Phase III)	84.413A	N/A	7/1/14-11/30/15	120,000			26,659	(26,659)				
Total Special Revenue Fund							208,178	(229,117)		(20,939)		
Total U.S. Department of Education							208,178	(229,117)		(20,939)		
Total Federal Financial Awards					\$ (2,452)	\$ -0-	\$ 261,950	\$ (288,844)	\$ -0-	\$ (29,346)	\$ -0-	\$ -0-

N/A - Not Available/Applicable

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

ROCHELLE PARK SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2015		Cash Received	Budgetary Expenditures	Repayment of Prior Year's Balances	Balance at June 30, 2016			Memo	
				(Accounts Receivable)	Due to Grantor				GAAP (Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary (Accounts Receivable)	Cumulative Total Expenditures
State Department of Education:													
General Fund:													
Special Education Categorical Aid	16-495-034-5120-089	7/1/15-6/30/16	\$ 366,046			\$ 348,546	\$ (366,046)					\$ (17,500)	\$ 366,046
Special Education Categorical Aid	15-495-034-5120-089	7/1/14-6/30/15	366,046	\$ (14,672)		14,672							46,303
Security Aid	16-495-034-5120-084	7/1/15-6/30/16	46,303			44,089	(46,303)					(2,214)	27,358
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	46,303	(1,856)		1,856						(1,308)	27,358
Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	27,358			26,050	(27,358)						6,430
Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	27,358	(1,096)		1,096						(307)	6,430
PARCC Readiness Aid	16-495-034-5120-098	7/1/15-6/30/16	6,430			6,123	(6,430)						6,430
PARCC Readiness Aid	15-495-034-5120-098	7/1/14-6/30/15	6,430	(258)		258							6,430
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15-6/30/16	6,430			6,123	(6,430)					(307)	6,430
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	6,430	(258)		258							149,692
Extraordinary Special Education Aid	16-495-034-5120-044	7/1/15-6/30/16	149,692				(149,692)		\$ (149,692)			(149,692)	149,692
Extraordinary Special Education Aid	15-100-034-5120-473	7/1/14-6/30/15	281,540	(281,540)		281,540							6,800
Nonpublic Transportation	16-495-034-5120-014	7/1/15-6/30/16	6,800				(6,800)		(6,800)			(6,800)	6,800
Nonpublic Transportation	15-495-034-5120-014	7/1/14-6/30/15	9,092	(9,092)		9,092							285,843
Reimbursed TPAF Social Security Contributions	16-495-034-5094-003	7/1/15-6/30/16	285,843			258,209	(285,843)		(27,634)			(27,634)	285,843
Total General Fund State Aid				(308,772)		997,912	(894,902)		(184,126)			(205,762)	894,902
Special Revenue Fund:													
Nonpublic Textbook Aid (Chapter 194)	15-100-034-5120-064	7/1/14-6/30/15			4,647			(4,647)					
Nonpublic Technology Initiative Aid	15-100-034-5120-373	7/1/14-6/30/15			2,496			(2,496)					
Nonpublic Nursing Services (Chapter 226)	15-100-034-5120-070	7/1/14-6/30/15			7,398			(7,398)					
Nonpublic Textbook Aid (Chapter 194)	16-100-034-5120-064	7/1/15-6/30/16				4,682					4,682		
Nonpublic Technology Initiative Aid	16-100-034-5120-373	7/1/15-6/30/16				2,132					2,132		
Nonpublic Nursing Services (Chapter 226)	16-100-034-5120-070	7/1/15-6/30/16				7,380					7,380		
Non Public Security Aid	16-100-034-5120-509	7/1/15-6/30/16				2,050					2,050		
Total Special Revenue Fund					14,541	16,244		(14,541)			16,244		
Debt Service Fund:													
Debt Service Aid Type II	16-495-034-5120-125	7/1/15-6/30/16	253,454			253,454	(253,454)						253,454
Total Debt Service Fund						253,454	(253,454)						253,454
Enterprise Fund:													
State School Lunch Program	15-100-010-3350-023	7/1/14-6/30/15	1,695	(88)		88							1,695
State School Lunch Program	16-100-010-3350-023	7/1/15-6/30/16	1,896			1,566	(1,896)		(330)			(330)	1,896
Total Enterprise Fund				(88)		1,654	(1,896)		(330)			(330)	3,591
Capital Projects Fund:													
Schools Development Authority:													
Educational Facilities Construction & Financing Act:													
Midland Elementary School#1- Sprinkler System Construction Services	4470-050-14-1003	7/1/13-6/30/17	122,200	(122,200)									(122,200)
Total Capital Projects Fund				(122,200)									(122,200)
Total State Financial Awards				\$ (431,060)	\$ 14,541	\$ 1,269,264	\$ (1,150,252)	\$ (14,541)	\$ (184,456)	\$ -0-	\$ 16,244	\$ (328,292)	\$ 1,151,947

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards (the "Schedules") include the federal and state grant activity of the Rochelle Park School District under programs of the federal and state governments for the fiscal year ended June 30, 2016. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *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 position 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 on the accrual basis of accounting. These bases of accounting are described in Note 1 to the District's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3. Indirect Cost Rate

The District has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 4. 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 fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last two state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes these 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 (\$3,496) for the general fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and the 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 \$291,473 and \$347,064, respectively.

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 1,529,943	\$ 1,529,943
Special Revenue Fund	\$ 229,117		229,117
Debt Service Fund		253,454	253,454
Food Service Fund	<u>59,727</u>	<u>1,896</u>	<u>61,623</u>
Total Awards	<u>\$ 288,844</u>	<u>\$ 1,785,293</u>	<u>\$ 2,074,137</u>

NOTE 5. 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 6. FEDERAL AND STATE LOANS OUTSTANDING

Rochelle Park School District had no outstanding federal or state loan balances at June 30, 2016.

NOTE 7. 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 fiscal year ended June 30, 2016. Revenue and expenditures reported under the Federal Food Distribution Program represent current year value received and current year distributions, respectively.

NOTE 8. NJ SCHOOLS DEVELOPMENT AUTHORITY (SDA) GRANTS

The District has an active grant awarded in the amount of \$122,200 from the Schools Development Authority (SDA) under the Educational Facilities Construction and Financing Act. As of June 30, 2016, the grant funds have not been expended, or drawn down or received. The District realizes grant revenue in the Capital Projects Fund on the GAAP basis as it is expended and submitted for reimbursement.

ROCHELLE PARK SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *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*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major State Program; Report on Internal Control Over Compliance*.
- The auditor's report on compliance for the major state programs for the District expresses an unmodified opinion on all major state programs.
- The District was not subject to the single audit provisions of the Uniform Guidance for the fiscal year ended June 30, 2016 as federal grant expenditures were less than the single audit threshold of \$750,000 identified in the Uniform Guidance.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District's programs tested as major state programs for the current fiscal year consisted of the following state aid:

	<u>State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
State Aid - Public:				
Special Education Categorical Aid	16-495-034-5120-089	7/1/15-6/30/16	\$ 366,046	\$ 366,046
Security Aid	16-495-034-5120-084	7/1/15-6/30/16	46,303	46,303
PARCC Readiness Aid	16-495-034-5120-098	7/1/15-6/30/16	6,430	6,430
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15-6/30/16	6,430	6,430

- The threshold used for distinguishing between Type A and Type B state programs was \$750,000.
- The District was determined to be a "low-risk" auditee for state programs.

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.

ROCHELLE PARK SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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 2 CFR 200.516(a) of the Uniform Guidance or NJOMB 15-08.

ROCHELLE PARK SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Status of Prior Year Findings:

There were no prior year audit findings.