

ROOSEVELT SCHOOL DISTRICT

Roosevelt, New Jersey
County of Monmouth

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

ROOSEVELT SCHOOL DISTRICT

ROOSEVELT, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Prepared by

Business Office – Bernard Biesiada, Business Administrator/Board Secretary

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INTRODUCTORY SECTION

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Mary Robinson Cohen, M.A., J.D.
Superintendent and Principal

November 29, 2016

Honorable President and
Members of the Board of Education
Roosevelt School District
County of Monmouth
Roosevelt, New Jersey 08555

Dear Board Members:

The comprehensive annual financial report of the Roosevelt School District ("District") for the fiscal year ending 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 Roosevelt Board of Education ("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 financial position and results of operation of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart, a roster of principal officials and a list of consultants and advisors. The financial section includes the district-wide and fund financial statements and schedules, as well as the auditor's report and the Management's Discussion and Analysis. The statistical section includes selected financial statements and schedules as well as information generally presented on a multi-year basis.

The District is required to undergo an annual single audit in conformity with the provisions of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); the New Jersey State Aid/Grant Compliance Supplement; the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

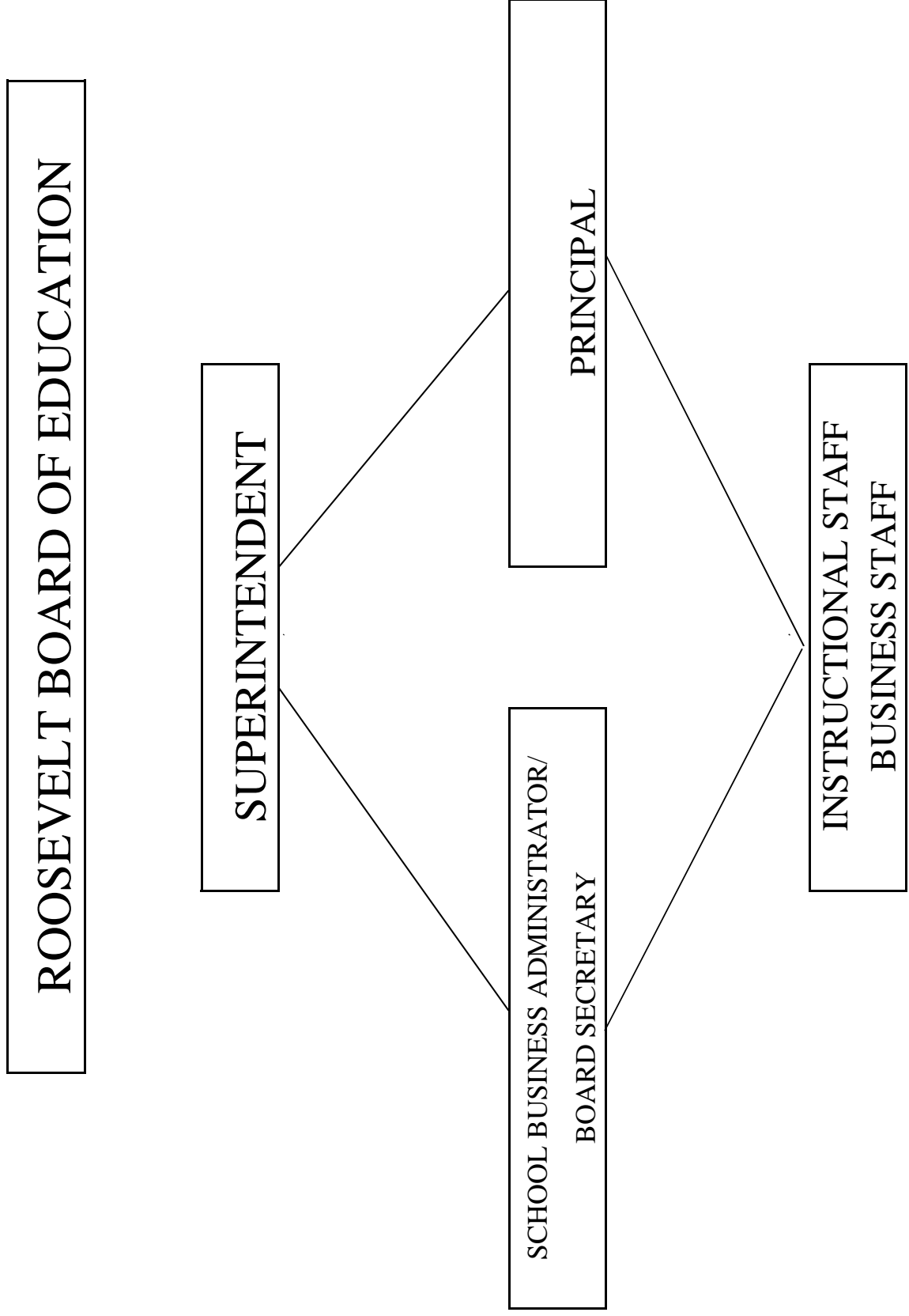
Respectfully submitted,

Mary Robinson Cohen
Superintendent of Schools

Bernard Biesiada
Business Administrator/
Board Secretary

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**ROOSEVELT BOARD OF EDUCATION
ORGANIZATIONAL CHART**



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ROOSEVELT SCHOOL DISTRICT
Roosevelt, New Jersey

ROSTER OF OFFICIALS

JUNE 30, 2016

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
Natalie Warner, President	2018
Kelly Yang, Vice President	2016
Judith Goetzmann	2016
Leo Gordon	2018
John Petrillo	2018
Kenneth LeCompte	2017
Richard Pressler	2016
Cornelia Spoor	2017
Vacant	N/A

OTHER OFFICIALS

Mrs. Mary Robinson Cohen, Superintendent of Schools/Principal

Bernard Biesiada, School Business Administrator/Board Secretary

David Rubin, Solicitor

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**ROOSEVELT SCHOOL DISTRICT
ROOSEVELT, NEW JERSEY**

CONSULTANTS AND ADVISORS

June 30, 2016

AUDITOR/AUDIT FIRM

Rodney R. Haines
Holman Frenia Allison, P. C.
680 Hooper Avenue
Building B, Suite 201
Toms River, New Jersey 08753

ATTORNEY

David Rubin, P.C.
Attorney at Law
44 Bridge Street, P.O. Box 4579
Metuchen, New Jersey 08840

OFFICIAL DEPOSITORY

TD Bank
2059 Springdale Raod
Cherry Hill, New Jersey 08003

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Roosevelt School District
County of Monmouth
Roosevelt, New Jersey 08555

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 Roosevelt School District, County of Monmouth, State of New Jersey, 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.

Auditor's 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 *Governmental 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.

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 Roosevelt School District, County of Monmouth, State of New Jersey, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the 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, budgetary comparison information and other required supplementary information schedules as listed in the table of contents 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 Roosevelt School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance is presented for purposes of additional analysis as required by New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid respectively, and is also not a required part of the basic financial statements.

The accompanying combining statements and the Schedule of Expenditures of Federal Awards and State Financial Assistance are the responsibility of management and were derived from and relates 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 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 accompanying combining statements and Schedule of Expenditures of Federal Awards and State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section listed in the table of contents have 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2016 on our consideration of the Roosevelt School 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 Roosevelt School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Rodney R. Haines
Certified Public Accountant
Public School Accountant, No. 2198

Toms River, New Jersey
November 29, 2016

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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ROOSEVELT SCHOOL DISTRICT
ROOSEVELT, NEW JERSEY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

UNAUDITED

The discussion and analysis of Roosevelt School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2016. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2016 are as follows:

- ◆ General revenues accounted for \$2,607,253 in revenue or 84% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$490,593 or 16% percent of total revenues of \$3,099,359.
- ◆ Total assets of governmental activities decreased by \$186,146, due to decreases in cash and capital assets.
- ◆ The School District had \$2,870,964 in expenses; only \$492,106 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$2,607,755 were adequate to provide for these programs.
- ◆ The General Fund had \$2,786,017 in revenues and \$2,530,228 in expenditures and transfers. The General Fund's balance increased \$255,789 over 2016.

Using this Comprehensive Annual Financial Report (CAFR)

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

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Roosevelt School District, the General Fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, “How did we do financially during 2016?” The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year’s revenues and expenses regardless of when cash is received or paid.

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

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

- ◆ **Governmental Activities** – All the School District’s programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- ◆ **Business-Type Activities** – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

Reporting the School District’s Most Significant Funds

Fund Financial Statements

The analysis of the School District’s major (all) funds is included in the 2015-16 Comprehensive Annual Financial Report as presented by the School District. Fund financial reports provide detailed information about the School District’s major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District’s most significant funds. The School District’s major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

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

Enterprise Fund

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

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District.

Table 1 provides a summary comparison of the School District's Net Position for 2015 and 2016.

	Net Position	
	<u>2016</u>	<u>2015</u>
Assets:		
Cash and Cash Equivalents	\$ 215,482	\$ 342,574
Receivables, Net	373,937	341,562
Interfund Receivable	19,907	19,299
Other Accounts Receivables	4,537	
Restricted Assets:		
Deferred Outflow of Resources	72,815	53,106
Cash and Cash Equivalents	353,592	416,707
Capital Assets, Net	1,597,949	1,651,117
Total Assets	<u>2,638,219</u>	<u>2,824,365</u>
Liabilities:		
Accounts Payable	63,655	481,912
Cash Deficit	4,131	588
Unearned Revenue	2,355	966
Pensions Payable		14,793
Deferred Inflows of Resources	35,328	21,244
Noncurrent Liabilities:		
Due Within One Year	50,870	35,188
Due Beyond One Year	841,568	858,259
Total Liabilities	<u>997,907</u>	<u>1,412,949</u>
Net Position:		
Net Investment in Capital Assets	1,051,928	1,072,154
Restricted for:		
Debt Service	1,460	1
Other Purposes	518,859	233,794
Capital Projects	61,077	58,499
Unrestricted	6,988	46,967
Total Net Position	<u>\$ 1,640,312</u>	<u>\$ 1,411,416</u>

Table 2 provides a comparison analysis of District-wide changes in Net Position from fiscal years 2015 and 2016.

Table 2

Changes in Net Position

	<u>2016</u>	<u>2015</u>
<u>Revenues</u>		
Program Revenues:		
Charges for Services	\$ 52,865	\$ 44,415
Operating Grants and Contributions	439,241	352,491
General Revenues:		
Property Taxes	1,612,369	1,591,768
Grants and Entitlements	986,579	1,309,143
Other	<u>8,807</u>	<u>61,387</u>
Total Revenues	<u>3,099,861</u>	<u>3,359,204</u>
<u>Program Expenses</u>		
Instruction	926,193	858,917
Support Services:		
Pupils and Instructional Staff	786,830	838,447
General Administration, School	92,158	98,344
Administration, Business	72,963	84,217
Operations and Maintenance of		
Facilities	166,673	121,493
Pupil Transportation	139,300	134,199
Employee Benefits	608,284	565,670
Unallocated Depreciation and Amortization	67,204	74,382
Interest on Debt	9,344	1,654
Loss on Disposal of Asset		
Food Service	<u>2,015</u>	<u>1,806</u>
Total Expenses	<u>2,870,964</u>	<u>2,779,129</u>
Increase/(Decrease) in Net Position	<u>\$ 228,897</u>	<u>\$ 580,075</u>

Governmental Activities

Property taxes made up 52 percent of revenues for governmental activities for the Roosevelt School District for fiscal year 2016. The School District's total revenues were \$3,099,861 for the fiscal year ended June 30, 2016. Federal, state and local grants accounted for another 46 percent.

The total cost of all program and services was \$2,870,964. Instruction comprises 32 percent of School District expenses.

Revenues for the School District’s business-type activities (food service program) were comprised of charges for services. The District did not participate in a child nutrition program during the year.

- ◆ Food service expenses exceeded revenues by \$502.
- ◆ Charges for services represent \$1,513 of revenue. This represents amount paid by patrons for daily food services.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the School District’s taxpayers by each of these functions.

Table 3

	Governmental Activities			
	2016		2015	
	Total Cost of <u>Services</u>	Net Cost of <u>Services</u>	Total Cost of <u>Services</u>	Net Cost of <u>Services</u>
Instruction	\$ 926,193	\$ 816,919	\$ 858,917	\$ 806,473
Support Services:				
Pupils & Instructional Staff	786,830	786,830	838,447	838,447
General Administration, School Administration, Business Operations and Maintenance of Facilities	331,794	331,794	304,054	304,054
Pupil Transportation	139,300	139,300	134,199	134,199
Employee Benefits	608,284	226,965	565,670	222,616
Unallocated Depreciation and Amortization	67,204	67,204	74,382	74,382
Interest and Other Fiscal Charges	9,344	9,344	1,654	1,654
Total Expenses	<u>\$ 2,868,949</u>	<u>\$ 2,378,356</u>	<u>\$ 2,777,323</u>	<u>\$ 2,381,825</u>

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

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

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

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

Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public. Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Extracurricular activities include expenses related to student activities provided by the School District which are designed to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District.

Other includes unallocated depreciation and amortization.

The School District's Funds

Information about the School District's major funds is included in the 2015-16 Comprehensive Annual Financial Report as presented by the School District. These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., General Fund, Special Revenue Fund, Capital Projects and Debt Service Fund presented in the fund-based statements) had total revenues and of \$2,893,747 and expenditures of \$2,629,790. The net positive/(negative) change in fund balance for the year was \$263,957, with the most significant account for in the General Fund at an increase of \$255,789.

As demonstrated by the various statements and schedules included in the financial section of this report, the School District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the revenues of the governmental funds (excluding capital projects) for the fiscal year ended June 30, 2016, and the amount and percentage of increases and decreases in relation to prior-year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) From 2014/2015</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$ 1,669,917	57.76%	\$ (26,246)	-1.61%
State Sources	1,163,297	40.24%	(292,512)	-33.15%
Federal Sources	<u>57,922</u>	<u>2.00%</u>	<u>48,485</u>	<u>114.91%</u>
Total	<u>\$ 2,891,136</u>	<u>100.00%</u>	<u>\$ (270,272)</u>	<u>-10.56%</u>

The decrease in Local Sources is attributed to a one-time Insurance refund in 2014-2015 revenue.

The decrease in State Sources is due to 2014-2015 Capital Project one-time revenue.

The increase in Federal Sources is due to an increase in grant funding rollover in prior years.

The following schedule presents a summary of General Fund, Special Revenue Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2016.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) From 2012/13</u>	<u>Percent Increase/ (Decrease)</u>
Current:				
Instruction	\$ 926,193	35.23%	\$ 67,276	8.01%
Undistributed Expenditures	1,644,237	62.54%	(24,461)	-1.33%
Capital Outlay	22,833	0.87%	(807,667)	-1286.96%
Debt Service:				
Principal	30,000	1.14%	30,000	40.00%
Interest	<u>6,025</u>	<u>0.23%</u>	<u>6,025</u>	<u>91.51%</u>
Total	<u>\$ 2,629,288</u>	<u>100.00%</u>	<u>\$ (728,828)</u>	<u>-25.77%</u>

The increase in Current - Instruction is attributed to an increase of staffing.

The decrease in Current - Undistributed Expenditures is attributed to a shared service agreement with Millstone Township School District for business and grounds oversight.

The decrease in Capital Outlay is attributed to the three Capital projects done in FY 2015.

General Fund Budgeting Highlights

The School District's budget is prepared per New Jersey law, and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting. The most significant budgeted fund is the General Fund.

During the fiscal year 2016, the School District amended its General Fund budget as needed. The School District uses program-based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

- ◆ Staffing changes based on student needs.
- ◆ Additional costs for student transportation both in regular education and special education.
- ◆ Accounting changes in maintenance and operations.
- ◆ Changes in appropriations to prevent budget overruns.

While the School District's final budget for the General Fund anticipated that revenues and expenditures would roughly equal, the actual results for the year show a \$255,789 increase in surplus funds for a total unrestricted fund balance (GAAP) of \$152,748 at June 30, 2016.

Capital Assets

At the end of the fiscal year 2016, the School District had \$1,597,949 invested in land, buildings, and machinery and equipment.

Table 4

Capital Assets (Net of Depreciation) at June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Land	\$ 57,843	\$ 57,843
Construction in progress	-	824,530
Site Improvements	98,583	29,110
Buidling and Improvements	1,413,173	697,988
Machinery and Equipment	<u>28,350</u>	<u>41,646</u>
Total	<u>\$ 1,597,949</u>	<u>\$ 1,651,117</u>

For the Future

The Roosevelt Public School District is committed to providing an excellent academic program in a safe, well-maintained building and grounds. The future areas that need to be addressed are:

- Capital project Asbestos Abatement project.
- The area of technology will continue to be explored to meet the needs of students needs as well as projected standardized assessment via the internet.
- Declining enrollment.

These areas will be consistently considered as the district proceeds for optimal education with upgrades to the building and grounds when appropriate and fiscally possible.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, please contact the School Business Administrator/Board Secretary at Roosevelt Board of Education, School Lane, PO Box 160, Roosevelt, NJ 08555.

BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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ROOSEVELT SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2016

	<u>Governmental</u> <u>Activities</u>	<u>Business -Type</u> <u>Activities</u>	<u>June 30,</u> <u>2016</u>
Assets:			
Cash and Cash Equivalents	\$ 215,482	\$ -	\$ 215,482
Receivables, Net	373,937	-	373,937
Interfund Receivable	19,907	-	19,907
Other Accounts Receivables	4,537	-	4,537
Restricted Assets:			
Cash and Cash Equivalents	353,592	-	353,592
Capital Assets, Net (Note 5)	1,597,949	-	1,597,949
Total Assets	2,565,404	-	2,565,404
Deferred Outflows of Resources:			
Deferred Outflows Related to Pensions	72,815	-	72,815
Total Deferred Outflow of Resources	72,815	-	72,815
Total Assets and Deferred Outflow of Resources	2,638,219	-	2,638,219
Liabilities:			
Accounts Payable	63,655	-	63,655
Accrued Interest Payable	4,131	-	4,131
Unearned Revenue	2,355	-	2,355
Noncurrent Liabilities (Note 6):			
Due Within One Year	50,870	-	50,870
Due Beyond One Year	841,568	-	841,568
Total Liabilities	962,579	-	962,579
Deferred Inflows of Resources:			
Deferred Inflows Related to Pensions	35,328	-	35,328
Total Deferred Inflow of Resources	35,328	-	35,328
Total Liabilities and Deferred Inflow of Resource	997,907	-	997,907
Net Position:			
Net Investment in Capital Assets	1,051,928	-	1,051,928
Restricted for:			
Debt Service	1,460	-	1,460
Capital Projects	61,077	-	61,077
Other Purposes	518,859	-	518,859
Unrestricted	6,988	-	6,988
Total Net Position	\$ 1,640,312	\$ -	\$ 1,640,312

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

**ROOSEVELT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total June 30, 2016
GOVERNMENTAL ACTIVITIES						
Instruction:						
Regular	\$ 809,720	\$ 51,352	\$ 57,922	\$ (700,446)	\$ -	\$ (700,446)
Special Education	108,650	-	-	(108,650)	-	(108,650)
Other Instruction	7,823	-	-	(7,823)	-	(7,823)
Support Services:						
Tuition	541,371	-	-	(541,371)	-	(541,371)
Student and Instruction Related Services	245,459	-	-	(245,459)	-	(245,459)
General Administrative Services	74,228	-	-	(74,228)	-	(74,228)
School Administrative Services	17,930	-	-	(17,930)	-	(17,930)
Central Services	72,813	-	-	(72,813)	-	(72,813)
Plant Operations and Maintenance	166,673	-	-	(166,673)	-	(166,673)
Pupil Transportation	139,300	-	-	(139,300)	-	(139,300)
Employee Benefits	608,284	-	381,319	(226,965)	-	(226,965)
Long-Term Debt Expense	9,344	-	-	(9,344)	-	(9,344)
Unallocated Depreciation and Amortization	67,204	-	-	(67,204)	-	(67,204)
Total Government Activities	2,868,949	51,352	439,241	(2,378,356)	-	(2,378,356)
BUSINESS-TYPE ACTIVITIES						
Food Service	2,015	1,513	-	-	(502)	(502)
Total Business-Type Activities	2,015	1,513	-	-	(502)	(502)
Total Primary Government	\$ 2,870,964	\$ 52,865	\$ 439,241	\$ (2,378,356)	\$ (502)	\$ (2,378,858)
GENERAL REVENUES						
Property Taxes Levied for:						
General Purposes				\$ 1,570,984	\$ -	\$ 1,570,984
Debt Service				41,385	-	41,385
Transfers (to)/from Other Funds				(502)	502	-
Federal and State Aid Not Restricted				986,579	-	986,579
Miscellaneous Income				8,807	-	8,807
Total General Revenues				2,607,253	502	2,607,755
Change in Net Position				228,897	-	228,897
Net Position - Beginning				1,411,415	-	1,411,415
Net Position - Ending				\$ 1,640,312	\$ -	\$ 1,640,312

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

B. Fund Financial Statements

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Governmental Funds

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**ROOSEVELT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	June 30, 2016
Assets:					
Cash and Cash Equivalents	\$ 464,479	\$ -	\$ -	\$ 5,361	\$ 469,840
Due From Other Funds	64,708	-	-	230	64,938
Intergovernmental Receivables	4,100	34,410	335,427	-	373,937
Other Accounts Receivables	4,537	-	-	-	4,537
Restricted Cash	353,592	-	-	-	353,592
Total Assets	891,416	34,410	335,427	5,591	1,266,844
Liabilities and Fund Balances:					
Liabilities:					
Cash Deficit	-	9,466	244,892	-	254,358
Interfunds Payable	-	22,589	22,442	-	45,031
Accounts Payable	56,639	-	7,016	-	63,655
Unearned Revenue	-	2,355	-	-	2,355
Total Liabilities	56,639	34,410	274,350	-	365,399
Fund Balances:					
Restricted:					
Excess Surplus	58,067	-	-	-	58,067
Excess Surplus Designated for Subsequent Year's Expenditures	131,130	-	-	-	131,130
Capital Reserve	301,027	-	-	-	301,027
Maintenance Reserve	32,565	-	-	-	32,565
Tuition Reserve	54,137	-	-	-	54,137
Debt Service	-	-	-	5,591	5,591
Assigned:					
Other Purpose - Year-end Encumbrances Designated for Subsequent Year's Expenditures	104,755	-	-	-	104,755
Capital Projects Fund	-	-	61,077	-	61,077
Unassigned	152,748	-	-	-	152,748
Total Fund Balances	834,777	-	61,077	5,591	901,445
Total Liabilities and Fund Balances	\$ 891,416	\$ 34,410	\$ 335,427	\$ 5,591	

Amounts reported for *governmental activities* in the statement of Net Position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The cost of the assets is \$2,730,990 and the accumulated depreciation is \$1,133,041 (Note 5).	\$ 1,597,949
Deferred outflows and inflows of resources related to pensions and deferred charges and/or credits on debt refundings are applicable to future reporting periods and, therefore, are not reported in the funds.	37,487
Long-term liabilities, including net pension liability, bonds payable, compensated absences payable, bond premium, other post employment benefits and capital leases payable are not due and payable in the current period and, therefore, are not reported as a liability in the funds.	(892,438)
Accrued interest payable is not recorded in the fund financial statements due to the fact that the payables are not due in the period.	(4,131)
Net Position of Governmental Activities	\$ 1,640,312

ROOSEVELT SCHOOL DISTRICT
STATEMENT OF REVENUES, 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
Revenues:					
Local Sources:					
Local Tax Levy	\$ 1,570,984	\$ -	\$ -	\$ 41,385	\$ 1,612,369
Tuition Charges	51,352	-	-	-	51,352
Miscellaneous	5,999	-	197	-	6,196
Total - Local Sources	1,628,335	-	197	41,385	1,669,917
State Sources	1,157,682	-	5,615	-	1,163,297
Federal Sources	-	57,922	-	-	57,922
Total Revenues	2,786,017	57,922	5,812	41,385	2,891,136
Expenditures:					
Current:					
Regular Instruction	752,218	57,502	-	-	809,720
Special Education Instruction	108,650	-	-	-	108,650
Other Instruction	7,823	-	-	-	7,823
Support Services and Undistributed Costs:					
Tuition	541,371	-	-	-	541,371
Student and Instruction Related Services	245,039	420	-	-	245,459
General Administration	74,228	-	-	-	74,228
School Administrative Services	17,930	-	-	-	17,930
Central Services	72,813	-	-	-	72,813
Administrative Information Technology	150	-	-	-	150
Plant Operations and Maintenance	163,395	-	-	-	163,395
Pupil Transportation	139,300	-	-	-	139,300
Employee Benefits	389,591	-	-	-	389,591
Debt Service:					
Principal	-	-	-	30,000	30,000
Interest and Other Charges	-	-	-	6,025	6,025
Capital Outlay	8,797	-	14,036	-	22,833
Total Expenditures	2,521,305	57,922	14,036	36,025	2,629,288
Other Financing Sources/(Uses):					
Refund of Prior Year's Expenditures	-	-	2,611	-	2,611
Transfer From General Fund	-	-	8,421	-	8,421
Transfer To Capital Projects	(8,421)	-	-	-	(8,421)
Transfer From Capital Projects	-	-	-	230	230
Transfer To Debt Service Fund	-	-	(230)	-	(230)
Transfer To Food Services - Board Contribution	(502)	-	-	-	(502)
Total Other Financing Sources/(Uses)	(8,923)	-	10,802	230	2,109
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	255,789	-	2,578	5,590	263,957
Fund Balance - July 1	578,988	-	58,499	1	637,488
Fund Balance - June 30	\$ 834,777	\$ -	\$ 61,077	\$ 5,591	\$ 901,445

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

ROOSEVELT 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) \$ 263,957

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, on the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current fiscal year.

Depreciation Expense	(67,204)	
Capital Outlay	14,036	
		(53,168)

District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

Pension Expense - PERS Contribution - 2016	14,793	
Unfunded TPAF Pension Expense	(204,601)	
State Share of Unfunded TPAF Pension Expense	204,601	
Pension Expense	(24,153)	
		(9,360)

In the Statement of Activities, certain operating expenses, e.g., compensated absences (vacation and sick pay) 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.

Current Year	(21,242)	
Prior Year	16,510	
		(4,732)

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. 30,000

Repayment of capital leases 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. 5,519

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. The decrease in accrued interest over the previous year is an increase in the reconciliation.

Current Year	(4,131)	
Prior Year	812	
		(3,319)

Change in Net Position of Governmental Activities \$ 228,897

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Proprietary Funds

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ROOSEVELT SCHOOL DISTRICT
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2016

	Business-Type Activities - <u>Enterprise Funds</u>	June 30, <u>2016</u>
Assets:		
Current Assets:		
Cash and Cash Equivalents	\$ -	\$ -
Interfund Receivable	-	-
	<hr/>	<hr/>
Total Assets	<u>\$ -</u>	<u>\$ -</u>
Liabilities:		
Current Liabilities:		
Cash Deficit	\$ -	\$ -
Accounts Payable	-	-
	<hr/>	<hr/>
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>
Net Position:		
Unrestricted	<u>\$ -</u>	<u>\$ -</u>
Total Net Position	<u>\$ -</u>	<u>\$ -</u>

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

ROOSEVELT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Business-Type Activities - <u>Enterprise Funds</u> <u>Food Service</u>	June 30, <u>2016</u>
Operating Revenues:		
Charges for Services:		
Daily Sales - Non-Reimbursable Programs	\$ 1,513	\$ 1,513
	<hr/>	<hr/>
Total Operating Revenues	1,513	1,513
	<hr/>	<hr/>
Operating Expenses:		
Cost of Sales	2,015	2,015
	<hr/>	<hr/>
Total Operating Expenses	2,015	2,015
	<hr/>	<hr/>
Operating Loss	(502)	(502)
	<hr/>	<hr/>
Nonoperating Revenues:		
Other Sources/(Uses):		
Board Contribution	502	502
	<hr/>	<hr/>
Total Nonoperating Revenues	502	502
	<hr/>	<hr/>
Change in Net Position	-	-
	<hr/>	<hr/>
Total Net Position - Beginning	-	-
	<hr/>	<hr/>
Total Net Position - Ending	\$ -	\$ -
	<hr/> <hr/>	<hr/> <hr/>

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

**ROOSEVELT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Business-Type Activities - <u>Enterprise Funds</u> <u>Food Service</u>	June 30, <u>2016</u>
Cash Flows From Operating Activities:		
Receipts From Customers	\$ 1,513	\$ 1,513
Payments To Suppliers	(2,113)	(2,113)
Net Cash Used For Operating Activities	(600)	(600)
Cash Flows From Noncapital Financing Activities:		
Transfer from General Fund	686	686
Board Contribution	502	502
Net Cash Provided By Noncapital Financing Activities	1,188	1,188
Net Decrease in Cash and Cash Equivalents	588	588
Balance - Beginning of Year	(588)	(588)
Balance - End of Year	\$ -	\$ -
Reconciliation of Operating Loss To Net Cash Used for Operating Activities:		
Operating (Loss)	\$ (502)	\$ (502)
Adjustments to Reconcile Operating Loss to Cash Provided/(Used) by Operating Activities:		
Increase/(Decrease) in Accounts Payable	(98)	(98)
Net Cash Used for Operating Activities	\$ (600)	\$ (600)

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

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Fiduciary Fund

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ROOSEVELT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2016

	Agency Fund	June 30, 2016
Assets:		
Cash and Cash Equivalents	\$ 34,223	\$ 34,223
Total Assets	<u>\$ 34,223</u>	<u>\$ 34,223</u>
Liabilities:		
Payable To Student Groups	\$ 10,270	\$ 10,270
Payroll Deductions and Withholdings	3,058	3,058
Interfunds Payable	19,907	19,907
Reserve for Flexible Spending	988	988
Total Liabilities	<u>\$ 34,223</u>	<u>\$ 34,223</u>
Total Liabilities and Net Position	<u>\$ 34,223</u>	<u>\$ 34,223</u>

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

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ROOSEVELT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2016

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ROOSEVELT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

Note 1. Summary of Significant Accounting Policies

The financial statements of the Roosevelt School District (the ‘District’) have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of more significant accounting policies.

Reporting Entity

The Roosevelt School District is a Type II district located in the County of Monmouth, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members appointed to three-year terms. These terms are staggered so that three members’ terms expire each year. The District provides a full range of educational services appropriate to grade levels PreK through 6. These include regular, vocational, as well as special education for handicapped youngsters. The Roosevelt School District has an approximate enrollment at June 30, 2016 of 53 students.

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

- ◆ the organization is legally separate (can sue or be sued in their own name);
- ◆ the District holds the corporate powers of the organization;
- ◆ the District appoints a voting majority of the organization’s board
- ◆ the District is able to impose its will on the organization;
- ◆ the organization has the potential to impose a financial benefit/burden on the District
- ◆ there is a fiscal dependency by the organization on the District.

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

Component Units

GASB Statement No.14, The Financial Reporting Entity, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, Determining Whether Certain Organizations are Component Units and GASB Statement No. 61, The Financial Reporting Entity: Omnis - an amendment of GASB Statements No. 14 and No. 34. The District had no component units for the year ended June 30, 2016.

Government-Wide Financial Statements

The District’s Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the District accompanied by a total column. Fiduciary activities of the District are not included in these statements.

ROOSEVELT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED JUNE 30, 2016

Note 1: Summary of Significant Accounting Policies (continued):

These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the District’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule (Exhibit B-3) is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The District has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The District’s deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District, are property tax and intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated. A column representing internal service funds is also presented in these statements. However, internal service funds balances and activities have been combined with the governmental activities in the Government-Wide financial statements.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and

ROOSEVELT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED JUNE 30, 2016

Note 1: Summary of Significant Accounting Policies (continued):

decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position. The District's fiduciary funds are Agency Funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency funds are accounted for on a spending or "economic resources" measurement focus and the accrual basis of accounting as are the proprietary funds explained above.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column of the government wide statements incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the District's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. However, data from the fiduciary funds is not incorporated in the government-wide financial statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

ROOSEVELT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED JUNE 30, 2016

Note 1: Summary of Significant Accounting Policies (continued):

Property taxes, charges for services, licenses, and interest on notes receivable associated with the current fiscal period are all considered to be susceptible to accrual and accordingly have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available when cash is received.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Food Service Fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, employee salaries and benefits, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Internal service funds are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component unit. Although internal service funds are reported as a proprietary fund in the fund financial statements, it is incorporated into governmental activities in the government-wide financial statements. The District does not maintain any internal service funds.

The District reports the following major governmental funds:

General Fund - The general fund is the general operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay sub-fund.

As required by the New Jersey Department of Education the District includes budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state 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 revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, interest earnings and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

ROOSEVELT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED JUNE 30, 2016

Note 1: Summary of Significant Accounting Policies (continued):

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

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

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

The District reports the following major proprietary funds:

Food Service Fund – This fund accounts for the revenues and expenses pertaining to the District's cafeteria operations.

Additionally, the District reports the following major fiduciary funds:

Agency Funds - Agency funds are assets held by a governmental entity (either as trustee or as an agent) for other parties that cannot be used to finance the governmental entity's own operating programs. The district currently maintains Payroll funds and Student Activity Funds as Agency Funds.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected

ROOSEVELT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED JUNE 30, 2016

Note 1: Summary of Significant Accounting Policies (continued):

at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11.

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

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

The budget, as detailed on Exhibit C-1, Exhibit C-2, and Exhibit I-3, includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the General Fund Budgetary Comparison Schedules and the Special Revenue Fund Budgetary Comparison Schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

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 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 a reduction of the accounts receivables or 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.

ROOSEVELT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED JUNE 30, 2016

Note 1: Summary of Significant Accounting Policies (continued):

Cash and Cash Equivalents

Cash and Cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost.

New Jersey School Districts are limited as to the types of investments and types of financial institutions they may invest in. *N.J.S.18A:20-37* provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from 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 public 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 at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

Tuition Payable/Receivable

Tuition rates for the fiscal year end June 30, 2016 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

Inventories

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

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. The amounts are eliminated in the governmental and business-type activities, which are presented as Internal Balances. Balances with fiduciary funds are not considered Internal Balances; therefore those balances are reported on the Statement of Net Position.

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or

ROOSEVELT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED JUNE 30, 2016

Note 1: Summary of Significant Accounting Policies (continued):

estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation. The District has established a threshold of \$2,000 for capitalization of depreciable assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the District are depreciated or amortized using the straight-line method over the following estimated lives:

Buildings & Improvements	10-50 years
Equipment	12 years
Light Trucks & Vehicles	4 years
Heavy Trucks & Vehicles	6 years

Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

In the Government-Wide financial statements, under governmental activities, compensated absences are reported as an expenditure and noncurrent liabilities.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measureable and the District is eligible to realize the revenue.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, government fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources.

ROOSEVELT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED JUNE 30, 2016

Note 1: Summary of Significant Accounting Policies (continued):

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumption that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fund Balance

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies governmental fund balances as follows:

- Non-spendable – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2016.
- Assigned – This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the District's policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the District's policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

ROOSEVELT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED JUNE 30, 2016

Note 1: Summary of Significant Accounting Policies (continued):

Net Position

Net position, represents the difference between summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified in the following three components:

- Net Investment in Capital Assets – This components represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.
- Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

For the year ended June 30, 2016, the District implemented GASB Statement No. 72, *Fair Value Measurement and Application*. As a result of implementing this statement, the District is required to measure certain investments at fair value for financial reporting purposes. In addition, the District is required to measure donated capital assets at acquisition value (an entry price); these assets were previously required to be measured at fair value. Statement No. 72 requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. Implementation of this Statement did not have a significant impact on the District's financial statements.

The District implemented GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Implementation of this Statement did not impact the District's financial statements.

The District implemented GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. Implementation of this Statement did not impact the District's financial statements.

Recently Issued and Adopted Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future fiscal years as shown below:

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing

ROOSEVELT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED JUNE 30, 2016

Note 1: Summary of Significant Accounting Policies (continued):

accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*. This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agency Employers and Agent Multi-Employer Plans*, for OPEB Statement No. 74, *Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB Plans. This Statement will be effective for the year ended June 30, 2018. Management has not yet determined the potential impact on the District's financial statements.

Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose information about those agreements. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. This Statement will be effective for the year ended June 30, 2017. Management does not expect this Statement to impact the District's financial statements.

Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. This Statement will be effective for the year ended June 30, 2018. Management does not expect this Statement to impact the District's financial statements.

Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement will be effective for the year ended June 30, 2018. Management does not expect this Statement to impact the District's financial statements.

Statement No. 82, *Pension Issues - an amendment of GASB Statements No. 67, 68 and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements

ROOSEVELT SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2016**

Note 1: Summary of Significant Accounting Policies (continued):

No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement will be effective for the year ended June 30, 2018. Management has not yet determined the potential impact on the District's financial statements.

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time.

Subsequent Events

The District has evaluated subsequent events occurring after June 30, 2016 through the date of November 17, 2016, which is the date the financial statements were available to be issued.

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 pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 2. Cash and Cash Equivalents

The District is governed by the deposit and investment limitations of New Jersey state law. The cash and cash equivalents held at June 30, 2016, are reported at carrying value as follows:

ROOSEVELT SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2016**

Note 2. Cash and Cash Equivalents (continued)

Type	Carrying Value
Deposits	
Demand Deposits	\$ 603,297
Total Deposits	<u>\$ 603,297</u>
 The District's Cash and Cash Equivalents are Reported as Follows:	
Government Activities	\$ 569,074
Fiduciary Funds	<u>34,223</u>
Total Cash and Cash Equivalents	<u>\$ 603,297</u>

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board’s deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local governmental agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA.

However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity funds or funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2016, the District’s bank balance of \$652,881 was exposed to custodial credit risk as follows:

Insured Under FDIC	\$ 250,000
Collateralized in the District’s Name Under GUDPA (See Note 1-I)	<u>402,881</u>
Total	<u>\$ 652,881</u>

Note 3. Reserve Accounts

A. Capital Reserve Account

A capital reserve account was established by the Roosevelt School District by inclusion of \$30,000 on September 28, 2000, 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.

ROOSEVELT SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2016**

Note 3. Reserve Accounts (continued)

A. Capital Reserve Account (continued)

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriated 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-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP

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

Beginning Balance, July 1, 2015	\$	201,027
Increased By:		
Board Resolution, June 30, 2016		100,000
Ending Balance, June 30, 2016	\$	<u>301,027</u>

B. Maintenance Reserve Account

A Maintenance Reserve Account was established by the Roosevelt School District for the accumulation of funds for use as maintenance expenditures in subsequent fiscal years. The Maintenance Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget.

The maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A.18A:7G-9) as amended by P.L. 2004, c. 73 (S1701). Districts may only increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes (N.J.A.C. 6A:23A-14.2) or by deposit of any unanticipated revenue or unexpended line-item appropriation by board resolution at year end. The board resolution for deposit at year end into a maintenance reserve account must be made between June 1 and June 30 of the budget year (N.J.S.A 18A:7F-41, N.J.A.C. 6A:23A-14.3). EFCFA requires that upon District completion of a school facilities project, the district must submit a plan for the maintenance of that facility.

There was no activity in the Maintenance Reserve Account during the year ended June 30, 2016. The June 30, 2016 balance is \$32,565.

C. 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 reserved and budgeted for tax relief. The District's tuition reserve account balance of \$54,137 as of June 30, 2016 is comprised of \$54,137

ROOSEVELT SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2016**

Note 3. Reserve Accounts (continued)

A. Tuition Reserve Account (continued)

established during 2015/2016 which will be used to pay for any tuition adjustments for the fiscal year ending June 30, 2017.

Note 4. Accounts Receivable

Accounts receivable at June 30, 2016 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
State Aid	\$ 4,100	\$ -	\$ 335,427	\$ 339,527
Federal Aid	-	34,410	-	34,410
Other	4,537	-	-	4,537
	<hr/>			
Total	<u>\$ 8,637</u>	<u>\$ 34,410</u>	<u>\$ 335,427</u>	<u>\$ 378,474</u>

Note 5. Capital Assets

The schedule below is a summarization of the capital assets by source for the fiscal year ended June 30, 2016.

ROOSEVELT SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2016**

Note 5. Capital Assets (continued)

	June 30, 2015	Additions	Deletions	Adjustments	June 30, 2016
Governmental Activities:					
Capital assets that are not being depreciated:					
Land	\$ 57,843	\$ -	\$ -	\$ -	\$ 57,843
Construction in progress	824,530	14,036	(838,566)	-	-
Total capital assets not being depreciated	882,373	14,036	(838,566)	-	57,843
Site improvements	80,201	73,965	-	-	154,166
Buildings and improvements	1,379,194	764,601	-	-	2,143,795
Machinery and equipment	375,186	-	-	-	375,186
Subtotal	1,834,581	838,566	-	-	2,673,147
Less: accumulated depreciation					
Site improvements	(51,091)	(4,492)	-	-	(55,583)
Buildings and improvements	(681,206)	(49,416)	-	-	(730,622)
Machinery and equipment	(333,540)	(13,296)	-	-	(346,836)
Total accumulated depreciation	(1,065,837)	(67,204)	-	-	(1,133,041)
Total capital assets being depreciated, net	768,744	771,362	-	-	1,540,106
Governmental activities capital assets, net	\$ 1,651,117	\$ 785,398	\$ (838,566)	\$ -	\$ 1,597,949

Note 6. Long-Term Obligations

A. Long-Term Obligation Activity

During the fiscal year ended June 30, 2016 the following changes occurred in liabilities reported in the long-term obligations:

	June 30, 2015	Accrued/ Increases	Retired/ Decreases	June 30, 2016	Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 506,000	\$ -	\$ (30,000)	\$ 476,000	\$ 45,000
Compensated Absences	16,510	4,732	-	21,242	-
Capital Lease Payable	14,463	-	(5,519)	8,944	5,870
Net Pension Liability	356,474	29,778	-	386,252	-
Total	\$ 893,447	\$ 34,510	\$ (35,519)	\$ 892,438	\$ 50,870

ROOSEVELT SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2016**

Note 6. Long-Term Obligations (continued)

B. Bonds Payable

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

The District's serial bonds are summarized as follows:

\$506,000 1.88% Interest Rate School Bonds issued June 1, 2015, installment maturities to January 15, 2025	<u>\$476,000</u>
Total	<u>\$476,000</u>

The bonds mature serially in installments to the year 2025. Aggregate debt service requirements during the next five fiscal years and thereafter are as follows:

Year Ending	Principal	Interest	Total
June 30			
2017	\$ 45,000	\$ 8,949	\$ 53,949
2018	45,000	8,103	53,103
2019	50,000	7,257	57,257
2020	50,000	6,317	56,317
2021	55,000	5,377	60,377
2022-25	<u>231,000</u>	<u>11,036</u>	<u>242,036</u>
Total	<u>\$ 476,000</u>	<u>\$ 47,039</u>	<u>\$ 523,039</u>

C. Bonds Authorized But Not Issued

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

D. Capital Leases

The District is obligated under certain leases accounted for as capital leases. The leased assets and related obligations are accounted for in the General Fixed Assets and the General Long-Term Funds, respectively. Assets under capital leases total \$9,390. The following is a schedule of future minimum lease payments under capital leases as of June 30, 2016:

Year-ending June 30,	Amount
2017	\$ 6,260
2018	<u>3,130</u>
Total Minimum Lease Payments	9,390
Less: Amount Representing Interest	<u>(446)</u>
Present Value of Lease Payments	<u>\$ 8,944</u>

ROOSEVELT SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2016**

Note 6. Long-Term Obligations (continued)

E. Compensated Absences

Compensated Absences will be paid from the fund from which the employees' salaries are paid.

Note 7. Interfund Receivables, Payables and Transfers

The following interfund balances remained on the balance sheet at June 30, 2016:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 64,708	\$ -
Special Revenue Fund	-	22,589
Capital Projects Fund	-	22,442
Debt Service Fund	230	-
Payroll Trust Fund	-	19,907
Total	\$ 64,938	\$ 64,938

The purpose of interfunds are short-term borrowings.

The summary of interfund transfers follows:

Fund	Transfers In	Transfers Out
General Fund	\$ -	\$ 8,923
Capital Projects Fund	8,421	230
Debt Service Fund	230.00	-
Food Service Fund	502	-
	\$ 9,153	\$ 9,153

The purpose of interfund transfers were for the liquidation of prior year interfund receivables and payables and for payments made on behalf of other funds.

Note 8: Pension Obligations

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 PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

ROOSEVELT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED JUNE 30, 2016

Note 8: Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

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:

<u>Tier</u>	<u>Definition</u>
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 tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, 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 member 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 55 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.

Basis of Presentation - The schedules of employer allocations and the schedules of pension amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. 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 includes 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 2014 and 2013, the State's pension contribution was less than the actuarial determined amount. 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

ROOSEVELT SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2016**

Note 8: Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

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.

Three-Year Trend Information for PERS

<u>Year Funding</u>	<u>Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2016	\$ 14,793	100%	\$ 386,252
6/30/2015	\$ 15,696	100%	\$ 356,474
6/30/2014	\$ 13,081	100%	\$ 331,799

Components of Net Pension Liability - At June 30, 2016, the District reported a liability of \$386,252 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2014, to the measurement date of June 30, 2015. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The District's proportion measured as of June 30, 2015, was 0.00172% percent, which was a decrease of 0.00018% from its proportion measured as of June 30, 2014.

Balances at June 30, 2016 and June 30, 2015

	<u>6/30/2016</u>	<u>6/30/2015</u>
Actuarial valuation date (including roll forward)	June 30, 2015	June 30, 2014
Deferred Outflows of Resources	\$ 72,815	\$ 54,009
Deferred Inflows of Resources	\$ 35,328	\$ 21,244
Net Pension Liability	\$ 386,252	\$ 356,474
District's portion of the Plan's total net pension Liability	0.00172%	0.00190%

Pension Expense and Deferred Outflows/Inflows of Resources - For the year ended June 30, 2016, the District recognized pension expense of \$24,153. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

ROOSEVELT SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2016**

Note 8: Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
Changes of assumptions	\$	41,480	\$	-
Net difference between expected and actual experience		9,215		-
Net difference between projected and actual earnings on pension plan investments		-		6,210
Changes in proportion and differences between District contributions and proportionate share of contributions		22,120		29,118
Total	\$	<u>72,815</u>	\$	<u>35,328</u>

The \$22,120 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30:</u>	<u>PERS</u>
2017	\$ 6,778
2018	6,778
2019	6,778
2020	12,089
2021	5,063
Thereafter	-

Actuarial Assumptions - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

ROOSEVELT SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2016**

Note 8: Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

	<u>PERS</u>
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
Interest rate	7.90%
Salary scale	2012-2021 - 2.15-4.40% Based on Age Thereafter - 3.15-5.40% Based on Age
Inflation rate	3.01%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and 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 1 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 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 method 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 rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

ROOSEVELT SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2016**

Note 8: Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

<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 US 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 US	3.50%	-0.40%
REIT	4.25%	5.21%
Total	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. The single blended discount rate was based on 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 municipals 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 on 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 net pension liability calculated using the discount rate as disclosed above, 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 (3.90%) or 1-percentage-point higher (5.90%) than the current rate:

ROOSEVELT SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2016**

Note 8: Pension Obligations (continued)

A. Public Employees' Retirement System (PERS) (continued)

	<u>1%</u> <u>Decrease</u> <u>(3.90%)</u>		<u>Current</u> <u>Discount</u> <u>Rate (4.90%)</u>		<u>1%</u> <u>Increase</u> <u>(5.90%)</u>
District's proportionate share of the net pension liability	\$	480,064	\$	386,252	\$ 307,601

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. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

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:

<u>Tier</u>	<u>Definition</u>
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 tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, 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 member 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.

ROOSEVELT SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2016**

Note 8: Pension Obligations (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

Basis of Presentation - The schedules of employer and nonemployer allocations and the schedules of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of TPAF and the State as an employer/nonemployer entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of TPAF or the State. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of TPAF to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Contributions - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. 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 includes 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 2014 and 2013, the State's pension contribution was less than the actuarial determined amount.

Special Funding Situation - 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. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

**Three-Year Trend Information for TPAF & Post Retirement Medical Contributions
(Paid on behalf of the District)**

<u>Year Funding</u>	<u>Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2016	\$ 108,996	100%	\$ -
6/30/2015	\$ 86,164	100%	\$ -
6/30/2014	\$ 89,184	100%	\$ -

Teachers Pensions and Annuity Fund (TPAF) - 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 Teachers Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

ROOSEVELT SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2016**

Note 8: Pension Obligations (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

	<u>TPAF</u>
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
Interest rate	7.90%
Salary scale	Varies Based On Experience
Inflation rate	2.50%

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table 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 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 method 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 TPAF's target asset allocation as of June 30, 2015 are summarized in the following table:

ROOSEVELT SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2016**

Note 8: Pension Obligations (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
US High Yield Bonds	2.00%	4.57%
US 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%
Total	100%	

Discount Rate - The discount rate used to measure the total pension liability was 4.13% as of June 30, 2015. The single blended discount rate was based on 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 municipals 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 on the average of the last five years of employers' 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 2027. Therefore, the long-term expected rate of return on 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.

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS & TPAF financial report.

C. Defined Contribution Retirement Plan (DCRP)

The District contributes to the New Jersey Defined Contribution Retirement Program (DCRP) which is a defined contribution retirement benefit plan, along with life insurance and disability coverage, for its employees who are ineligible for PERS or TPAF.

ROOSEVELT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED JUNE 30, 2016

Note 8: Pension Obligations (continued)

C. Defined Contribution Retirement Plan (DCRP) (continued)

When enrolled in the DCRP, members contribute 5.5 percent of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3 percent employer contribution. For the year ended June 30, 2016, employee contributions total \$3,860, and the District recognized pension expense of \$590.

Employees are immediately vested in their own contributions and earnings on those contributions and become vested in District contributions and earnings on District contributions after commencement of their second year of employment, with some exceptions. Nonvested District contributions and earnings are forfeited upon separation from covered employment. Such forfeitures are reverted back to a forfeiture account for the employer and may be used to reduce pension expenses. For the year ended June 30, 2016, the District did not apply forfeitures to reduce the District's pension expense.

Note 9. Post-Retirement Benefits

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 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 benefits changed from a pre-funding 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 health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

Note 10. Risk Management

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

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

New Jersey Unemployment Compensation Insurance – The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method".

ROOSEVELT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED JUNE 30, 2016

Note 11. Contingent Liabilities

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2016 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

Note 12. Economic Dependency

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

Note 13. Deferred Compensation

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

Valic	First Financial	Fidelity Investments
-------	-----------------	----------------------

Note 14. 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 school personnel policy. Upon termination, employees are paid for accrued vacation. The district's school's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the district school for the unused sick leave in accordance with district's agreements with various employee unions.

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net position under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2016 is \$21,242.

ROOSEVELT SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED JUNE 30, 2016**

Note 14. Compensated Absences (continued)

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 proprietary fund types.

Note 15. Fund Balance Disclosure

General Fund (Exhibit B-1) – Of the \$834,777 General Fund fund balance at June 30, 2016, \$104,755 is reserved for encumbrances; \$131,130 has been restricted for excess surplus designated for subsequent years expenditures; \$58,067 is restricted current year excess surplus; \$301,027 has been reserved in the Capital Reserve Account; \$32,565 has been reserved in the Maintenance Reserve Account; \$54,137 has been reserved in the Tuition Reserve Account; \$348 has been assigned to be designated for subsequent year's expenditures; and \$152,748 is unreserved and undesignated.

Capital Projects Fund (Exhibit B-1) – Of the \$61,077 Capital Projects Fund fund balance at June 30, 2016, the entire amount has been restricted for capital projects.

Debt Service Fund – Of the Debt Service Fund fund balance at June 30, 2016, \$5,591 is reserved in accordance with N.J.S.A 7F-41c(2).

Note 17. Calculation of Excess Surplus

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to *N.J.S.A. 18A:7F-7*, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2016 is \$58,067.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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**ROOSEVELT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	June 30, 2016			Variance Final To Actual
	Original Budget	Budget Transfers	Final Budget	
REVENUES				
Local Sources:				
Local Tax Levy	1,570,984	-	1,570,984	-
Tuition	38,000	-	38,000	13,352
Unrestricted Miscellaneous Revenues	7,000	-	7,000	5,999 (1,001)
Total Local Sources	1,615,984	-	1,628,335	12,351
State Sources:				
School Choice Aid	279,860	-	279,860	-
Categorical Special Education Aid	68,205	-	68,205	-
Equalization Aid	470,385	-	470,385	-
Categorical Security Aid	8,957	-	8,957	-
Adjustment Aid	86,214	-	86,214	-
Categorical Transportation Aid	63,927	-	63,927	-
Non Public Transportation Aid	-	-	-	696
PARCC Readiness Aid	1,360	-	1,360	-
Per Pupil Growth Aid	1,360	-	1,360	-
Extraordinary Aid	6,000	-	6,000	(6,000)
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)	-	-	-	59,242
TPAF Normal Contributions (On-Behalf - Non-Budgeted)	-	-	-	49,754
TPAF Social Security (Reimbursed - Non-Budgeted)	-	-	-	67,722
Total State Sources	986,268	-	986,268	171,414
Total Revenues	2,602,252	-	2,602,252	183,765
EXPENDITURES				
Current Expense:				
Regular Programs - Instruction:				
Salaries of Teachers:				
Preschool	37,505	24,594	62,099	-
Kindergarten	63,000	-	63,000	3,646
Grades 1-5	390,000	9,715	399,715	-
Grades 6-8	81,500	-	81,500	3,281
Regular Programs - Home Instruction:				
Salaries of Teachers	500	-	500	500
Regular Programs - Undistributed Instruction:				
Other Salaries for Instruction	95,000	2,518	97,518	-
Purchased Technical Services	23,000	-	23,000	2,283
General Supplies	32,500	-	32,500	1,187
Textbooks	13,700	-	13,700	2,444
Other Objects	500	678	1,178	339
Total Regular Programs - Instruction	737,205	37,505	774,710	22,492
Special Education - Instruction				
Salaries of Teachers	101,015	7,095	108,110	-
Other Salaries for Instruction	3,000	(2,361)	639	639
Purchased Professional - Educational Services	500	-	500	500
Purchased Technical Services	1,200	-	1,200	84
General Supplies	3,000	-	3,000	2,544
Textbooks	250	-	250	250
Total Resource Room/Resource Center	108,965	4,734	113,699	5,049
Total Special Education - Instruction	108,965	4,734	113,699	5,049

**ROOSEVELT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	June 30, 2016			Variance Final To Actual
	Original Budget	Budget Transfers	Final Budget	
Bilingual Education - Instruction	4,327	(4,200)	127	-
Salaries of Teachers				127
School Sponsored Co/Extra-Curr. Activities - Instruction:				
Salaries	500	6,365	6,865	-
Supplies and Materials	1,000	-	1,000	958
	1,500	6,365	7,865	42
Total School Sponsored Cocurricular Activities - Instruction				
Total - Instruction	851,997	44,404	896,401	27,710
Undist. Expend. - Instruction:				
Tuition To Other LEAs Within the State - Regular	504,405	(87,425)	416,980	-
Tuition To Other LEAs Within the State - Special	157,080	(26,066)	131,014	109,471
Tuition To County Vocational School District - Regular	13,500	-	13,500	11,420
Tuition To County Vocational School District - Special	-	3,500	3,500	3,500
Tuition To County Special Service School District and Regional	48,000	(36,560)	11,440	11,440
Total Undist. Expend. - Instruction	722,985	(146,551)	576,434	541,371
Undist. Expend. - Attendance and Social Work Services:				
Salaries	22,000	30	22,030	-
Other Purchased Services	4,000	(4,000)	-	-
Supplies and Materials	1,000	(630)	370	370
Total Undist. Expend. - Attendance and Social Work Services	27,000	(4,600)	22,400	22,030
Undist. Expend. - Health Services:				
Salaries	48,481	-	48,481	-
Purchased Professional and Technical Services	3,710	521	4,231	-
Supplies and Materials	2,000	(521)	1,479	1,174
Total Undist. Expend. - Health Services	54,191	-	54,191	53,886
Undist. Expend. - Speech, OT, PT & Related Svc:				
Salaries	35,000	2,847	37,847	-
Purchased Professional - Educational Services	2,200	6,486	8,686	1
Supplies and Materials	220	-	220	220
Total Undist. Expend. - Speech, OT, PT & Related Svc.	37,420	9,333	46,753	46,532
Undist. Expend. - Child Study Teams:				
Salaries	12,438	-	12,438	-
Other Purchased Professional and Technical Services	4,000	-	4,000	3,885
Supplies and Materials	2,000	-	2,000	1,970
Total Undist. Expend. - Child Study Teams	18,438	-	18,438	145
Undist. Expend. - Improvement of Instructional Services:				
Salaries of Supervisors of Instruction	72,828	10,847	83,675	-
Purchased Professional - Educational Services	3,000	525	3,525	-
Total Undist. Expend. - Improvement of Instructional Services	75,828	11,372	87,200	-

**ROOSEVELT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	June 30, 2016			Variance Final To Actual
	Original Budget	Budget Transfers	Final Budget	
Undist. Expend. - Educational Media/School Library:				
Salaries	10,296	14,222	24,518	14,887
Supplies and Materials	2,500	(2,000)	500	500
Total Undist. Expend. - Educational Media/School Library	12,796	12,222	25,018	15,387
Undist. Expend. - Instructional Staff Training Services:				
Purchased Professional - Educational Services	6,000	(325)	5,675	2,459
Other Purchased Services	10,750	(6,499)	4,251	-
Total Undist. Expend. - Instructional Staff Training Services	16,750	(6,824)	9,926	2,459
Undist. Expend. - Support Services - General Administration:				
Salaries	17,756	792	18,548	-
Legal Services	5,000	(466)	4,534	-
Audit Fees	16,500	1,000	17,500	85
Architectural/Engineering Services	3,400	(3,400)	-	-
Other Purchased Professional Services	3,000	5,898	8,898	2,950
Communications / Telephone	10,000	9,200	19,200	387
Other Purchased Services	-	1,500	1,500	128
Misc. Purchased Services (400-500)	-	932	932	529
General Supplies	1,750	(1,500)	250	179
BOE In-House Training/Meeting Supplies	1,000	(880)	120	68
Miscellaneous Expenditures	10,000	(2,928)	7,072	-
Total Undist. Expend. - Support Services - General Administration	68,406	10,148	78,554	4,326
Undist. Expend. - Support Services - School Administration:				
Salaries of Principals/Assistant Principals/Prog Dir	15,606	2,324	17,930	-
Total Undist. Expend. - Support Services - School Administration	15,606	2,324	17,930	-
Undistributed Expenditures - Central Services:				
Purchased Technical Services	500	110	610	-
Misc. Purchased Services (400-500)	68,000	3,562	71,562	-
Supplies and Materials	500	200	700	59
Total Undistributed Expenditures - Central Services	69,000	3,872	72,872	59
Undist. Expend. - Administrative Information Technology: Cleaning, Repair and Maintenance Services	-	150	150	-
Total Undist. Expend. - Administrative Information Technology	-	150	150	-
Undist. Expend. - Required Maintenance for School Facilities: Cleaning, Repair and Maintenance Services	95,000	3,651	98,651	4,098
General Supplies	10,000	-	10,000	8,444
Other Objects	12,000	-	12,000	797
Total Undist. Expend. - Required Maintenance for School Facilities	117,000	3,651	120,651	6,451

**ROOSEVELT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	June 30, 2016			Variance Final To Actual
	Original Budget	Budget Transfers	Final Budget	
Undist. Expend. - Custodial Services:				
Purchased Professional and Technical Services	500	-	500	500
Other Purchases Property Services	4,000	-	4,000	3,834
Insurance	28,000	1,986	29,986	8,374
Miscellaneous Purchased Services	2,000	-	2,000	2,000
Energy (Heat & Electricity)	27,500	-	27,500	7,433
Energy (Natural Gas)	6,600	-	6,600	6,402
General Supplies	13,000	(1,986)	11,014	3,862
Total Undist. Expend. - Custodial Services	81,600	-	81,600	32,405
Total Undist. Expend. - Oper. & Maint. of Plant	198,600	3,651	202,251	38,856
Undist. Expend. - Student Transportation Services:				
Contract Serv (Bet. Home and Sch) - Vendors	5,000	-	5,000	884
Contracted Services (Bet. Home & School) - Vendors	-	1,326	1,326	-
Contracted Services (Other Than Bet. Home & School) - Vendors	2,500	-	2,500	2,150
Contracted Services (Bet. Home & Sch) - Joint Agreements	100,000	(51,664)	48,336	23,260
Contracted Services (Special Ed. Students) - Vendors	60,000	51,664	111,664	-
Total Undist. Expend. - Student Transportation Services	167,500	1,326	168,826	29,526
Unallocated Benefits - Employee Benefits:				
Social Security Contributions	22,400	-	22,400	8,951
Other Retirement Contributions - PERS	16,800	1,056	17,856	-
Unemployment Compensation	5,000	-	5,000	5,000
Health Benefits	260,357	(31,507)	228,850	51,282
Tuition Reimbursement	2,000	2,000	4,000	-
Total Unallocated Benefits - Employee Benefits	306,557	(28,451)	278,106	65,233
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)	-	-	-	(59,242)
TPAF Normal Contribution (On-Behalf - Non-Budgeted)	-	-	-	(49,754)
TPAF Social Security (Reimbursed - Non-Budgeted)	-	-	-	(67,722)
Total On-Behalf Contributions	-	-	-	(176,718)
Total Personal Services - Employee Benefits	306,557	(28,451)	278,106	389,591
Total Undistributed Expenditures	1,791,077	(132,028)	1,659,049	15,232
Total Expenditures - Current Expense	2,643,074	(87,624)	2,555,450	42,942

**ROOSEVELT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	June 30, 2016			Variance Final To Actual
	Original Budget	Budget Transfers	Final Budget	
CAPITAL OUTLAY				
Facilities Acquisition and Construction Services:				
Other Purchased Professional and Technical Services	7,000	955	7,955	-
Facilities Acquisition and Construction Services	13,000	54,509	67,509	67,509
Other Objects	-	32,360	32,360	32,360
Assessment for Debt Service on SDA Funding	842	-	842	-
Total Capital Outlay	20,842	87,824	108,666	99,869
Total Expenditures	2,663,916	200	2,664,116	142,811
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(61,664)	(200)	(61,864)	264,712
Other Financing Sources/(Uses):				
Transfer To Capital Projects	-	-	-	(8,421)
Transfer To Food Services - Board Contribution	-	-	-	(502)
Total Other Financing Sources/(Uses)	-	-	-	(8,923)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Sources/(Uses)	(61,664)	(200)	(61,864)	317,653
Fund Balances, July 1	676,936	-	676,936	-
Fund Balances, June 30	615,272	(200)	615,072	317,653

RECAPITULATION OF BUDGET TRANSFERS

Prior Year Reserve for Encumbrances	200
Total Transfers	200

RECAPITULATION OF FUND BALANCE

Recapitulation:		
Restricted:		
Excess Surplus	58,067	
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	131,130	
Capital Reserve	301,027	
Maintenance Reserve	32,565	
Tuition Reserve	54,137	
Assigned:		
Designated for Subsequent Year's Expenditures	348	
Year-End Encumbrances	104,755	
Unassigned	250,696	
	932,725	
Reconciliation to Governmental Funds Statements (GAAP):		
Last State Aid Payments not recognized on GAAP Basis	(97,948)	
Fund Balance per Governmental Funds (GAAP)	834,777	

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**ROOSEVELT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	June 30, 2016				Variance Final To Actual
	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	
Revenues:					
Federal Sources	\$ 44,800	\$ 62,852	\$ 107,652	\$ 57,922	\$ 49,730
Total Revenues	44,800	62,852	107,652	57,922	49,730
Expenditures:					
Instruction:					
Salaries	29,000	5,950	34,950	34,986	(36)
Tuition	-	27,320	27,320	-	27,320
General Supplies	15,800	18,115	33,915	22,516	11,399
Total Instruction	44,800	51,385	96,185	57,502	38,683
Support Services:					
Salaries Of Other Professional Staff	-	9,087	9,087	-	9,087
Purchased Professional & Technical Services	-	1,514	1,514	420	1,094
Supplies		866	866	-	866
Total Support Services	-	11,467	11,467	420	11,047
Total Expenditures	44,800	62,852	107,652	57,922	49,730
Total Outflows	44,800	62,852	107,652	57,922	49,730
Excess/(Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Uses	\$ -	\$ -	\$ -	\$ -	\$ -

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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**ROOSEVELT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FISCAL YEAR ENDED JUNE 30, 2016**

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) "revenues" from the Budgetary Comparison Schedules	\$ 2,786,017	\$ 57,922
Difference - budget to GAAP:		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	97,948	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(97,948)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 2,786,017</u>	<u>\$ 57,922</u>
USES/OUTFLOWS OF RESOURCES		
Actual amounts (budgetary basis) "total outflows" from the Budgetary Comparison Schedule	\$ 2,521,305	\$ 57,922
Difference - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Less Current Year Encumbrances	<u>-</u>	<u>-</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 2,521,305</u>	<u>\$ 57,922</u>

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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ROOSEVELT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST THREE FISCAL YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.00172%	0.00190%	0.00174%
District's proportionate share of the net pension liability (asset)	\$ 386,252	\$ 356,474	\$ 331,799
District's covered-employee payroll	\$ 73,962	\$ 120,473	\$ 111,604
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	522.23%	295.90%	297.30%
Plan fiduciary net position as a percentage of the total pension liability	47.93%	52.08%	48.72%

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**ROOSEVELT SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST THREE FISCAL YEARS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 14,793	\$ 15,696	\$ 14,566
Contributions in relation to the contractually required contribution	<u>14,793</u>	<u>15,696</u>	<u>14,566</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 73,962	\$ 120,473	\$ 111,604
Contributions as a percentage of covered- employee payroll	20.00%	13.03%	13.05%

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

ROOSEVELT SCHOOL DISTRICT
SCHEDULE OF THE STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND
LAST THREE FISCAL YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.00616%	0.00799%	0.00766%
State's proportionate share of the net pension liability (asset) associated with the District	\$ 3,893,007	\$ 4,268,556	\$ 3,873,090
District's covered-employee payroll	\$ 835,632	\$ 720,949	\$ 529,821
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	28.71%	33.64%	33.76%

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

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ROOSEVELT SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016

Teachers Pension and Annuity Fund (TPAF)

Basis of Presentation. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. The numbers were derived in a report provided by KPMG dated July 28, 2016. The full report is available by the State of New Jersey, Division of Pension and Benefits. Such preparation requires management of TPAF to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Changes of benefit terms. 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.

Changes of assumptions. Mortality rates were based on the RP-2000 Health Annuitant Mortality Table 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.

Public Employees' Retirement System (PERS)

Basis of Presentation. The amounts presented in the Schedules were prepared in accordance with U.S. generally accepted accounting principles. The numbers were derived in a report provided by KPMG dated April 14, 2016. The full report is available by the State of New Jersey, Division of Pension and Benefits. Such preparation requires management of PERS to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Changes of benefit terms. 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.

Changes of assumptions. Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and 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 1 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.

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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

	IDEA Part B <u>Basic</u>	N.C.L.B. Title I <u>Part A</u>	Rural Education Achievement <u>Program</u>	<u>Totals</u> June 30, <u>2016</u>
<u>Revenues</u>				
Local Sources	\$ -	\$ -	\$ -	\$ -
Federal Sources	22,491	12,915	22,516	57,922
Total Revenues	<u>\$ 22,491</u>	<u>\$ 12,915</u>	<u>\$ 22,516</u>	<u>\$ 57,922</u>
<u>Expenditures</u>				
Instruction:				
Salaries	\$ 22,491	\$ 12,495	\$ -	\$ 34,986
General Supplies	-	-	22,516	22,516
Total Instruction	<u>22,491</u>	<u>12,495</u>	<u>22,516</u>	<u>57,502</u>
Support Services:				
Purchased Prof & Technical Services	-	420	-	420
Total Support Services	<u>-</u>	<u>420</u>	<u>-</u>	<u>420</u>
Total Expenditures	<u>\$ 22,491</u>	<u>\$ 12,915</u>	<u>\$ 22,516</u>	<u>\$ 57,922</u>

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F. Capital Projects Fund

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**ROOSEVELT SCHOOL DISTRICT
SUMMARY STATEMENT OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

PROJECT TITLE	ORIGINAL DATE	APPROPRIATIONS	EXPENDITURES		UNEXPENDED BALANCE 2016
			PRIOR YEAR	CURRENT YEAR	
SITE DRAINAGE	06/11/15	\$ 87,475	\$ 73,932	\$ (2,464)	\$ 16,007
ROOF REPLACEMENT	06/11/15	368,106	324,122	4,650	39,334
EXTERIOR STUCCO REPAIRS	06/11/15	476,050	426,442	9,272	40,336
Total		<u>\$ 931,631</u>	<u>\$ 824,496</u>	<u>\$ 11,458</u>	<u>\$ 95,677</u>
					Unexpended Balance \$ 95,677
					Unrecognized Capital Reserve (1,238)
					Unrecognized State Aid (33,362)
					<u>Fund Balance (Exhibit B-2) \$ 61,077</u>

**ROOSEVELT SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-BUDGETARY BASIS
YEAR ENDED JUNE 30, 2016**

Revenues:	
State Sources - SDA Grant	\$ 5,615
Bond Proceeds & Transfers	<u>8,421</u>
Total Revenue	<u>14,036</u>
Expenditures:	
Purchased Professional & Technical Services	9,036
Construction Services	<u>5,000</u>
Total Expenditures	<u>14,036</u>
Other Financing Sources & Uses:	
Transfer to Debt Service Fund	(230)
Interest	197
Refund of prior year's expenditures	<u>2,611</u>
Total Other Financing Sources & Uses	<u>2,578</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	2,578
Fund Balance - Beginning	<u>58,499</u>
Fund Balance - Ending	<u><u>\$ 61,077</u></u>

**ROOSEVELT SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
SITE DRAINAGE
YEAR ENDED JUNE 30, 2016**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues:				
State Sources - SDA Grant	\$ 29,586	\$ -	\$ 29,586	\$ 31,127
Bond Proceeds & Transfers	46,690	-	46,690	56,348
Total Revenues	76,276	-	76,276	87,475
Expenditures:				
Purchased Professional & Technical Services	17,440	-	17,440	17,440
Construction Services	56,525	-	56,525	70,035
Total Expenditures	73,965	-	73,965	87,475
Other Financing Sources & Uses:				
Transfer to Debt Service Fund	-	(230)	(230)	-
Interest	33	197	230	-
Refund of Prior Year's Expenditures	-	2,497	2,497	-
Total Other Financing Sources & Uses	33	2,464	2,497	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ 2,344	\$ 2,464	\$ 4,808	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	4520-050-14-1002/G2DV
Grant Date	1/8/15
Bond Authorization Date	4/30/15
Bonds Authorized	\$ 46,690
Bonds Issued	\$ 46,690
Original Authorized Cost	\$ 87,475
Reduction of Authorized Cost	\$ -
Revised Authorized Cost	\$ 87,475
Percentage Decrease Under Original Authorized Cost	0.00%
Percentage Completion	96.97%

**ROOSEVELT SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
ROOF REPLACEMENT
YEAR ENDED JUNE 30, 2016**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues:				
State Sources - SDA Grant	\$ 129,649	\$ 1,906	\$ 131,555	\$ 147,242
Bond Proceeds & Transfers	220,864	2,858	223,722	220,864
Total Revenues	350,513	4,764	355,277	368,106
Expenditures:				
Purchased Professional & Technical Services	34,122	3,564	37,686	36,810
Construction Services	290,000	1,200	291,200	331,296
Total Expenditures	324,122	4,764	328,886	368,106
Other Financing Sources & Uses:				
Refund of Prior Year's Expenditures	-	114	114	-
Total Other Financing Sources & Uses	-	114	114	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures				
	\$ 26,391	\$ 114	\$ 26,505	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	4520-050-14-1001/G2DU
Grant Date	1/8/15
Bond Authorization Date	4/30/15
Bonds Authorized	\$ 220,864
Bonds Issued	\$ 220,864
Original Authorized Cost	\$ 368,106
Reduction of Authorized Cost	\$ -
Revised Authorized Cost	\$ 368,106
Percentage Decrease Under Original Authorized Cost	0.00%
Percentage Completion	92.54%

**ROOSEVELT SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
EXTERIOR STUCCO REPAIRS
YEAR ENDED JUNE 30, 2016**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues:				
State Sources - SDA Grant	\$ 170,577	\$ 3,709	\$ 174,286	\$ 190,420
Bond Proceeds & Transfers	285,630	5,563	291,193	285,630
Total Revenues	456,207	9,272	465,479	476,050
Expenditures:				
Purchased Professional & Technical Services	42,542	5,472	48,014	47,605
Construction Services	383,900	3,800	387,700	428,445
Total Expenditures	426,442	9,272	435,714	476,050
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ 29,765	\$ -	\$ 29,765	\$ -

ADDITIONAL PROJECT INFORMATION

Project Number	4520-050-14-1003/G2DW
Grant Date	1/8/15
Bond Authorization Date	4/30/15
Bonds Authorized	\$ 238,446
Bonds Issued	\$ 238,446
Original Authorized Cost	\$ 476,050
Reduction of Authorized Cost	\$ -
Revised Authorized Cost	\$ 476,050
Percentage Decrease Under Original Authorized Cost	0.00%
Percentage Completion	93.61%

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G. Proprietary Funds

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Enterprise Funds

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H. Fiduciary Fund

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ROOSEVELT SCHOOL DISTRICT
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2016

	Agency <u>Fund</u>	June 30, <u>2016</u>
Assets:		
Cash and Cash Equivalents	\$ 34,223	\$ 34,223
Total Assets	<u>\$ 34,223</u>	<u>\$ 34,223</u>
Liabilities:		
Payable To Student Groups	\$ 10,270	\$ 10,270
Payroll Deductions and Withholdings	3,058	3,058
Interfunds Payable	19,907	19,907
Reserve for Flexible Spending	988	988
Total Liabilities	<u>34,223</u>	<u>34,223</u>
Total Liabilities and Net Position	<u>\$ 34,223</u>	<u>\$ 34,223</u>

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

	Balance July 1, <u>2015</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance June 30, <u>2016</u>
Elementary Schools:				
Roosevelt Elementary	\$ 7,957	\$ 15,621	\$ 13,308	\$ 10,270
Total Assets	<u>\$ 7,957</u>	<u>\$ 15,621</u>	<u>\$ 13,308</u>	<u>\$ 10,270</u>

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

	Balance July 1, <u>2015</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>2016</u>
<u>Assets</u>				
Cash	\$ 19,299	\$ 1,376,668	\$ 1,372,014	\$ 23,953
Total Assets	<u>\$ 19,299</u>	<u>\$ 1,376,668</u>	<u>\$ 1,372,014</u>	<u>\$ 23,953</u>
<u>Liabilities</u>				
Payroll Deductions and Withholdings	\$ -	\$ 1,374,452	\$ 1,371,394	\$ 3,058
Interfunds Payable	19,299	628	20	19,907
Reserve for Flexible Spending	-	2,196	1,208	988
Total Liabilities	<u>\$ 19,299</u>	<u>\$ 1,377,276</u>	<u>\$ 1,372,622</u>	<u>\$ 23,953</u>

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I. Long-Term Debt

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**ROOSEVELT SCHOOL DISTRICT
STATEMENT OF SERIAL BONDS
JUNE 30, 2016**

	Date of <u>Issue</u>	Amount of <u>Issue</u>	<u>Annual Maturities</u>		Interest <u>Rate</u>	Balance July 1, <u>2015</u>	<u>Issued</u>	<u>Retired</u>	Balance June 30, <u>2016</u>
			<u>Date</u>	<u>Amount</u>					
Construction and Renovations To School; Site Drainage, Roof & Stucco Repairs	06/01/2015	\$ 506,000	01/15/2017	\$ 45,000	1.88%	\$ 506,000	\$ -	\$ 30,000	\$ 476,000
			01/15/2018	45,000	1.88%				
			01/15/2019	50,000	1.88%				
			01/15/2020	50,000	1.88%				
			01/15/2021	55,000	1.88%				
			01/15/2022	55,000	1.88%				
			01/15/2023	56,000	1.88%				
			01/15/2024	60,000	1.88%				
			01/15/2025	60,000	1.88%				
			Total	\$ 506,000		\$ 506,000	\$ -	\$ 30,000	\$ 476,000

**ROOSEVELT SCHOOL DISTRICT
STATEMENT OF OBLIGATIONS UNDER CAPITAL LEASES
JUNE 30, 2016**

<u>Purpose</u>	<u>Amount of Original Issue</u>	<u>Annualized Maturities</u>	<u>Balance July 1, 2016</u>	<u>Retired</u>	<u>Balance June 30, 2016</u>
		<u>Date</u> <u>Amount</u>			
PA System Lease	\$ 26,995	06/11/17 \$ 5,870 12/11/17 3,074	\$ 14,463	\$ 5,519	\$ 8,944
			<u>\$ 14,463</u>	<u>\$ 5,519</u>	<u>\$ 8,944</u>

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

	June 30, 2016			Variance Positive/(Negative) Final To Actual
	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	
<u>Revenues</u>				
Local Sources:				
Local Tax Levy	\$ 41,385	\$ -	\$ 41,385	\$ 41,385
Total Revenues	41,385	-	41,385	41,385
<u>Expenditures</u>				
Regular Debt Service:				
Interest on Bonds	11,385	-	11,385	6,025
Redemption of Principal	30,000	-	30,000	30,000
Total Regular Debt Service	41,385	-	41,385	36,025
Total Expenditures	41,385	-	41,385	36,025
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	5,360
Other Financing Sources/(Uses):				
Transfer From Capital Projects	-	-	-	230
Total Other Financing Sources/(Uses):	-	-	-	230
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Sources/(Uses)	-	-	-	5,590
Fund Balance, July 1	1	-	1	1
Fund Balance, June 30	\$ 1	\$ -	\$ 1	\$ 5,591
				\$ 5,590

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STATISTICAL SECTION (Unaudited)

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Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance. Note that the Exhibits are presented for the presented for the past ten fiscal years.

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**ROOSEVELT SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCURAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	FISCAL YEAR ENDING JUNE 30.									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Government Activities:										
Net Investment in Capital Assets	\$ 472,642	\$ 518,570	\$ 572,496	\$ 577,561	\$ 658,126	\$ 716,415	\$ 809,121	\$ 847,620	\$ 1,130,654	\$ 1,051,928
Restricted	785,473	696,162	545,470	393,718	226,723	215,432	71,691	162,012	291,483	581,396
Unrestricted	200,255	203,301	162,705	(29,307)	5,423	122,717	-	153,506	(10,721)	6,988
Total Government Activities Net Position	\$ 1,458,370	\$ 1,418,033	\$ 1,280,670	\$ 941,972	\$ 890,272	\$ 1,054,564	\$ 880,812	\$ 1,163,138	\$ 1,411,416	\$ 1,640,312
Business-Type Activities:										
Unrestricted	\$ 4,102	\$ 3,648	\$ 3,859	\$ 4,196	\$ 2,603	\$ 1,942	\$ 568	\$ -	\$ -	\$ -
Total Business-Type Activities Net Position	\$ 4,102	\$ 3,648	\$ 3,859	\$ 4,196	\$ 2,603	\$ 1,942	\$ 568	\$ -	\$ -	\$ -
District-wide:										
Net Investment in Capital Assets	\$ 472,642	\$ 518,570	\$ 572,496	\$ 577,561	\$ 658,126	\$ 716,415	\$ 809,121	\$ 847,620	\$ 1,130,654	\$ 1,051,928
Restricted	785,473	696,162	545,470	393,718	226,723	215,432	71,691	162,012	291,483	581,396
Unrestricted	204,357	206,949	166,563	(25,112)	8,025	124,659	568	153,506	(10,721)	6,988
Total District Net Position	\$ 1,462,473	\$ 1,421,681	\$ 1,284,529	\$ 946,167	\$ 892,874	\$ 1,056,506	\$ 881,380	\$ 1,163,138	\$ 1,411,416	\$ 1,640,312

**ROOSEVELT SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
FISCAL YEAR ENDING JUNE 30.										
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ (844,109)	\$ (899,305)	\$ (866,549)	\$ (1,002,680)	\$ (954,653)	\$ (1,025,732)	\$ (737,198)	\$ (736,781)	\$ (750,615)	\$ (809,720)
Special Education	(78,189)	(99,290)	(96,448)	(78,486)	(86,849)	(104,334)	(102,119)	(72,289)	(105,686)	(108,650)
Other Special Education	(10,318)	-	-	(17,162)	(17,162)	-	-	-	-	-
Other Instruction	(3,000)	(2,233)	(2,426)	(976)	(764)	(1,706)	(1,000)	-	(2,616)	(7,823)
Support Services:										
Tuition	(752,881)	(799,575)	(859,220)	(787,107)	(715,656)	(610,319)	(686,701)	(618,576)	(623,691)	(541,371)
Student and Instruction Related Services	(134,555)	(136,596)	(155,620)	(148,932)	(146,704)	(167,888)	(140,481)	(182,933)	(214,756)	(245,459)
School Administrative Services	(43,449)	(45,684)	(38,537)	(46,538)	(45,125)	(28,981)	(16,470)	(15,968)	(16,000)	(17,930)
General Administration	(28,252)	(29,864)	(51,019)	(86,321)	(76,321)	(63,678)	(46,214)	(52,318)	(82,344)	(74,228)
Central Services	(78,585)	(85,150)	(89,874)	(117,053)	(65,449)	(66,468)	(93,046)	(83,532)	(84,217)	(72,813)
Administrative Information Technology	-	-	-	-	-	-	(572)	-	-	(150)
Plant Operations and Maintenance	(158,253)	(173,041)	(112,598)	(171,170)	(173,670)	(165,515)	(325,271)	(185,297)	(121,493)	(166,673)
Pupil Transportation	(89,011)	(114,968)	(166,160)	(135,921)	(155,942)	(132,458)	(170,884)	(130,013)	(134,199)	(139,300)
Employee Benefits	-	-	-	-	-	-	(360,215)	(354,015)	(565,670)	(608,284)
Interest on Long-Term Debt	(26,284)	(24,455)	(20,406)	(16,725)	(13,020)	(9,054)	(4,882)	(1,132)	(1,654)	(9,344)
Loss on Disposal of Assets	-	-	-	-	-	-	-	(3,093)	-	-
Unallocated Depreciation and Amortization	-	-	-	-	-	-	(46,972)	(51,085)	(74,382)	(67,204)
Total Governmental Activities Expenses	(2,246,886)	(2,410,162)	(2,458,856)	(2,592,018)	(2,451,316)	(2,376,153)	(2,732,025)	(2,487,032)	(2,777,322)	(2,868,949)
Business-Type Activities:										
Food Service	(21,767)	(20,193)	(20,734)	(5,250)	(4,739)	(6,007)	(5,907)	(2,981)	(1,806)	(2,015)
Total Business-Type Activities Expenses	(21,767)	(20,193)	(20,734)	(5,250)	(4,739)	(6,007)	(5,907)	(2,981)	(1,806)	(2,015)
Total District Expenses	\$ (2,268,653)	\$ (2,430,355)	\$ (2,479,590)	\$ (2,597,269)	\$ (2,456,055)	\$ (2,382,160)	\$ (2,737,932)	\$ (2,490,012)	\$ (2,779,127)	\$ (2,870,964)
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Instruction (Tuition)	\$ 31,500	\$ 40,945	\$ 41,370	\$ 48,160	\$ 50,323	\$ 82,548	\$ 60,962	\$ 32,372	\$ 43,007	\$ 51,352
Operating Grants and Contributions	55,832	102,510	80,616	74,849	92,878	94,573	108,857	47,322	352,491	439,241
Total Governmental Activities Program Revenues	87,332	143,455	121,986	123,009	143,201	177,121	169,819	79,694	395,498	490,593

**ROOSEVELT SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCURAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
FISCAL YEAR ENDING JUNE 30.										
Business-Type Activities:										
Charges for Services:										
Food Service	3,415	3,144	4,604	3,106	1,970	3,477	3,115	2,125	1,408	1,513
Operating Grants and Contributions	2,049	2,436	2,477	1,482	1,176	1,869	1,418	288	-	-
Total Business-Type Activities Program Revenues	5,464	5,580	7,080	4,588	3,146	5,346	4,533	2,412	1,408	1,513
Total District Program Revenues	\$ 92,796	\$ 149,035	\$ 129,066	\$ 127,597	\$ 146,347	\$ 182,467	\$ 174,352	\$ 82,107	\$ 396,906	\$ 492,106
Net (Expense)/Revenue:										
Governmental Activities	\$ (2,159,554)	\$ (2,266,707)	\$ (2,356,870)	\$ (2,469,009)	\$ (2,308,115)	\$ (2,199,032)	\$ (2,562,206)	\$ (2,407,337)	\$ (2,381,824)	\$ (2,378,356)
Business-Type Activities	(16,303)	(14,613)	(13,653)	(663)	(1,593)	(661)	(1,374)	(568)	(398)	(502)
Total District-wide Net (Expense)/Revenue	\$ (2,175,858)	\$ (2,281,320)	\$ (2,350,524)	\$ (2,469,672)	\$ (2,309,708)	\$ (2,199,693)	\$ (2,563,579)	\$ (2,407,906)	\$ (2,382,221)	\$ (2,378,858)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 1,170,752	\$ 1,217,582	\$ 1,266,285	\$ 1,311,021	\$ 1,387,716	\$ 1,415,470	\$ 1,443,779	\$ 1,501,733	\$ 1,591,768	\$ 1,570,984
Taxes Levied for Debt Service	55,983	53,874	55,031	56,000	57,416	58,247	58,874	57,891	-	41,385
Unrestricted Grants and Contributions	945,580	936,774	882,840	760,726	808,389	885,597	815,762	1,100,879	1,309,143	986,579
Investment Earnings	48,878	28,982	5,566	2,504	1,110	540	484	-	-	-
Miscellaneous Income	2,267	3,316	3,650	1,059	1,784	3,470	69,555	29,160	61,387	8,807
Transfers	(16,322)	(14,159)	(13,864)	(1,000)	-	-	-	-	-	(502)
Total Governmental Activities	2,207,138	2,226,369	2,199,508	2,130,310	2,256,415	2,363,325	2,388,454	2,689,663	2,962,298	2,607,253
Business-Type Activities:										
Transfers	16,322	14,159	13,864	1,000	-	-	-	-	-	502
Total Business-Type Activities	16,322	14,159	13,864	1,000	-	-	-	-	-	502
Total District-wide	\$ 2,223,460	\$ 2,240,528	\$ 2,213,372	\$ 2,131,310	\$ 2,256,415	\$ 2,363,325	\$ 2,388,454	\$ 2,689,663	\$ 2,962,298	\$ 2,607,755
Changes in Net Position:										
Governmental Activities	\$ 47,583	\$ (40,357)	\$ (137,363)	\$ (338,699)	\$ (51,700)	\$ 164,292	\$ (173,752)	\$ 282,326	\$ 580,475	\$ 228,897
Business-Type Activities	19	(454)	210	337	(1,593)	(661)	(1,374)	(568)	(398)	-
Total District	\$ 47,602	\$ (40,792)	\$ (137,152)	\$ (338,362)	\$ (53,293)	\$ 163,631	\$ (175,126)	\$ 281,758	\$ 580,077	\$ 228,897

ROOSEVELT SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	FISCAL YEAR ENDING JUNE 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund:										
Reserved	\$ 785,473	\$ 696,162	\$ 553,854	\$ 265,682	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	211,879	212,299	171,704	140,092	-	-	-	-	-	-
Restricted	-	-	-	63,592	63,592	63,592	63,592	154,879	467,675	576,926
Assigned	-	-	-	168,426	155,472	18,305	20,208	20,577	20,577	105,103
Unassigned	-	-	-	19,854	132,422	-	153,506	90,736	90,736	152,748
Total General Fund	\$ 997,352	\$ 908,461	\$ 725,558	\$ 405,775	\$ 251,871	\$ 351,486	\$ 81,897	\$ 328,593	\$ 578,988	\$ 834,777
All Other Governmental Funds:										
Unreserved, Reported In:										
Debt Service Fund	\$ 1	\$ 2	\$ 1	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted:										
Capital Projects Fund	-	-	-	-	-	-	-	-	58,500	61,077
Debt Service Fund	-	-	-	-	2	2	2	1	1	5,591
Total All Other Governmental Funds	\$ 1	\$ 2	\$ 1	\$ 1	\$ 2	\$ 2	\$ 2	\$ 1	\$ 58,501	\$ 66,668

**ROOSEVELT SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues:										
Tax Levy	\$ 1,226,735	\$ 1,271,456	\$ 1,321,316	\$ 1,367,021	\$ 1,445,132	\$ 1,473,717	\$ 1,502,653	\$ 1,559,624	\$ 1,591,768	\$ 1,612,369
Tuition Charges	31,900	40,945	41,370	48,160	50,323	82,548	60,962	32,372	43,007	51,352
Interest Earnings	48,878	28,982	5,566	2,504	1,110	540	-	-	-	-
Miscellaneous	2,267	3,316	3,650	1,059	1,784	3,470	70,039	29,448	61,387	6,196
State Sources	946,759	984,453	907,787	701,420	834,231	886,003	882,426	1,100,879	1,455,809	1,163,297
Federal Sources	54,653	54,831	55,669	134,155	67,035	94,167	42,193	47,322	9,437	57,922
Total Revenues	2,310,792	2,383,983	2,335,357	2,254,319	2,399,616	2,540,445	2,558,273	2,769,645	3,161,408	2,891,136
Expenditures:										
Instruction:										
Regular	692,136	738,366	674,802	851,478	820,831	720,770	737,198	736,781	750,615	809,720
Special	57,268	77,022	64,869	55,883	76,382	73,901	102,119	72,289	105,686	108,650
Other	10,318	2,233	16,466	976	17,162	-	-	-	-	-
School-Sponsored/Other Instructional	3,000	799,575	2,426	764	1,706	1,706	1,000	-	2,616	7,823
Undistributed:										
Instruction	752,881	51,424	947,310	787,107	715,656	610,319	686,701	618,576	623,691	541,371
Support Services - Students	85,493	38,000	148,132	139,942	107,544	130,180	140,481	182,933	214,756	245,459
General Administration	31,148	32,543	35,407	63,229	72,504	41,737	46,214	52,318	82,344	74,228
School Administrative Services	20,020	21,021	25,559	30,955	32,950	15,968	16,470	15,968	16,000	17,930
Central Services	72,719	78,834	76,757	96,848	65,449	86,914	93,046	83,532	84,217	72,813
Administrative Information Technology	-	-	-	-	-	-	572	-	-	150
Plant Operations and Maintenance	158,253	173,041	112,598	171,170	172,985	165,515	327,192	190,175	155,251	163,395
Pupil Transportation	89,011	114,968	166,160	135,921	155,942	132,458	170,884	130,013	134,199	139,300
Business and Other Support Services:										
Employee Benefits	2,707	7,224	7,224	156,326	-	183,726	195,138	210,393	211,576	212,873
Other	-	5,014	-	-	-	-	-	-	-	-
On-Behalf TPAF Post Retirement Contribution	39,666	48,296	45,184	46,988	49,853	46,465	55,994	55,398	52,864	59,242
On-Behalf TPAF Pension Contribution	52,469	49,212	2,368	2,502	2,347	23,114	49,519	33,786	33,300	49,754
Reimbursed TPAF Social Security Contributions	52,031	54,455	63,271	57,621	60,295	60,521	60,994	49,637	60,502	67,722
Capital Outlay	53,506	29,571	34,034	-	56,235	66,422	62,758	10,642	830,500	22,833
Special Revenue	64,653	65,031	-	55,578	67,056	398	-	-	-	-
Debt Service:										
Principal	55,000	55,000	60,000	65,000	65,000	70,000	75,000	78,000	-	30,000
Interest and Other Charges	28,244	25,109	21,831	18,269	14,564	10,716	6,584	2,223	-	6,025
Total Expenditures	2,320,522	2,458,715	2,504,398	2,735,791	2,553,519	2,440,831	2,827,862	2,522,663	3,358,116	2,629,288
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(9,730)	(74,732)	(169,041)	(481,472)	(153,903)	99,615	(269,589)	246,983	(196,707)	261,848
Other Financing Sources/(Uses):										
Refund of Prior Year's Expenditures	-	-	-	-	-	-	-	-	-	2,611
Bond Proceeds	-	-	-	-	-	-	-	-	506,000	-
Transfers In	-	29,571	-	-	-	-	-	-	-	8,651
Transfers Out	(16,322)	(43,729)	(13,864)	(1,000)	-	-	-	(288)	(398)	(9,153)
Total Other Financing Sources/(Uses)	(16,322)	(14,159)	(13,864)	(1,000)	-	-	-	(288)	505,602	2,109
Net Change in Fund Balances	(26,052)	(88,891)	(182,904)	(482,472)	(153,903)	99,615	(269,589)	246,695	\$ 308,895	\$ 263,957
Debt Service as a Percentage of Noncapital Expenditures	3.67%	3.30%	3.31%	3.04%	3.19%	3.40%	2.95%	3.19%	0.00%	1.37%

Source: District records

Note: Noncapital expenditures are total expenditures, less Capital Outlay.

Central Service and Administrative Information Technology account classifications were added beginning with year-end June 30, 2005.

* Special Revenue allocation not available

** Debt Service breakdown not available

*** Other Financing Sources/(Uses) not available

ROOSEVELT SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Miscellaneous</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition From</u> <u>Individuals</u>	<u>Annual</u> <u>Totals</u>
2007	\$ 2,267	\$ 48,878	\$ 31,500	\$ 82,644
2008	3,116	28,982	40,945	73,043
2009	1,059	2,504	48,160	51,723
2011	1,764	1,110	50,323	53,197
2012	3,470	540	82,548	86,559
2013	69,555	484	60,962	131,001
2014	29,448	-	32,372	61,819
2015	55,962	-	43,007	98,969
2016	5,999	-	51,352	57,351

Source: District records

Revenue Capacity Information

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the School District's ability to generate revenues. Please refer to the following exhibits for a historical view of these factors and how they relate to the School District's ability to generate revenues.

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**ROOSEVELT SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(RATE PER \$100 OF ASSESSED VALUE)
(AUDITED)**

Fiscal Year Ending <u>June 30,</u>	Roosevelt School District Direct Rate			Overlapping Rates			Total Direct and Overlapping <u>Tax Rate</u>
	<u>Basic Rate</u> ^a	General Obligation Debt <u>Service</u> ^b	(From J-6) Total Direct School Tax <u>Rate</u>	Roosevelt <u>Borough</u>	Monmouth <u>County</u>		
2007	1.269	0.056	1.325	0.442	0.256		2.023
2008	1.314	0.057	1.371	0.530	0.242		2.143
2009	1.366	0.059	1.425	0.634	0.268		2.327
2010	1.648	0.066	1.714	0.748	0.308		2.770
2011	N/A	N/A	1.750	0.747	0.320		2.817
2012	N/A	N/A	1.780	0.748	0.313		2.841
2013	1.778	0.074	1.852	0.748	0.313		2.913
2014	1.869	0.072	1.941	0.749	0.306		2.996
2015	1.879	0.072	1.951	0.728	0.312		2.991
2016	1.801	0.047	1.848	0.728	0.292		2.868

Source: Municipal Tax Assessor

Note: N.J.S.A. 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 calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

- 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.

**ROOSEVELT SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)**

	2016			2007		
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value
Gade, Sreenivasa and Kanigiri	\$	1		\$	1	
Roosevelt Sr Ct H S C/O LSM of NJ		2			2	
Battel, Elsbeth G		3			3	
Wojnicki, John		4			4	
Congregation Yeshivas Me'On Hatorah		DATA NOT AVAILABLE				
Dexheimer, W. Kim		6			6	
Marko, Neil & Joy & E Marder		7			7	
Gerling, Paul & Peggy		8			8	
Stinson, Arthur		9			9	
Hermann, Richard & Stelsa		10			10	
Total	\$			\$		

Source: Municipal Tax Assessor

**ROOSEVELT SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year Ended <u>June 30,</u>	Taxes Levied for <u>the Fiscal Year</u>	Collected Within the Fiscal Year of the Levy ^a		Collections in Subsequent <u>Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2007	\$ 1,226,735	\$ 1,226,735	100.00%	-
2008	1,266,285	1,266,285	100.00%	-
2009	1,321,316	1,321,316	100.00%	-
2010	1,367,021	1,321,316	100.00%	-
2011	1,445,132	1,445,132	100.00%	-
2012	1,473,717	1,473,717	100.00%	-
2013	1,502,653	1,502,653	100.00%	-
2014	1,559,624	1,559,624	100.00%	-
2015	1,591,768	1,591,768	100.00%	-
2016	1,612,369	1,612,369	100.00%	-

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

- 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.

Debt Capacity Information

Debt capacity information is intended to assist users in understanding and assessing the School District's debt burden and its ability to issue additional debt. Please refer to the following exhibits for a historical view of the School District's outstanding debt and its debt capacity.

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ROOSEVELT SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ending June 30,	Governmental Activities			Bond		Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Anticipation Notes (BANS)	Capital Leases					
2007	\$ 468,000	None	None	None	None	None	\$ 468,000	0.94%	513	
2008	413,000	None	None	None	None	None	413,000	0.83%	455	
2009	353,000	None	None	None	None	None	353,000	0.71%	389	
2010	288,000	None	None	None	None	None	288,000	N/A	N/A	
2011	223,000	None	None	None	None	None	223,000	N/A	N/A	
2012	158,000	None	None	None	None	None	158,000	N/A	N/A	
2013	78,000	None	24,528	None	None	None	102,528	N/A	N/A	
2014	-	None	19,651	None	None	None	19,651	N/A	N/A	
2015	506,000	None	14,463	None	None	None	520,463	N/A	N/A	
2016	476,000	None	8,944	None	None	None	484,944	N/A	N/A	

Note: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

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

b Includes Early Retirement Incentive Plan ("ERIP") refunding

ROOSEVELT SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year <u>Ending June 30,</u>	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of <u>Property</u>	Per <u>Capita</u> ^b
	General Obligation <u>Bonds</u>	<u>Deductions</u>	Net General Bonded Debt <u>Outstanding</u>		
2007	\$ 468,000	-	\$ 468,000	0.49%*	513
2008	413,000	-	413,000	0.43%	455
2009	353,000	-	353,000	0.37%	389
2010	288,000	-	353,000	N/A	N/A
2011	223,000	-	223,000	N/A	N/A
2012	158,000	-	158,000	N/A	N/A
2013	78,000	-	78,000	N/A	N/A
2014	-	-	-	N/A	N/A
2015	506,000	-	506,000	N/A	N/A
2016	476,000	-	476,000	N/A	N/A

Note: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

- a See Exhibit NJ J-6 for property tax data.
- b Population data can be found in Exhibit NJ J-14.
- * Revaluation

**ROOSEVELT SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2016
(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:			\$
Roosevelt Borough	\$		
Monmouth County General Obligation Debt			
Other Debt			
Municipal Water/Sewer Authority - Roosevelt District's Share			
Subtotal, Overlapping Debt			
Roosevelt District Direct Debt			
Total Direct and Overlapping Debt			\$

DATA NOT AVAILABLE

Sources: Assessed value data used to estimate applicable percentages provided by the Monmouth County Board of Taxation.
Debt Outstanding data provided by each governmental unit.

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 Roosevelt. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

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

**ROOSEVELT SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

Legal Debt Margin Calculation for Fiscal Year 2016

	Fiscal Year			
	2007	2008	2009	2010
Debt Limit	\$ 1,911,532	\$ 2,115,676	\$ 744,095	\$ N/A
Total Net Debt Applicable To Limit	468,000	413,000	353,000	223,000
Legal Debt Margin	\$ 468,000	\$ 1,702,676	\$ 391,095	\$ N/A
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	24.48%	19.52%	47.44%	N/A
Debt Limit				
Total Net Debt Applicable To Limit	\$ 2,306,059	\$ 2,228,127	\$ 2,146,310	\$ 2,123,062
Legal Debt Margin	\$ 2,148,059	\$ 2,150,127	\$ 2,068,310	\$ 1,617,062
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	6.85%	3.50%	13.91%	23.83%

	Equalized Valuation Basis			
	2016	2015	2014	(A)
Average Equalized Valuation of Taxable Property	\$ 85,228,000	\$ 85,758,722	\$ 84,211,290	\$ 255,198,012
Debt Limit (2.5% of Average Equalization Value)				\$ 85,066,004
Total Net Debt Applicable To Limit	2,126,650	476,000		
Legal Debt Margin	\$ 1,650,650			

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

a Limit set by N.J.S.A. 18A:24-19 for a K through 12 District; other percentage limits would be applicable for other District types.

Demographic and Economic Information

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within which the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

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**ROOSEVELT SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)**

<u>Year</u>	<u>Population</u> ^a	<u>Personal Income</u> ^b	<u>Per Capita Personal Income</u> ^c	<u>Unemployment Rate</u> ^d
2007	914	47,029,870	51,455	3.70%
2008	906	46,618,494	51,455	4.50%
2009	904	N/A	N/A	7.80%
2010	N/A	N/A	N/A	N/A
2011	N/A	N/A	N/A	N/A
2012	N/A	N/A	N/A	N/A
2013	882	29,867,166	33,863	8.00%
2014	882	29,867,166	33,863	8.00%
2015	882	29,867,166	33,863	8.00%
2016	882	29,867,166	33,863	8.00%

Source:

^a Population information provided by the NJ 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 municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

^d Unemployment data provided by the NJ Department of Labor and Workforce Development.

Operating Information

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial statement information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

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**ROOSEVELT 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	7,000	7,000	7,000	7,000	7,350	7,350	7,350	7,350	7,350	7,350
Special Education	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800
Other Special Education	1.715	1.715	1.715	1.715	1.715	1.715	1.715	1.715	1.715	1.715
Vocational	-	-	-	-	-	-	-	-	-	-
Other Instruction	1.515	1.515	1.515	1.515	1.515	1.515	1.515	1.515	1.515	1.515
Nonpublic School Programs	-	-	-	-	-	-	-	-	-	-
Adult/Continuing Education Programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Student and Instruction Related Services	-	-	-	-	-	-	-	-	-	-
General Administration	1,000	1,000	1,000	1,000	0.400	0.400	0.400	0.400	0.400	0.400
School Administrative Services	1,000	1,000	1,000	1,000	0.250	0.250	0.250	0.250	0.250	0.250
Other Administrative Services	-	-	-	-	1,000	1,000	1,000	1,000	1,000	1,000
Central Services	-	-	-	-	-	-	-	-	-	-
Administrative Information Technology	-	-	-	-	-	-	-	-	-	-
Plant Operations and Maintenance	-	-	-	-	-	-	-	-	-	-
Pupil Transportation	-	-	-	-	-	-	-	-	-	-
Other Support Services	2,500	2,500	2,500	2,500	2,500	2,500	2,500	-	-	-
Special Schools	-	-	-	-	-	-	-	-	-	-
Food Service	0.100	0.100	0.100	0.100	0.100	0.100	0.100	-	-	-
Child Care	-	-	-	-	-	-	-	-	-	-
Total	15,630	15,630	15,630	15,630	15,630	15,630	15,630	13,030	13,030	13,030

Source: District Personnel Records

**ROOSEVELT SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^d	Percentage Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2007	90	1,781,967	19,799	29.43%	10	9:1	N/A	N/A	15,488.0	-4.97%	95%	
2008	91	2,139,349	23,508	18.74%	10	9:1	N/A	N/A	15,720.0	2.05%	95%	
2009	91	2,241,183	24,627	4.76%	10	9:1	N/A	N/A	15,675.0	-1.08%	95%	
2010	81	2,286,538	28,229	14.62%	10	8:1	N/A	N/A	14,297.0	-8.80%	95%	
2011	86	2,417,721	28,113	-0.41%	10	8:1	N/A	N/A	12,731.0	-10.69%	95%	
2012	97	2,377,440	24,510	-12.82%	10	8:1	N/A	N/A	89.7	-99.30%	95%	
2013	89	2,683,521	30,152	N/A	10	9:1	N/A	N/A	85.50	N/A	95%	
2014	95	2,431,798	25,598	-15.10%	10	0.4	N/A	N/A	90.60	9.63%	95%	
2015	98	2,527,615	25,792	-15.10%	10	0.4	N/A	N/A	87.70	9.63%	96%	
2016	81	2,570,430	31,734	23.04%	10	0.4	N/A	N/A	79.60	-13.27%	96%	

Source: District records

Note: Enrollment based on annual October District count.

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

b Teaching staff includes only full-time equivalents of certificated staff.

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

**ROOSEVELT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

<u>District/Building</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>
Elementary:										
Roosevelt Elementary (1937)	20,099	20,099	20,099	20,299	20,299	20,299	20,299	20,299	20,299	20,299
Square Feet	150	150	150	150	150	150	150	150	150	150
Capacity (Students)	90	91	91	81	86	97	89	95	98	81
Enrollment										

Number of Schools at June 30, 2016:

- Elementary = 1
- Middle School = 0
- Senior High School = 0
- Other = 0

Source: District Facilities Office

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

**ROOSEVELT SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS
(UNAUDITED)**

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

*School Facilities

	<u>Project # (s)</u>	<u>Roosevelt Elementary</u>	<u>Total</u>
2007	N/A	80,135	80,135
2008	N/A	90,079	90,079
2009	N/A	52,874	52,874
2010	N/A	117,188	117,188
2011	N/A	124,012	124,012
2012	N/A	120,982	120,982
2013	N/A	142,703	142,703
2014	N/A	49,225	49,225
2015	N/A	110,163	110,163
2016	N/A	114,200	114,200
		<u>114,200</u>	<u>114,200</u>
Total School Facilities		<u>\$ 1,001,562</u>	<u>\$ 1,001,562</u>

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

Source: District records

**ROOSEVELT SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2016
(UNAUDITED)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy (4):		
Building and Contents (All Locations)	\$ 3,630,551	\$ 2,500
Boiler and Machinery	100,000,000	
General Automobile Liability	5,000,000	
School Board Legal Liability (1)	10,000,000	15,000
Employers Liability	2,000,000	
Workers' Compensation	Statutory	
Student Accident Insurance (2)	1,000,000	
Surety Bonds (2):		
Board Secretary/Business Administrator	150,000	
Environmental (4)	1,000,000	1,000
"CAP" - Excess Liability (5)	50,000,000	
Umbrella	5,000,000	
(1) New Jersey School Board Association Insurance Group		
(2) Markel/McCloskey		
(3) Selective Insurance Company		
(4) School Alliance Insurance Fund		
(5) Firemans Fund		

Source: District records

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SINGLE AUDIT SECTION

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EXHIBIT K-1

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Honorable President and Members
of the Board of Education
Roosevelt School District
County of Monmouth
Roosevelt, New Jersey 08555

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental and business-type activities, each major fund and the aggregate remaining fund information of the Roosevelt School District, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Roosevelt School District's basic financial statements, and have issued our report thereon dated November 29, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Roosevelt School 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 Roosevelt School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Roosevelt School 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 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.

Compliance and Other Matters

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

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* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Rodney R. Haines
Certified Public Accountant
Public School Accountant, No. 2198

Toms River, New Jersey
November 29, 2016



EXHIBIT K-2

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE
UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08**

Honorable President and Members
of the Board of Education
Roosevelt School District
County of Monmouth
Roosevelt, New Jersey 08555

Report on Compliance for Each Major State Program

We have audited Roosevelt School District’s compliance with the types of compliance requirements described in the OMB Compliance Supplement and 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 year ended June 30, 2016. Roosevelt School District’s major state programs are identified in the Summary of Auditor’s 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 state programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of Roosevelt School 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); *the New Jersey State Aid/Grant Compliance Supplement*; the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB’s Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance and New Jersey OMB’s 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 Roosevelt School 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 Roosevelt School District's compliance.

Opinion on Each Major State Program

In our opinion, Roosevelt School 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 year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of Roosevelt School 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 Roosevelt School 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 New Jersey OMB's Circular 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 Roosevelt School 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 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 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 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 and New Jersey OMB's Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Rodney R. Haines
Certified Public Accountant
Public School Accountant, No. 2198

Toms River, New Jersey
November 29, 2016

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**ROOSEVELT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2015	Cash Received	Budgetary Expenditures	Subrecipient Expenditures	Balance June 30, 2016		
				From	To					(Accounts Receivable)	Deferred Revenue	Due To Grantor
Passed-Through State Department of Education:												
<u>Special Revenue Fund</u>												
			Rural Education Achievement Program	\$ 17,346	07/01/15	09/30/16	\$ -	\$ (22,516)	\$ -	\$ (22,516)	\$ -	\$ -
84.358A	S358B150030	S358A141530		16,786	07/01/14	09/30/15	(2,375)	-	-	(2,375)	-	-
84.358A	S358B150030	S358A131430					(2,375)	(22,516)	-	(24,891)	-	-
Subtotal												
			I.D.E.A. Special Education Cluster:									
84.027	H027A150100	IDEA-4520-16		28,177	07/01/15	06/30/16	-	16,720	(22,491)	(5,771)	-	-
			I.D.E.A. Part B, Basic									
84.173	HI73A150114	IDEA-4520-16		1,414	07/01/15	06/30/16	-	1,390	-	-	1,390	-
Total I.D.E.A. Special Education Cluster:												
				16,870	07/01/15	06/30/16	-	9,167	(12,915)	(3,748)	-	-
Title I - Part A												
84.367	S367A150029	NCLB-4520-16		1,281	07/01/15	06/30/16	-	-	-	-	-	-
84.367	S367A150029	NCLB-4520-15		1,868	09/01/14	06/30/15	(1,868)	1,868	-	-	-	-
Subtotal												
							(1,868)	1,868	-	-	-	-
Total U.S. Department of Education												
				(4,243)			29,145	(57,922)	-	(34,410)	1,390	-
Total Federal Financial Awards												
				(4,243)			29,145	(57,922)	-	(34,410)	1,390	-

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ROOSEVELT SCHOOL DISTRICT
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Curryover/ Carryover (Walkover) Amount	Balance at June 30, 2015		Balance at June 30, 2016		Memo	
			From	To		Deferred Revenues/ (Accounts Receivable)	Cash Received	Deferred Revenue Grantor	(Accounts Receivable)		
			Due To Grantor	Budgetary Expenditures		Repayment of Prior Years' Balances	Budgetary Receivable	Cumulative Total Expenditures			
State Department of Education											
General Fund											
Equalization Aid	16-495-034-5120-078	\$ 470,385	07/01/15	06/30/16	-	\$ -	\$ 470,385	\$ -	\$ -	\$ 47,002	\$ 470,385
School Choice	16-495-034-5120-068	279,860	07/01/15	06/30/16	-	-	279,860	(279,860)	-	27,963	279,860
Security Aid	16-495-034-5120-084	8,957	07/01/15	06/30/16	-	-	8,957	(8,957)	-	895	8,957
Special Education Categorical Aid	16-495-034-5120-089	68,205	07/01/15	06/30/16	-	-	68,205	(68,205)	-	6,815	68,205
Adjustment Aid	16-495-034-5120-085	86,214	07/01/15	06/30/16	-	-	86,214	(86,214)	-	8,614	86,214
PARCC Readiness Aid	16-495-034-5120-098	1,360	07/01/15	06/30/16	-	-	1,360	(1,360)	-	136	1,360
Per Pupil Growth Aid	16-495-034-5120-097	1,360	07/01/15	06/30/16	-	-	1,360	(1,360)	-	136	1,360
Transportation Aid	16-495-034-5120-057	63,927	07/01/15	06/30/16	-	-	63,927	(63,927)	-	6,387	63,927
Non-Public Transportation Aid	15-495-034-5120-014	348	07/01/14	06/30/15	-	(348)	-	348	-	-	-
Non-Public Transportation Aid	16-495-034-5120-014	696	07/01/15	06/30/16	-	-	-	(696)	-	-	696
On-Behalf TPAF Pension System Contribution - Post Retirement	16-495-034-5095-001	59,242	07/01/15	06/30/16	-	-	59,242	(59,242)	-	-	59,242
On-Behalf TPAF Pension System Reimbursed TPAF Social Security Contributions	16-495-034-5095-007	49,754	07/01/15	06/30/16	-	-	49,754	(49,754)	-	-	49,754
Contributions	15-495-034-5095-002	60,502	07/01/14	06/30/15	-	(3,021)	3,021	-	-	-	-
Reimbursed TPAF Social Security Contributions	16-495-034-5095-002	67,722	07/01/15	06/30/16	-	-	64,318	(67,722)	(3,404)	-	67,722
Total General Fund						(3,369)	1,156,951	(1,157,682)	(4,100)	97,948	1,157,682
Capital Projects Fund											
NISDA - Roosevelt Elementary School Site Drainage	4520-050-14-1002-G2DV	31,127	Completion	Completion	-	-	-	-	(29,586)	-	-
NISDA - Roosevelt Elementary School Roof Replacement	4520-050-14-1001-G2DU	147,242	Completion	Completion	-	-	-	-	(131,555)	-	1,906
NISDA - Roosevelt Elementary School Exterior Stucco Repairs	4520-050-14-1003-G2DW	190,420	Completion	Completion	-	-	-	-	(174,286)	-	3,709
Total Capital Projects Fund						(329,812)	-	(5,615)	(335,427)	-	5,615
Total State Financial Assistance						\$ (333,181)	\$ 1,156,951	(1,163,297)	\$ (339,527)	\$ -	\$ 97,948
D-Deficit, not Accounts Receivable, due to expenditures exceeding last state aid payment.											
Less: State Financial Assistance Not Subject to Major Program Determination:											
On-Behalf TPAF Pension System Contribution - Post Retirement	16-495-034-5095-001	59,242	07/01/15	06/30/16	-	-	59,242	-	-	-	-
On-Behalf TPAF Pension System	16-495-034-5095-007	49,754	07/01/15	06/30/16	-	-	49,754	-	-	-	-
Total State Financial Assistance Subject to Major Program Determination:						\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

The accompanying Notes to the Schedule of State Financial Assistance are an integral part of this Schedule.

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ROOSEVELT SCHOOL DISTRICT

**NOTES TO SCHEDULE OF STATE FINANCIAL ASSISTANCE
June 30, 2016**

Note 1. General

The accompanying schedule of expenditures of state financial assistance includes state award activity of the Roosevelt School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All state awards received directly from state agencies, as well as state financial assistance passed through other government agencies is included on the schedule of expenditures of state financial assistance.

Note 2. Summary of Significant Accounting Policies

The accompanying schedule of state financial assistance is presented on the budgetary basis of accounting. This basis of accounting is described in Note 1 to the board's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200-*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Of the state expenditures presented in the schedule of state financial assistance, the Roosevelt School District did not provide any state awards to sub recipients.

Note 3. Relationship to Basic Financial Statements

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

The General Fund is presented in the accompanying Schedules on the modified accrual basis, with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to P.L. 2003, c.97.(A3521). For GAAP purposes, that payment is not recognized until the subsequent budget year due to the State deferral and recording of the last state aid payment in the subsequent year. The Special Revenue Fund is presented in the accompanying Schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The Special Revenue Fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$-0- for the General Fund and \$-0- for the Special Revenue Fund. See the Notes to Required Supplementary Information (Exhibit C-3) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds. Financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

ROOSEVELT SCHOOL DISTRICT

**NOTES TO SCHEDULE OF STATE FINANCIAL ASSISTANCE
June 30, 2016**

Note 3. Relationship to Basic Financial Statements (continued):

	<u>Federal</u>	<u>State</u>
General Fund	\$ -	\$ 1,157,682
Special Revenue Fund	57,922	-
Capital Projects Fund	-	5,615
	<hr/>	<hr/>
Total Financial Assistance	<u>\$ 57,922</u>	<u>\$ 1,163,297</u>

Note 4. Relationship to State Financial Reports

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

Note 5. Other

The amount reported as TPAF Pension Contributions represents the amount paid by the State on behalf of the District for the year ended June 30, 2016. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2016.

Note 6. State Loans Outstanding

The Roosevelt School District had no loan balances outstanding at June 30, 2016.

**ROOSEVELT SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2016**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- 1) Material weakness(es) identified? No
- 2) Significant deficiencies identified that are not considered to be material weaknesses? None Reported

Noncompliance material to basic financial Statements noted? No

Federal Awards – NOT APPLICABLE

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

Auditee qualified as low-risk auditee?

Internal Control over major programs:

- 1) Material weakness(es) identified?
- 2) Significant deficiencies identified that are not considered To be material weaknesses?

Type of auditor’s report issued on compliance for major programs

Any audit findings disclosed that are required to be reported in accordance With 2 CFR 200 Section .516(a) of the Uniform Guidance?

Identification of major programs:

CFDA Number(s)	FAIN Number(s)	Name of Federal Program or Cluster
		NOT APPLICABLE

**ROOSEVELT SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2016**

Section I – Summary of Auditor’s Results

State Awards

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes
Internal Control over major programs:	
1) Material weakness(es) identified?	No
2) Significant deficiencies identified that are not considered To be material weaknesses?	None Reported
Type of auditor’s report issued on compliance for major programs	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance With 2 CFR 200 Section .516(a) of the Uniform Guidance or NJOMB Circular Letter 15-08 as applicable?	No

Identification of major programs:

State Grant/Project Number(s)	Name of State Program
	<u>State Aid Public Cluster:</u>
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Aid
495-034-5120-085	Adjustment Aid
495-034-5120-084	Security Aid
495-034-5120-068	School Choice Aid
495-034-5120-098	PARCC Readiness Aid
495-034-5120-097	Per Pupil Growth Aid

**ROOSEVELT SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2016
(continued)**

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

No Current Year Findings

Section III – Schedule of Federal Award Findings & Questioned Costs

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Not Applicable

Section IV – State Financial Assistance Findings & Questioned Costs

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and NJOMB Circular Letter 15-08, as applicable.

No Current Year Findings

**ROOSEVELT SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
For the Fiscal Year Ended June 30, 2016**

This section identifies the status of prior-year findings related to the basic financial statements and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, USOMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, (¶.511 (a)(b)) and NJOMB's Circular 04-04 and/or 15-08, as applicable.

No Prior Year Findings