

SCHOOL DISTRICT  
OF  
Roseland Borough

Roseland Borough School District  
Board of Education  
Roseland Borough, New Jersey

Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2016

Comprehensive Annual  
Financial Report

of the

Roseland Borough  
Board of Education

Roseland Borough, New Jersey

For the Fiscal Year Ended June 30, 2016

Prepared by

Roseland Borough  
Board of Education

ROSELAND BOARD OF EDUCATION  
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INTRODUCTORY SECTION

## ROSELAND BOARD OF EDUCATION

Lester C. Noecker School  
Passaic Avenue  
Roseland, New Jersey 07068

Office of the Superintendent  
(973) 226-1296

Office of the Board Secretary  
(973) 226-1296

Office of the Principal  
(973) 226-7644

October 7, 2016

The Honorable President and Members of  
the Board of Education  
Roseland Board of Education  
County of Essex, New Jersey

Dear Honorable President and Board Members:

The Comprehensive Annual Financial Report of the Roseland Board of Education (the "District") for the fiscal year ended June 30, 2016 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Roseland Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes The Independent Auditor's Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected economic and demographic information, financial trends and the fiscal capacity of the District, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' report on the internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

1. **REPORTING ENTITY AND ITS SERVICES:** The Roseland Board of Education is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board ("GASB") in codification section 2100. All funds of the District are included in this report. The Roseland Board of Education's elementary school constitutes the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 6. These include regular, as well as special education, for handicapped youngsters. The District completed the 2015-2016 fiscal year with an average daily enrollment of 431 students, which is 5 students less than the prior year's enrollment.

The Honorable President and Members of  
 the Board of Education  
 Roseland Board of Education  
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2. ECONOMIC CONDITION AND OUTLOOK: Roseland is a mature suburban community within Essex County. According to recent reports, the statistical profile of economic indicators shows that Roseland maintains a slow growth. Property valuations have slightly increased. The Borough of Roseland completed a revaluation that was reflected in the 2011 taxes. There was a significant shift from the commercial side to the residential side of the 2011 tax base.

Over the past five years, the Borough has been involved in litigation regarding numerous, long standing tax appeals. The commercial tax appeals are significant, as the outcome of the appeals has had and will have substantial and adverse consequences to the Borough's budget and financial stability.

Regardless of the economic climate, there is a feeling among the educational leaders that the residents of Roseland will continue to support the District's educational goals.

3. MAJOR INITIATIVES: As in years past, the District's annual financial plan provides a balance between building maintenance projects and program needs. In general, the buildings are well maintained. There is a program of preventive maintenance in place. The comprehensive maintenance plan (CMP), which is approved by the Board each year, identifies a number of priority facility projects. Funding for these projects is included in the annual budget. There are, however, facility needs that can only be addressed through allocations from the Capital Reserve Account. During the 2015-16 the Board allocated \$300,000 from Capital Reserve to address a paving need in the front lot, and carried over 2014-15 funds to address a few of the security and safety projects. The projects consisted of replacing classroom locks, building man-traps at school entry points for increased safety, replacing and upgrading security cameras, milling, paving and restriping of parking areas, placing bollards around the emergency generator, increasing lighting and improving signage around Noecker school. The Board also addressed through the general fund other safety issues such as a French drain near the driveway exit, handicap accessibility and access, strategic alignment of walkways, as well as curbing and fencing along the property.

Regarding program enhancements, the District continues to purchase the necessary hardware to enhance instruction. Classrooms are equipped with computers and printers for teacher and student use.

We continue to improve our technology equipment by increasing the number of hard-wired smart boards and replacing a few of our older PC's. We also completed a 1-to-1 initiative for students in grades 5 and 6. We also continue to improve the use of the data available to teachers through electronic programs and software for grades 3-6. The hardware in unison with the web-based systems and software compel students to engage in the lessons being presented. They come to school with a high level of technology savvy and the school keeps them engaged for things innovative and technical. An enhanced Wi-Fi System was also completed in the 2015-16 school year to make the technology run more seamlessly and efficiently. The students demand this level of performance in their instructional day as now an integral part of society and likely their future careers. An upgrade of the data pipe to the Internet will radically alter access from the network LAN. This will enable the opportunity for communication through data, voice and video down to the desktop computer.

Teachers attended a variety of professional development workshops in and out-of-district. With new No Child Left Behind Title monies, the District was able to provide extensive in-house training by Jennifer Serravallo relating to literacy language arts including curricula writing. Further, all District employees were provided training on identifying and reporting harassment, intimidation and bullying incidents. The District continues to support special education and speech teachers training in FDU's Orton Gillingham program as well as support for integrating technology across all subjects.



The Honorable President and Members of  
the Board of Education  
Roseland Board of Education  
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Public school districts are required to seek cost savings through shared services programs. Current shared services include:

- ✓ Professional Development (West Essex Consortium)
- ✓ Transportation (Sussex County Regional Coop)
- ✓ Ed Data Supply Services (Purchasing Group)
- ✓ Middlesex Regional Educational Services (Purchasing Group)
- ✓ Snow Plowing - Sewer - Water - Waste Disposal - Field Maintenance (Borough of Roseland)
- ✓ Alliance for Competitive Energy Services (ACES)
- ✓ Insurance Fund for Property and Liability (NJSIG)
- ✓ Insurance Fund for Worker's Compensation (MEIG)

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

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

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

5. BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by a vote of the Board of Education. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as restrictions, commitments and assignments of fund balance at June 30, 2016.

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

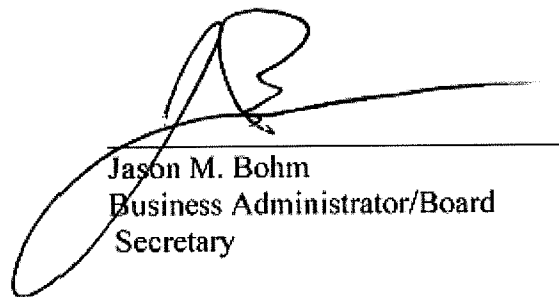
The Honorable President and Members of  
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October 7, 2016

7. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
8. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property, contents, and fidelity bonds. The Board oversees Risk Management for the District. A schedule of insurance coverage is found in J-20.
9. OTHER INFORMATION: **Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditors' report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The auditors' reports related specifically to the single audit and *Government Auditing Standards* are included in the single audit section of this report.
10. ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Roseland School Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,



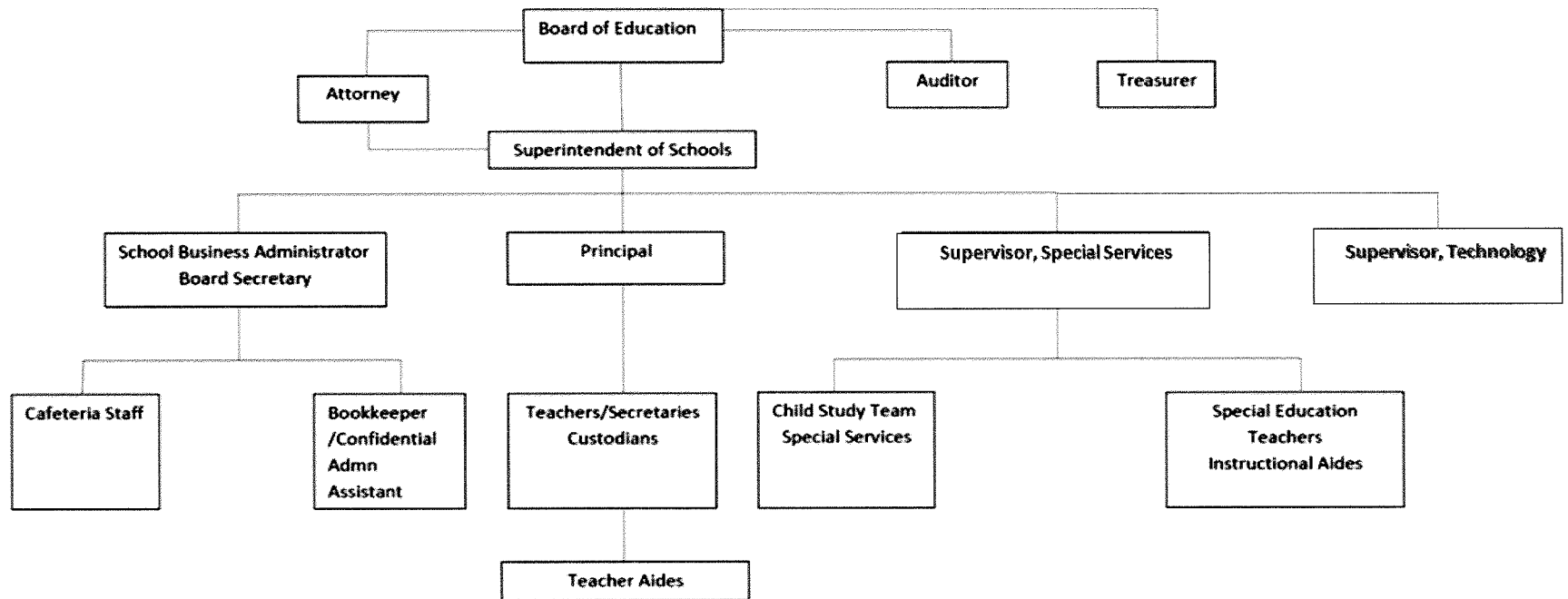
Dr. Maria Nuccetelli  
Interim Superintendent



Jason M. Bohm  
Business Administrator/Board  
Secretary

**ROSELAND BOARD OF EDUCATION**

**1110 ORGANIZATIONAL CHART**



ROSELAND SCHOOL DISTRICT  
ROSTER OF OFFICIALS  
JUNE 30, 2016

Members of the Board of EducationTerm Expires

Mrs. Anna Gordon, President	2016
Mr. Neal Goldstein, Vice-President	2017
Mrs. Julie DiGiacomo	2017
Mr. Scott Gorman	2018
Mrs. Jean Perrotti	2018

Other OfficialsTitle

Mrs. Lisa Gross	Superintendent
Mr. Jason M. Bohm	Business Administrator/ Board Secretary
Ms. Robyn Greenwald	Principal
Mr. Michael Falkowski	Treasurer of School Monies
Mr. Richard Freda	Assistant to the Business Administrator

## **ROSELAND SCHOOL DISTRICT**

Consultants and Advisors  
Year Ended June 30, 2016

### **Audit Firm**

John Mooney  
Nisivoccia LLP, CPAs  
200 Valley Road Suite 300  
Mount Arlington, NJ 07856

### **Attorney**

Matthew Giacobbe  
Cleary, Giacobbe, Alfieri, & Jacobs  
169 Ramapo Valley Road  
Upper Level 105  
Oakland, NJ 07436

### **Official Depository**

TD Bank  
Monica McCormack-Casey  
600 Passaic Avenue  
West Caldwell NJ 07006

### **Bond Attorney**

Andrea Kahn, Esq.  
McManimon & Scotland, L.L.C.  
One River Front Plaza, Fourth Floor  
Newark, NJ 07102-5408

### **Architect**

Solutions Architecture Corp.  
Frank Messineo, AIA  
81 Clay Street 2<sup>nd</sup> Floor  
Newark, NJ 07104

### **Health Benefits Broker**

Brown & Brown Benefits Advisors  
Anthony Ciardella, Jr., Regional VP  
5 Regent Street Suite 523  
Livingston NJ 07039

### **Property & Casualty Broker**

Centric Insurance Agency, Inc.  
Lee G. Nestel, President  
219 South Street  
New Providence NJ 07974

FINANCIAL SECTION



Mount Arlington Corporate Center  
 200 Valley Road, Suite 300  
 Mt. Arlington, NJ 07856  
 973-328-1825 | 973-328-0507 Fax  
 Lawrence Business Center  
 11 Lawrence Road  
 Newton, NJ 07860  
 973-383-6699 | 973-383-6555

## Independent Auditors' Report

The Honorable President and Members  
 of the Board of Education  
 Roseland Board of Education  
 County of Essex, New Jersey

### **Report on the Financial Statements**

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

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

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

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

The Honorable President and Members  
of the Board of Education  
Roseland Board of Education  
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### ***Opinions***

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

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which follows this report, the pension schedules in Exhibits L-1 through L-4 and the related notes and the budgetary comparison information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

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

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



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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2016 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

October 7, 2016  
Mount Arlington, New Jersey

NISIVOCCIA LLP  
NISIVOCCIA LLP



John J. Mooney  
Licensed Public School Accountant #2602  
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION -  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)

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

This section of Roseland Borough School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2016. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

**Financial Highlights**

Key financial highlights for the 2015/16 school year are as follows:

- The District's net position increased \$363,679 during the year.
- In 2015/16, the Governmental Activities had \$10,712,207 in revenue. The majority of Governmental Activities revenue was raised through local property taxes and state aid. The total Governmental Activities expenses for 2015/16 were \$10,345,868.
- The District's total bonded debt decreased by \$565,000 during the current fiscal year.

**Overview of the Financial Statements**

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

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

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

**Figure A-1**  
**Organization of Roseland Borough School District's Financial Report**

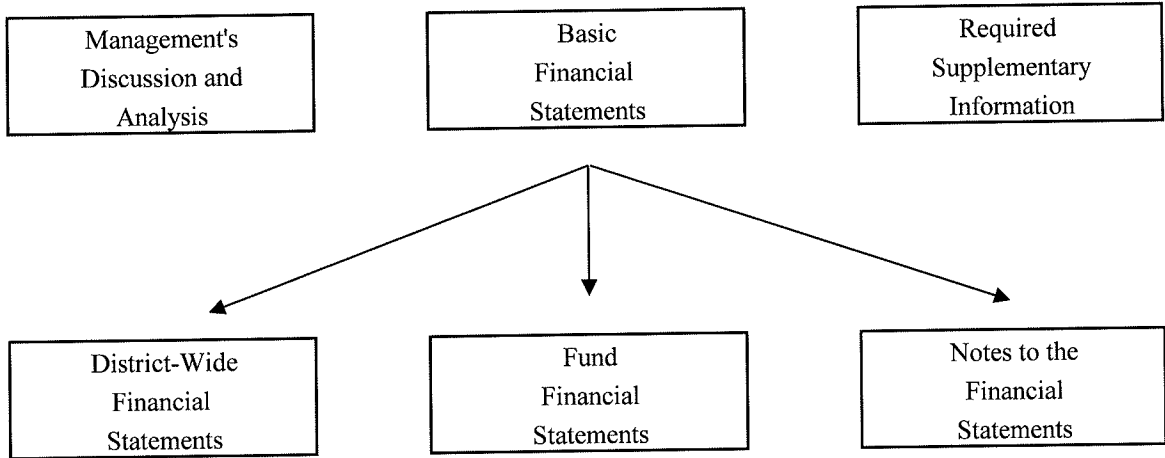


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents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

Figure A-2

## Major Features of the District-Wide and Fund Financial Statements

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

### District-Wide Statements

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

The two District-wide statements report the District's *net position* and how it has changed. Net position – the difference between the District's assets, deferred inflows and outflows, and liabilities – is one way to measure the District's financial health or *position*.

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

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

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

### Fund Financial Statements

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

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

The District has three kinds of funds:

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

- *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows.
- *Fiduciary funds*: The District is the trustee, or *fiduciary*, for assets that belong to others, such as scholarship funds and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations.

### Notes to the Basic Financial Statements

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

### Financial Analysis of the District as a Whole

Net Position. The District's net position is shown in Figure A-3. It is important to note here that depreciation of the District's capital assets is computed into the total. The depreciation factored into the District's net position for 2015/16 is \$485,961. This same amount is also factored in as an expense in this audit.

Figure A-3

	Condensed Statement of Net Position						Total
	Governmental Activities		Business-Type Activities		Total School District		Percentage
	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15	Change
Current and Other Assets	\$ 1,266,146	\$ 1,092,452	\$ 17,285	\$ 24,960	\$ 1,283,431	\$ 1,117,412	14.86%
Capital Assets, Net	12,335,838	12,276,222	47,474	44,208	12,383,312	12,320,430	0.51%
Total Assets	13,601,984	13,368,674	64,759	69,168	13,666,743	13,437,842	1.70%
Deferred Outflows of Resources	1,344,203	761,288			1,344,203	761,288	76.57%
Long-Term Liabilities Outstanding	10,582,761	10,423,863			10,582,761	10,423,863	1.52%
Other Liabilities	529,719	165,993	11,520	13,269	541,239	179,262	201.93%
Total Liabilities	11,112,480	10,589,856	11,520	13,269	11,124,000	10,603,125	4.91%
Deferred Inflows of Resources	44,035	116,773			44,035	116,773	-62.29%
Net Position:							
Net Investment in Capital							
Assets	5,812,192	5,237,554	47,474	44,208	5,859,666	5,281,762	10.94%
Restricted	614,522	414,388			614,522	414,388	48.30%
Unrestricted / (Deficit)	(2,637,042)	(2,228,609)	5,765	11,691	(2,631,277)	(2,216,918)	-18.69%
Total Net Position	\$ 3,789,672	\$ 3,423,333	\$ 53,239	\$ 55,899	\$ 3,842,911	\$ 3,479,232	10.45%

*Changes in net position.* The District's combined net position was \$3,842,911 on June 30, 2016, \$363,679 or 10.45% more than it was the year before. (See Figure A-3). The reduction of District long-term debt associated with capital assets and the unspent budget appropriations were the primary reasons for the increase in the year end governmental net position. The net position of the business-type activities decreased \$2,660 (see Figure A-4).

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

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16
Revenue:							
Program Revenue:							
Charges for Services			\$ 127,281	\$ 120,535	\$ 127,281	\$ 120,535	5.60%
Operating Grants and Contributions	\$ 2,459,030	\$ 2,034,861	24,853	28,750	2,483,883	2,063,611	20.37%
General Revenue:							
Property Taxes	8,109,079	7,738,395			8,109,079	7,738,395	4.79%
Unrestricted Federal and State Aid	32,875	31,017			32,875	31,017	5.99%
Other	111,223	95,255			111,223	95,255	16.76%
Total Revenue	10,712,207	9,899,528	152,134	149,285	10,864,341	10,048,813	8.12%
Expenses:							
Instruction	6,368,321	6,030,250			6,368,321	6,030,250	5.61%
Pupil & Instruction Services	1,481,893	1,193,250			1,481,893	1,193,250	24.19%
Administrative and Business	946,103	906,737			946,103	906,737	4.34%
Maintenance & Operations	625,275	685,040			625,275	685,040	-8.72%
Transportation	289,444	278,964			289,444	278,964	3.76%
Other	634,832	614,249	154,794	180,213	789,626	794,462	-0.61%
Total Expenses	10,345,868	9,708,490	154,794	180,213	10,500,662	9,888,703	6.19%
Change in Net Position	\$ 366,339	\$ 191,038	\$ (2,660)	\$ (30,928)	\$ 363,679	\$ 160,110	127.14%

*Revenue Sources.* The District's total revenue for the 2015/16 school year was \$10,864,341. (See Figure A-4). Property taxes accounted for most of the District's revenue, with local taxes accounting for \$8,109,079 of the total, or 74.64 percent. (See Figure A-5). Another 23.16 percent came from state formula aid and other state and federal aid and grants, and the remainder came from miscellaneous sources. Roseland Borough School District basically conducts its operations from the revenues it receives from its local taxpayers and state funding.



**Figure A-5**  
**Sources of Revenue for Fiscal Year 2016**

Sources of Income	Amount	Percentage
State Formula Aid	\$ 2,483,883	22.86%
Property Taxes	8,109,079	74.64%
Federal and State Categorical Grants	32,875	0.30%
Charges for Services	127,281	1.17%
Other	111,223	1.03%
	<u>\$ 10,864,341</u>	<u>100.00%</u>

The total cost of all programs and services was \$10,500,662. The District's expenses are predominantly related to instructing, caring for (pupil services) and transporting students (77.52 percent). (See Figure A-6). The District's administrative and business activities accounted for 9.01 percent of total costs. The most significant contributor to the costs of Maintenance and Operations was higher energy (electrical) costs.

**Figure A-6**  
**Expenses for Fiscal Year 2016**

Expense Category	Amount	Percentage
Instruction	\$ 6,368,321	60.65%
Pupil & Instruction Services	1,481,893	14.11%
Administrative and Business	946,103	9.01%
Maintenance & Operations	625,275	5.95%
Transportation	289,444	2.76%
Other	789,626	7.52%
	<u>\$ 10,500,662</u>	<u>100.00%</u>

### Governmental Activities

As discussed elsewhere in this commentary, the financial position of the District remains relatively stable. Maintaining current levels of regular and special programs and services for special needs pupils place great demands on the District's resources. Careful management of expenditures generated from declining revenues is essential for the District's financial stability.

Financial resources are at their tightest level in a decade, while demands for new educational activities and programs continue. It has never been more challenging to balance the needs of the District with the financial resources available to the District. Thus, it is critical that the District remains steadfast to thoroughly examine its budget choices carefully.

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

**Figure A-7**

**Net Cost of Governmental Activities**

	Total		Net	
	Cost of Services		Cost of Services	
	2015/16	2014/15	2015/16	2014/15
Instruction	\$ 6,368,321	\$ 6,030,250	\$ 4,146,994	\$ 4,188,748
Pupil & Instruction Services	1,481,893	1,193,250	1,370,337	1,109,472
Administrative and Business	946,103	906,737	848,030	825,222
Maintenance & Operations	625,275	685,040	618,117	677,884
Transportation	289,444	278,964	268,528	258,054
Other	634,832	614,249	634,832	614,249
<b>Total</b>	<b>\$ 10,345,868</b>	<b>\$ 9,708,490</b>	<b>\$ 7,886,838</b>	<b>\$ 7,673,629</b>

- The cost of all governmental activities this year was \$10.3 million.
- The federal and state governments subsidized certain programs with grants and contributions (\$2,491,905).
- Most of the District's costs (\$8.11 million), however, were financed by District taxpayers.
- The remainder of the funding came from charges for services, miscellaneous revenue and investment earnings.

**Business-Type Activities**

Net position from the District's business-type activity decreased by \$2,660, which is due primarily to a decrease in federal and state lunch reimbursements (refer to Figure A-4).

**Financial Analysis of the District's Funds**

The District's financial position is relatively sound despite significant declining budget revenues during a difficult economic environment. The reduction in State aid has had a direct impact upon the District's revenues and will directly increase pressure on the local tax burden. The District had the luxury in past years of using excess fund balance to reduce the taxes for the ensuing school year; however, legislation enacted has limited the amount of fund balance to 2% going forward. Accordingly, the Roseland District has taken measures to reduce expenditures and not be dependent on excess fund balance going forward which has been a challenge during 2015/16 and will continue to be a larger challenge going forward.

To maintain a stable financial position, the District must continue to practice sound fiscal management.

### General Fund Budgetary Highlights

Over the course of the year, the District revised its annual operating budget several times due to the following category:

- Changes made within budgetary line items for changes in school-based needs for programs, supplies and maintenance activities.

### Capital Asset and Debt Administration

Figure A-8

#### Capital Assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16
Land	\$ 107,904	\$ 107,904			\$ 107,904	\$ 107,904	0.00%
Construction in Progress	300,000	4,014			300,000	4,014	7373.84%
Buildings & Building Improvements	11,580,239	11,872,923			11,580,239	11,872,923	-2.47%
Machinery and Equipment	347,695	291,381	\$ 47,474	\$ 44,208	395,169	335,589	17.75%
<b>Total</b>	<b>\$ 12,335,838</b>	<b>\$ 12,276,222</b>	<b>\$ 47,474</b>	<b>\$ 44,208</b>	<b>\$ 12,383,312</b>	<b>\$ 12,320,430</b>	<b>0.51%</b>

#### Long-Term Liabilities

At year-end, the District had \$7,045,000 in general obligation bonds, \$2,737,805 of net pension liability, \$634,548 of unamortized bond issuance premium and \$164,408 in other long-term liabilities outstanding – an increase of \$158,898 from last year – as shown in Figure A-9. (More detailed information about the District's long-term liabilities is presented in Note 7 to the financial statements.)

Figure A-9

#### Outstanding Long-Term Liabilities

	Total School District		Total Percentage Change
	2015/16	2014/15	2015/16
General Obligation Bonds and Notes (Financed with Property Taxes)	\$ 7,045,000	\$ 7,610,000	-7.42%
Unamortized Bond Issuance Premium	634,548	698,003	-9.09%
Net Pension Liability	2,738,805	1,959,449	39.77%
Other Long Term Liabilities	164,408	156,411	5.11%
<b>Total</b>	<b>\$ 10,582,761</b>	<b>\$ 10,423,863</b>	<b>1.52%</b>

- The District continued to pay down its debt, retiring \$565,000 of general obligation bonds.
- In 2015/16 the District had more employees become eligible for accrued compensated absences payouts which accounted for the majority of the increase in other long term liabilities.

### **Factors Bearing on the District's Economic Future**

The Board and the administration have had discussions on how existing circumstances could affect the future financial health of the school district. The following examples may have an impact and affect the financial operation in the future:

- The stagnant economy and high-level of debt in our state has generated concern in the educational community for public school funding.
- Future challenges for the financial planning to address facility improvements and upgrades to the Lester C. Noecker School to meet enrollment and curriculum demands particularly considering the 2% tax levy budget cap currently in place.

#### **Stagnant Economy**

Schools around the country were recently impacted by the worst recession in decades. The response was to impose such measures as staff and service reductions, smaller textbook and supplies budgets, outsourcing of services, and fewer resources through contraction of non-mandatory expenses. New Jersey continues to struggle with greater than average unemployment, high-levels of debt, and a burgeoning pension liability which in turn has affected the State's bond rating. Governor Christie implemented a number of changes in order to help communities address future budget deficits and has taken steps to attempt to reduce long-term liabilities held by the State. The changes have had an effect on suburban public school districts recognized for providing innovative and cutting edge programs to their students to by placing a hold on expanding their academic offerings. The Roseland Public School District, which is mostly residential, is concerned that if the state continues to cut aid to education, municipalities will experience even more dramatic increases in property taxes.

It is reasonable to say that many public school districts across the country are, or will be, facing fiscal difficulties and will need to raise additional revenue or limit expenditures. Prior to 2003, school districts in New Jersey were allowed to maintain a maximum unassigned general fund balance equal to 6% of the districts' total general fund expenditure. Adding to the financial stress was the passage of S1701. Adopted by the State of New Jersey on June 17, 2004, this law forced school districts to decrease their allowable unassigned general fund balance and to either give it back to the local taxpayers, or apply the excess surplus to fund the subsequent fiscal year budget.

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

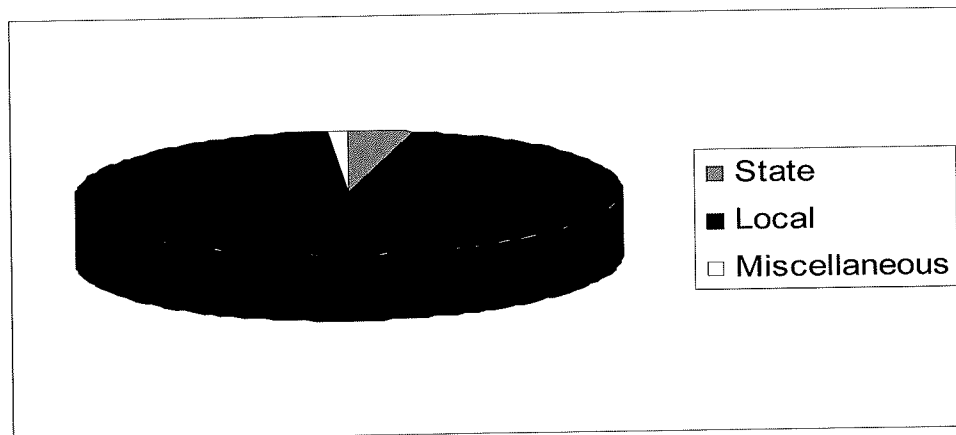
Proponents of education vigorously opposed S1701, not only because it made districts vulnerable in the event of costly emergencies, but also placed restrictions on adjusting a financial plan that was created 12 months prior to its implementation. Specifically, the law places limits on the district's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

The Roseland Public School District is aware of the signs of fiscal stress and has taken the necessary action to ensure fiscal stability. Some of the steps taken are as follows:

- ✓ Refinancing of debt obligations and payoff of original bonding.
- ✓ Carefully develop balanced budgets for revenues and expenditures for all fund groups.
- ✓ Ensure expenditures are within the budgeted amounts.
- ✓ Contraction of non-mandatory obligations in budget to stay within non-referendum budget limits.
- ✓ Monitor the budgets on an ongoing basis and ensure that appropriations are not overspent.
- ✓ Expand capital and other reserves considering 2% tax levy.
- ✓ Develop a long-term (five-year) fiscal plan and update it annually.

Finally, the discussion about the constant increases in local property taxes in the media has polarized many communities, and in the center of this discontent is the cost of education. The Trustees of the Roseland Public School District are aware that future successful budgets will be reliant on continuing to maintain a positive relationship with the municipal government and the local taxpayers. The chart below clearly identifies the importance of this fact.

#### Revenue Share of 2015-16 Roseland School Budget



#### Future Challenges for Financial Planning

Over the last several years, a number of building maintenance projects were set aside to address educational program requirements such as the hiring of staff, mandated changes to the curriculum, maintaining contractual entitlements, increased utility costs and a number of other increasing fixed costs. A comprehensive maintenance plan (CMP), which is approved by the Board each year, identifies a number of priority facility projects and funding for these projects is included in the annual budget. However, an annual program of preventive maintenance cannot adequately address some of the desired infrastructure upgrades, which have been identified as being needed.

Over the last several years, a number of building maintenance projects were set aside to address educational program requirements such as the hiring of staff, mandated changes to the curriculum, maintaining contractual entitlements, increased utility costs and a number of other increasing fixed costs. A comprehensive maintenance plan (CMP), which is approved by the Board each year, identifies a number of priority facility projects and funding for these projects is included in the annual budget. However, an annual program of preventive maintenance cannot adequately address some of the desired infrastructure upgrades, which have been identified as being needed.

The facility plan began with a request for professional services for security and safety upgrades which the architect presented to the Board in December of 2014. The following is a listing of the selected improvements:

- ✓ Signage – locations, type and size.
- ✓ Operable/moveable road blocking equipment to close access road by generator.
- ✓ Installation of surveillance cameras
- ✓ Creation of a “man-trap” at the main entrance.
- ✓ Wire mesh glass, bullet resistant film in entry doors and selected windows.
- ✓ Updated emergency designs in line with plans and procedures with local officials.
- ✓ Classroom doors retrofitted with intruder locksets.
- ✓ Master key locking system.
- ✓ Impact resistant bollards around emergency generator.
- ✓ Paving the front lot due to prevent continuing water main breaks and hazards.
- ✓ Enhanced communications and intercom systems.

The Board will likely complete the projects listed above by the end of calendar year 2016 through the bidding and quotation process with selected firms. Although the Board was able to finance these improvements with capital funding via the local tax levy, it has diminished the District’s reserves for future facility improvements. The Board recognizes the need to replenish said reserves in the near future while working with the architect to revamp our long range facilities plan to align with future financial plans and budgetary constraints.

#### **CONTACTING THE DISTRICT’S FINANCIAL MANAGEMENT**

This financial report is designed to provide the District’s citizens, taxpayers, customers and investors and creditors with a general overview of the District’s finances and to demonstrate the District’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board of Education Office, Lester C. Noecker School, 100 Passaic Avenue, Roseland, New Jersey 07068.

**BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS**



ROSELAND BOARD OF EDUCATION  
STATEMENT OF NET POSITION  
JUNE 30, 2016

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 929,216	\$ 9,906	\$ 939,122
Receivables:			
Other Governments	36,172	1,417	37,589
Internal Balances	1,722		1,722
Inventory		5,962	5,962
Restricted Assets:			
Capital Reserve Account - Cash and Cash Equivalents	299,036		299,036
Capital Assets:			
Sites (Land) and Construction in Progress	407,904		407,904
Depreciable Buildings and Building Improvements and Machinery and Equipment	11,927,934	47,474	11,975,408
Total Assets	<u>13,601,984</u>	<u>64,759</u>	<u>13,666,743</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred Amount of Refunding	530,604		530,604
Changes in Assumptions - Pension	294,126		294,126
Difference between Expected and Actual Experience - Pensions	65,338		65,338
Changes in Proportions - Pension	370,286		370,286
District Contribution Subsequent to the Measurement Date - Pensions	83,849		83,849
Total Deferred Outflows of Resources	<u>1,344,203</u>		<u>1,344,203</u>
<b>LIABILITIES:</b>			
Accounts Payable	410,470	5,596	416,066
Unearned Revenue	40,382	3,596	43,978
Accrued Interest Payable	78,867		78,867
Prepaid Sales		2,328	2,328
Noncurrent Liabilities:			
Due Within One Year	651,538		651,538
Due Beyond One Year	9,931,223		9,931,223
Total Liabilities	<u>11,112,480</u>	<u>11,520</u>	<u>11,124,000</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Investment Gains - Pensions	44,035		44,035
Total Deferred Inflows of Resources	<u>44,035</u>		<u>44,035</u>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	5,812,192	47,474	5,859,666
Restricted for:			
Capital Projects	299,036		299,036
Excess Surplus	254,998		254,998
Excess Surplus - Designated for Subsequent Year's Expenditures	60,488		60,488
Unrestricted / (Deficit)	<u>(2,637,042)</u>	<u>5,765</u>	<u>(2,631,277)</u>
Total Net Position	<u>\$ 3,789,672</u>	<u>\$ 53,239</u>	<u>\$ 3,842,911</u>

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

ROSELAND BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 4,301,029		\$ 1,254,428		\$ (3,046,601)		\$ (3,046,601)
Special Education	1,464,068		785,879		(678,189)		(678,189)
Other Special Instruction	603,224		181,020		(422,204)		(422,204)
Support Services:							
Tuition	26,072				(26,072)		(26,072)
Student & Instruction Related Services	1,455,821		111,556		(1,344,265)		(1,344,265)
General Administrative Services	393,694		63,352		(330,342)		(330,342)
School Administrative Services	294,041		34,721		(259,320)		(259,320)
Central Services	258,368				(258,368)		(258,368)
Plant Operations and Maintenance	625,275		7,158		(618,117)		(618,117)
Pupil Transportation	289,444		20,916		(268,528)		(268,528)
Interest on Long-Term Debt	229,948				(229,948)		(229,948)
Capital Outlay	64,974				(64,974)		(64,974)
Special Schools	41,986				(41,986)		(41,986)
Unallocated Depreciation	297,924				(297,924)		(297,924)
Total Governmental Activities	10,345,868		2,459,030		(7,886,838)		(7,886,838)

ROSELAND BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Business-Type Activities:							
Food Service	\$ 154,794	\$ 127,281	\$ 24,853			\$ (2,660)	\$ (2,660)
Total Business-Type Activities	154,794	127,281	24,853			(2,660)	(2,660)
Total Primary Government	\$ 10,500,662	\$ 127,281	\$ 2,483,883	\$ -0-	\$ (7,886,838)	(2,660)	(7,889,498)
General Revenue:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					7,296,254		7,296,254
Taxes Levied for Debt Service					812,825		812,825
Federal and State Aid not Restricted					32,875		32,875
Miscellaneous Income					111,223		111,223
Total General Revenue					8,253,177		8,253,177
Change in Net Position					366,339	(2,660)	363,679
Net Position - Beginning					3,423,333	55,899	3,479,232
Net Position - Ending					\$ 3,789,672	\$ 53,239	\$ 3,842,911

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

FUND FINANCIAL STATEMENTS

ROSELAND BOARD OF EDUCATION  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2016

	General Fund	Special Revenue Fund	Total Governmental Funds
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 888,834	\$ 40,382	\$ 929,216
Interfund Receivable	1,722		1,722
Receivables From State Government	36,172		36,172
Restricted Cash and Cash Equivalents	299,036		299,036
<b>Total Assets</b>	<b>\$ 1,225,764</b>	<b>\$ 40,382</b>	<b>\$ 1,266,146</b>
<b>LIABILITIES AND FUND BALANCES:</b>			
<b>Liabilities:</b>			
Accounts Payable - Vendors	\$ 326,621		\$ 326,621
Unearned Revenue		\$ 40,382	40,382
<b>Total Liabilities</b>	<b>326,621</b>	<b>40,382</b>	<b>367,003</b>
<b>Fund Balances:</b>			
<b>Restricted:</b>			
Capital Reserve Account	299,036		299,036
Excess Surplus	254,998		254,998
Excess Surplus - Designated for Subsequent Years' Expenditures	60,488		60,488
<b>Assigned:</b>			
Year-end Encumbrances	33,284		33,284
For Subsequent Year's Expenditures	20,210		20,210
Unassigned	231,127		231,127
<b>Total Fund Balances</b>	<b>899,143</b>		<b>899,143</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,225,764</b>	<b>\$ 40,382</b>	

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 funds. The cost of the assets is \$18,509,357 and the accumulated depreciation is \$6,173,519.	12,335,838
Bond issuance premiums are reported as revenue in the Governmental Funds in the year the bonds are sold. The amount is \$698,003 and the accumulated amortization is \$63,455.	(634,548)
The deferred amount of refunding is not reported as an expenditure in the Governmental Funds in the year of expenditure. The amount is \$583,665 and the accumulated amortization is \$53,061.	530,604
Accrued liability for interest on long-term debt is not due and payable in the current period and is not reported as a liability in the funds.	(78,867)
The Net Pension Liability for PERS is not due and payable in the current period and is not reported in the Governmental Funds.	(2,738,805)
Certain amounts related to the Net Pension Liability are deferred and amortized in the Statement of Activities and are not reported in the Governmental Funds:	
Changes in Assumptions - Pensions	294,126
Difference between Expected and Actual Experience - Pensions	65,338
Changes in Proportions - Pensions	370,286
Investment Gains - Pensions	(44,035)
Long-term liabilities, including bonds payable and other long-term liabilities, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(7,209,408)
<b>Net Position of Governmental Activities</b>	<b>\$ 3,789,672</b>

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

ROSELAND BOARD OF EDUCATION  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Local Sources:				
Local Tax Levy	\$ 7,296,254		\$ 812,825	\$ 8,109,079
Tuition	81,805			81,805
Miscellaneous	29,398	\$ 24,214	20	53,632
Total - Local Sources	<u>7,407,457</u>	<u>24,214</u>	<u>812,845</u>	<u>8,244,516</u>
State Sources	1,169,166			1,169,166
Federal Sources		136,505		136,505
Total Revenues	<u>8,576,623</u>	<u>160,719</u>	<u>812,845</u>	<u>9,550,187</u>
<b>EXPENDITURES:</b>				
Current:				
Regular Instruction	2,262,177	62,204		2,324,381
Special Education Instruction	737,891	98,515		836,406
Other Special Instruction	330,316			330,316
Support Services and Undistributed Costs:				
Tuition	26,072			26,072
Student & Instruction Related Services	1,026,179			1,026,179
General Administrative Services	261,595			261,595
School Administrative Services	176,061			176,061
Central Services	185,722			185,722
Plant Operations and Maintenance	537,749			537,749
Pupil Transportation	289,444			289,444
Unallocated Benefits	2,196,982			2,196,982
Debt Service:				
Principal			565,000	565,000
Interest and Other Charges			247,825	247,825

ROSELAND BOARD OF EDUCATION  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
Capital Outlay	\$ 618,135			\$ 618,135
Special Schools	41,986			41,986
Total Expenditures	<u>8,690,309</u>	<u>\$ 160,719</u>	<u>\$ 812,825</u>	<u>9,663,853</u>
Excess/(Deficiency) of Revenue over / (under) Expenditures	<u>(113,686)</u>		<u>20</u>	<u>(113,666)</u>
OTHER FINANCING SOURCES/(USES):				
Transfers In			12,500	12,500
Transfers Out	<u>(12,500)</u>			<u>(12,500)</u>
Total Other Financing Sources/(Uses)	<u>(12,500)</u>		<u>12,500</u>	
Net Change in Fund Balances	(126,186)		12,520	(113,666)
Fund Balance - July 1	<u>1,025,329</u>		<u>(12,520)</u>	<u>1,012,809</u>
Fund Balance - June 30	<u>\$ 899,143</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 899,143</u>

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

ROSELAND BOARD OF EDUCATION  
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 Exhibit B-2) \$ (113,666)

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

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

This is the amount by which depreciation and deletions differ from the capital asset additions for the current year.

Depreciation Expense	\$ (468,911)
Fixed Asset Deletions	(24,634)
Capital Asset Additions	<u>553,161</u>

59,616

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

7,483

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

(11,080)



ROSELAND BOARD OF EDUCATION  
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

The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:	
Change in Net Pension Liability	\$ (779,356)
Deferred Outflows:	
Changes in Assumptions	232,510
Difference between Expected and Actual Experience	65,338
Changes in Proportions	254,279
Deferred Inflows:	
Net difference between projected and actual investment earnings on pension plan investments	72,738
The governmental funds report the effect of bond premium when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. (+)	63,454
The governmental funds report the effect of the deferred amount of the refunding when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. (-)	(53,060)
Repayment of serial bonds and capital leases are 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.	<u>568,083</u>
Change in Net Position of Governmental Activities (Exhibit A-2)	<u><u>\$ 366,339</u></u>

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

Exhibit B-4

ROSELAND BOARD OF EDUCATION  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2016

	<u>Business-Type Activities Enterprise Fund</u>
<u>ASSETS:</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 9,906
Accounts Receivable:	
State	100
Federal	1,317
Inventories	<u>5,962</u>
Total Current Assets	<u>17,285</u>
Non-Current Assets:	
Capital Assets	99,678
Less: Accumulated Depreciation	<u>(52,204)</u>
Total Non-Current Assets	<u>47,474</u>
Total Assets	<u>64,759</u>
<u>LIABILITIES:</u>	
Current Liabilities:	
Accounts Payable	5,596
Unearned Revenue	3,596
Prepaid Sales	<u>2,328</u>
Total Current Liabilities	<u>11,520</u>
<u>NET ASSETS:</u>	
Investment in Capital Assets	47,474
Unrestricted	<u>5,765</u>
Total Net Position	<u>\$ 53,239</u>

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

Exhibit B-5

ROSELAND BOARD OF EDUCATION  
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Business-Type Activities - Enterprise Fund</u>
Operating Revenue:	
Local Sources:	
Daily Sales - Reimbursable Programs	\$ 72,553
Daily Sales - Non-Reimbursable Programs	<u>54,728</u>
	<u>127,281</u>
Total Operating Revenue	
Operating Expenses:	51,210
Cost of Goods Sold - Reimbursable Programs	24,563
Cost of Goods Sold - Nonreimbursable Programs	50,814
Salaries and Payroll Taxes	4,293
Employee Benefits	9,071
Supplies and Materials	503
Administrative Expense	8,902
Management Fee	5,438
Depreciation Expense	<u>154,794</u>
Total Operating Expenses	<u>(27,513)</u>
Operating Loss	
Non-Operating Revenue:	
State Sources:	
State School Lunch Program	1,266
Federal Sources:	
National School Lunch Program	17,154
Food Distribution Program	<u>6,433</u>
Total Non-Operating Revenue	<u>24,853</u>
Change in Net Position	<u>(2,660)</u>
Net Position - Beginning of Year	<u>55,899</u>
Net Position - End of Year	<u><u>\$ 53,239</u></u>

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

ROSELAND BOARD OF EDUCATION  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Business-Type Activities - Enterprise Fund</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 127,126
Payments to Employees	(50,814)
Payments for Benefits	(4,293)
Payments to Suppliers	(90,788)
	(18,769)
Net Cash Used for Operating Activities	
Cash Flows Used for Capital and Related Financing Activities:	
Purchase of Capital Assets	(8,704)
	(8,704)
Net Cash Used for Capital and Related Financing Activities	
Cash Flows from Noncapital Financing Activities:	
Cash Received from Federal and State Sources	18,626
	18,626
Net Cash Provided by Noncapital Financing Activities	
Net Decrease in Cash and Cash Equivalents	(8,847)
Cash and Cash Equivalents, July 1	18,753
Cash and Cash Equivalents, June 30	\$ 9,906
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating (Loss)	\$ (27,513)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Federal Food Distribution Program	6,433
Depreciation Expense	5,438
Changes in Assets and Liabilities:	
(Increase)/Decrease in Accounts Payable	(3,212)
(Increase)/Decrease in Inventories	(1,378)
Increase/(Decrease) in Unearned Revenue	1,618
Increase/(Decrease) in Prepaid Sales	(155)
	(18,769)
Net Cash Used for Operating Activities	\$ (18,769)

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. donated commodities through the Food Distribution Program valued at \$8,051 and utilized commodities valued at \$6,433.

ROSELAND BOARD OF EDUCATION  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUND  
JUNE 30, 2016

	<u>Agency Funds</u>	<u>Flexible Spending Trust</u>	<u>Total</u>
<u>ASSETS:</u>			
Cash and Cash Equivalents	\$ 20,311	\$ 2,454	\$ 22,765
Total Assets	<u>20,311</u>	<u>2,454</u>	<u>22,765</u>
<u>LIABILITIES:</u>			
Payroll Deductions and Withholdings	4,371	1,466	5,837
Interfund Payable	734	988	1,722
Due to Student Groups	<u>15,206</u>	<u>          </u>	<u>15,206</u>
Total Liabilities	<u>\$ 20,311</u>	<u>\$ 2,454</u>	<u>\$ 22,765</u>

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

ROSELAND BOARD OF EDUCATION  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOT APPLICABLE

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

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

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

B. Basis of Presentation:

District-Wide Financial Statements:

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

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

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

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

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

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

The District reports the following governmental funds:

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

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

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

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

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



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

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

B. Basis of Presentation: (Cont'd)

The District reports the following proprietary fund:

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

Additionally, the District reports the following fund type:

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

C. Measurement Focus and Basis of Accounting:

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

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

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

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

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

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

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2016 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget Amendments/Transfers must be made by School Board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

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

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

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

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 8,576,623	\$ 160,719
Differences - Budget to GAAP:		
Prior Year State Aid Payments Recognized for GAAP Statements not Recognized for Budgetary Purposes	25,045	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(25,045)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 8,576,623	\$ 160,719

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

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

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

	General Fund	Special Revenue Fund
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 8,690,309	\$ 160,719
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 8,690,309	\$ 160,719

E. Cash and Cash Equivalents, and Investments:

Cash and cash equivalents include petty cash and cash in banks. Certificates of deposit with maturities of one year or less when purchased are stated at cost.

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

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

F. Interfund Transactions:

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

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

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

F. Interfund Transactions: (Cont'd)

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

G. Allowance for Uncollectible Accounts:

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

H. Encumbrances:

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

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

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

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2016.

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

(Continued)

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

K. Capital Assets:

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

The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the district-wide statements and proprietary funds are as follows:

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

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

L. Long Term Liabilities:

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

M. Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year, therefore, there are no accrued salaries and wages as of June 30, 2016.

N. Compensated Absences:

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

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

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

N. Compensated Absences: (Cont'd)

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after fifteen years of service.

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

O. Unearned Revenue:

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

P. Fund Balance Appropriated:

General Fund: Of the \$899,143 General Fund fund balance at June 30, 2016, \$299,036 is restricted in the capital reserve account; \$254,998 is current year excess surplus in accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, C.73 (S1701) and will be appropriated and included as anticipated revenue for the fiscal year ending June 30, 2018; \$60,488 is prior year excess surplus and was appropriated and included as anticipated revenue for the fiscal year ended June 30, 2017; \$20,210 is assigned for subsequent year's expenditures; \$33,284 is assigned for year end encumbrances; and \$231,127 is unassigned which is \$25,045 less than the calculated maximum unassigned fund balance, on a GAAP basis, due to the final state aid payments, which are not recognized until the fiscal year ended June 30, 2016.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2003, c.73 (S1701), the designation for Restricted Fund Balance-Excess Surplus is a required pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996(CEIFA). New Jersey school districts are required to restrict General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District had excess surplus of \$315,486 at June 30, 2016.

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$25,045 as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event a state school aid payments are not made until the following school budget year, districts must record the state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize the last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final two state aid payments and not the fund balance reported on the fund statement which excludes the last state aid payments.

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

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

Q. Deficit Net Position:

The District has a \$2,637,042 deficit in its governmental activities Unrestricted Net Position at June 30, 2016. This deficit resulted from compensated absences payable of \$155,158, accrued interest of \$78,867, unamortized bond issuance premium of \$634,548, investment gains in pensions of \$44,035, and net pension liability of \$2,738,805; net of assigned fund balance for year-end encumbrances of \$33,284 and for subsequent year's expenditures of \$20,210, unassigned fund balance of \$231,127, \$294,126 for changes in assumptions in pensions, difference between expected and actual experience in pensions of \$65,338 and \$370,286 for changes in proportions. This deficit does not indicate that the District is having financial difficulties and is a permitted practice under generally accepted accounting principles.

R. Net Position:

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

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District did not have any deferred inflows of resources at June 30, 2016. The District had a deferred outflow of resources due to the deferred amount on the refunding, changes in assumptions and proportion in pension, the difference between expected and actual experience in pensions, and the District contribution subsequent to the measurement date related to pensions at June 30, 2016.

The District had an inflow of resources at June 30, 2016 for the net difference between projected and actual investment earnings on pension plan investments.

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

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

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

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

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

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

S. Fund Balance Restrictions, Commitments and Assignments:

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

Fund balance restrictions have been established for a capital reserve and excess surplus.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District had no committed resources at June 30, 2016.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances and for subsequent year's expenditures in the General Fund at June 30, 2016.

T. Revenue - Exchange and Nonexchange Transactions:

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

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

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



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

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

U. Operating Revenue and Expenses:

Operating revenue is revenue that is generated directly from the primary activity of the Enterprise Funds. For the School District, this revenue represents sales for food service. Operating expenses are necessary costs incurred to provide the services that are the primary activities of the Enterprise Funds.

V. Management Estimates:

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

W. Pensions

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

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

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

Custodial Credit Risk - The District's policy with respect to custodial credit risk requires that the District ensures that District funds are only deposited in financial institutions in which NJ school districts are permitted to invest their funds.

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

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

Deposits:

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

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

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

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

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

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;
- (5) Local government investment pools;
- (6) Deposits with the State of New Jersey Cash Management Fund; or
- (7) Agreements for the repurchase of fully collateralized securities if:
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
  - (b) the custody of collateral is transferred to a third party;

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

(Continued)

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

Investments: (Cont'd)

- (c) the maturity of the agreement is not more than 30 days;
- (d) the underlying securities are purchased through a public depository as defined in statute; and
- (e) a master repurchase agreement providing for the custody and security of collateral is executed.

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

	Cash and Cash Equivalents	Restricted Cash and Cash Equivalents	Total
Checking and Savings Accounts	\$ 961,887	\$ 299,036	\$ 1,260,923
	\$ 961,887	\$ 299,036	\$ 1,260,923

The carrying amount of the Board's cash and cash equivalents at June 30, 2016, was \$1,260,923 and the bank balance was \$1,445,166. The District did not hold any investments during the fiscal year ended June 30, 2016.

NOTE 4. CAPITAL RESERVE ACCOUNT

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

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the State Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amount or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

Balance at June 30, 2015	\$	414,388
Increased by:		
Transfer by Board Resolution June 2016		250,000
Capital Reserve Budget Lapsed		42,358
		706,746
Decreased by:		
Withdrawal by Board Resolution		(300,000)
Transfer to Debt Service		(12,500)
Budgeted Withdrawal		(95,210)
		(407,710)
Balance at June 30, 2016	\$	299,036

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

**NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)**

The June 30, 2016 LRFP balance of local support costs of uncompleted capital projects exceeds the balance in the capital reserve account at June 30, 2016. The withdrawals from the capital reserve account were for use in DOE approved facilities projects, consistent with the District's Long Range Facilities Plan.

**NOTE 5: TRANSFERS TO CAPITAL OUTLAY**

During the year ended June 30, 2016, the District made a transfer to the Capital Outlay account in the amount of \$319,657 for architectural and construction services which received approval from the County Superintendent.

**NOTE 6. CAPITAL ASSETS**

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital Assets not being Depreciated:				
Sites (Land)	\$ 107,904			\$ 107,904
Construction in Progress	4,014	\$ 300,000	\$ (4,014)	300,000
Total Capital Assets not Being Depreciated	111,918	300,000	(4,014)	407,904
Capital Assets Being Depreciated				
Buildings and Building Improvements	16,358,556	75,364		16,433,920
Machinery and Equipment	1,510,356	177,797	(20,620)	1,667,533
Total Capital Assets Being Depreciated	17,868,912	253,161	(20,620)	18,101,453
Governmental Activities Capital Assets	17,980,830	553,161	(24,634)	18,509,357
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(4,485,633)	(368,048)		(4,853,681)
Machinery and Equipment	(1,218,975)	(112,475)	11,612	(1,319,838)
Total Accumulated Depreciation	(5,704,608)	(480,523)	11,612	(6,173,519)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 12,276,222	\$ 372,638	\$ (13,022)	\$ 12,335,838
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 93,436	\$ 8,704	\$ (2,462)	99,678
Less Accumulated Depreciation	(49,228)	(5,438)	2,462	(52,204)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	\$ 44,208	\$ 3,266	\$ -0-	\$ 47,474

As of June 30, 2016, the District has \$300,000 in active construction projects in capital outlay.

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

**NOTE 6. CAPITAL ASSETS (Cont'd)**

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 129,741
General Administration	52,858
Unallocated	297,924
	<u>\$ 480,523</u>

**NOTE 7. GENERAL LONG-TERM DEBT**

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

	Balance 6/30/2015	Issued/ Accrued	Retired	Balance 6/30/2016	Amounts Due in a Year
Compensated Absences Payable	\$ 144,078	\$ 11,080		\$ 155,158	
Serial Bonds Payable	7,610,000		\$ 565,000	7,045,000	\$ 585,000
Net Pension Liability	1,959,449	779,356		2,738,805	
Obligations Under Capital Leases	12,333		3,083	9,250	3,083
	<u>\$ 9,725,860</u>	<u>\$ 790,436</u>	<u>\$ 568,083</u>	<u>\$ 9,948,213</u>	<u>\$ 588,083</u>

**A. Unamortized Bond Issuance Premium**

The unamortized bond issuance premium of the governmental fund types is recorded in the noncurrent liabilities. The current portion of the unamortized bond issuance premium balance of the governmental funds is \$63,455 and is separated from the long-term liability balance of \$571,093.

**B. Bonds Payable:**

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds. The Debt Service Fund will be used to liquidate the serial bonds.

On May 23, 2013 the District issued \$7,135,000 refunding bonding with an interest rate of 2.00% to 4.00% to refund \$7,167,000 of the \$10,917,000 school bonds dated February 15, 2005 with rates ranging from 4.00% to 4.25%. The refunding bonds will mature on September 1, 2013 through September 1, 2025 and constitute an advanced refunding. The net proceeds from the issuance of the general obligation bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent who paid the debt service requirements of the refunded bonds on May 23, 2013 and redeemed the refunded bonds, at a redemption price equal to 100% of par, on September 1, 2013, which was the first optional redemption date. The refunding met the requirements on an in-substance debt defeasance and the school bonds were removed from the District's government-wide financial statements.

As a result of the advance refunding, the District reduced its total debt service requirements by \$484,545, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt).

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

Purpose	Maturity Date	Interest Rate	Amount
Refunding Bond - 2013	9/1/2025	3.00% - 4.00%	\$ 7,045,000

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

NOTE 7. GENERAL LONG-TERM DEBT (Cont'd)

B. Bonds Payable (Cont'd):

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

<u>Year Ending June 30,</u>	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2017	\$ 585,000	\$ 227,825	\$ 812,825
2018	610,000	209,900	819,900
2019	630,000	191,300	821,300
2020	650,000	172,100	822,100
2021	685,000	150,650	835,650
2022-2026	3,885,000	334,725	4,219,725
	<u>\$ 7,045,000</u>	<u>\$ 1,286,500</u>	<u>\$ 8,331,500</u>

C. Bonds Authorized But Not Issued:

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

D. Capital Leases Payable:

The District entered into a capital lease for a copier totaling \$15,416 in the prior year of which \$6,166 has been liquidated as of June 30, 2016. The capital lease is for a term of five years in length, and will be liquidated by the General Fund. The following is a schedule of the future minimum lease payments under this capital lease, and the present value of the net minimum lease payments at June 30, 2016.

<u>Fiscal Year</u>	<u>Amount</u>
2017	\$ 3,755
2018	3,755
2019	3,756
Total minimum lease payments	11,266
Less: Amount representing interest	(2,016)
Present value of net minimum lease payments	<u>\$ 9,250</u>

The current portion of Capital Leases payable at June 30, 2016 is \$3,755 and the long-term portion is \$7,511.

E. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded as a long-term liability. There is no current portion of the compensated absences balance of the governmental funds in the current year. The long-term liability balance of compensated absences is \$155,158. The General Fund will be used to liquidate compensated absences payable.

The liability for vested compensated balances 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.

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

NOTE 7. GENERAL LONG-TERM DEBT (Cont'd)

F. Net Pension Liability

The Public Employee's Retirement System (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2016 is \$-0- and the long term portion is \$2,738,805. See Note 8 for further information on the PERS.

NOTE 8. PENSION PLANS

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

A. Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

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

<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 1/55<sup>th</sup> 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 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a 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 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members

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

NOTE 8. PENSION PLANS (Cont'd)

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$104,893 for fiscal year 2016.

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

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

At June 30, 2016, the District reported a liability of \$2,738,805 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2015, the District's proportion was 0.012%, which was a decrease of 0.0017% from its proportion measured as of June 30, 2014.

For the fiscal year ended June 30, 2016, the District recognized pension expense of \$259,380. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions - 2014	6.44	\$ 58,626	
Changes in Assumptions - 2015	5.72	235,500	
Changes in Proportion - 2014	6.44	94,684	
Changes in Proportion - 2015	5.72	275,602	
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments - 2014	5		\$ 102,099
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments - 2015	5		(58,064)
Difference Between Expected and Actual Experience - 2015	5.72	65,338	
District Contribution Subsequent to the Measurement Date - 2015	1.00	83,849	
		<u>\$ 813,599</u>	<u>\$ 44,035</u>



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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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NOTE 8. PENSION PLANS (Cont'd)

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

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

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Total</u>
2016	\$ 57,424
2017	57,424
2018	57,424
2019	91,457
2020	51,700
	<u>\$ 315,429</u>

Actuarial Assumptions

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

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

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

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

ROSELAND BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

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

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

Discount Rate

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

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

NOTE 8. PENSION PLANS (Cont'd)

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

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

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

	Fiscal Year Ended June 30, 2015		
	1% Decrease (3.90%)	Current Discount Rate (4.90%)	1% Increase (5.90%)
District's proportionate share of the Net Pension Liability	\$ 3,403,999	\$ 2,738,805	\$ 2,181,111

Pension plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

Benefits Provided

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

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

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

NOTE 8. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

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

Contributions

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

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2016, the State of New Jersey contributed \$577,010 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$1,441,302.

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

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

At June 30, 2016, the State's proportionate share of the net pension liability associated with the District was \$23,605,068. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2015, the District's proportion was 0.037%, which was an increase of 0.0006% from its proportion measured as of June 30, 2014.

ROSELAND BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

District's Proportionate Share of the Net Pension Liability	\$	-0-
State's Proportionate Share of the Net Pension Liability Associated with the District		23,605,068
Total	\$	<u>23,605,068</u>

For the fiscal year ended June 30, 2016, the State recognized pension expense on behalf of the District in the amount of \$1,441,302 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2016 financial statements.

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

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

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

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

ROSELAND BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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 (Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Actuarial Assumptions

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

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

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

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

Long Term Expected Rate of Return

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

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(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

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

Discount Rate – TPAF

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

ROSELAND BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

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

	Fiscal Year Ended June 30, 2015		
	At 1% Decrease (3.13%)	At Current Discount Rate (4.13%)	At 1% Increase (5.13%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 28,053,741	\$ 23,605,068	\$ 19,772,270

Pension Plan Fiduciary Net Position - TPAF

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

C. Defined Contribution Retirement Program (DCRP)

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

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

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

For DCRP, the District recognized pension expense of \$3,298 for the fiscal year ended June 30, 2016. Employee contributions to DCRP amounted to \$10,684 for the year ended June 30, 2016.



ROSELAND BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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NOTE 9. POST-RETIREMENT BENEFITS

P.L. 1987, c.384 and P.L. 1990, c.6 of Public Laws 1990 required the TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. 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 premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

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

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

The State's on behalf Post Retirement Medical Contributions to TPAF for the District amounted to \$332,548, \$320,537 and \$254,580 for 2016, 2015 and 2014 respectively.

NOTE 10. DEFERRED COMPENSATION

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

The plan administrators are as follows:

Commerce Bank/Legend	Equitable
Metropolitan Life Insurance Company	Valic

NOTE 11. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. Health Benefits are provided to the employees through the State of New Jersey Health Benefits Plan.

ROSELAND BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 11. RISK MANAGEMENT(Cont'd)

Property and Liability

The Roseland Board of Education is currently a member of the Morris Essex Insurance Group and the New Jersey Schools Insurance Group (the "Groups"). The Morris Essex Insurance Group provides its members with Workers' Compensation. New Jersey School Insurance Group provides its members with property Building and Contents, General Liability, Automotive Liability, and Employer Liability Insurance. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. The Groups are risk-sharing public entity risk pools that are both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage for their members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective district for the purpose of creating a governing body from which officers for the Groups are elected. As members of the Groups, the Board of Education could be subject to supplemental assessments in the event of deficiencies. If the assets of the Groups were to be exhausted, members would become responsible for their respective shares of the Group's liabilities.

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

The June 30, 2016 financial information was not available as of the date of the audit. Selected financial information for the Groups as of June 30, 2015 is as follows:

	<u>New Jersey Schools Insurance Group</u> June 30, 2015	<u>Morris Essex Insurance Group</u> June 30, 2015
Total Assets	\$ 294,626,089	\$ 9,175,098
Net Position	\$ 57,315,326	\$ 6,102,625
Total Revenue	\$ 124,104,560	\$ 3,268,234
Total Expenses	\$ 121,185,870	\$ 1,811,032
Change in Net Position	\$ 2,918,690	\$ 1,457,202
Members Dividends	\$ -0-	\$ 764,521

Financial statements for the Groups are available at the respective Group's Executive Director's Office:

Morris Essex Insurance Group

Burton Agency  
44 Bergen Street  
PO Box 270  
Westwood, NJ 07675  
(201)664-0310

New Jersey Schools Insurance Group (NJSIG)

600 Midlantic Drive  
Mount Laurel, NJ 08054  
(609) 386-6060  
www.njsig.org

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

NOTE 11. RISK MANAGEMENT(Cont'd)

New Jersey Unemployment Compensation Insurance

The Board of Education has elected to fund its New Jersey Unemployment Compensation Insurance under the "Contributory Method". Under this plan, the Board is required to remit the New Jersey Unemployment Trust Fund employee withholdings and employer share of contributions for future benefits to be paid to its former employees charged to its account with the State.

NOTE 12. ECONOMIC DEPENDENCY

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

NOTE 13. TAX CALENDAR

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

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

NOTE 14. COMMITMENTS AND CONTINGENCIES

Grant Programs

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

Encumbrances

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

<u>General Fund</u>	<u>Total Governmental Funds</u>
\$ 33,284	\$ 33,284

Litigation

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

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

NOTE 15. ACCOUNTS PAYABLE

At year end June 30, 2016, the Board has the following accounts payable in the governmental funds:

	<u>Governmental Activities</u>	<u>District Contri- bution Subsequent to the Measure- ment Date</u>	<u>Total Governmental Funds</u>	<u>Business-Type Activities</u>	<u>Total Business-Type Funds</u>
	<u>General Fund</u>			<u>Food Service Fund</u>	
Vendors	\$ 326,621		\$ 326,621	\$ 5,596	\$ 5,596
State of New Jersey		\$ 83,849	83,849		
	<u>\$ 326,621</u>	<u>\$ 83,849</u>	<u>\$ 410,470</u>	<u>\$ 5,596</u>	<u>\$ 5,596</u>

NOTE 16. INTERFUND RECEIVABLES AND PAYABLES

The District had the following interfunds payables or receivables on their various balance sheets as of June 30, 2016:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 1,722	
Payroll Agency Fund		\$ 1,722
	<u>\$ 1,722</u>	<u>\$ 1,722</u>

The general fund is also owed \$1,722 from the payroll agency fund for funds advanced during fiscal year 2016.

REQUIRED SUPPLEMENTARY  
INFORMATION SCHEDULES

ROSELAND BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST TWO FISCAL YEARS  
UNAUDITED

	<u>2015</u>	<u>2016</u>
District's proportion of the net pension liability	0.0104656125%	0.0122006653%
District's proportionate share of the net pension liability	\$ 1,959,449	\$ 2,738,805
District's covered employee payroll	\$ 802,752	\$ 744,538
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	244.09%	367.85%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%

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

ROSELAND BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF DISTRICT CONTRIBUTIONS  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST TWO FISCAL YEARS  
UNAUDITED

	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$ 86,277	\$ 104,893
Contributions in relation to the contractually required contribution	<u>(86,277)</u>	<u>(104,893)</u>
Contribution deficiency/(excess)	<u>\$ -0-</u>	<u>\$ -0-</u>
District's covered employee payroll	\$ 744,538	\$ 662,251
Contributions as a percentage of covered employee payroll	11.59%	15.84%

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

ROSELAND BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHERS' PENSION AND ANNUITY FUND  
LAST TWO FISCAL YEARS  
UNAUDITED

	<u>2015</u>	<u>2016</u>
State's proportion of the net pension liability attributable to the District	0.0367027219%	0.0373472679%
State's proportionate share of the net pension liability attributable to the District	\$ 19,616,410	\$ 23,605,068
District's covered employee payroll	\$ 3,490,372	\$ 3,452,595
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	562.01%	683.69%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%

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



ROSELAND BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF STATE CONTRIBUTIONS  
TEACHERS' PENSION AND ANNUITY FUND  
LAST TWO FISCAL YEARS  
UNAUDITED

	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$ 1,055,547	\$ 1,441,302
Contributions in relation to the contractually required contribution	<u>(201,913)</u>	<u>(279,282)</u>
Contribution deficiency/(excess)	<u>\$ 853,634</u>	<u>\$ 1,162,020</u>
District's covered employee payroll	\$ 3,452,595	\$ 3,416,603
Contributions as a percentage of covered employee payroll	-5.85%	-8.17%

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

ROSELAND BOARD OF EDUCATION  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

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

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

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

BUDGETARY COMPARISON SCHEDULES

ROSELAND BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 7,296,254		\$ 7,296,254	\$ 7,296,254	
Tuition - Other				81,805	\$ 81,805
Miscellaneous	95,000		95,000	29,398	(65,602)
Total - Local Sources	<u>7,391,254</u>		<u>7,391,254</u>	<u>7,407,457</u>	<u>16,203</u>
State Sources:					
Special Education Aid	239,967		239,967	239,967	
Transportation Aid	20,916		20,916	20,916	
Security Aid	7,158		7,158	7,158	
Additional Adjustment Aid	1		1	1	
PARCC Readiness Aid	4,330		4,330	4,330	
Per Pupil Growth Aid	4,330		4,330	4,330	
Extraordinary Aid	30,000		30,000	36,172	6,172
On-Behalf TPAF Pension Plans (Non-Budgeted)				279,282	279,282
On-Behalf TPAF Post Retirement Medical Benefits (Non-Budgeted)				332,548	332,548
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				244,462	244,462
Total State Sources	<u>306,702</u>		<u>306,702</u>	<u>1,169,166</u>	<u>862,464</u>
TOTAL REVENUES	<u>7,697,956</u>		<u>7,697,956</u>	<u>8,576,623</u>	<u>878,667</u>

ROSELAND BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)  
(Continued)

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool	\$ 66,008	\$ 1,403	\$ 67,411	\$ 67,411	
Kindergarten	288,074	(43,510)	244,564	244,564	
Grades 1-5	1,661,622	(86,150)	1,575,472	1,575,472	
Grades 6-8	318,845	(15,910)	302,935	286,993	\$ 15,942
Regular Programs - Home Instruction:					
Salaries of Teachers	1,000	100	1,100	1,100	
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	28,527	(28,527)			
Other Purchased Services (400-500 series)		8,700	8,700	6,734	1,966
General Supplies	49,950	53,554	103,504	50,504	53,000
Textbooks	30,000		30,000	29,399	601
Purchased Professional - Educational Services		2,000	2,000		2,000
Total Regular Programs	<u>2,444,026</u>	<u>(108,340)</u>	<u>2,335,686</u>	<u>2,262,177</u>	<u>73,509</u>
Special Education:					
Learning and/or Language Disabilities					
Salaries of Teachers	57,768	1,854	59,622	59,622	
General Supplies	850	(352)	498	498	
Total Language and/or Learning Disabilities	<u>58,618</u>	<u>1,502</u>	<u>60,120</u>	<u>60,120</u>	

ROSELAND BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)  
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current Expense:					
Resource Room/Resource Center:					
Salaries of Teachers	\$ 306,350	\$ (50,000)	\$ 256,350	\$ 252,354	\$ 3,996
Salaries of Aides	346,789	1,621	348,410	348,410	
General Supplies	2,441	(480)	1,961	1,936	25
Total Resource Room/Resource Center	<u>655,580</u>	<u>(48,859)</u>	<u>606,721</u>	<u>602,700</u>	<u>4,021</u>
Autism:					
Salaries of Teachers	57,768	20,814	78,582	75,071	3,511
Other Salaries for Instruction	17,580	(17,580)			
General Supplies	200	(200)			
Total Autism	<u>75,548</u>	<u>3,034</u>	<u>78,582</u>	<u>75,071</u>	<u>3,511</u>
Total Special Education	<u>789,746</u>	<u>(44,323)</u>	<u>745,423</u>	<u>737,891</u>	<u>7,532</u>
Basic Skills/Remedial:					
Salaries of Teachers	214,919	108,827	323,746	323,746	
General Supplies	1,500	(985)	515	515	
Total Basic Skills/Remedial	<u>216,419</u>	<u>107,842</u>	<u>324,261</u>	<u>324,261</u>	
Other Instructional Programs - Instruction:					
Other Objects	16,500		16,500	6,055	10,445
Total Other Instructional Programs - Instruction:	<u>16,500</u>		<u>16,500</u>	<u>6,055</u>	<u>10,445</u>
Total Instruction	<u>3,466,691</u>	<u>(44,821)</u>	<u>3,421,870</u>	<u>3,330,384</u>	<u>91,486</u>

ROSELAND BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)  
(Continued)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
Current Expense:					
Undistributed Expenditures:					
Instruction:					
Tuition to Private Schools for the Disabled - Within State	\$ 98,000		\$ 98,000	\$ 26,072	\$ 71,928
Total Instruction	98,000		98,000	26,072	71,928
Attendance and Social Work:					
Salaries	17,388	\$ 5,289	22,677	21,882	795
Total Attendance and Social Work	17,388	5,289	22,677	21,882	795
Health Services:					
Salaries	68,038	2,241	70,279	70,279	
Purchased Professional and Technical Services	1,854		1,854	1,800	54
Supplies and Materials	2,511	(2,290)	221	221	
Total Health Services	72,403	(49)	72,354	72,300	54
Other Support Services - Speech, OT, PT and Related Services:					
Salaries	96,952	5,746	102,698	102,270	428
Unused Vacation Payment to Terminated/Retired Staff	3,500	(3,500)			
Purchased Professional - Educational Services	112,000	(36,989)	75,011	75,011	
Supplies and Materials	2,400		2,400	980	1,420
Total Other Support Services - Speech, OT, PT and Related Services	214,852	(34,743)	180,109	178,261	1,848

ROSELAND BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)  
(Continued)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
Current Expense:					
Undistributed Expenditures:					
Other Support Services - Guidance:					
Salaries of Other Professional Staff	\$ 57,768		\$ 57,768	\$ 57,540	\$ 228
Supplies and Materials	500	\$ (278)	222	159	63
Total Other Support Services - Guidance	<u>58,268</u>	<u>(278)</u>	<u>57,990</u>	<u>57,699</u>	<u>291</u>
Other Support Services - Child Study Team:					
Salaries of Other Professional Staff	298,581	4,150	302,731	302,731	
Salaries of Secretarial and Other Clerical Assistants	35,903		35,903	31,616	4,287
Other Purchased Services	2,497	2,503	5,000	5,000	
Miscellaneous Purchased Services (400-500 series)		29,277	29,277	25,600	3,677
Supplies and Materials	2,400	(362)	2,038	2,003	35
Other Objects	2,400	(400)	2,000	1,837	163
Total Other Support Services - Child Study Team	<u>341,781</u>	<u>35,168</u>	<u>376,949</u>	<u>368,787</u>	<u>8,162</u>
Improvement of Instructional Services:					
Salaries of Supervisor of Instruction	30,000	(30,000)			
Purchased Professional and Educational Services	1,458	52,104	53,562	20,474	33,088
Other Purchased Professional and Technical Services	32,500	(23,880)	8,620	165	8,455
Other Purchased Services (400-500 Services)		151	151	151	
Supplies and Materials		2,640	2,640	2,640	
Total Improvement of Instructional Services	<u>63,958</u>	<u>1,015</u>	<u>64,973</u>	<u>23,430</u>	<u>41,543</u>
Educational Media Services/School Library:					
Salaries	60,858	105,102	165,960	164,787	1,173
Salaries of Technology Coordinators	23,500	(23,500)			
Purchased Professional - Technical Services	90,577	4,083	94,660	93,902	758
Supplies and Materials	96,444	(50,428)	46,016	45,131	885
Total Educational Media Services/School Library	<u>271,379</u>	<u>35,257</u>	<u>306,636</u>	<u>303,820</u>	<u>2,816</u>



ROSELAND BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)  
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current Expense:					
Undistributed Expenditures:					
Support Services - General Administration:					
Salaries	\$ 165,993	\$ 20,072	\$ 186,065	\$ 186,065	
Unused Vacation Payout to Terminated/Retired Staff		1,558	1,558	1,558	
Legal Services	15,000	16,893	31,893	31,893	
Other Purchased Professional Services	1,500	(1,500)			
Audit Fees	39,265	1,970	41,235	21,860	\$ 19,375
Communications/Telephone		6,219	6,219	6,219	
BOE Other Purchased Services	3,500	(1,637)	1,863	1,863	
Miscellaneous Purchased Services (400-500 series)	16,500	(13,830)	2,670	2,580	90
General Supplies	2,521	(793)	1,728	1,728	
Miscellaneous Expenditures	1,000	(1,000)			
BOE Membership Dues and Fees	10,900	(1,513)	9,387	9,387	
Total Support Services - General Administration	<u>256,179</u>	<u>26,439</u>	<u>282,618</u>	<u>263,153</u>	<u>19,465</u>
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	119,646	(4,046)	115,600	107,856	7,744
Salaries of Secretarial and Clerical Assistants	56,900	6,046	62,946	61,946	1,000
Other Purchased Service (400-500 series)		5,000	5,000	2,350	2,650
Supplies and Materials	2,000		2,000	1,944	56
Other Objects	1,500	1,000	2,500	1,965	535
Total Support Services - School Administration	<u>180,046</u>	<u>8,000</u>	<u>188,046</u>	<u>176,061</u>	<u>11,985</u>

ROSELAND BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)  
(Continued)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
Current Expense:					
Undistributed Expenditures:					
Central Services:					
Salaries	\$ 161,000	\$ 5,180	\$ 166,180	\$ 166,180	
Miscellaneous Purchased Services (400-500 series)	2,500	14,539	17,039	17,039	
General Supplies	2,500	(2,058)	442	442	
Other Objects	2,073	(12)	2,061	2,061	
Total Central Services	<u>168,073</u>	<u>17,649</u>	<u>185,722</u>	<u>185,722</u>	
Administrative Information Technology:					
Other Purchased Services (400-500 series)	1,613	(1,613)			
Total Administrative Information Technology	<u>1,613</u>	<u>(1,613)</u>			
Required Maintenance for School Facilities:					
Cleaning, Repair and Maintenance Services	45,000	(980)	44,020	34,239	\$ 9,781
General Supplies	15,000	(6,449)	8,551	8,551	
Other Objects		5,240	5,240	4,949	291
Total Required Maintenance for School Facilities	<u>60,000</u>	<u>(2,189)</u>	<u>57,811</u>	<u>47,739</u>	<u>10,072</u>
Custodial Services:					
Salaries	314,207	(26,231)	287,976	215,674	72,302
Cleaning, Repair, and Maintenance Services	18,395	(4,394)	14,001	9,724	4,277
Insurance	54,000		54,000	37,620	16,380
General Supplies	33,000	(8,518)	24,482	19,686	4,796
Energy (Gasoline)	1,800	(800)	1,000	268	732
Energy (Natural Gas)	68,500	800	69,300	29,866	39,434
Energy (Electricity)	132,270	13,641	145,911	145,911	
Total Custodial Services	<u>622,172</u>	<u>(25,502)</u>	<u>596,670</u>	<u>458,749</u>	<u>137,921</u>

ROSELAND BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)  
(Continued)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES:</b>					
Current Expense:					
Undistributed Expenditures:					
Care and Upkeep of Grounds					
Cleaning, Repair, and Maintenance Services	\$ 15,400	\$ 6,867	\$ 22,267	\$ 13,142	\$ 9,125
General Supplies	6,300	(3,000)	3,300	336	2,964
Total Care and Upkeep of Grounds	<u>21,700</u>	<u>3,867</u>	<u>25,567</u>	<u>13,478</u>	<u>12,089</u>
Security:					
Cleaning, Repair, and Maintenance Services	10,000	(536)	9,464	9,464	
General Supplies		8,319	8,319	8,319	
Total Security	<u>10,000</u>	<u>7,783</u>	<u>17,783</u>	<u>17,783</u>	
Student Transportation Services:					
Contracted Services - (Other than Between Home and School) - Vendors	1,000		1,000	700	300
Contracted Services - (Regular Students) - Esc's & CTSA's	229,500		229,500	206,694	22,806
Contracted Services - (Special Ed Students) - Esc's & CTSA's	70,000	3,210	73,210	73,210	
Contracted Services - Aid in Lieu Payments- Non-public Schools	15,300	(3,210)	12,090	8,840	3,250
Total Student Transportation Services	<u>315,800</u>		<u>315,800</u>	<u>289,444</u>	<u>26,356</u>
Unallocated Benefits:					
Unemployment Compensation	25,000	(3,894)	21,106	17,759	3,347
Workmen's Compensation	58,525		58,525	55,495	3,030
Health Benefits	1,111,405	(84,956)	1,026,449	1,020,163	6,286
Tuition Reimbursement	20,000		20,000	3,630	16,370
Unused Sick Payout to Terminated/Retired Staff		33,502	33,502	33,502	
Other Employee Benefits	15,000	2,266	17,266	17,266	
Social Security Contributions	92,900	(6,476)	86,424	86,424	
Other Retirement Contributions - PERS	90,000	15,000	105,000	104,893	107
Total Unallocated Benefits	<u>1,412,830</u>	<u>(44,558)</u>	<u>1,368,272</u>	<u>1,339,132</u>	<u>29,140</u>

ROSELAND BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)  
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current Expense:					
On-Behalf Contributions:					
On-Behalf TPAF Pension (Non-Budgeted)				\$ 279,282	\$ (279,282)
On-Behalf TPAF Post Retirement Medical Benefits (Non-Budgeted)				332,548	(332,548)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				244,462	(244,462)
Total On-Behalf Contributions				856,292	(856,292)
Total Undistributed Expenditures	\$ 4,186,442	\$ 31,535	\$ 4,217,977	4,699,804	(481,827)
Total Expenditures - Current Expense	7,653,133	(13,286)	7,639,847	8,030,188	(390,341)
Capital Outlay:					
Equipment:					
Undistributed Expenditures:					
Instructional Equipment	95,210	(27,857)	67,353	52,852	14,501
Total Equipment	95,210	(27,857)	67,353	52,852	14,501
Facilities Acquisition and Construction:					
Supplies and Materials		3,535	3,535		3,535
Architectural/Engineering Services	38,124	50,000	88,124	42,325	45,799
Construction Services	245,262	266,122	511,384	496,733	14,651
Assessment for Debt Service- SDA Funding	26,225		26,225	26,225	
Total Facilities Acquisition and Construction	309,611	319,657	629,268	565,283	63,985
Total Capital Outlay	404,821	291,800	696,621	618,135	78,486

ROSELAND BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)  
(Continued)

EXPENDITURES:	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Special Schools:					
Summer School Instruction:					
Salaries of Teachers	\$ 30,000	\$ 362	\$ 30,362	\$ 30,362	
Other Salaries for Instruction	10,000	1,624	11,624	11,624	
General Supplies	500	(500)			
Total Summer School Instruction/ Total Special Schools	<u>40,500</u>	<u>1,486</u>	<u>41,986</u>	<u>41,986</u>	
Total Expenditures	<u>8,098,454</u>	<u>280,000</u>	<u>8,378,454</u>	<u>8,690,309</u>	<u>\$ (311,855)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(400,498)</u>	<u>(280,000)</u>	<u>(680,498)</u>	<u>(113,686)</u>	<u>(566,812)</u>
Other Financing Sources / (Uses):					
Transfer to Debt Service Fund from Capital Reserve		<u>(20,000)</u>	<u>(20,000)</u>	<u>(12,500)</u>	<u>(7,500)</u>
Total Other Financing Sources / Fund (Uses)		<u>(20,000)</u>	<u>(20,000)</u>	<u>(12,500)</u>	<u>(7,500)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources	<u>(400,498)</u>	<u>(300,000)</u>	<u>(700,498)</u>	<u>(126,186)</u>	<u>(574,312)</u>
Fund Balance, July 1	<u>1,050,374</u>		<u>1,050,374</u>	<u>1,050,374</u>	
Fund Balance, June 30	<u>\$ 649,876</u>	<u>\$ (300,000)</u>	<u>\$ 349,876</u>	<u>\$ 924,188</u>	<u>\$ (574,312)</u>
<u>Recapitulation:</u>					
Restricted Fund Balance:					
Capital Reserve				\$ 299,036	
Excess Surplus				254,998	
Excess Surplus - Designated for Subsequent Year's Expenditures				60,488	
Assigned Fund Balance:					
For Subsequent Year's Expenditures				20,210	
Year End Encumbrances				33,284	
Unassigned Fund Balance				<u>256,172</u>	
				924,188	
Reconciliation to Governmental Funds Statements (GAAP):					
Last Two State Aid Payments not recognized on GAAP Basis				<u>(25,045)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 899,143</u>	

ROSELAND BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal Sources	\$ 60,643	\$ 75,862	\$ 136,505	\$ 136,505	
Local Sources		24,214	24,214	24,214	
Total Revenues	<u>60,643</u>	<u>100,076</u>	<u>160,719</u>	<u>160,719</u>	
EXPENDITURES:					
Instruction					
Tuition	54,000	39,592	93,592	93,592	
Total Instruction	<u>54,000</u>	<u>39,592</u>	<u>93,592</u>	<u>93,592</u>	
Support Services					
Purchased Professional - Educational Services	6,643	60,484	67,127	67,127	
Total Support Services	<u>6,643</u>	<u>60,484</u>	<u>67,127</u>	<u>67,127</u>	
Total Expenditures	<u>60,643</u>	<u>100,076</u>	<u>160,719</u>	<u>160,719</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

ROSELAND BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 8,576,623	\$ 160,719
Difference - Budget to GAAP:		
Prior year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	25,045	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(25,045)	
	<u>\$ 8,576,623</u>	<u>\$ 160,719</u>
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 8,576,623</u>	<u>\$ 160,719</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 8,690,309	\$ 160,719
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 8,690,309</u>	<u>\$ 160,719</u>

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2016 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are not substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

SCHOOL LEVEL SCHEDULES

(NOT APPLICABLE)



SPECIAL REVENUE FUND

ROSELAND BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>IDEA Part B, Basic</u>	<u>IDEA Part B, Preschool</u>	<u>Title I</u>	<u>Local Grants</u>	<u>Totals June 30, 2016</u>
REVENUE:					
Federal Sources	\$ 93,592	\$ 4,923	\$ 37,990	\$ 24,214	\$ 160,719
Total Revenue	<u>93,592</u>	<u>4,923</u>	<u>37,990</u>	<u>24,214</u>	<u>160,719</u>
EXPENDITURES:					
Instruction:					
Tuition	<u>93,592</u>				<u>93,592</u>
Total Instruction	<u>93,592</u>				<u>93,592</u>
Support Services:					
Purchased Professional - Educational Services		<u>4,923</u>	<u>37,990</u>	<u>24,214</u>	<u>67,127</u>
Total Support Services		<u>4,923</u>	<u>37,990</u>	<u>24,214</u>	<u>67,127</u>
Total Expenditures	<u>\$ 93,592</u>	<u>\$ 4,923</u>	<u>\$ 37,990</u>	<u>\$ 24,214</u>	<u>\$ 160,719</u>

CAPITAL PROJECTS FUND  
(NOT APPLICABLE)

PROPRIETARY FUNDS

Exhibit G-1

ROSELAND BOARD OF EDUCATION  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF NET POSITION  
JUNE 30, 2016

## ASSETS:

## Current Assets:

Cash and Cash Equivalents	\$ 9,906
Accounts Receivable:	
State	100
Federal	1,317
Inventories	5,962
	<hr/>
Total Current Assets	17,285

## Non-Current Assets:

Capital Assets	99,678
Less: Accumulated Depreciation	(52,204)
	<hr/>
Total Non-Current Assets	47,474

## Total Assets

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64,759

## LIABILITIES:

## Current Liabilities:

Accounts Payable	5,596
Unearned Revenue	3,596
Prepaid Sales	2,328
	<hr/>

## Total Liabilities

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11,520

## NET POSITION:

Investment in Capital Assets	47,474
Unrestricted	5,765
	<hr/>

## Total Net Position

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\$ 53,239

## Exhibit G-2

ROSELAND BOARD OF EDUCATION  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF REVENUE, EXPENSES  
AND CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Operating Revenue:	
Charges for Services:	
Daily Sales- Reimbursable Programs	\$ 72,553
Daily Sales- Non-Reimbursable Programs	54,728
	<hr/>
Total Operating Revenue	127,281
	<hr/>
Operating Expenses:	
Cost of Sales - Reimbursable Programs	51,210
Cost of Sales - Nonreimbursable Programs	24,563
Salaries and Payroll Taxes	50,814
Employee Benefits	4,293
Supplies and Materials	9,071
Administration Expense	503
Management Fee	8,902
Depreciation Expense	5,438
	<hr/>
Total Operating Expenses	154,794
	<hr/>
Operating Loss	(27,513)
	<hr/>
Non-Operating Revenue:	
State Sources:	
School Lunch Program	1,266
Federal Sources:	
National School Lunch Program	17,154
Food Distribution Program	6,433
	<hr/>
Total Non-Operating Revenue	24,853
	<hr/>
Change in Net Position	(2,660)
	<hr/>
Net Position - Beginning of Year	55,899
	<hr/>
Net Position - End of Year	\$ 53,239
	<hr/> <hr/>

Exhibit G-3

ROSELAND BOARD OF EDUCATION  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 127,126
Payments to Employees	(50,814)
Payments for Benefits	(4,293)
Payments to Suppliers	<u>(90,788)</u>
Net Cash Used for Operating Activities	<u>(18,769)</u>
Cash Flows Used for Capital and Related Financing Activities:	
Purchase of Capital Assets	<u>(8,704)</u>
Net Cash Used for Capital and Related Financing Activities	<u>(8,704)</u>
Cash Flows from Noncapital Financing Activities:	
Cash Received from Federal and State Sources	<u>18,626</u>
Net Cash Provided by Noncapital Financing Activities	<u>18,626</u>
Net Decrease in Cash and Cash Equivalents	(8,847)
Cash and Cash Equivalents, July 1	<u>18,753</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 9,906</u></u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating (Loss)	\$ (27,513)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Federal Food Distribution Program	6,433
Depreciation Expense	5,438
Changes in Assets and Liabilities:	
(Increase)/Decrease in Inventories	(1,378)
Increase/(Decrease) in Accounts Payable	(3,212)
Increase/(Decrease) in Unearned Revenue	1,618
Increase/(Decrease) in Prepaid Sales	<u>(155)</u>
Net Cash Used for Operating Activities	<u><u>\$ (18,769)</u></u>

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. donated commodities through the Food Distribution Program valued at \$8,051 and utilized commodities valued at \$6,433.

FIDUCIARY FUNDS



ROSELAND BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2016

	<u>Agency</u>		<u>Flexible Spending Trust</u>	<u>Totals</u>
	<u>Payroll</u>	<u>Student Activities</u>		
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 5,105	\$ 21,094	\$ 2,454	\$ 28,653
Total Assets	<u>5,105</u>	<u>21,094</u>	<u>2,454</u>	<u>28,653</u>
<u>LIABILITIES:</u>				
Payroll Deductions and Withholdings	4,371		1,466	5,837
Due to General Fund	734		988	1,722
Due to Student Groups		21,094		21,094
Total Liabilities	<u>\$ 5,105</u>	<u>\$ 21,094</u>	<u>\$ 2,454</u>	<u>\$ 28,653</u>

ROSELAND BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Flexible Spending Trust</u>
<b>ADDITIONS:</b>	
Contributions:	
Plan Member	\$ 3,000
Total Additions	<u>3,000</u>
<b>DEDUCTIONS:</b>	
Flexible Spending Claims	1,534
Due to General Fund	<u>988</u>
Total Deductions	<u>2,522</u>
Change in Net Position	478
Net Position - Beginning of the Year	<u>988</u>
Net Position - End of the Year	<u><u>\$ 1,466</u></u>

ROSELAND BOARD OF EDUCATION  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Balance</u> <u>June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 24,144	\$ 12,156	\$ 21,094	\$ 15,206
Total Assets	<u>\$ 24,144</u>	<u>\$ 12,156</u>	<u>\$ 21,094</u>	<u>\$ 15,206</u>
 <u>LIABILITIES:</u>				
Liabilities:				
Due to Student Groups	\$ 24,144	\$ 12,156	\$ 21,094	\$ 15,206
Total Liabilities	<u>\$ 24,144</u>	<u>\$ 12,156</u>	<u>\$ 21,094</u>	<u>\$ 15,206</u>

ROSELAND BOARD OF EDUCATION  
STUDENT ACTIVITY AGENCY FUND  
STATEMENT OF ACTIVITY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Balance</u> <u>June 30, 2015</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2016</u>
SCHOOLS:				
Lester C. Noecker School	\$ 24,144	\$ 12,156	\$ 21,094	\$ 15,206
	<u>\$ 24,144</u>	<u>\$ 12,156</u>	<u>\$ 21,094</u>	<u>\$ 15,206</u>

ROSELAND BOARD OF EDUCATION  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Balance</u> <u>June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 16,343	\$ 5,165,331	\$ 5,174,115	\$ 7,559
Total Assets	<u>\$ 16,343</u>	<u>\$ 5,165,331</u>	<u>\$ 5,174,115</u>	<u>\$ 7,559</u>
 <u>LIABILITIES:</u>				
Payroll Deductions and Withholdings	\$ 3,777	\$ 2,346,041	\$ 2,345,447	\$ 4,371
Net Payroll		2,815,557	2,815,557	
Flexible Spending Account		3,000	1,534	1,466
Interfund Payable - General Fund	<u>12,566</u>	<u>733</u>	<u>11,577</u>	<u>1,722</u>
Total Liabilities	<u>\$ 16,343</u>	<u>\$ 5,165,331</u>	<u>\$ 5,174,115</u>	<u>\$ 7,559</u>

LONG-TERM DEBT

ROSELAND BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding June 30, 2016		Interest Rate	Balance June 30, 2015	Matured	Balance June 30, 2016
			Date	Amount				
Renovations and Additions to the Lester C. Noecker	2/15/2005	\$ 10,917,000				\$ 550,000	\$ 550,000	
Refunding Bond - 2013	5/23/2013	7,135,000	9/1/2016	\$ 585,000	3.000%	7,060,000	15,000	\$ 7,045,000
			9/1/2017	610,000	3.000%			
			9/1/2018	630,000	3.000%			
			9/1/2019	650,000	3.000%			
			9/1/2020	685,000	3.416%			
			9/1/2021	715,000	4.000%			
			9/1/2022	750,000	4.000%			
			9/1/2023	775,000	4.000%			
			9/1/2024	805,000	3.000%			
			9/1/2025	840,000	3.000%			
						<u>\$ 7,610,000</u>	<u>\$ 565,000</u>	<u>\$ 7,045,000</u>

Exhibit I-2

ROSELAND BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

<u>Series</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance June 30, 2015</u>	<u>Matured</u>	<u>Balance June 30, 2016</u>
Copier	4.36%	\$15,416	<u>\$ 12,333</u>	<u>\$ 3,083</u>	<u>\$ 9,250</u>
			<u>\$ 12,333</u>	<u>\$ 3,083</u>	<u>\$ 9,250</u>



ROSELAND BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUE:				
Local Sources:				
Local Tax Levy	\$ 812,825	\$ 812,825	\$ 812,825	
Miscellaneous			20	\$ 20
Total Revenue	<u>812,825</u>	<u>812,825</u>	<u>812,845</u>	<u>20</u>
EXPENDITURES:				
Regular Debt Service:				
Interest	247,825	247,825	247,825	
Redemption of Principal	<u>565,000</u>	<u>565,000</u>	<u>565,000</u>	
Total Regular Debt Service	<u>812,825</u>	<u>812,825</u>	<u>812,825</u>	
Total Expenditures	<u>812,825</u>	<u>812,825</u>	<u>812,825</u>	
Excess of Revenue and Other Financing Sources Over Expenditures			<u>20</u>	<u>20</u>
Other Financing Sources:				
Transfer from Capital Reserve - General Fund			<u>12,500</u>	<u>12,500</u>
Total Other Financing Sources			<u>12,500</u>	<u>12,500</u>
Excess of Revenue and Other Financing Sources Over Expenditures			<u>12,520</u>	<u>12,520</u>
Fund Balance / (Deficit), July 1	<u>(12,520)</u>	<u>(12,520)</u>	<u>(12,520)</u>	
Fund Balance / (Deficit), June 30	<u>\$ (12,520)</u>	<u>\$ (12,520)</u>	<u>\$ -0-</u>	<u>\$ 12,520</u>

STATISTICAL SECTION

ROSELAND BOARD OF EDUCATION  
 NET ASSETS BY COMPONENT  
 LAST TEN FISCAL YEARS  
 UNAUDITED  
 (accrual basis of accounting)

	June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities										
Net Investment in Capital Assets	\$ 656,410	\$ 3,591,016	\$ 4,198,980	\$ 3,979,285	\$ 3,984,678	\$ 4,112,774	\$ 4,382,029	\$ 4,554,833	\$ 5,237,554	\$ 5,812,192
Restricted	1,561,829	1,350,332	405,743	302,609	442,378	459,630	517,186	548,043	414,388	614,522
Unrestricted (Deficit)	320,596	163,881	111,700	72,666	180,345	240,105	89,588	(1,870,581)	(2,228,609)	(2,637,042)
Total Governmental Activities Net Position	<u>\$ 2,538,835</u>	<u>\$ 5,105,229</u>	<u>\$ 4,716,423</u>	<u>\$ 4,354,560</u>	<u>\$ 4,607,401</u>	<u>\$ 4,812,509</u>	<u>\$ 4,988,803</u>	<u>\$ 3,232,295</u>	<u>\$ 3,423,333</u>	<u>\$ 3,789,672</u>
Business-Type Activities										
Net Investment in Capital Assets	\$ 29,409	\$ 27,307	\$ 24,685	\$ 21,907	\$ 19,283	\$ 29,255	\$ 26,631	\$ 37,780	\$ 44,208	\$ 47,474
Unrestricted	30,509	44,267	58,737	64,655	70,644	58,898	58,349	49,047	11,691	5,765
Total Business-Type Activities Net Position	<u>\$ 59,918</u>	<u>\$ 71,574</u>	<u>\$ 83,422</u>	<u>\$ 86,562</u>	<u>\$ 89,927</u>	<u>\$ 88,153</u>	<u>\$ 84,980</u>	<u>\$ 86,827</u>	<u>\$ 55,899</u>	<u>\$ 53,239</u>
District-Wide										
Net Investment in Capital Assets	\$ 685,819	\$ 3,618,323	\$ 4,223,665	\$ 4,001,192	\$ 4,003,961	\$ 4,142,029	\$ 4,408,660	\$ 4,592,613	\$ 5,281,762	\$ 5,859,666
Restricted	1,561,829	1,350,332	405,743	302,609	442,378	459,630	517,186	548,043	414,388	614,522
Unrestricted/(Deficit)	351,105	208,148	170,437	137,321	250,989	299,003	147,937	(1,821,534)	(2,216,918)	(2,631,277)
Total District-Wide Net Position	<u>\$ 2,598,753</u>	<u>\$ 5,176,803</u>	<u>\$ 4,799,845</u>	<u>\$ 4,441,122</u>	<u>\$ 4,697,328</u>	<u>\$ 4,900,662</u>	<u>\$ 5,073,783</u>	<u>\$ 3,319,122</u>	<u>\$ 3,479,232</u>	<u>\$ 3,842,911</u>

Source: School District Financial Reports

ROSELAND BOARD OF EDUCATION  
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS  
UNAUDITED  
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Expenses</b>										
Governmental activities										
Instruction:										
Regular	\$ 3,221,997	\$ 3,296,490	\$ 3,540,902	\$ 3,737,861	\$ 3,459,077	\$ 3,579,163	\$ 3,661,331	\$ 3,673,505	\$ 4,079,714	\$ 4,301,029
Special Education	593,681	716,488	806,762	910,127	801,128	848,333	965,207	1,071,378	1,429,620	1,464,068
Other Special Education	155,796	167,512	173,873	228,410	87,134	247,977	259,558	229,675	520,916	603,224
Other Instruction	16,708	18,025	17,735							
Support Services:										
Tuition	291,211	432,696	445,137	361,811	280,060	251,954	123,563	22,830	28,665	26,072
Student & Instruction Related Services	755,704	891,640	844,107	920,256	934,974	1,058,066	1,283,639	1,308,414	1,164,585	1,455,821
General and Business Administrative Services	399,476	411,780	375,469	355,191	359,023	354,778	350,126	417,286	362,905	393,694
School Administrative Services	241,294	247,359	257,371	251,394	259,775	261,792	275,078	308,405	323,332	294,041
Central Services	134,649	141,470	183,062	210,914	208,339	179,848	175,136	193,894	189,788	258,368
Administrative Information Technology		9,426	20,679	28,275	45,600	32,776	28,887	30,712		
Plant Operations And Maintenance	640,484	711,679	769,094	621,677	654,277	638,591	646,709	649,202	685,040	625,275
Pupil Transportation	315,245	358,780	357,777	341,873	323,439	275,362	265,643	301,793	278,964	289,444
Capital Outlay		832	27,521	25,092	36,196	38,435	43,419	51,145	252,156	229,948
Special Schools	465,446	450,438	434,715	418,278	401,018	382,843	529,379	256,937	264,964	297,924
Interest On Long-Term Debt	57,379	163,324	265,832	264,997	264,964	264,964	264,964	264,964		
Unallocated Depreciation										
<b>Total Governmental Activities Expenses</b>	<b>\$ 7,289,070</b>	<b>\$ 8,008,513</b>	<b>\$ 8,508,783</b>	<b>\$ 8,668,560</b>	<b>\$ 8,137,364</b>	<b>\$ 8,446,815</b>	<b>\$ 8,902,753</b>	<b>\$ 8,804,540</b>	<b>\$ 9,708,490</b>	<b>\$ 10,345,868</b>
Business-Type Activities:										
Food Service	129,882	136,512	139,521	146,681	141,928	151,473	153,681	143,342	180,213	154,794
<b>Total Business-Type Activities Expenses</b>	<b>129,882</b>	<b>136,512</b>	<b>139,521</b>	<b>146,681</b>	<b>141,928</b>	<b>151,473</b>	<b>153,681</b>	<b>143,342</b>	<b>180,213</b>	<b>154,794</b>
<b>Total District Expenses</b>	<b>\$ 7,418,952</b>	<b>\$ 8,145,025</b>	<b>\$ 8,648,304</b>	<b>\$ 8,815,241</b>	<b>\$ 8,279,292</b>	<b>\$ 8,598,288</b>	<b>\$ 9,056,434</b>	<b>\$ 8,947,882</b>	<b>\$ 9,888,703</b>	<b>\$ 10,500,662</b>
<b>Program Revenues</b>										
Governmental Activities:										
Operating Grants and Contributions	1,178,214	1,205,769	1,103,077	1,181,460	791,302	955,871	1,175,731	1,104,987	2,034,861	2,459,030
<b>Total Governmental Activities Program Revenues</b>	<b>\$ 1,178,214</b>	<b>\$ 1,205,769</b>	<b>\$ 1,103,077</b>	<b>\$ 1,181,460</b>	<b>\$ 791,302</b>	<b>\$ 955,871</b>	<b>\$ 1,175,731</b>	<b>\$ 1,104,987</b>	<b>\$ 2,034,861</b>	<b>\$ 2,459,030</b>

ROSELAND BOARD OF EDUCATION  
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS  
UNAUDITED  
(accrual basis of accounting)  
(Continued)

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Business-Type Activities:</b>										
Charges For Services										
Food Service	\$ 121,346	\$ 126,512	\$ 130,307	\$ 126,507	\$ 123,272	\$ 122,613	\$ 119,990	\$ 120,010	\$ 120,535	\$ 127,281
Operating Grants and Contributions	17,612	20,773	20,918	23,402	21,869	27,005	30,518	28,943	28,750	24,853
<b>Total Business Type Activities Program Revenues</b>	<b>138,958</b>	<b>147,285</b>	<b>151,225</b>	<b>149,909</b>	<b>145,141</b>	<b>149,618</b>	<b>150,508</b>	<b>148,953</b>	<b>149,285</b>	<b>152,134</b>
<b>Total District Program Revenues</b>	<b>\$ 1,317,172</b>	<b>\$ 1,353,054</b>	<b>\$ 1,254,302</b>	<b>\$ 1,331,369</b>	<b>\$ 936,443</b>	<b>\$ 1,105,489</b>	<b>\$ 1,326,239</b>	<b>\$ 1,253,940</b>	<b>\$ 2,184,146</b>	<b>\$ 2,611,164</b>
<b>Net (Expenses)/Revenue</b>										
Governmental Activities	\$ (6,110,856)	\$ (6,802,744)	\$ (7,405,706)	\$ (7,487,100)	\$ (7,346,062)	\$ (7,490,944)	\$ (7,727,022)	\$ (7,699,553)	\$ (7,673,629)	\$ (7,886,838)
Business-Type Activities	(8,715)	10,773	11,704	3,228	3,213	(1,855)	(3,173)	5,611	(30,928)	(2,660)
<b>Total District-Wide Net Expense</b>	<b>\$ (6,119,571)</b>	<b>\$ (6,791,971)</b>	<b>\$ (7,394,002)</b>	<b>\$ (7,483,872)</b>	<b>\$ (7,342,849)</b>	<b>\$ (7,492,799)</b>	<b>\$ (7,730,195)</b>	<b>\$ (7,693,942)</b>	<b>\$ (7,704,557)</b>	<b>\$ (7,889,498)</b>
<b>General Revenues and Other Changes in Net Position:</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 5,648,808	\$ 5,558,452	\$ 6,107,413	\$ 6,598,522	\$ 6,597,416	\$ 6,729,364	\$ 6,863,951	\$ 6,863,951	\$ 7,001,230	\$ 7,296,254
Taxes Levied for Debt Service	787,229	787,056	791,230	789,747	802,127	805,218	810,619	809,581	737,165	812,825
Federal and State Aid not Restricted	38,217	2,511,647	38,486	252,958	71,542	32,625	32,512	30,276	31,017	32,875
Investment Earnings	11,216	7,032	888	11	56	33			95,255	111,223
Miscellaneous Income	571,674	128,306	78,883	110,548	127,762	128,812	196,234	102,091		
Extraordinary Item: Adjustment- to Fixed Assets per Appraisal Company Report		376,645		(626,549)						
<b>Total Governmental Activities</b>	<b>7,057,144</b>	<b>9,369,138</b>	<b>7,016,900</b>	<b>7,125,237</b>	<b>7,598,903</b>	<b>7,696,052</b>	<b>7,903,316</b>	<b>7,805,899</b>	<b>7,864,667</b>	<b>8,253,177</b>
<b>Business-Type Activities:</b>										
Investment Earnings	1,471	883	144	66	152	81				
Extraordinary Item: Adjustment- to Fixed Assets per Appraisal Company Report Special Item - Capital Asset Adjustment				(154)				(3,764)		
<b>Total Business-Type Activities</b>	<b>1,471</b>	<b>883</b>	<b>144</b>	<b>(88)</b>	<b>152</b>	<b>81</b>	<b>-</b>	<b>(3,764)</b>	<b>-</b>	<b>-</b>
<b>Total District-Wide</b>	<b>\$ 7,058,615</b>	<b>\$ 9,370,021</b>	<b>\$ 7,017,044</b>	<b>\$ 7,125,149</b>	<b>\$ 7,599,055</b>	<b>\$ 7,696,133</b>	<b>\$ 7,903,316</b>	<b>\$ 7,802,135</b>	<b>\$ 7,864,667</b>	<b>\$ 8,253,177</b>
<b>Change in Net Position:</b>										
Governmental Activities	\$ 946,288	\$ 2,566,394	\$ (388,806)	\$ (361,863)	\$ 252,841	\$ 205,108	\$ 176,294	\$ 106,346	\$ 191,038	\$ 366,339
Business-Type Activities	(7,244)	11,656	11,848	3,140	3,365	(1,774)	(3,173)	1,847	(30,928)	(2,660)
<b>Total District</b>	<b>\$ 939,044</b>	<b>\$ 2,578,050</b>	<b>\$ (376,958)</b>	<b>\$ (358,723)</b>	<b>\$ 256,206</b>	<b>\$ 203,334</b>	<b>\$ 173,121</b>	<b>\$ 108,193</b>	<b>\$ 160,110</b>	<b>\$ 363,679</b>

Source: School District Financial Reports

ROSELAND BOARD OF EDUCATION  
FUND BALANCES, GOVERNMENTAL FUNDS,  
LAST TEN FISCAL YEARS  
UNAUDITED  
 (modified accrual basis of accounting)

	June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	\$ 1,636,245	\$ 1,042,401	\$ 291,348	\$ 129,766						
Unreserved	418,671	266,087	383,517	375,066						
Restricted					\$ 296,777	\$ 440,622	\$ 498,178	\$ 498,178	\$ 474,876	\$ 614,522
Assigned					126,593	67,011	98,256	156,929	305,288	53,494
Unassigned					263,363	230,502	255,126	165,273	245,165	231,127
<b>Total General Fund</b>	<b>\$ 2,054,916</b>	<b>\$ 1,308,488</b>	<b>\$ 674,865</b>	<b>\$ 504,832</b>	<b>\$ 686,733</b>	<b>\$ 738,135</b>	<b>\$ 851,560</b>	<b>\$ 820,380</b>	<b>\$ 1,025,329</b>	<b>\$ 899,143</b>
All Other Governmental Funds										
Reserved										
Capital Projects Fund	\$ 7,917,558	\$ 437,224	\$ 110,363	\$ 2,829						
Unreserved, Reported In:										
Capital Projects Fund/(Deficit)	(2,022,270)	(129,293)	(130,968)	(21,455)						
Debt Service Fund	1		1	1						
Restricted					\$ 19,008	\$ 19,008	\$ 19,008	\$ 66,075		
Unassigned / (Deficit)									\$ (12,520)	
<b>Total All Other Governmental Funds</b>	<b>\$ 5,895,289</b>	<b>\$ 307,931</b>	<b>\$ (20,604)</b>	<b>\$ (18,625)</b>	<b>\$ 19,008</b>	<b>\$ 19,008</b>	<b>\$ 19,008</b>	<b>\$ 66,075</b>	<b>\$ (12,520)</b>	<b>\$ -0-</b>
Total Governmental Funds:										
Reserved	\$ 9,553,803	\$ 1,479,625	\$ 401,711	\$ 132,595						
Unreserved/(Deficit)	(1,603,599)	136,794	252,550	353,612						
Restricted					\$ 315,785	\$ 459,630	\$ 517,186	\$ 564,253	\$ 474,876	\$ 614,522
Assigned					126,593	67,011	98,256	156,929	305,288	53,494
Unassigned					263,363	230,502	255,126	165,273	232,645	231,127
<b>Total Governmental Funds:</b>	<b>\$ 7,950,204</b>	<b>\$ 1,616,419</b>	<b>\$ 654,261</b>	<b>\$ 486,207</b>	<b>\$ 705,741</b>	<b>\$ 757,143</b>	<b>\$ 870,568</b>	<b>\$ 886,455</b>	<b>\$ 1,012,809</b>	<b>\$ 899,143</b>

Source: School District Financial Reports

ROSELAND BOARD OF EDUCATION  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,  
LAST TEN FISCAL YEARS  
UNAUDITED  
*(modified accrual basis of accounting)*

	For the Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Revenues</b>										
Tax Levy	\$ 6,436,037	\$ 6,345,508	\$ 6,898,643	\$ 7,388,269	\$ 7,399,543	\$ 7,534,582	\$ 7,674,570	\$ 7,673,532	\$ 7,738,395	\$ 8,109,079
Tuition Charges							78,950	70,300	55,320	81,805
Interest Earnings-Capital Reserve	11,216	7,032	888	11	56	33				
Miscellaneous	571,674	128,306	78,883	110,548	136,197	154,191	144,656	67,238	63,075	53,632
State Sources	1,113,127	3,617,040	1,036,000	1,222,741	754,713	832,697	1,076,345	994,802	1,102,855	1,169,166
Federal Sources	103,304	100,376	105,563	211,677	99,696	130,420	104,526	100,331	104,249	136,505
<b>Total Revenue</b>	<u>8,235,358</u>	<u>10,198,262</u>	<u>8,119,977</u>	<u>8,933,246</u>	<u>8,390,205</u>	<u>8,651,923</u>	<u>9,079,047</u>	<u>8,906,203</u>	<u>9,063,894</u>	<u>9,550,187</u>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	2,333,359	2,293,391	2,491,817	2,613,704	2,402,786	2,458,461	2,537,793	2,585,411	2,382,672	2,324,381
Special Education Instruction	392,885	499,866	593,620	645,985	702,138	705,263	688,735	762,373	886,645	836,406
Other Instruction	122,381	131,463	138,403	164,957	28,430	180,534	191,233	169,430	312,664	330,316
<b>Support Services:</b>										
Tuition	291,211	432,696	445,137	361,811	280,060	251,954	123,563	22,830	29,331	26,072
Student & Instruction Related Services	552,782	672,724	628,708	736,472	723,225	809,767	1,023,920	1,066,470	889,400	1,026,179
General Administrative Services	305,625	293,375	237,349	232,226	245,580	235,858	231,747	286,337	263,209	261,595
School Administrative Services	226,340	231,471	239,510	176,193	184,447	191,272	195,439	214,414	216,545	176,061
Central Services	95,010	98,988	141,627	149,524	149,208	125,952	125,383	139,837	153,354	185,722
Administrative Information Technology		9,426	20,679	28,275	45,600	32,776	28,887	30,712		
Plant Operations And Maintenance	565,473	631,028	687,532	539,367	558,754	534,120	546,877	578,447	608,719	537,749
Pupil Transportation	315,245	358,781	357,777	341,873	323,439	275,362	265,643	301,794	278,964	289,444
Unallocated Benefits	1,518,877	1,638,591	1,612,268	1,840,870	1,641,240	1,800,205	1,917,022	1,875,685	1,979,895	2,196,982
<b>Debt Service:</b>										
Principal	360,000	375,000	395,000	410,000	435,000	455,000	480,000	561,000	530,000	565,000
Interest And Other Charges	465,446	450,438	434,715	418,278	401,018	382,843	363,761	236,473	269,550	247,825
Capital Outlay	4,515,667	8,423,404	641,725	424,269	39,685	119,567	210,842	26,225	57,984	618,135
Special Schools		832	27,521	25,092	27,386	28,763	30,888	39,386	63,042	41,986
<b>Total Expenditures</b>	<u>12,060,301</u>	<u>16,532,048</u>	<u>9,082,135</u>	<u>9,101,300</u>	<u>8,170,671</u>	<u>8,600,521</u>	<u>8,965,622</u>	<u>8,894,999</u>	<u>8,952,686</u>	<u>9,663,853</u>
<b>Excess (Deficiency) Of Revenues</b>										
Over (Under) Expenditures	<u>(3,824,943)</u>	<u>(6,333,786)</u>	<u>(962,158)</u>	<u>(168,054)</u>	<u>219,534</u>	<u>51,402</u>	<u>113,425</u>	<u>11,204</u>	<u>111,208</u>	<u>(113,666)</u>

ROSELAND BOARD OF EDUCATION  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,  
LAST TEN FISCAL YEARS  
UNAUDITED  
*(modified accrual basis of accounting)*  
*(Continued)*

	For the Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Other Financing Sources (Uses)										
Refunded Bonds Issued							\$ 7,135,000			
Bonds Defeased							(7,167,000)			
Bond Premium							824,912	\$ 4,683		
Bond Issuance Costs							(103,126)			
Deferred Interest							(689,786)			
Capital Leases (Non Budgeted)									\$ 15,146	
Transfers In							630		19,008	\$ 12,500
Transfers Out							(630)		(19,008)	(12,500)
<b>Total Other Financing Sources (Uses)</b>								<b>4,683</b>	<b>15,146</b>	
<b>Net Change In Fund Balances</b>	<b>\$ (3,824,943)</b>	<b>\$ (6,333,786)</b>	<b>\$ (962,158)</b>	<b>\$ (168,054)</b>	<b>\$ 219,534</b>	<b>\$ 51,402</b>	<b>\$ 113,425</b>	<b>\$ 15,887</b>	<b>\$ 126,354</b>	<b>\$ (113,666)</b>
Debt Service As A Percentage Of Noncapital Expenditures	10.94%	10.18%	9.83%	10.55%	11.46%	9.88%	9.64%	8.99%	8.99%	8.49%

Source: School District Financial Reports



Exhibit J-5

ROSELAND BOARD OF EDUCATION  
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
UNAUDITED  
*(modified accrual basis of accounting)*

Fiscal Year Ended June 30,	Interest on Investments	Tuition	Prior Year Accounts Payable Cancelled	Other	Total
2007	\$ 571,440			\$ 234	\$ 571,674
2008	124,858			3,448	128,306
2009	7,584	\$ 63,275		8,912	79,771
2010	1,082	90,132		19,345	110,559
2011	3,141	80,650		43,971	127,762
2012	1,633	99,401		27,778	128,812
2013		78,950	\$ 76,628	68,028	223,606
2014		70,300		27,108	97,408
2015		55,320		39,935	95,255
2016		81,805		29,398	111,203

Source: Roseland Board of Education records

ROSELAND BOARD OF EDUCATION  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY.  
LAST TEN YEARS  
UNAUDITED

Year Ended December 31,	Vacant Land	Residential	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
2006	\$ 2,937,700	\$ 124,367,441	\$ 3,500	\$ 106,823,800	\$ 13,241,600	\$ 7,616,900	\$ 254,990,941	\$ 16,259,700	\$ 248,124	\$ 262,744,241	\$ 5.06	\$ 1,748,006,935
2007	1,714,600	128,712,141	3,500	108,117,400	13,509,200	7,616,900	259,673,741	16,203,400	223,805	259,673,741	5.31	1,985,595,895
2008	1,670,300	130,740,741	3,500	87,252,700	12,437,700	7,316,900	239,421,841	16,203,400	228,176	239,650,017	5.85	1,848,524,833
2009	1,545,600	131,487,941	3,500	84,649,300	12,191,000	7,316,900	237,194,241	16,453,900	216,557	237,410,798	6.20	2,015,579,267
2010	* 21,591,600	987,424,646	4,600	666,755,200	85,871,000	53,906,200	1,815,553,246	51,103,780	1,913,146	1,817,466,392	0.84	1,980,725,360
2011	20,823,300	984,274,052	6,400	659,768,900	85,545,200	53,906,200	1,804,324,052	51,172,780	1,741,868	1,806,065,920	0.86	1,806,358,981
2012	14,864,900	983,130,652	6,400	579,971,400	85,210,500	53,906,200	1,717,090,052	53,022,680	1,612,156	1,714,631,808	0.94	1,876,699,561
2013	14,671,400	954,190,452	6,400	575,700,600	88,204,600	53,906,200	1,686,679,652	52,917,680	1,807,900	1,688,487,552	0.99	1,796,263,353
2014	14,517,100	951,345,752	6,400	563,386,400	91,276,600	53,906,200	1,674,438,452	56,702,880	1,466,700	1,675,905,152	1.01	1,791,196,093
2015	7,853,100	952,307,000	6,400	572,151,900	91,276,600	61,850,000	1,685,445,000	56,702,880	1,466,700	1,686,911,700	1.04	1,835,333,588

\* Revaluation Year

Source: Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

Exhibit J-7

ROSELAND BOARD OF EDUCATION  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN YEARS  
UNAUDITED  
*(rate per \$100 of assessed value)*

Year Ended December 31,	Roseland Board of Education Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Borough of Roseland	Essex County	
2006	\$ 4.44	\$ 0.62	\$ 5.06	\$ 3.12	\$ 2.23	\$ 10.41
2007	4.65	0.66	5.31	3.12	3.00	11.43
2008	5.18	0.67	5.85	3.21	3.02	12.08
2009	5.54	0.66	6.20	3.40	3.22	12.82
2010	* 0.75	0.09	0.84	0.56	0.44	1.83
2011	0.77	0.09	0.86	0.58	0.43	1.87
2012	0.84	0.10	0.94	0.59	0.51	2.04
2013	0.89	0.10	0.99	0.60	0.45	2.04
2014	0.91	0.10	1.01	0.61	0.54	2.16
2015	0.94	0.10	1.04	0.62	0.56	2.22

\* Revaluation Year

Source: Municipal Tax Collector and School Business Administrator

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

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.

ROSELAND BOARD OF EDUCATION  
PRINCIPAL PROPERTY TAX PAYERS  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

2015			2006		
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
Prudential Financial - 80 Livingston	\$ 67,100,400	3.98 %	Prudential	\$ 27,000,700	9.98%
ADP Incorporated - 1 ADP Boulevard	61,626,400	3.66 %	Cali (Office Associates)	17,850,100	6.60%
56 Livingston Owner	57,127,200	3.39 %	ADP Inc.	16,652,000	6.16%
Prudential Financial - 55 Livingston	48,850,000	2.90 %	Gale and Wentworth	15,944,700	5.89%
Segal Development - 8 Eisenhower	47,000,000	2.79 %	Organon	15,310,300	5.66%
Mack-Cali Realty Corp - 4 Beckham	38,406,100	2.28 %	Segal Development	7,616,900	2.82%
Mack-Cali Realty Corp - 101 Eisenhower	31,189,200	1.85 %	Eagle Rock Associates	2,400,000	0.89%
Avalon Roseland LLC	29,017,700	1.72 %	American Bobst Holdings	2,127,400	0.79%
Mack-Cali Realty Corp - 105 Eisenhower	28,952,000	1.72 %	556 Eagle Rock Associates	1,235,100	0.46%
Mack-Cali Realty Corp - 103 Eisenhower	20,535,800	1.22 %	440 Eagle Rock Associates	1,235,100	0.46%
<b>Total</b>	<b>\$ 429,804,800</b>	<b>25.51%</b>		<b>\$ 107,372,300</b>	<b>39.71%</b>

Note: 2010 was a revaluation year.

Source: Municipal Tax Assessor

Exhibit J-9

ROSELAND BOARD OF EDUCATION  
PROPERTY TAX LEVIES AND COLLECTIONS,  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2007	\$ 6,436,037	\$ 6,436,037	100.00%	-0-
2008	6,345,508	6,345,508	100.00%	-0-
2009	6,898,643	6,898,643	100.00%	-0-
2010	7,388,269	7,388,269	100.00%	-0-
2011	7,399,543	7,399,543	100.00%	-0-
2012	7,534,582	7,534,582	100.00%	-0-
2013	7,674,570	7,674,570	100.00%	-0-
2014	7,673,532	7,673,532	100.00%	-0-
2015	7,738,395	7,738,395	100.00%	-0-
2016	8,109,079	8,109,079	100.00%	-0-

Source: Roseland Board of Education 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.

Exhibit J-10

ROSELAND BOARD OF EDUCATION  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities		Capital Leases	Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds					
2007	\$ 11,283,000			\$ 11,283,000	4.13%	\$ 2,128
2008	10,908,000			10,908,000	3.86%	2,051
2009	10,513,000			10,513,000	3.83%	1,965
2010	10,103,000			10,103,000	3.30%	1,736
2011	9,668,000			9,668,000	3.00%	1,650
2012	9,213,000			9,213,000	2.84%	1,573
2013	8,701,000			8,701,000	2.68%	1,492
2014	8,140,000			8,140,000	2.38%	1,391
2015	7,610,000		\$ 12,333	7,622,333	2.22%	1,297
2016	7,045,000		9,250	7,054,250	2.06%	1,201

Source: School District Financial Reports

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

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

Exhibit J-11

ROSELAND BOARD OF EDUCATION  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Percentage of Actual Taxable Net Valuation <sup>a</sup> Taxable	Per Capita <sup>b</sup>
	General Obligation Bonds	Net General Bonded Debt Outstanding		
2007	\$ 11,283,000	\$ 11,283,000	4.29%	\$ 2,128
2008	10,908,000	10,908,000	4.20%	2,051
2009	10,513,000	10,513,000	4.39%	1,965
2010	10,103,000	10,103,000	4.26%	1,736
2011	9,668,000	9,668,000	0.53% *	1,650
2012	9,213,000	9,213,000	0.51%	1,573
2013	8,701,000	8,701,000	0.51%	1,492
2014	8,140,000	8,140,000	0.48%	1,391
2015	7,610,000	7,610,000	0.45%	1,295
2016	7,045,000	7,045,000	0.42%	1,199

\* - Revaluation year

Source: School District Financial Reports

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

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

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

Exhibit J-12

ROSELAND BOARD OF EDUCATION  
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
UNAUDITED  
AS OF DECEMBER 31, 2015

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid With Property Taxes:			
Borough of Roseland	\$ 15,578,275	100.00%	\$ 15,578,275
Essex County General Obligation Debt (Borough Share)	463,895,104	2.22%	<u>10,292,627</u>
Subtotal, Overlapping Debt			25,870,902
Roseland School District Direct Debt			<u>7,045,000</u>
Total Direct And Overlapping Debt			<u>\$ 32,915,902</u>

Sources: Assessed value data used to estimate applicable percentages provided by the Essex 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 Roseland. This process recognizes that, when considering the District's ability to issue and repay long-term, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping unit.

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



ROSELAND BOARD OF EDUCATION  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2016

Equalized valuation basis	
2015	\$ 1,794,362,823
2014	1,813,929,641
2013	<u>1,794,340,055</u>
	<u>\$ 5,402,632,519</u>
Average Equalized Valuation of Taxable Property	\$ 1,800,877,506
Debt Limit (2.5% of average equalization value)	45,021,938 <sup>a</sup>
Net Bonded School Debt	<u>7,045,000</u>
Legal Debt Margin	<u>\$ 37,976,938</u>

	Fiscal Year				
	2007	2008	2009	2010	2011
Debt Limit	\$ 46,241,303	\$ 47,738,382	\$ 49,632,012	\$ 49,754,739	\$ 48,198,654
Total Net Debt Applicable to Limit	<u>11,283,000</u>	<u>10,908,000</u>	<u>10,513,000</u>	<u>10,103,000</u>	<u>9,668,000</u>
Legal Debt Margin	<u>\$ 34,958,303</u>	<u>\$ 36,830,382</u>	<u>\$ 39,119,012</u>	<u>\$ 39,651,739</u>	<u>\$ 38,530,654</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	24.40%	22.85%	21.18%	20.31%	20.06%

	Fiscal Year				
	2012	2013	2014	2015	2016
Debt Limit	\$ 47,715,902	\$ 46,496,991	\$ 46,398,481	\$ 45,131,871	\$ 45,021,938
Total Net Debt Applicable to Limit	<u>9,213,000</u>	<u>8,701,000</u>	<u>8,140,000</u>	<u>7,610,000</u>	<u>7,045,000</u>
Legal Debt Margin	<u>\$ 38,502,902</u>	<u>\$ 37,795,991</u>	<u>\$ 38,258,481</u>	<u>\$ 37,521,871</u>	<u>\$ 37,976,938</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	19.31%	18.71%	17.54%	16.86%	15.65%

<sup>a</sup> Limit set by NJSA 18A:24-19 for a K through 6 district; other % limits would be applicable for other districts

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

Exhibit J-14

ROSELAND BOARD OF EDUCATION  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED

Year	Population <sup>a</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Essex County Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2007	5,302	\$ 273,413,536	\$ 51,568	3.40%
2008	5,319	282,630,384	53,136	3.80%
2009	5,350	274,390,800	51,288	7.60%
2010	5,820	305,689,680	52,524	7.60%
2011	5,860	322,382,040	55,014	7.70%
2012	5,857	324,501,228	55,404	7.30%
2013	5,833	324,851,436	55,692	7.50%
2014	5,854	341,399,426	58,319	4.60%
2015	5,876	342,682,444	58,319 *	4.10%
2016	5,876 **	342,682,444 ***	58,319 *	N/A

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

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

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

N/A - Not Available

Source: School District Reports

a Population information provided by the NJ Dept 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 Dept of Labor and Workforce Development

ROSELAND BOARD OF EDUCATION  
PRINCIPAL EMPLOYERS, ESSEX COUNTY  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

2015			2006		
Employer	Employees	Percentage of Total Employment	Employer	Employees	Percentage of Total Employment
St. Barnabas Health Care System	21,000	N/A	Saint Barnabas Health Care System	22,300	N/A
Verizon	15,000	N/A	Verizon	18,148	N/A
New Jersey Transit	11,500	N/A	Prudential Financial	17,487	N/A
PSE&G	10,000	N/A	Continental Airlines	11,200	N/A
Prudential Ins. Co. of America	8,743	N/A	PSE&G	11,000	N/A
Newark Board of Education	5,595	N/A	Ricoh Corporation	5,500	N/A
Rutgers University - Newark Campus	4,265	N/A	Automatic Data Processing	5,300	N/A
City of Newark	4,000	N/A	Horizon Blue Cross/Blue Shield	4,735	N/A
Horizon Blue Cross Blue Shield	2,700	N/A	Essex County	4,500	N/A
Automatic Data Processing	1,500	N/A	UMDNJ University Hospital	2,730	N/A
	<u>84,303</u>	<u>N/A</u>		<u>102,900</u>	<u>N/A</u>

Note - Principal employers are that of Essex County.

N/A - Information not available

Source: Essex County Economic Development Corporation.

ROSELAND BOARD OF EDUCATION  
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	32.0	32.0	34.0	34.0	36.7	33.0	32.7	33.0	33.0	34.0
Special Education	16.0	17.0	20.5	25.1	16.0	22.5	22.5	22.5	22.5	24.1
Other Special Education	3.0	3.0	3.0	4.0	2.0	2.7	2.7	2.7	2.7	2.6
Support Services:										
Student & Instruction Related Services	3.0	4.0	4.6	5.1	5.2	6.7	6.7	6.7	6.7	7.0
General Administrative Services	3.0	3.0	1.5	1.5	1.5	1.5	1.5	1.5	1.5	2.0
School Administrative Services	3.0	3.0	3.0	2.5	2.3	2.3	2.3	2.3	2.3	2.0
Business Administrative Services	1.0	1.0	2.1	2.1	2.0	2.0	2.0	2.0	2.0	2.0
Plant Operations and Maintenance	4.0	4.0	5.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
<b>Total</b>	<u>65.0</u>	<u>67.0</u>	<u>73.7</u>	<u>78.3</u>	<u>69.7</u>	<u>74.7</u>	<u>74.4</u>	<u>74.7</u>	<u>74.7</u>	<u>77.7</u>

Source: District Personnel Records

ROSELAND BOARD OF EDUCATION  
OPERATING STATISTICS,  
LAST TEN FISCAL YEARS  
UNAUDITED

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures<sup>a</sup></u>	<u>Cost Per Pupil<sup>d</sup></u>	<u>Percentage Change</u>	<u>Teaching Staff<sup>b</sup></u>	<u>Pupil/Teacher Ratio Elementary</u>	<u>Average Daily Enrollment (ADE)<sup>c</sup></u>	<u>Average Daily Attendance (ADA)<sup>c</sup></u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2007	477	\$ 6,719,188	\$ 14,086	6.69%	38	1:12.5	477	460	2.36%	96.44%
2008	485	7,283,206	15,017	6.61%	39	1:12.4	486	470	2.17%	96.71%
2009	509	7,610,695	14,952	-0.43%	44	1:11.6	509	491	4.73%	96.46%
2010	504	7,848,753	15,573	4.15%	44	1:11.5	504	484	-1.42%	96.03%
2011	507	7,294,968	14,388	-7.61%	37	1:13.7	507	488	0.60%	96.25%
2012	494	7,643,111	15,472	7.53%	33	1:15.0	494	477	-2.56%	96.56%
2013	489	7,911,019	16,178	4.56%	33	1:15.0	489	470	-1.01%	96.11%
2014	461	8,071,301	17,508	8.22%	41	1:11.2	459	449	-6.13%	97.82%
2015	439	8,095,152	18,440	5.32%	43	1:10.2	436	419	-5.01%	96.10%
2016	432	8,232,893	19,058	3.35%	38	1:11.4	431	416	-1.15%	96.52%

Source: Roseland Board of Education 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).

d The Cost Per Pupil calculated above is the sum of the operating expenditures divided by enrollment. This Cost Per Pupil may be different from other Cost Per Pupil Calculations.

ROSELAND BOARD OF EDUCATION  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
UNAUDITED

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>District Building</u>										
Board of Education (1967) Square Feet	615	615	615	615	615	615	615	615	615	615
Lester C. Noecker School (1967, 2008) Square Feet	51,824	77,043	77,043	77,043	77,043	77,043	77,043	77,043	77,043	77,043
Capacity (students)	536	582	582	582	582	582	582	582	582	582
Enrollment	479	485	509	504	507	494	489	461	439	431
Number of Schools at June 30, 2016 Elementary = 1										

Source: Roseland Board of Education Facilities Office

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

ROSELAND BOARD OF EDUCATION  
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
LAST TEN FISCAL YEARS  
UNAUDITED

Undistributed Expenditures:  
 Required Maintenance for School Facilities  
 11-000-261-XXX

<u>School Facilities *</u>	<u>Projects #</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>
Lester C. Noecker School	N/A	\$ 129,625	\$ 119,008	\$ 119,506	\$ 48,870	\$ 78,695	\$ 67,155	\$ 48,627	\$ 55,235	\$ 37,254	\$ 47,739
		<u>\$ 129,625</u>	<u>\$ 119,008</u>	<u>\$ 119,506</u>	<u>\$ 48,870</u>	<u>\$ 78,695</u>	<u>\$ 67,155</u>	<u>\$ 48,627</u>	<u>\$ 55,235</u>	<u>\$ 37,254</u>	<u>\$ 47,739</u>

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

Source: Roseland Board of Education records

Exhibit J-20

ROSELAND BOARD OF EDUCATION  
INSURANCE SCHEDULE  
JUNE 30, 2016  
UNAUDITED

Company	Type of Coverage	Coverage	Deductible
NJSIG	Property Blanket Building & Contents- Replacement Cost Values	\$ 18,752,100	\$ 1,000
	Earthquake	50,000,000	1,000
	Flood Zone A & V	20,000,000	500,000
	All Other Flood Zones	75,000,000	10,000
	General Liability		
	-Each Occurrence	31,000,000	
	Sexual Abuse	17,000,000	
	-Medical Expense Limit	5,000	
	-Employee Benefit Liability	31,000,000	1,000
	Automotive Liability	31,000,000	
	Comprehensive & Collision as scheduled		1,000
	Electronic Data Processing	350,000	1,000
	Crime Coverage		
	-Employee Dishonesty with Faithful Performance	250,000	1,000
	-Theft, Disappearance & Destruction	25,000	500
	-Loss of money and securities on and off premise	25,000	500
	Forgery	250,000	1,000
	Computer Fraud	25,000	500
	Equipment Breakdown/Property Damage	100,000,000	
	NJSIG	Board of Education	
-Professional Liability Coverage Cov A		31,000,000	5,000
-Professional Liability Coverage Cov B		100,000/300,000	5,000
Fidelity Bonds			
-Treasurer of School Monies		190,000	1,000
-School Business Administrator/ Board Secretary	190,000	1,000	
Berkley/USF Insurance Company	Student Accident Accidental/Catastrophic	5,000,000	

Source: Roseland Board of Education records



SINGLE AUDIT SECTION



Mount Arlington Corporate Center  
 200 Valley Road, Suite 300  
 Mt. Arlington, NJ 07856  
 973-328-1825 | 973-328-0507 Fax  
 Lawrence Business Center  
 11 Lawrence Road  
 Newton, NJ 07860  
 973-383-6699 | 973-383-6555

Report on Internal Control Over Financial Reporting and  
 on Compliance and Other Matters Based on an Audit of Financial Statements  
 Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report

The Honorable President and Members of  
 the Board of Education  
 Roseland Board of Education  
 County of Essex, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Roseland Borough School District, in the County of Essex (the "District") as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 7, 2016.

**Internal Control Over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

The Honorable President and Members of  
the Board of Education  
Roseland Board of Education  
Page 2

### Compliance and Other Matters

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

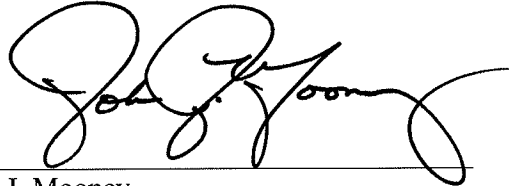
### Purpose of this Report

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

October 7, 2016  
Mount Arlington, New Jersey

*NISIVOCCIA LLP*

NISIVOCCIA LLP



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John J. Mooney  
Licensed Public School Accountant #2602  
Certified Public Accountant



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

Independent Auditors' Report

The Honorable President and Members of  
 the Board of Education  
 Roseland Board of Education  
 County of Essex, New Jersey

**Report on Compliance for Each Major State Program**

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

***Management's Responsibility***

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

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the District's compliance.

***Opinion on Each Major State Program***

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2016.

The Honorable President and Members of  
the Board of Education  
Roseland Board of Education  
Page 2

### Report on Internal Control Over Compliance

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

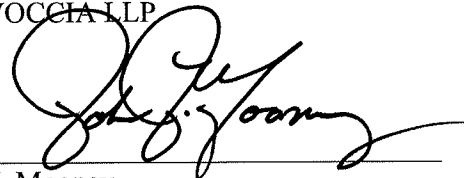
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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

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

October 7, 2016  
Mount Arlington, New Jersey

NISIVOC CIA LLP  
NISIVOC CIA LLP



John J. Mooney  
Licensed Public School Accountant #2602  
Certified Public Accountant

ROSELAND BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Federal Grantor/Pass Through Grantor Program Title\Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance Unearned Revenue		Cash Received	Budgetary Expenditures	Balance 6/30/16		Due to Grantor 6/30/16	Amounts Paid to Subrecipients
					(Accounts Receivable) 6/30/15	Carryover/ (Walkover) Amount			Accounts Receivable	Unearned Revenue		
U.S. Department of Agriculture												
Passed-through State Department of Agriculture:												
Child Nutrition Cluster:												
Federal Food Distribution Program	10.555	N/A	7/1/15-6/30/16	\$ 8,051			\$ 8,051	\$ (4,455)		\$ 3,596		
Federal Food Distribution Program	10.555	N/A	7/1/14-6/30/15	10,390	\$ 1,978			(1,978)				
National School Lunch Program	10.555	N/A	7/1/15-6/30/16	17,154			15,837	(17,154)	\$ (1,317)			
National School Lunch Program	10.555	N/A	7/1/14-6/30/15	17,403	(1,514)		1,514					
Total U.S. Department of Agriculture/Child Nutrition Cluster						464	25,402	(23,587)	(1,317)	3,596		
U.S. Department of Education												
Passed-through State Department of Education:												
No Child Left Behind Consolidated Grant:												
Title I Part A	84.010	NCLB-4530-16	7/1/15-6/30/16	37,990			37,990	(37,990)				
Special Education Cluster:												
I.D.E.A. Part B, Preschool	84.173	FT-4530-16	7/1/15-6/30/16	4,923			4,923	(4,923)				
I.D.E.A. Part B, Basic	84.027	FT-4530-16	7/1/15-6/30/16	93,592			93,592	(93,592)				
Total Special Education Cluster							98,515	(98,515)				
Total Special Revenue/U.S. Department of Education							136,505	(136,505)				
Total Federal Financial Awards					\$ 464	\$ -0-	\$ 161,907	\$ (160,092)	\$ (1,317)	\$ 3,596	\$ -0-	\$ -0-

N/A - Not Available/Applicable

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

ROSELAND BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance (Accounts Receivable) 06/30/15	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Balance 6/30/16			MEMO	
								GAAP (Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
NJ Department of Education:												
Special Education Aid	16-495-034-5120-089	7/1/15 - 6/30/16	\$ 239,967			\$ 218,247	\$ (239,967)				\$ (21,720)	\$ 239,967
Transportation Aid	16-495-034-5120-014	7/1/15 - 6/30/16	20,916			19,023	(20,916)				(1,893)	20,916
Security Aid	16-495-034-5120-084	7/1/15 - 6/30/16	7,158			6,510	(7,158)				(648)	7,158
Extraordinary Aid	16-495-034-5120-044	7/1/15 - 6/30/16	36,172				(36,172)	\$ (36,172)			(36,172)	36,172
Adjustment Aid	16-495-034-5120-085	7/1/15 - 6/30/16	1			1	(1)					1
PARCC Readiness Aid	16-495-034-5120-098	7/1/15 - 6/30/16	4,330			3,938	(4,330)				(392)	4,330
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15 - 6/30/16	4,330			3,938	(4,330)				(392)	4,330
Reimbursed TPAF Social Security Contributions	16-495-034-5094-003	7/1/15 - 6/30/16	244,462			244,462	(244,462)					244,462
Special Education Aid	15-495-034-5120-089	7/1/14 - 6/30/15	239,967	\$ (21,720)		21,720						239,967
Transportation Aid	15-495-034-5120-014	7/1/14 - 6/30/15	20,916	(1,893)		1,893						20,916
Security Aid	15-495-034-5120-084	7/1/14 - 6/30/15	7,158	(648)		648						7,158
Extraordinary Aid	15-100-034-5210-473	7/1/14 - 6/30/15	50,210	(50,210)		50,210						50,210
Adjustment Aid	15-495-034-5120-085	7/1/14 - 6/30/15	1									1
PARCC Readiness Aid	15-495-034-5120-098	7/1/14 - 6/30/15	4,330	(392)		392						4,330
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14 - 6/30/15	4,330	(392)		392						4,330
<b>Total General Fund State Aid</b>				<b>(75,255)</b>		<b>571,374</b>	<b>(557,336)</b>	<b>(36,172)</b>			<b>(61,217)</b>	<b>884,248</b>
Food Service Fund:												
State School Lunch Program	16-100-010-3350-023	7/1/15 - 6/30/16	1,266			1,166	(1,266)	(100)			(100)	1,266
State School Lunch Program	15-100-010-3350-023	7/1/14 - 6/30/15	1,336	(109)		109						1,366
<b>Total State Awards</b>				<b>\$ (75,364)</b>	<b>\$ -0-</b>	<b>\$ 572,649</b>	<b>\$ (558,602)</b>	<b>\$ (36,272)</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ (61,317)</b>	<b>\$ 886,880</b>

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

ROSELAND BOARD OF EDUCATION  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards (the "Schedules") include the federal and state grant activity of the Roseland Board of Education under programs of the federal and state governments for the fiscal year ended June 30, 2016. The information in these schedules is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented on the accrual basis of accounting. These bases of accounting are described in Note 1 to the District's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last two state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes these payments are not recognized until the subsequent budget year due to the state deferral and recording of the last two state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$0) for the general fund and (\$0) for the special revenue fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Additionally, the schedule of expenditures of state awards does not include the on-behalf TPAF Pension and Post Retirement Contributions revenue of \$279,282 and \$332,548, respectively.



ROSELAND BOARD OF EDUCATION  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

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

Awards and financial assistance revenue are reported on the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 1,169,166	\$ 1,169,166
Special Revenue Fund	\$ 136,505		136,505
Proprietary Fund	<u>23,587</u>	<u>1,266</u>	<u>24,853</u>
Total Financial Awards	<u>\$ 160,092</u>	<u>\$ 1,170,432</u>	<u>\$ 1,330,524</u>

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the year ended June 30, 2016. Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively.

ROSELAND BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Summary of Auditors' Results:

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

<u>State Program:</u>	<u>State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
State Awards:				
Special Education Aid	16-495-034-5120-089	7/1/15 - 6/30/16	\$ 239,967	\$ 239,967
Security Aid	16-495-034-5120-084	7/1/15 - 6/30/16	7,158	7,158
Adjustment Aid	16-495-034-5120-085	7/1/15 - 6/30/16	1	1
PARCC Readiness Aid	16-495-034-5120-098	7/1/15 - 6/30/16	4,330	4,330
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15 - 6/30/16	4,330	4,330

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

ROSELAND BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(Continued)

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

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

Findings and Questioned Costs for Federal Awards:

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

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in 2 CFR 200.516(a) of the Uniform Guidance and New Jersey's OMB Circular 15-08.

ROSELAND BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2016

Status of Prior Year Findings/Recommendations:

There were no prior year findings.