

SCHOOL DISTRICT
OF
ROCHELLE PARK

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

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2017

Comprehensive Annual
Financial Report

of the

Rochelle Park School District
Board of Education

Rochelle Park, New Jersey

For Fiscal Year Ended June 30, 2017

Prepared by

Rochelle Park School District
Board of Education

ROCHELLE PARK SCHOOL DISTRICT
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INTRODUCTORY SECTION



Rochelle Park School District

Board of Education

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

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

Jennifer Pfohl
BUSINESS ADMINISTRATOR

Ellen Kobylarz
BOARD SECRETARY

November 13, 2017

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

Dear Honorable President and Board Members:

The Comprehensive Annual Financial Report of the Rochelle Park School District (the "District") for the fiscal year ended June 30, 2017 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Rochelle Park School District (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

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

The District completed the 2016/2017 fiscal year with an average daily enrollment of 498 students, which is an increase of 1 student over the previous year's average daily enrollment.

2. ECONOMIC CONDITONS AND MAJOR INITIATIVES: The District seeks to achieve multiple initiatives in this school year and beyond. The major initiatives that will be of great focus are that of curriculum update and alignment, instructional technology development, professional development, transformation of instructional and administrative spaces, and shared services. The curriculum updates will encompass the finishing of science curriculum updates as well as work on social studies. This will include the identification and purchasing of new textbooks and/or resource materials. To this end, the district continues to lead a multi-district curriculum consortium with the three sending districts and the receiving high school district. All curriculum-related materials, revisions, and sequencing will be fully articulated between and amongst the districts as a whole. The ongoing transformation into a "Google for Education" school continues and is facilitated by professional development and technology integration strategies. Class size and staffing components will also be addressed based on demographic figures as well as new hires precipitated by retirements.
3. INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP).

The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. As a recipient of federal and state awards, the District also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control system is also subject to periodic evaluation by the District's management.

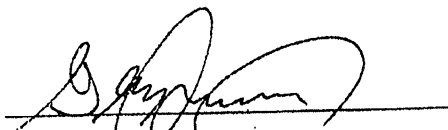
As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control system, including that portion related to major federal and state award programs, as well as to determine that the District has complied with applicable laws, regulations, contracts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

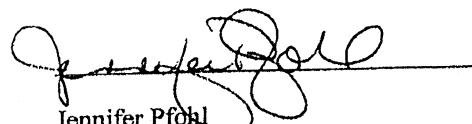
4. BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by a vote of the Board of Education. Annual appropriated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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as restrictions, commitments and assignments of fund balance at June 30, 2017.

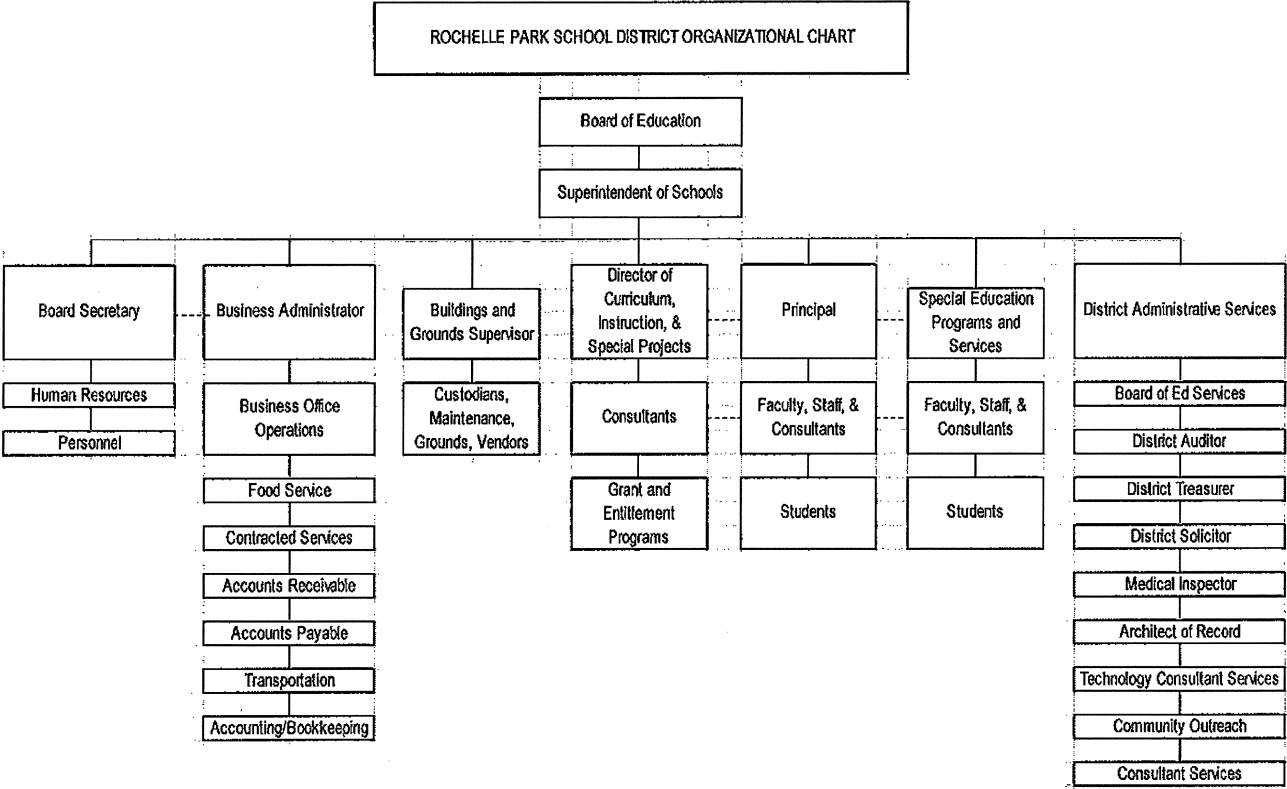
5. ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements", Note 1.
6. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
7. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, excess liability, auto liability and comprehensive/collision, hazard and theft insurance on property and contents, workers' compensation, and fidelity bonds. A schedule of insurance coverage is found on Exhibit J-20.
8. OTHER INFORMATION: **Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditors' report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.
9. ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Rochelle Park School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,


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


Jennifer Pfohl
Business Administrator

**ROCHELLE PARK BOARD OF EDUCATION
ADMINISTRATION
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Organizational Chart**



**ROCHELLE PARK BOARD OF EDUCATION
ROSTER OF OFFICIALS
JUNE 30, 2017**

Members of the Board of Education

Term Expires

Dimitria Leakas, President	2018
Maria Lauerman, Vice President	2017
Shirley Abraham	2017
Sam Allos	2017
Arlene Ciliento-Buyck	2019
Theresa Judge-Cravello	2018
Matt Trawinski	2019

Other Officials

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

ROCHELLE PARK BOARD OF EDUCATION

Consultants and Advisors
Fiscal Year Ended June 30, 2017

Audit Firm

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

Attorney

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

Architect

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

Official Depository

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

FINANCIAL SECTION



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

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Rochelle Park School District (the "District") in the County of Bergen, as of and for the fiscal year ended June 30, 2017, 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Rochelle Park School District, in the County of Bergen, as of June 30, 2017 and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

The Honorable President and Members
of the Board of Education
Rochelle Park School District
Page 3

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 November 13, 2017 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.

November 13, 2017
Mount Arlington, New Jersey

NISIVOCIA LLP



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

REQUIRED SUPPLEMENTARY INFORMATION -
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Rochelle Park School District
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2017
(Unaudited)**

This section of Rochelle Park School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2017. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Financial Highlights

- The District's financial status improved significantly on a district-wide basis over the past year.
- Overall revenue was \$15,751,647.
- Overall expenses were \$14,844,260.

Overview of the Financial Statements

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

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

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

**Rochelle Park School District
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2017
(Unaudited)**

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

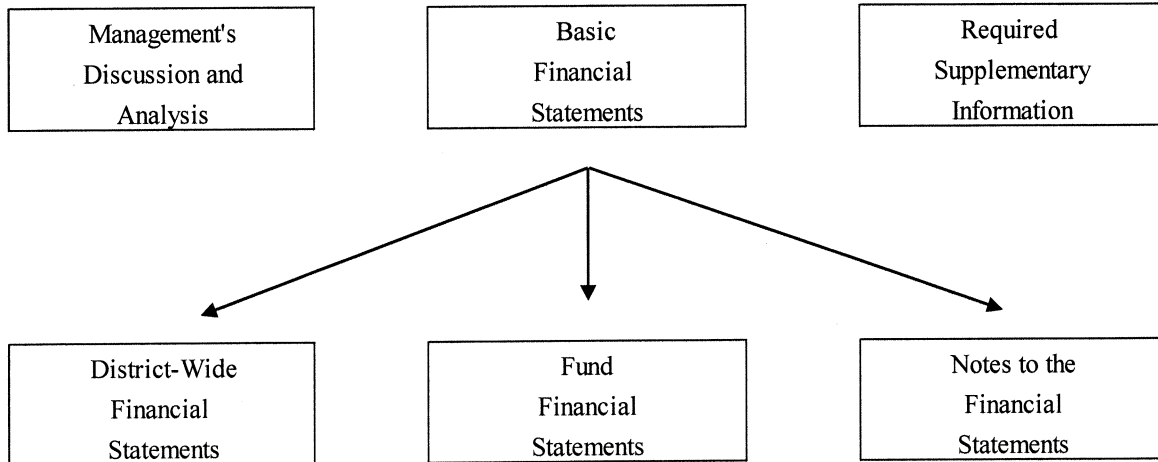


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents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

**Rochelle Park School District
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2017
(Unaudited)**

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

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

**Rochelle Park School District
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2017
(Unaudited)**

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

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

Notes to the Basic Financial Statements

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

Financial Analysis of the District as a Whole

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

Figure A-3

Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2017	2016	2017	2016	2017	2016	2016-2017
Current and Other Assets	\$ 2,407,357	\$ 2,419,220	\$ 143,565	\$ 121,923	\$ 2,550,922	\$ 2,541,143	0.38%
Capital Assets, Net	8,446,504	7,796,574	7,656	19,626	8,454,160	7,816,200	8.16%
Total Assets	10,853,861	10,215,794	151,221	141,549	11,005,082	10,357,343	6.25%
Deferred Outflows of Resources	678,524	302,073			678,524	302,073	124.62%
Other Liabilities	271,121	149,191	24,906	8,654	296,027	157,845	87.54%
Long-Term Liabilities	8,626,518	8,947,971			8,626,518	8,947,971	-3.59%
Total Liabilities	8,897,639	9,097,162	24,906	8,654	8,922,545	9,105,816	-2.01%
Deferred Inflows of Resources	361,102	61,028			361,102	61,028	491.70%
Net Position:							
Net Investment in Capital							
Assets	2,250,181	1,183,574	7,656	19,626	2,257,837	1,203,200	87.65%
Restricted	1,774,495	1,957,283			1,774,495	1,957,283	-9.34%
Unrestricted/(Deficit)	(1,751,032)	(1,781,180)	118,659	113,269	(1,632,373)	(1,667,911)	2.13%
Total Net Position	\$ 2,273,644	\$ 1,359,677	\$ 126,315	\$ 132,895	\$ 2,399,959	\$ 1,492,572	60.79%

**Rochelle Park School District
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2017
(Unaudited)**

Changes in net position. The District's combined net position was \$2,399,959 on June 30, 2017, \$907,387 or 60.79% higher than the year before (See Figure A-3). The net position of the governmental activities increased by \$913,967 primarily due to an increase in capital assets acquired through budgeted capital outlay, the current year bond maturities, the current year capital lease maturities, in addition to unexpended budget balances, offset by the increase in net pension liability and related deferred inflows and outflows. The net position of the business-type activities decreased by \$6,580 due primarily to an increase in operational expenses of \$104,037 mainly in the salary and benefits expenses which increased by \$97,632, offset by an increase in latchkey program fees of \$22,444, as well as an increase in its food service charges for services of \$10,787, and an increase in operating grants and contributions of \$14,073.

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

	Governmental		Business-Type		Total School District		Total
	Activities		Activities				Percentage
	2017	2016	2017	2016	2017	2016	Change
Revenue:							
Program Revenue:							
Charges for Services	\$ 27,731	\$ 67,833	\$ 325,343	\$ 292,112	\$ 353,074	\$ 359,945	-1.91%
Operating Grants and Contributions	3,511,367	\$2,726,583	75,696	61,623	3,587,063	2,788,206	28.65%
General Revenue:							
Property Taxes	11,431,522	11,272,173			11,431,522	11,272,173	1.41%
Unrestricted Federal and State Aid	187,892	312,161			187,892	312,161	-39.81%
Other	192,096	187,051			192,096	187,051	2.70%
Total Revenue	15,350,608	14,565,801	401,039	353,735	15,751,647	14,919,536	5.58%
Expenses:							
Instruction	7,509,878	6,746,477			7,509,878	6,746,477	11.32%
Tuition	2,918,034	3,077,760			2,918,034	3,077,760	-5.19%
Pupil & Instruction Services	1,305,598	1,129,648			1,305,598	1,129,648	15.58%
Administrative and Business	1,049,046	1,096,567			1,049,046	1,096,567	-4.33%
Maintenance & Operations	1,033,824	819,657			1,033,824	819,657	26.13%
Transportation	322,916	359,645			322,916	359,645	-10.21%
Other	297,345	353,089	407,619	303,582	704,964	656,671	7.35%
Total Expenses	14,436,641	13,582,843	407,619	303,582	14,844,260	13,886,425	6.90%
Increase in Net Position	\$ 913,967	\$ 982,958	\$ (6,580)	\$ 50,153	\$ 907,387	\$ 1,033,111	-12.17%

Revenue Sources. The District's total revenue for the 2016/2017 school year was \$15,751,647 (See Figure A-4). Local property taxes accounted for most of the District's revenue, with local taxes accounting for \$11,431,522 of the total, or 72.57%. (See Figure A-5). Approximately 23.97% came from state and federal aid and grants and the remaining 3.46% was from charges for services and other.

**Rochelle Park School District
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2017
(Unaudited)**

Figure A-5

Sources of Revenue for Fiscal Year 2017

Sources of Income	Amount	Percentage
State Formula Aid	\$ 446,917	2.84%
Property Taxes	11,431,522	72.57%
Federal and State Categorical Grants	3,328,038	21.13%
Charges for Services	353,074	2.24%
Other	192,096	1.22%
	\$ 15,751,647	100.00%

Figure A-6

Expenses for Fiscal Year 2017

Expense Category	Amount	Percentage
Instruction	\$ 7,509,878	50.59%
Tuition	2,918,034	19.66%
Pupil & Instruction Services	1,305,598	8.79%
Administrative and Business	1,049,046	7.08%
Maintenance & Operations	1,033,824	6.96%
Transportation	322,916	2.17%
Other	704,964	4.75%
	\$ 14,844,260	100.00%

The total cost of all programs and services was \$14,844,260. The District's expenses are predominantly related to instructing, tuition, caring for (pupil services) and transporting students (81.21%). (See Figure A-6). The District's administrative and business activities accounted for 7.08% of total costs.

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

Operations and maintenance expenses of approximately 6.96% included costs for the upkeep and maintenance of the facility including cleaning, landscaping and maintenance contracts, pest control, utilities and property insurance.

Transportation expenses included costs for regular and special education to and from the Midland School, Hackensack High School and out-of-district special education placements. The District is also responsible for the transportation costs or the payment of "aid-in-lieu" of transportation for non-public students who reside within the District. The total transportation costs were about 2.17%.

Other expenses include unallocated depreciation, transfer of funds to charter school, interest on long term debt as well as the latchkey and food service program expenses. Other expenses represent 4.75% of total expenses for the fiscal year.

**Rochelle Park School District
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2017
(Unaudited)**

Governmental Activities

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

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

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

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

Figure A-7

Net Cost of Governmental Activities

	Total		Net	
	Cost of Services		Cost of Services	
	2017	2016	2017	2016
Instruction	\$ 7,509,878	\$ 6,746,477	\$ 4,609,619	\$ 4,333,646
Tuition	2,918,034	3,077,760	2,918,034	3,077,760
Pupil & Instruction Services	1,305,598	1,129,648	1,001,299	970,426
Administrative and Business	1,049,046	1,096,567	858,963	971,221
Maintenance & Operations	1,033,824	819,657	925,786	756,586
Transportation	322,916	359,645	286,497	325,699
Other	297,345	353,089	297,345	353,089
Total	\$ 14,436,641	\$ 13,582,843	\$ 10,897,543	\$ 10,788,427

- The cost of all governmental activities this year was \$14.44 million.
- The federal and state governments subsidized certain programs with grants and contributions (\$3,252,342).
- Most of the District's costs, however, were financed by District taxpayers (\$11.43 million).
- A portion of governmental activities was financed with \$446,917 in state formula aid.
- The remainder of the funding came from miscellaneous revenue (\$192,096).

**Rochelle Park School District
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2017
(Unaudited)**

Business-Type Activities

Net position from the District's business-type activities decreased by \$6,580 due primarily to an increase in operational expenses of \$104,037 mainly in the salary and benefits expenses which increased by \$97,632, offset by an increase in latchkey program fees of \$22,444, as well as an increase in its food service charges for services of \$10,787, and an increase in operating grants and contributions of \$14,074.

Financial Analysis of the District's Funds

Difficult economic times have had a direct impact upon the District's revenue sources. Interest from investments continues to be lower than in prior years. The District has also reduced its level of using surplus to reduce the tax levy. As overall revenue for the District is strained, the amount of funds generated for this purpose likewise decreases. The ratables in the municipality of the District have increased slightly, thus generating concern for the local tax levy in the future.

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

General Fund Budgetary Highlights

The 2016/2017 budget is reflective of the District's desire to provide its students and staff with the best opportunities, in a safe learning environment while being responsible to its taxpayers. Through careful budgeting, prudent planning and internal controls, the use of cooperative purchasing, shared services with the Township of Rochelle Park and other school districts in areas such as facility services, vehicle maintenance and technology, the District has been successful in maximizing its available resources.

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

Capital Assets

Figure A-8

Capital Assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2017	2016	2017	2016	2017	2016	2016-2017
	Sites (Land)	\$ 15,740	\$ 15,740			\$ 15,740	\$ 15,740
Construction in Progress	6,935,353	6,272,446			6,935,353	6,272,446	10.57%
Site Improvements	12,767	18,272			12,767	18,272	-30.13%
Buildings & Building Improvements	1,405,734	1,419,762			1,405,734	1,419,762	-0.99%
Machinery and Equipment	76,910	70,354	\$ 7,656	\$ 19,626	84,566	89,980	-6.02%
Total	\$ 8,446,504	\$ 7,796,574	\$ 7,656	\$ 19,626	\$ 8,454,160	\$ 7,816,200	8.16%

During the fiscal year, the District's governmental activities recorded \$662,907 in Construction in Progress, \$58,468 in additions, \$860 of deletions and adjustments and depreciated \$70,585 of its capital assets. The District's business-type activities depreciated \$11,970 of its equipment during the fiscal.

**Rochelle Park School District
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2017
(Unaudited)**

Long-Term Liabilities

At year-end, the District had \$5,988,000 in general obligation bonds, as well as other long-term liabilities outstanding – a total decrease of \$321,453 from last year – as shown in Figure A-9. (More detailed information about the District's long-term liabilities is presented in Note 6 to the financial statements.)

Figure A-9

Outstanding Long-Term Liabilities

	Total School District		Total
	2017	2016	Percentage
			Change 2016-2017
General Obligation Bonds (Financed with Property Taxes)	\$ 5,988,000	\$ 6,383,000	-6.19%
Capital Leases Payable	208,323	230,000	-9.42%
Net Pension Liability	2,276,195	2,195,159	3.69%
Compensated Absences Payable	154,000	139,812	10.15%
Total	\$ 8,626,518	\$ 8,947,971	-3.59%

- The District continued to pay down its debt, retiring \$395,000 of general obligation bonds.
- The District paid down \$21,677 of its of capital leases for energy savings improvement programs.
- The District also had a net increase in compensated absences payable of \$14,188.
- The District had an increase of \$81,036 in its net pension liability.

Looking Ahead

BUILDING FOR THE FUTURE

Since the successfully passed referendum on December 10, 2013, the school district has systematically renovated and upgrade a wide range of areas within the Midland School including: a boiler and unit ventilator replacement project, roof replacement project, window replacement project, building envelope improvements and internal renovations and upgrades, bathroom upgrades and installation of new bathrooms in special education rooms, ceiling and energy efficient lighting upgrades, electrical infrastructure upgrades, floor replacement, exterior door replacement, installation of a security access and surveillance system, school wide public announcement/intercom system upgrades, and fire/safety upgrades. Most recently an old storage area was converted into much needed instructional space and a new, higher-capacity transformer and electrical infrastructure was installed to accommodate increased technology and for future needs.

As we look to the future, the district will begin to consider the main and Williams Street parking lots as well as traffic safety features and fencing adjacent to these areas. Multi-step and phased projects to systematically replace old flooring and to upgrade internal fire safety systems also remain a top priority. Given the increased electrical capacity, the district is now in a position to consider the possibility of air conditioning systems as well as a modest facilities expansion project to accommodate anticipated student population growth as well as the demands of a dynamic and diverse set of curricular offerings.

**Rochelle Park School District
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2017
(Unaudited)**

PLANNING FOR THE FUTURE

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

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

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

ROCHELLE PARK SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2017

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 1,336,215	\$ 166,981	\$ 1,503,196
Receivables from Federal Government		8,942	8,942
Receivables from State Government	128,823	332	129,155
Receivables from Other Governments	97,183		97,183
Internal Balances	35,747	(35,747)	
Other Receivables	638	1,685	2,323
Restricted Cash and Cash Equivalents:			
Capital Reserve Account	808,751		808,751
Inventory		1,372	1,372
Capital Assets, Net:			
Sites (Land) and Construction in Progress	6,951,093		6,951,093
Depreciable Site Improvements, Buildings and Building Improvements, Machinery and Equipment	1,495,411	7,656	1,503,067
Total Assets	<u>10,853,861</u>	<u>151,221</u>	<u>11,005,082</u>
DEFERRED OUTFLOWS OF RESOURCES			
Changes in Assumptions - Pensions	471,509		471,509
Difference Between Expected and Actual Experience - Pensions	42,330		42,330
Net Difference Between Projected and Actual Investment Earnings - Pensions	86,792		86,792
Changes in Proportions - Pensions	11,003		11,003
District Contribution Subsequent to the Measurement Date - Pensions	66,890		66,890
Total Deferred Outflows of Resources	<u>678,524</u>		<u>678,524</u>
LIABILITIES			
Accounts Payable	218,372	10,826	229,198
Accrued Interest Payable	52,749		52,749
Unearned Revenue		14,080	14,080
Noncurrent Liabilities:			
Due Within One Year	297,927		297,927
Due Beyond One Year	8,328,591		8,328,591
Total Liabilities	<u>8,897,639</u>	<u>24,906</u>	<u>8,922,545</u>
DEFERRED INFLOWS OF RESOURCES			
Changes in Proportions - Pensions	361,102		361,102
Total Deferred Inflows of Resources	<u>361,102</u>		<u>361,102</u>

ROCHELLE PARK SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2017

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
NET POSITION			
Net Investment in Capital Assets	\$ 2,250,181	\$ 7,656	\$ 2,257,837
Restricted for:			
Debt Service	27		27
Capital Projects	1,274,468		1,274,468
Excess Surplus	500,000		500,000
Unrestricted/(Deficit)	<u>(1,751,032)</u>	<u>118,659</u>	<u>(1,632,373)</u>
Total Net Position	<u>\$ 2,273,644</u>	<u>\$ 126,315</u>	<u>\$ 2,399,959</u>

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

ROCHELLE PARK SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Functions/Programs	Program Revenue		Net Expense and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 5,549,003	\$ 27,731	\$ 1,741,543	\$ (3,779,729)	\$	\$ (3,779,729)
Special Education	1,568,832		1,006,102	(562,730)		(562,730)
Other Special Instruction	267,561		106,961	(160,600)		(160,600)
School Sponsored/Other Instruction	124,482		17,922	(106,560)		(106,560)
Support Services:						
Tuition	2,918,034			(2,918,034)		(2,918,034)
Student & Instruction Related Services	1,305,598		304,299	(1,001,299)		(1,001,299)
General Administrative Services	472,196		74,797	(397,399)		(397,399)
School Administrative Services	293,386		85,945	(207,441)		(207,441)
Central Services	145,765			(145,765)		(145,765)
Administration Information Technology	137,699		29,341	(108,358)		(108,358)
Plant Operations and Maintenance	1,033,824		108,038	(925,786)		(925,786)
Pupil Transportation	322,916		36,419	(286,497)		(286,497)
Unallocated Depreciation	40,639			(40,639)		(40,639)
Capital Outlay	16,238			(16,238)		(16,238)
Transfer of Funds to Charter Schools	51,559			(51,559)		(51,559)
Interest on Long-Term Debt	188,909			(188,909)		(188,909)
Total Governmental Activities	14,436,641	27,731	3,511,367	(10,897,543)		(10,897,543)
Business-Type Activities:						
Latchkey Program	170,513	188,831			\$ 18,318	18,318
Food Service	237,106	136,512	75,696		(24,898)	(24,898)
Total Business-Type Activities	407,619	325,343	75,696		(6,580)	(6,580)
Total Primary Government	\$ 14,844,260	\$ 353,074	\$ 3,587,063	(10,897,543)	(6,580)	(10,904,123)

ROCHELLE PARK SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

<u>Functions/Programs</u>	<u>Net Expense and Changes in Net Position</u>		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Taxes:			
Property Taxes, Levied for General Purposes, Net	\$ 10,978,185	\$	\$ 10,978,185
Taxes Levied for Debt Service	453,337		453,337
Federal and State Aid Not Restricted	187,892		187,892
Miscellaneous Income	192,096		192,096
Total General Revenues	11,811,510		11,811,510
Change in Net Position	913,967	\$ (6,580)	907,387
Net Position - Beginning	1,359,677	132,895	1,492,572
Net Position - Ending	\$ 2,273,644	\$ 126,315	\$ 2,399,959

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

FUND FINANCIAL STATEMENTS

ROCHELLE PARK SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 817,407	\$ 9,035	\$ 509,773		\$ 1,336,215
Receivables From State Government	128,823				128,823
Receivables From Other Governments	97,183				97,183
Interfund Receivable	59,066			\$ 22,802	81,868
Other Receivables	638				638
Restricted Cash and Cash Equivalents	808,751				808,751
Total Assets	\$ 1,911,868	\$ 9,035	\$ 509,773	\$ 22,802	\$ 2,453,478
LIABILITIES AND FUND BALANCES					
Liabilities:					
Interfund Payable			\$ 23,346	\$ 22,775	\$ 46,121
Accounts Payable	\$ 102,413	\$ 9,035	40,034		151,482
Total Liabilities	102,413	9,035	63,380	22,775	197,603
Fund Balances:					
Restricted:					
Capital Reserve	808,751				808,751
Excess Surplus	250,000				250,000
Excess Surplus - Subsequent Year's Expenditures	250,000				250,000
Capital Projects Fund			465,717		465,717
Debt Service				27	27
Assigned:					
Year-End Encumbrances	274,874				274,874
Designated for Subsequent Year's Expenditures	6,800				6,800
Unassigned/(Deficit)	219,030		(19,324)		199,706
Total Fund Balances	1,809,455		446,393	27	2,255,875
Total Liabilities and Fund Balances	\$ 1,911,868	\$ 9,035	\$ 509,773	\$ 22,802	\$ 2,453,478

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

Total Fund Balances from Above	\$ 2,255,875
Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$10,336,502 and the accumulated depreciation is \$1,889,998.	8,446,504
Interest on long-term debt is not accrued in the Governmental Funds, but rather is recognized as an expenditure when due.	(52,749)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(6,350,323)

ROCHELLE PARK SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

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

The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	\$ (2,276,195)
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.	
Deferred Outflows:	
Changes in Assumptions - Pensions	471,509
Difference between Expected and Actual Experience - Pensions	42,330
Net Difference between projected and actual investment earnings on Pension Plan Investments	86,792
Changes in Proportions - Pensions	11,003
Deferred Inflows:	
Changes in Proportions - Pensions	(361,102)
Net Position of Governmental Activities	\$ 2,273,644

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

ROCHELLE PARK SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 10,978,185			\$ 453,337	\$ 11,431,522
Tuition from Individuals	27,731				27,731
Interest Earned on Capital Reserve Funds	7,829	\$ 44			7,873
Miscellaneous	184,223				184,223
Total - Local Sources	11,197,968		44	453,337	11,651,349
State Sources	1,663,797			122,257	1,786,054
Federal Sources		\$ 199,577			199,577
Total Revenue	<u>12,861,765</u>	<u>199,577</u>	<u>44</u>	<u>575,594</u>	<u>13,636,980</u>

EXPENDITURES:

Current:					
Regular Instruction	3,084,949	67,193			3,152,142
Special Education Instruction	818,200	132,384			950,584
Other Special Instruction	109,436				109,436
School Sponsored/Other Instruction	99,018				99,018
Support Services and Undistributed Costs:					
Tuition	2,918,034				2,918,034
Student & Instruction Related Services	840,434				840,434
General Administrative Services	340,671				340,671
School Administrative Services	168,431				168,431
Central Services	145,441				145,441
Administration Information Technology	86,105				86,105
Plant Operations and Maintenance	896,532				896,532
Pupil Transportation	322,916				322,916
Unallocated Benefits	2,355,436				2,355,436

ROCHELLE PARK SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
EXPENDITURES (Cont'd):					
Debt Service:					
Principal				\$ 395,000	\$ 395,000
Interest and Other Charges	24,738			195,528	195,528
Capital Outlay	51,559		\$ 658,497		683,235
Transfer of Funds to Charter Schools					51,559
Total Expenditures	<u>12,261,900</u>	<u>\$ 199,577</u>	<u>658,497</u>	<u>590,528</u>	<u>13,710,502</u>
Excess/(Deficit) of Revenue Over/(Under) Expenditures	599,865		(658,453)	(14,934)	(73,522)
Other Financing Sources/(Uses):					
Transfers Out			(44)		(44)
Transfers In	44				44
Total Other Financing Sources/(Uses)	<u>44</u>		<u>(44)</u>		
Net Change in Fund Balances	599,909		(658,497)	(14,934)	(73,522)
Fund Balance - July 1	<u>1,209,546</u>		<u>1,104,890</u>	<u>14,961</u>	<u>2,329,397</u>
Fund Balance - June 30	<u>\$ 1,809,455</u>	<u>\$ -0-</u>	<u>\$ 446,393</u>	<u>\$ 27</u>	<u>\$ 2,255,875</u>

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

ROCHELLE PARK SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ (73,522)

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

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

Depreciation Expense	\$	(70,585)
Capital Asset Disposals		(860)
Capital Outlays		721,375

649,930

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

(14,188)

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

395,000

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

21,677

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

Changes in Net Pension Liability		(81,036)
Deferred Outflows:		
Changes in Assumptions		235,766
Net Difference between projected and actual investment earnings on Pension Plan Investments		122,086
Difference between expected and actual experience		(10,039)
Changes in Proportions		(2,958)
Deferred Inflows:		
Changes in Proportions		(335,368)

(71,549)

ROCHELLE PARK SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

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

	\$ 6,619
	\$ 913,967

ROCHELLE PARK SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2017

		<u>Enterprise Funds</u>
		<u>Non-Major Funds</u>
<u>ASSETS:</u>		
Current Assets:		
Cash and Cash Equivalents	\$	166,981
Accounts Receivable:		
Federal		8,942
State		332
Other Receivables		1,685
Inventory		1,372
		<hr/>
Total Current Assets		179,312
		<hr/>
Non-Current Assets:		
Capital Assets		158,301
Accumulated Depreciation		(150,645)
		<hr/>
Total Non-Current Assets		7,656
		<hr/>
Total Assets		186,968
		<hr/>
<u>LIABILITIES:</u>		
Current Liabilities:		
Interfund Payable - General Fund		35,747
Accounts Payable - Vendors		10,826
Unearned Revenue		14,080
		<hr/>
Total Current Liabilities		60,653
		<hr/>
<u>NET POSITION:</u>		
Investment in Capital Assets		7,656
Unrestricted		118,659
		<hr/>
Total Net Position	\$	126,315
		<hr/> <hr/>

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

ROCHELLE PARK SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

		<u>Enterprise Funds</u>
		<u>Non-Major Funds</u>
Operating Revenue:		
Local Sources:		
Daily Sales - Reimbursable Programs	\$	80,965
Daily Sales - Nonreimbursable Meals		48,015
Special Functions		7,532
Program Fees		<u>188,831</u>
Total Operating Revenue		<u>325,343</u>
Operating Expenses:		
Cost of Sales for Reimbursable Programs		57,161
Cost of Sales for Nonreimbursable Programs		25,660
Salaries, Benefits & Payroll Taxes		252,440
Other Purchased Services		23,785
Management Fee		15,210
Supplies and Materials		16,088
Other Expenses		5,305
Depreciation		<u>11,970</u>
Total Operating Expenses		<u>407,619</u>
Operating Loss		<u>(82,276)</u>
Non-Operating Revenue:		
Federal Sources:		
National School Lunch Program		57,831
School Breakfast Program		1,411
U.S.D.A. Commodities		14,297
State Sources:		
School Lunch Program		<u>2,157</u>
Total Non-Operating Revenue		<u>75,696</u>
Change in Net Position		(6,580)
Net Position - Beginning of Year		<u>132,895</u>
Net Position - End of Year	\$	<u><u>126,315</u></u>

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

ROCHELLE PARK SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Enterprise Funds
	Non-Major Funds
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 329,738
Payments to/for Employees	(143,606)
Payments to Food Service Contractor	(165,362)
Payments to Suppliers	(20,229)
	541
Net Cash Used for Operating Activities	541
Cash Flows from Noncapital Financing Activities:	
Interfund Advanced - General Fund	20,496
Cash Received From Federal Reimbursements - Collected in Food Service Fund	58,707
Cash Received From State Reimbursements - Collected in Food Service Fund	2,155
	81,358
Net Cash Provided by Noncapital Financing Activities	81,358
Net Increase in Cash and Cash Equivalents	81,899
Cash and Cash Equivalents, July 1	85,082
Cash and Cash Equivalents, June 30	\$ 166,981
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (82,276)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	11,970
Food Distribution Program	14,297
Changes in Assets and Liabilities:	
Decrease in Other Receivables	4,210
Increase in Inventory	341
Increase/(Decrease) in Interfund Payable	35,747
Increase/(Decrease) in Accounts Payable	3,906
Increase/(Decrease) in Unearned Revenue	12,346
	12,346
Net Cash Used for Operating Activities	\$ 541

Noncash Investing and Financing Activities:

The Food Service Enterprise Fund received and utilized U.S.D.A Commodities Through the Food Distribution Program Valued at \$14,297 for the fiscal year ended June 30, 2017.

ROCHELLE PARK SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2017

	<u>Agency</u>	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Trust</u>
<u>ASSETS:</u>			
Cash and Cash Equivalents	\$ 171,066	\$ 44,302	\$ 1,565
Total Assets	<u>171,066</u>	<u>44,302</u>	<u>1,565</u>
<u>LIABILITIES:</u>			
Accrued Salaries and Wages	141,200		
Due to Student Groups	<u>29,866</u>		
Total Liabilities	<u>171,066</u>		
<u>NET POSITION:</u>			
Held in Trust for Unemployment Claims		44,302	
Restricted for Scholarships			<u>1,565</u>
Total Net Position	<u>\$ -0-</u>	<u>\$ 44,302</u>	<u>\$ 1,565</u>

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

ROCHELLE PARK SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Trust</u>
ADDITIONS:		
Contributions:		
Board Contribution	\$ 34,802	
Employee Contributions	9,283	
Total Contributions	<u>44,085</u>	
Total Additions	<u>44,085</u>	
DEDUCTIONS:		
Unemployment Contribution Payments	<u>20,089</u>	
Total Deductions	<u>20,089</u>	
Change in Net Position	23,996	
Net Position - Beginning of the Year	<u>20,306</u>	<u>\$ 1,565</u>
Net Position - End of the Year	<u>\$ 44,302</u>	<u>\$ 1,565</u>

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

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

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

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3) The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. 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

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

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.

Fund Financial Statements:

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

The District reports the following governmental funds:

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

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

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

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

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

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

B. Basis of Presentation: (Cont'd)

The District reports the following proprietary funds:

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

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

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

Additionally, the District reports the following fund type:

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

C. Measurement Focus and Basis of Accounting:

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

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

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

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

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

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

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2017 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be made by School Board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

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

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

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

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

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued)

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

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

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 12,877,363	\$ 199,577
Differences - Budget to GAAP:		
Prior Year State Aid Payments Recognized for GAAP Statements	21,636	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(37,234)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 12,861,765	\$ 199,577
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 12,261,900	\$ 199,577
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 12,261,900	\$ 199,577
		Capital Projects Fund
		Fund
		Balance
Summary Schedule of Revenue, Expenditures and Changes in Fund Balance (Budgetary Basis) (per Exhibit F-1)		
Committed Fund Balance		\$ 102,876
Restricted Fund Balance		465,717
Total Revenue/Fund Balance - Budgetary Basis		568,593
Reconciliation to Governmental Funds Statement (GAAP):		
SDA Grants are Recognized as Revenue on the Budgetary Basis when awarded but are not Recognized on the GAAP Basis until Expended and Submitted for reimbursement.		(122,200)
Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds (GAAP Basis) (per Exhibit B-2)		\$ 446,393

E. Cash and Cash Equivalents, and Investments:

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

The District generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued)

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

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

Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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

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

F. Interfund Transactions:

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

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

G. Allowance for Uncollectible Accounts:

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

H. Encumbrances:

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

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

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

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2017.

K. Capital Assets:

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

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

	Estimated Useful Life
Buildings and Building Improvements	50 Years
Site Improvements	20 Years
Machinery and Equipment	10 to 15 Years

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

L. Long Term Liabilities:

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

M. Accrued Salaries and Wages:

The District allows employees who provide services to the District over the ten-month academic year the option to have their salaries evenly disbursed during the entire twelve month year; therefore, there were \$141,200 of accrued salaries and wages as of June 30, 2017.

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued)

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

N. Compensated Absences:

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's various employee contracts/agreements. Upon termination, employees are paid for accrued vacation. The District's various employee contracts/agreements permit employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the respective employee contract/agreement.

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

O. Unearned Revenue:

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

P. Fund Balance Appropriated:

General Fund: Of the \$1,809,455 General Fund fund balance at June 30, 2017, \$6,800 is assigned and included as anticipated revenue for the fiscal year ending June 30, 2018; \$274,874 is assigned for year-end encumbrances, \$808,751 is restricted in the capital reserve account; \$250,000 is prior year excess surplus and has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2018 in accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701); \$250,000 is restricted for excess surplus in accordance with N.J.S.A. 18A:7F-7, as amended and will be included as anticipated revenue for the year ending June 30, 2019 and \$219,030 is unassigned fund balance (which is \$37,234 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, 2017).

Debt Service Fund: The Debt Service Fund fund balance at June 30, 2017 is \$27, which is restricted for debt service.

Capital Projects Fund: Of the \$446,393 Capital Projects Fund balance at June 30, 2017, \$465,717 is restricted for capital projects authorized by referendum and there is a deficit of (\$19,324) in unassigned fund balance. The unassigned fund balance is \$122,200 less than the budgetary basis due to SDA grants receivable not recognized on a GAAP basis until the expenditures are submitted for reimbursement.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, c.73 (S1701), the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District had excess surplus at June 30, 2017 as detailed above.

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

P. Fund Balance Appropriated: (Cont'd)

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$37,234 as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event state school aid payments are not made until the following school budget year, districts must record the related state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize the last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments.

Q. Deficit Net Position and Fund Balance:

The District has a deficit in unrestricted net position of \$1,751,032 in governmental activities, which is primarily due to compensated absences payable, and net pension liability and related deferred inflows and outflows. The District has a deficit in unassigned fund balance of \$19,324 in the Capital Projects Fund, which is due to the SDA grant receivable not being recognized on the GAAP basis until the related reimbursement requests are submitted to the State. These deficits do not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

R. Net Position:

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

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows of resources at June 30, 2017 for the changes in assumptions in pensions, the difference between expected and actual experience in pensions, the net difference between projected and actual investment earnings on pension plan investments, the district contribution subsequent to the measurement date related to pensions, and for the changes in proportion in pensions.

The District had a deferred inflow of resources at June 30, 2017 for the changes in proportion in pensions.

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

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

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

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

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued)

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

S. Fund Balance Restrictions, Commitments and Assignments:

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

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

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District had no committed resources at June 30, 2017 on a GAAP basis in the Capital Projects Fund.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for amounts designated for subsequent year's expenditures and encumbrances in the General Fund at June 30, 2017.

T. Revenue - Exchange and Nonexchange Transactions:

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

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

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

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

U. Operating Revenue and Expenses:

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

V. Management Estimates:

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

W. Pensions:

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

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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 requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents, and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned.

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.

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

Credit Risk - The District limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed in the section entitled Investments of this note.

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

Deposits:

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

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

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

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

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

Investments:

New Jersey statutes permit the District 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 Local Government Services in the Department of Community Affairs for investment by local units;
- (5) Local government investing pools;
- (6) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (7) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

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

Investments: (Cont'd)

- (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
- (e) a master repurchase agreement providing for the custody and security of collateral is executed.

As of June 30, 2017, cash and cash equivalents of the District consisted of the following:

	Restricted Cash and Cash Equivalents Capital Reserve	Cash and Cash Equivalents	Total
Checking Accounts	\$ 808,751	\$ 1,720,129	\$ 2,528,880

During the period ended June 30, 2017, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2017, was \$2,528,880 and the bank balance was \$2,940,522.

NOTE 4. CAPITAL RESERVE ACCOUNT

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

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

The activity of the capital reserve for the July 1, 2016 to June 30, 2017 fiscal year is as follows:

Balance at June 30, 2016	\$ 369,823
Deposits:	
Transfer per Board Resolution - June 2017	431,099
Interest	7,829
Balance at June 30, 2017	\$ 808,751

The balance in the capital reserve at June 30, 2017 did not exceed the balance of local support costs of uncompleted capital projects in the District's approved LRFP.

ROCHELLE PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 5. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2017 were as follows:

	Beginning Balance	Increases	Decreases/ Adjustments	Ending Balance
Governmental Activities:				
Capital Assets not being Depreciated:				
Sites (Land)	\$ 15,740			\$ 15,740
Construction in Progress	6,272,446	\$ 662,907		6,935,353
Total Capital Assets not Being Depreciated	6,288,186	662,907		6,951,093
Capital Assets Being Depreciated:				
Site Improvements	291,265			291,265
Buildings and Building Improvements	2,762,391	28,300		2,790,691
Machinery and Equipment	274,145	30,168	\$ (860)	303,453
Total Capital Assets Being Depreciated	3,327,801	58,468	(860)	3,385,409
Governmental Activities Capital Assets	9,615,987	721,375	(860)	10,336,502
Less Accumulated Depreciation for:				
Site Improvements	(272,993)	(5,505)		(278,498)
Buildings and Building Improvements	(1,342,629)	(42,328)		(1,384,957)
Machinery and Equipment	(203,791)	(22,752)		(226,543)
Total Accumulated Depreciation	(1,819,413)	(70,585)		(1,889,998)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	7,796,574	650,790	(860)	8,446,504
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	158,301			158,301
Less Accumulated Depreciation	(138,675)	(11,970)		(150,645)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	19,626	(11,970)	-0-	7,656
GRAND TOTAL	\$ 7,816,200	\$ 638,820	\$ (860)	\$ 8,454,160

Capital asset balances and activity for the year ended June 30, 2017 were as follows:

The District expended \$662,907 towards construction projects in progress. As of June 30, 2017, the District has \$568,593 in active construction projects including \$77,679 of encumbrances.

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 29,008
Special Education Instruction	201
Student and Instruction Related Services	190
School Administration	223
Central Services	324
Unallocated	40,639
	<u>\$ 70,585</u>

ROCHELLE PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 6. LONG TERM LIABILITIES

During the fiscal year ended June 30, 2017, the following changes occurred in liabilities reported in the district-wide financial statements:

	<u>Balance</u> <u>6/30/2016</u>	<u>Accrued</u>	<u>Retired</u>	<u>Balance</u> <u>6/30/2017</u>
Compensated Absences Payable	\$ 139,812	\$ 25,688	\$ 11,500	\$ 154,000
Capital Leases Payable	230,000		21,677	208,323
Net Pension Liability	2,195,159	81,036		2,276,195
Bonds Payable	<u>6,383,000</u>		<u>395,000</u>	<u>5,988,000</u>
	<u>\$ 8,947,971</u>	<u>\$ 106,724</u>	<u>\$ 428,177</u>	<u>\$ 8,626,518</u>

A. Bonds Payable:

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

The District had bonds outstanding as of June 30, 2017 as follows:

<u>Serial Bonds</u>			
<u>Purpose</u>	<u>Final Maturity</u> <u>Date</u>	<u>Interest</u> <u>Rates</u>	<u>Amount</u>
School Bonds- Series 2014 - Infrastructure			
Repairs and Building Security Enhancements	3/15/35	3.00%-3.50%	<u>\$ 5,988,000</u>
			<u>\$ 5,988,000</u>

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

<u>Fiscal</u> <u>Year Ending June 30,</u>	<u>Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2018	\$ 275,000	\$ 185,328	\$ 460,328
2019	275,000	177,078	452,078
2020	300,000	168,828	468,828
2021	300,000	159,828	459,828
2022	325,000	150,828	475,828
2023 - 2027	1,713,000	604,468	2,317,468
2028 - 2032	1,750,000	343,000	2,093,000
2033 - 2035	<u>1,050,000</u>	<u>72,625</u>	<u>1,122,625</u>
	<u>\$ 5,988,000</u>	<u>\$ 1,861,982</u>	<u>\$ 7,849,982</u>

ROCHELLE PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 6. LONG TERM LIABILITIES (Cont'd)

A. Bonds Payable: (Cont'd)

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

Date	Sinking Fund Installment
March 15, 2025	\$ 350,000
March 15, 2026	350,000
March 15, 2027	350,000

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

Date	Sinking Fund Installment
March 15, 2028	\$ 350,000
March 15, 2029	350,000

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

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

B. Bonds Authorized But Not Issued:

As of June 30, 2017, the District has no bonds authorized but not issued.

ROCHELLE PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued)

NOTE 6. LONG TERM LIABILITIES (Cont'd)

C. Capital Leases Payable:

On May 3, 2016 the District entered into a capital lease for energy conservation measures for \$230,000 which is for a period of 10 years and of which \$21,677 has been liquidated as of June 30, 2017. The schedule of the future minimum lease payments under the District's capital leases and the present value of the net minimum lease payments at June 30, 2017 are detailed below.

Fiscal Year	Amount
2018	\$ 27,833
2019	29,416
2020	29,953
2021	30,291
2022	22,191
2023	22,398
2024	22,456
2025	23,600
2026	23,579
	231,717
Less: Amount representing interest	(23,394)
Present value of net minimum lease payments	\$ 208,323

The current portion of capital leases payable at June 30, 2016 is \$22,927 and the long-term portion is \$185,396. The District liquidated \$21,677 of its capital leases in the current year.

D. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities. There is no current portion of the compensated absences liability at June 30, 2017. Thus, the entire balance of \$154,000 is a long term liability.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2017, no liability existed for compensated absences in the Enterprise Funds.

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

E. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2017 is \$-0- and the long-term portion is \$2,276,195. See Note 7 for further information on the PERS.

NOTE 7. 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).

ROCHELLE PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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/annrprts.shtml.

Benefits Provided

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

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

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A 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 \$68,359 for 2017.

ROCHELLE PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

Contributions

The employee contribution rate was 7.20% effective July 1, 2016. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

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

At June 30, 2017, the District's liability was \$2,276,195 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015 which was rolled forward to June 30, 2016. 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, 2016, the District's proportion was 0.0077%, which was a decrease of 0.0021% from its proportion measured as of June 30, 2015.

For the fiscal year ended June 30, 2017, the District recognized actual pension expense in the amount of \$139,822. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Year of Deferral</u>	<u>Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	2014	6.44	\$ 28,612	
	2015	5.72	116,916	
	2016	5.57	325,981	
			<u>471,509</u>	
Difference Between Expected and Actual Experience	2015	5.72	32,438	
	2016	5.57	9,892	
			<u>42,330</u>	
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2014	5.00	(42,875)	
	2015	5.00	27,432	
	2016	5.00	102,235	
			<u>86,792</u>	
Changes in Proportion	2014	6.44		\$ (19,937)
	2015	5.72	11,003	
	2016	5.57	(341,165)	
		<u>11,003</u>	<u>(361,102)</u>	
District Contribution Subsequent to the Measurement Date	2016	1.00	66,890	
			<u>\$ 678,524</u>	<u>\$(361,102)</u>

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

ROCHELLE PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued)

NOTE 7. 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)

Fiscal Year Ending June 30,	Total
2017	\$ 135,226
2018	135,226
2019	156,665
2020	131,622
2021	41,892
	\$ 600,631

Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015 which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions:

Inflation Rate	3.08%
Salary Increases:	
Through 2026	1.65 – 4.15% based on age
Thereafter	2.65 – 5.15% based on age
Investment Rate of Return	7.65%

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward one year for females).

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.65% at June 30, 2016) 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.

ROCHELLE PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex. U.S.	5.00%	-0.25%
REIT	5.25%	5.63%

Discount Rate

The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and a municipal bond rate of 2.85% as of June 30, 2016 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 contribution rate in the most recent fiscal year. The local employers contributed 100% of their 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 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

ROCHELLE PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued)

NOTE 7. 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, 2016 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:

	June 30, 2016		
	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
District's proportionate share of the Net Pension Liability	\$ 2,789,212	\$ 2,276,195	\$ 1,852,656

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.

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

ROCHELLE PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

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

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 2016, 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 2017, the State of New Jersey contributed \$422,842 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$2,151,791.

The employee contribution rate was 7.20% effective July 1, 2016. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

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

At June 30, 2017, the State's proportionate share of the net pension liability associated with the District was \$28,638,617. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015 which was rolled forward to June 30, 2016. 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, 2016, the District's proportion was 0.036%, which was an increase of 0.002% from its proportion measured as of June 30, 2015.

ROCHELLE PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 7. 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	<u>28,638,617</u>
Total	<u>\$28,638,617</u>

For the fiscal year ended June 30, 2016, the State recognized pension expense on behalf of the District in the amount of \$2,151,791 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2017 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:

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	8.5	\$ 1,691,524,165	
	2015	8.3	4,488,602,746	
	2016	8.3	9,522,623,964	
			<u>15,702,750,875</u>	
Difference Between Expected and Actual Experience	2014	8.5		\$ 16,110,615
	2015	8.3	277,221,464	
	2016	8.3		118,421,979
			<u>277,221,464</u>	<u>134,532,594</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2014	5	(870,618,286)	
	2015	5	577,926,182	
	2016	5	1,727,420,767	
			<u>1,434,728,663</u>	
		<u>\$ 17,414,701,002</u>	<u>\$ 134,532,594</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:

ROCHELLE PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 7. 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)

Fiscal Year Ending June 30,	Total
2017	\$ 2,538,535,636
2018	2,538,535,636
2019	2,973,844,781
2020	2,781,202,718
2021	2,349,347,527
Thereafter	4,098,702,110
	\$ 17,280,168,408

Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015 which was rolled forward to June 30, 2016. 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	7.65%

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60 years average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2016 are summarized in the following table:

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued)

NOTE 7. 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>
Cash	5.00%	0.39%
U.S. Government Bonds	1.50%	1.28%
U.S. Credit Bonds	13.00%	2.76%
U.S. Mortgages	2.00%	2.38%
U.S. Inflation-Indexed Bonds	1.50%	1.41%
U.S. High Yield Bonds	2.00%	4.70%
U.S. Equity Market	26.00%	5.14%
Foreign-Developed Equity	13.25%	5.91%
Emerging Market Equities	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private Equity	9.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds - MultiStrategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 3.22% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and a municipal bond rate of 2.85% as of June 30, 2016 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 contribution rate in the most recent fiscal year. The State contributed 30% of the actuarially determined contributions. 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 2029. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2029, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2016 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:

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

	June 30, 2016		
	At 1% Decrease (2.22%)	At Current Discount Rate (3.22%)	At 1% Increase (4.22%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 34,200,909	\$ 28,638,617	\$ 24,096,288

Pension Plan Fiduciary Net Position - TPAF

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

C. Defined Contribution Retirement Program (DCRP)

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

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

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 \$10,262 for the fiscal year ended June 30, 2017. Employee contributions to DCRP amounted to \$10,805 for the fiscal year ended June 30, 2017.

NOTE 8. 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, 2016, there were 110,512 retirees receiving post-retirement medical benefits, and the State contributed \$1.37 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.

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued)

NOTE 8. POST-RETIREMENT BENEFITS (Cont'd)

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 \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

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 publicly 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 \$365,089, \$347,064, and \$293,050 for 2017, 2016 and 2015, respectively.

NOTE 9. DEFERRED COMPENSATION

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

The plan administrators for the District's Internal Revenue Code Sections 403(b) plans are as follows:

AXA/Equitable Life	Metropolitan Life
Valic	Lincoln Life

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

NOTE 10. RISK MANAGEMENT

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

Property, Liability and Health Benefits

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

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

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued)

NOTE 10. RISK MANAGEMENT (Cont'd)

Property, Liability and Health Benefits (Cont'd)

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

The audit report for the fiscal year ended June 30, 2017 was not available as of the date of this report. Selected, summarized financial information for the NESBIG as of June 30, 2016 is as follows:

	Northeast Bergen County School Board Insurance Group
Total Assets	\$ 27,909,834
Net Position	\$ 17,959,092
Total Revenue	\$ 13,953,880
Total Expenses	\$ 11,937,228
Change in Net Position	\$ 2,016,652
Members Dividends	\$ -0-

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

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

New Jersey Unemployment Compensation Insurance

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following table details the District contributions, employee contributions, interest earned and amounts reimbursed for the prior three fiscal years.

Fiscal Year	District Contributions	Employee Contributions	Interest Earned	Amount Reimbursed	Ending Balance
2016-2017	\$ 34,802	\$ 9,283		\$ 20,089	\$ 44,302
2015-2016	25,000	5,773		47,186	20,306
2014-2015	25,000	17,296	\$ 46	24,598	36,719

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 11. 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 12. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 59,066	
Capital Projects Fund		\$ 23,346
Debt Service Fund	22,802	22,775
Food Service Fund		35,747
	\$ 81,868	\$ 81,868

The \$59,066 interfund receivable in the General Fund is composed of an interfund payable due from the Food Service Fund of \$35,747 for monies spent in General Fund on Food Service salaries. The remainder is \$22,775 due from the Debt Service Fund is to cover a deficit in cash and \$544 due from the Capital Projects Fund for expenses paid and interest earned related to the Energy Savings Project. The \$22,802 interfund receivable in the Debt Service Fund is due from Capital Projects Fund for interest earned on the referendum.

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

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(Continued)

NOTE 14. COMMITMENTS AND CONTINGENCIES

Grant Programs

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

Litigation

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

Encumbrances

At June 30, 2017, there were encumbrances as detailed below in the governmental funds.

General Fund	Capital Projects Fund	Total Governmental Funds
\$ 274,874	\$ 77,679	\$ 352,553

Of the \$77,679 year-end encumbrances in the Capital Projects Fund, \$66,683 is included in the \$465,717 restricted fund balance and \$10,996 is included in the (\$19,324) committed deficit fund balance on a GAAP basis at June 30, 2017, which is \$122,200 less than the budgetary committed fund balance because SDA grant receivable is not recognized on the GAAP basis until reimbursement requests are submitted to the State.

NOTE 15: TRANSFERS TO CAPITAL OUTLAY

There were no transfers to the capital outlay accounts during the fiscal year ended June 30, 2017.

NOTE 16. ACCOUNTS PAYABLE

Payables as of June 30, 2017 were as detailed below:

	Governmental Funds			District Contribution Subsequent to the Measurement Date	Total Governmental Funds	Business- Type Activities Proprietary Funds
General Fund	Special Revenue Fund	Capital Projects Fund				
Vendors	\$ 102,413	\$ 9,035	\$ 40,034		\$ 151,482	\$ 10,826
State of NJ				\$ 66,890	66,890	
	\$ 102,413	\$ 9,035	\$ 40,034	\$ 66,890	\$ 218,372	\$ 10,826

REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)

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

	Fiscal Year Ending June 30,		
	2015	2016	2017
District's proportion of the net pension liability	0.0096909750%	0.0097788635%	0.0076854005%
District's proportionate share of the net pension liability	\$ 1,814,416	\$ 2,195,159	\$ 2,276,195
District's covered employee payroll	\$ 643,899	\$ 529,650	\$ 498,898
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	281.79%	414.45%	456.24%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%

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

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

	Fiscal Year Ending June 30,		
	2015	2016	2017
Contractually required contribution	\$ 79,891	\$ 84,072	\$ 68,359
Contributions in relation to the contractually required contribution	<u>(79,891)</u>	<u>(84,072)</u>	<u>(68,359)</u>
Contribution deficiency/(excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
District's covered employee payroll	\$ 631,021	\$ 643,899	\$ 529,650
Contributions as a percentage of covered employee payroll	12.66%	13.06%	12.91%

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

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

	Fiscal Year Ending June 30,		
	2015	2016	2017
State's proportion of the net pension liability attributable to the District	0.0333773035%	0.0341445621%	0.0364051605%
State's proportionate share of the net pension liability attributable to the District	\$ 17,839,082	\$ 21,580,821	\$ 28,638,617
District's covered employee payroll	\$ 3,552,551	\$ 3,829,646	\$ 3,934,460
District's proportionate share of the net pension liability attributable to the District as a percentage of its covered employee payroll	502.15%	563.52%	727.89%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.23%

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

ROCHELLE PARK SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE'S CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND
LAST THREE FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,		
	2015	2016	2017
Contractually required contribution	\$ 959,910	\$ 1,317,703	\$ 2,151,794
Contributions in relation to the contractually required contribution	<u>(184,598)</u>	<u>(291,473)</u>	<u>(422,842)</u>
Contribution deficiency/(excess)	<u>\$ 775,312</u>	<u>\$ 1,026,230</u>	<u>\$ 1,728,952</u>
District's covered employee payroll	\$ 3,552,551	\$ 3,829,646	\$ 3,934,460
Contributions as a percentage of covered employee payroll	5.20%	7.61%	10.75%

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

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.90% as of June 30, 2015 to 3.98% as of June 30, 2016. The municipal bond rate changed from 3.80% to 2.85%. The long-term expected rate of return on pension plan investments changed from 7.90% to 7.65%.

The inflation rate changed from 3.04% as of June 30, 2015 to 3.08% as of June 30, 2016. The salary increases changed from 2.15% - 4.40% for 2012 – 2021 to 1.65%-4.15% through 2026 and from 3.15%-5.40% thereafter to 2.65%-5.15% thereafter.

The mortality rates in the July 1, 2014 actuarial valuation were based on the following:

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 mortality rates in the July 1, 2015 actuarial valuation were based on the following:

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward one year for females).

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.13% as of June 30, 2015 to 3.22% as of June 30, 2016. The municipal bond rate changed from 3.80% to 2.85%. The long-term expected rate of return on pension plan investments changed from 7.90% to 7.65%.

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED
(Continued)

B. TEACHERS PENSION AND ANNUITY FUND (Cont'd)

Changes of Assumptions (Cont'd)

The mortality rates in the July 1, 2014 actuarial valuation were based on the following:

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 mortality rates in the July 1, 2015 actuarial valuation were based on the following:

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60 years average of Social Security data from 1953 to 2013.

BUDGETARY COMPARISON SCHEDULES

ROCHELLE PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR END JUNE 30, 2017
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 10,978,185		\$ 10,978,185	\$ 10,978,185	
Tuition from Individuals	70,000		70,000	27,731	\$ (42,269)
Interest Earned on Capital Reserve Funds				7,829	7,829
Miscellaneous	75,000		75,000	184,223	109,223
Total - Local Sources	<u>11,123,185</u>		<u>11,123,185</u>	<u>11,197,968</u>	<u>74,783</u>
State Sources:					
Categorical Special Education Aid	362,837		362,837	362,837	
Extraordinary Aid	150,000		150,000	107,931	(42,069)
Security Aid	47,531		47,531	47,531	
PARCC Readiness Aid	6,430		6,430	6,430	
Per Pupil Growth Aid	6,430		6,430	6,430	
Professional Learning Community Aid	6,480		6,480	6,480	
Host District Support Aid	1,434		1,434	1,434	
Transportation Aid	31,373		31,373	31,373	
Nonpublic Transportation				6,264	6,264
On-Behalf TPAF Post Retirement Contributions				365,089	365,089
On-Behalf TPAF Pension Contributions				422,842	422,842
On-Behalf TPAF Non-Contributory Insurance				15,321	15,321
On-Behalf TPAF Long-Term Disability Insurance				1,323	1,323
Reimbursed TPAF Social Security Contributions (non-budgeted)				298,110	298,110
Total State Sources	<u>612,515</u>		<u>612,515</u>	<u>1,679,395</u>	<u>1,066,880</u>
TOTAL REVENUES	<u>11,735,700</u>		<u>11,735,700</u>	<u>12,877,363</u>	<u>1,141,663</u>
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	50,537		90,125	90,125	
Kindergarten - Salaries of Teachers	227,307		223,341	220,587	2,754
Grades 1-5 - Salaries of Teachers	1,658,760		1,607,128	1,607,128	
Grades 6-8 - Salaries of Teachers	790,975		785,442	785,442	

ROCHELLE PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR END JUNE 30, 2017
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs - Home Instruction:					
Salaries of Teachers	\$ 2,500	\$ 2,780	\$ 5,280	\$ 5,280	
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	54,360	(22,789)	31,571	31,571	
Purchased Technical Services	15,000	(12,238)	2,762	2,762	
Other Purchased Services (400-500 series)	96,494	(68,319)	28,175	28,175	
General Supplies	213,838	231,783	445,621	295,119	\$ 150,502
Textbooks	50,114	37,264	87,378	18,533	68,845
Other Objects		227	227	227	
Total Regular Programs - Instruction	3,159,885	147,165	3,307,050	3,084,949	222,101
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers		425	425	425	
Total Learning and/or Language Disabilities		425	425	425	
Resource Room/Resource Center:					
Salaries of Teachers	497,622	55,966	553,588	549,245	4,343
Other Salaries for Instruction	121,302	(37,428)	83,874	83,874	
General Supplies	1,500	3,530	5,030	5,007	23
Total Resource Room/Resource Center	620,424	22,068	642,492	638,126	4,366
Autism					
Salaries of Teachers	56,789	1,026	57,815	56,415	1,400
Other Salaries for Instruction	62,261		62,261	59,326	2,935
General Supplies	2,000		2,000	993	1,007
Total Autism	121,050	1,026	122,076	116,734	5,342
Preschool Disabilities - Full Time:					
Salaries of Teachers	99,440	(20,446)	78,994	2,742	76,252
Other Salaries for Instruction	62,261		62,261	60,173	2,088
General Supplies	1,500		1,500		1,500
Total Preschool Disabilities - Part Time	163,201	(20,446)	142,755	62,915	79,840
Total Special Education Instruction	904,675	3,073	907,748	818,200	89,548

ROCHELLE PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR END JUNE 30, 2017
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	\$ 144,533	\$	\$ 144,533	\$ 109,045	\$ 35,488
General Supplies	750	(359)	391	391	
Total Basic Skills/Remedial - Instruction	145,283	(359)	144,924	109,436	35,488
Bilingual Education - Instruction					
Salaries of Teachers	64,614	664	65,278	65,103	175
General Supplies	750	(304)	446	313	133
Total Bilingual Education - Instruction	65,364	360	65,724	65,416	308
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	26,418		26,418	16,824	9,594
Supplies and Materials	5,000		5,000	384	4,616
Total School-Sponsored Cocurricular Activities - Instruction	31,418		31,418	17,208	14,210
School-Sponsored Cocurricular Athletics - Instruction:					
Salaries	15,689	(1,370)	14,319	12,356	1,963
Purchased Services (300-500 series)	3,000	1,370	4,370	3,124	1,246
Supplies and Materials	750	164	914	914	
Total School-Sponsored Cocurricular Athletics - Instruction	19,439	164	19,603	16,394	3,209
Total Instruction	4,326,064	150,403	4,476,467	4,111,603	364,864
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Regular	2,303,435	(295,886)	2,007,549	2,007,549	
Tuition to Other LEAs Within the State - Special	323,439	148,965	472,404	454,914	17,490
Tuition to County Vocational School District - Regular	135,000	34,290	169,290	166,023	3,267
Tuition to County Vocational School District - Special	285,200	(100,780)	184,420	129,118	55,302
Tuition to CSSD and Regional Day Schools Within the State	144,944		144,944	93,473	51,471
Tuition to Private Schools for the Handicapped Within the State	200,453	(114,828)	85,625	66,957	18,668
Total Undistributed Expenditures - Instruction:	3,392,471	(328,239)	3,064,232	2,918,034	146,198

ROCHELLE PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR END JUNE 30, 2017
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Attendance & Social Work:					
Salaries	\$ 2,163	\$ 282	\$ 2,445	\$ 2,445	
Purchased Professional and Technical Services	13,000	523	13,523	13,523	
Total Attendance & Social Work	15,163	805	15,968	15,968	
Health Services:					
Salaries	72,694	728	73,422	73,422	
Purchased Professional and Technical Services	2,250	2,020	4,270	1,305	\$ 2,965
Other Purchased Services (400-500 series)	500	(153)	347	194	153
Supplies and Materials	2,000		2,000	1,567	433
Total Health Services	77,444	2,595	80,039	76,488	3,551
Speech, OT, PT & Related Services:					
Salaries	57,484	839	58,323	58,323	
Purchased Prof. Ed. Services	128,250	(19,324)	108,926	99,126	9,800
Supplies and Materials	2,500		2,500		2,500
Total Speech, OT, PT & Related Services	188,234	(18,485)	169,749	157,449	12,300
Other Support Services - Students - Extraordinary Services:					
Purchased Professional - Educational Services	96,030	1,179	97,209	83,302	13,907
Total Other Support Services - Students - Extraordinary Services	96,030	1,179	97,209	83,302	13,907
Guidance:					
Salaries of Other Professional Staff	60,606	2,167	62,773	62,773	
Purchased Professional Ed. Services		4,467	4,467		4,467
Supplies and Materials	6,000		6,000	1,351	4,649
Total Guidance	66,606	6,634	73,240	64,124	9,116

ROCHELLE PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR END JUNE 30, 2017
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Child Study Teams:					
Salaries of Other Professional Staff	\$ 231,392	\$ (5,530)	\$ 225,862	\$ 206,985	\$ 18,877
Unused Vacation Payment to Term./Retired Staff		7,500	7,500	7,500	
Purchased Professional - Educational Services	18,190	12,037	30,227	30,227	
Other Purchased Professional and Technical Services		6,200	6,200	6,200	
Supplies and Materials	1,000	2,900	3,900	3,900	
Other Objects	11,486		11,486	11,471	15
Total Child Study Teams	262,068	23,107	285,175	266,283	18,892
Improvement of Instruction Services:					
Salaries of Supervisor of Instruction	110,210		110,210	110,000	210
Other Purchased Services (400-500 series)	6,670	(6,670)			
Supplies and Materials	175	5,701	5,701	5,122	579
Other Objects		969	1,144	969	175
Total Improvement of Instruction Services	117,055		117,055	116,091	964
Educational Media Services/School Library:					
Salaries	51,047	3,866	54,913	54,913	
Other Purchased Services (400-500 series)	2,552	(1)	2,551	2,474	77
Supplies and Materials	1,900	1,300	3,200	3,200	3,200
Total Educational Media Services/School Library	55,499	5,165	60,664	57,387	3,277
Instructional Staff Training					
Purchased Professional - Educational Services	10,000	(5,166)	4,834	3,342	1,492
Total Instructional Staff Training	10,000	(5,166)	4,834	3,342	1,492

ROCHELLE PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR END JUNE 30, 2017
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Support Services - General Administration:					
Salaries	\$ 237,122	\$ 2,613	\$ 239,735	\$ 219,500	\$ 20,235
Legal Services	30,000	11,145	41,145	41,145	
Audit Fees	25,500	1,500	27,000	27,000	
Architectural/Engineering Services	2,000	(1,976)	24	24	
Other Purchased Professional Services	2,500	(2,201)	299	299	
Purchase Technical Services	11,414	(6,652)	4,762	4,762	
Communications/Telephone	27,900	(5,403)	22,497	22,497	
BOE Other Purchased Services	1,000	5,262	6,262	6,262	
Miscellaneous Purchased Services (400-500) (O/T 530 & 585)	8,000	(930)	7,070	7,070	
General Supplies	4,500	(2,330)	2,170	2,170	
BOE Membership Dues and Fees	9,622	320	9,942	9,942	
Total Support Services - General Administration	359,558	1,348	360,906	340,671	20,235
Support Services - School Administration:					
Salaries of Principals/Assistant Principals/Program Directors	108,150	(150)	108,000	108,000	
Salaries of Secretarial and Clerical Assistants	57,733	(179)	57,554	57,554	
Supplies and Materials	7,500	(7,289)	211	211	
Other Objects		2,666	2,666	2,666	
Total Support Services - School Administration	173,383	(4,952)	168,431	168,431	
Central Services:					
Purchased Professional Services	110,000	3,000	113,000	113,000	
Purchased Technical Services	30,500	(3,000)	27,500	27,467	33
Supplies and Materials	7,899	(2,635)	5,264	4,931	333
Miscellaneous Expenditures	1,500		1,500	43	1,457
Total Central Services	149,899	(2,635)	147,264	145,441	1,823
Administration Information Technology:					
Salaries	84,000	8,105	92,105	86,105	6,000
Purchased Professional and Technical Services	10,000	(10,000)			
Other Purchased Services (400-500 series)	700	(469)	231		231
Supplies and Materials					
Total Admin. Info. Technology	94,700	(2,364)	92,336	86,105	6,231

ROCHELLE PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR END JUNE 30, 2017
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Required Maintenance of School Facilities:					
Salaries	\$ 124,410	2,178	\$ 126,588	\$ 126,588	
Unused Vacation Payment to Term/Ret. Staff		9,710	9,710	9,709	1
Cleaning, Repair and Maintenance Services	85,756	37,899	123,655	123,373	282
General Supplies	32,100	3,288	35,388	35,387	1
Other Objects	275		275		275
Total Required Maintenance of School Facilities	<u>242,541</u>	<u>53,075</u>	<u>295,616</u>	<u>295,057</u>	<u>559</u>
Custodial Services:					
Salaries	165,809	28,357	194,166	190,464	3,702
Salaries of Non-Instructional Aides	43,290	(7,519)	35,771	35,771	35,771
Cleaning, Repair and Maintenance Services	9,800	1,643	11,443	11,442	1
Insurance	78,100	(10,860)	67,240	67,240	
General Supplies	13,500	(3,727)	9,773	8,409	1,364
Energy (Electricity)	45,000	23,181	68,181	68,181	
Lease Purchase Payments - Energy Savings Improvement Program		32,565	32,565	27,121	5,444
Energy (Natural Gas)	88,000	(67,490)	20,510	20,440	70
Total Custodial Services	<u>443,499</u>	<u>(3,850)</u>	<u>439,649</u>	<u>393,297</u>	<u>46,352</u>
Care and Upkeep of Grounds					
Purchased Prof. & Tech. Svc.		19,949	19,949	17,285	2,664
Cleaning, Repair, & Maintenance Serv.	40,114	180,659	220,773	181,944	38,829
Other Objects	11,877	(2,514)	9,363	8,949	414
Total Care and Upkeep of Grounds	<u>51,991</u>	<u>198,094</u>	<u>250,085</u>	<u>208,178</u>	<u>41,907</u>

ROCHELLE PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR END JUNE 30, 2017
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Student Transportation Services:					
Contracted Services:					
Other Between Home and School - Vendors	\$ 5,000	\$ (5,000)			
Special Education Students - Joint Agreements	4,000	(1,348)	\$ 2,652	\$ 2,652	
Regular Students - ESCs and CTSA's	98,738	4,926	103,664	103,664	
Special Education Students - ESCs and CTSA's	160,000	18,004	178,004	178,004	
Aid in Lieu Payments - Nonpublic School	45,000	(6,404)	38,596	38,596	
Total Student Transportation Services	312,738	10,178	322,916	322,916	
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	100,000	(956)	99,044	66,983	\$ 32,061
Other Retirement Contributions - PERS	95,000	(6,445)	88,555	68,359	20,196
Other Retirement Contributions - Regular	5,000	5,558	10,558	10,262	296
Unemployment Compensation	35,000	(198)	34,802	34,802	
Workmen's Compensation	75,000	(5,179)	69,821	39,525	30,296
Health Benefits	1,181,585	(66,555)	1,115,030	996,497	118,533
Tuition Reimbursement	20,000	4,625	24,625	24,625	
Other Employee Benefits	30,000	759	11,500	198	561
Unused Sick Payment to Term./ Retired Staff		(18,500)		11,500	
Total Unallocated Benefits - Employee Benefits	1,541,585	(86,891)	1,454,694	1,252,751	201,943
TPAF Contributions:					
On-Behalf TPAF Post Retirement Contributions				365,089	(365,089)
On-Behalf TPAF Pension Contributions				422,842	(422,842)
On-Behalf TPAF Non-Contributory Insurance				15,321	(15,321)
On-Behalf TPAF Long-Term Disability Insurance				1,323	(1,323)
Reimbursed TPAF Social Security Contributions (non-budgeted)				298,110	(298,110)
Total TPAF Contributions				1,102,685	(1,102,685)
Total Personal Services - Employee Benefits	1,541,585	(86,891)	1,454,694	2,355,436	(900,742)
Total Undistributed Expenses	7,650,464	(150,402)	7,500,062	8,074,000	(573,938)
TOTAL GENERAL CURRENT EXPENSE	11,976,528	1	11,976,529	12,185,603	(209,074)

ROCHELLE PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR END JUNE 30, 2017
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CAPITAL OUTLAY					
Equipment:					
Grades 1-5	\$ 12,000		\$ 12,000	\$ 4,975	\$ 7,025
Total Equipment	12,000		12,000	4,975	7,025
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	2,750		2,750	750	2,000
Other Professional Services	12,788	\$ (12,788)			
Construction Services		12,787	12,787	4,410	8,377
Assessment for Debt Service SDA Funding	14,603		14,603	14,603	
Other Objects			10		10
Total Facilities Acquisition and Construction Services	30,141	(1)	30,150	19,763	10,387
TOTAL CAPITAL OUTLAY	42,141	(1)	42,150	24,738	17,412
Transfer of Funds to Charter Schools	71,590		71,590	51,559	20,031
TOTAL EXPENDITURES	12,090,259		12,090,269	12,261,900	(171,631)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(354,559)		(354,569)	615,463	970,032
Other Financing Uses:					
Operating Transfer In- Capital Projects Fund				44	44
Total Other Financing Uses				44	44

ROCHELLE PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR END JUNE 30, 2017
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Excess/(Deficiency) of Revenue	\$ (354,559)		\$ (354,569)	\$ 615,507	\$ 970,076
Over/(Under) Expenditures and Other Financing Uses					
Fund Balance, July 1	1,231,182		1,231,182	1,231,182	
Fund Balance, June 30	<u>\$ 876,623</u>	<u>\$ -0-</u>	<u>\$ 876,613</u>	<u>\$ 1,846,689</u>	<u>\$ 970,076</u>
<u>Recapitulation:</u>					
Restricted Fund Balance:					
Capital Reserve				\$ 808,751	
Excess Surplus - Designated for Subsequent Year's Expenditures				250,000	
Excess Surplus				250,000	
Assigned Fund Balance:					
Year-End Encumbrances				274,874	
Designated for Subsequent Year's Expenditures				6,800	
Unassigned Fund Balance				<u>256,264</u>	
				<u>1,846,689</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payments not Recognized on GAAP Basis				<u>(37,234)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 1,809,455</u>	

ROCHELLE PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
 (UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal Sources	\$ 151,844	\$ 47,733	\$ 199,577	\$ 199,577	
Total Revenues	151,844	47,733	199,577	199,577	
EXPENDITURES:					
Instruction					
Salaries		32,593	32,593	32,593	
Purchased Professional and Educational Services		5,247	5,247	5,247	
Tuition	100,980	26,157	127,137	127,137	
General Supplies	50,864	(32,819)	18,045	18,045	
Total Instruction	151,844	31,178	183,022	183,022	
Support Services					
Personal Services - Employee Benefits		9,035	9,035	9,035	
Other Purchased Services		7,520	7,520	7,520	
Total Support Services		16,555	16,555	16,555	
Total Expenditures	151,844	47,733	199,577	199,577	
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

ROCHELLE PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
(UNAUDITED)

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 12,877,363	\$ 199,577
Difference - Budget to GAAP:		
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Statements	21,636	
Current Year State Aid Payments Recognized for Budgetary Statements, not Recognized for GAAP Statements	<u>(37,234)</u>	
 Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	 <u>\$ 12,861,765</u>	 <u>\$ 199,577</u>
 Uses/Outflows of Resources		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	<u>\$ 12,261,900</u>	<u>\$ 199,577</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 12,261,900</u>	<u>\$ 199,577</u>

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

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

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

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

SCHOOL LEVEL SCHEDULES

(NOT APPLICABLE)

SPECIAL REVENUE FUND

ROCHELLE PARK SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	IDEA, Part B		NCLB Consolidated Grant		Totals June 30, 2017
	Basic	Preschool	Title I	Title II - Part A	
REVENUES:					
Federal Sources	\$ 127,137	\$ 5,247	\$ 58,666	\$ 8,527	\$ 199,577
Total Revenues	127,137	5,247	58,666	8,527	199,577
EXPENDITURES:					
Instruction:					
Salaries			32,593		32,593
Purchased Professional and Educational Services		5,247			5,247
Tuition	127,137				127,137
General Supplies			17,038	1,007	18,045
Total Instruction	127,137	5,247	49,631	1,007	183,022
Support Services:					
Personal Services - Employee Benefits			9,035		9,035
Other Purchased Services				7,520	7,520
Total Support Services			9,035	7,520	16,555
Total Expenditures	\$ 127,137	\$ 5,247	\$ 58,666	\$ 8,527	\$ 199,577

CAPITAL PROJECTS FUND

ROCHELLE PARK SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Revenue and Other Financing Sources:	
Interest Revenue	\$ 44
	<hr/>
Total Revenues and Other Financing Sources	44
	<hr/>
Expenditures and Other Financing Uses:	
Other Purchased Professional and Technical Services	43,930
Construction Services	395,068
Other Objects	219,499
Transfer to General Fund - Interest Earnings	44
	<hr/>
Total Expenditures and Other Financing Uses	658,541
	<hr/>
Deficit of Revenue and Other Financing Sources Under Expenditures and Other Financing Uses	(658,497)
	<hr/>
Fund Balance - Beginning Balance	1,227,090
	<hr/>
Fund Balance - Ending Balance	\$ 568,593
	<hr/> <hr/>
Recapitulation of Fund Balance:	
Restricted - Other Purposes	\$ 399,034
Restricted - Year End Encumbrances	66,683
Committed - Other Purposes	91,880
Committed - Year End Encumbrances	10,996
	<hr/>
Fund Balance per Governmental Funds (Budgetary Basis)	568,593
Reconciliation to Governmental Funds Statement (GAAP):	
SDA Grants not Recognized on the GAAP Basis	(122,200)
	<hr/>
Fund Balance per Governmental Funds (GAAP)	\$ 446,393
	<hr/> <hr/>

ROCHELLE PARK SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
INFRASTRUCTURE REPAIRS AND BUILDING SECURITY ENHANCEMENTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Prior Periods	Current Year	Total	Authorized Cost
Revenue and Other Financing Sources:				
Bond Proceeds	\$ 6,513,000		\$ 6,513,000	\$ 6,513,000
Total Revenue and Other Financing Sources	<u>6,513,000</u>		<u>6,513,000</u>	<u>6,513,000</u>
Expenditures:				
Other Purchased Professional and Technical Services	603,948	\$ 43,930	647,878	915,225
Legal Services	71,533		71,533	86,500
Construction Services	4,598,669	378,418	4,977,087	5,010,250
General Supplies	145		145	145
Other Objects	131,141	219,499	350,640	500,880
Total Expenditures	<u>5,405,436</u>	<u>641,847</u>	<u>6,047,283</u>	<u>6,513,000</u>
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 1,107,564	\$ (641,847)	\$ 465,717	\$ -0-

Additional Project Information:

State Project Numbers:	4470-050-14-4000;
	4470-050-14-5000
	12/10/2013
Bond Authorization Date	\$ 6,513,000
Bonds Authorized	6,513,000
Bonds Issued	6,513,000
Original Authorized Cost	-0-
Additional Authorized Cost	6,513,000
Revised Authorized Cost	0%
Percentage Increase over Original Authorized Cost	93%
Percentage Completion	8/31/2015
Original Target Completion Date	12/31/2017
Revised Target Completion Date	

ROCHELLE PARK SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
MIDLAND ELEMENTARY SCHOOL - SPRINKLER SYSTEM CONSTRUCTION SERVICES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

Additional Project Information:

Project Numbers	4470-050-14-1003
Grant Date	1/6/2014
Original Authorized Cost	\$ 305,500
Additional Authorized Cost	-0-
Revised Authorized Cost	305,500
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	70%
Original Target Completion Date	8/31/2014
Revised Target Completion Date	12/31/2017

ROCHELLE PARK SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
ENERGY CONSERVATION MEASURES PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Prior Periods	Current Year	Total	Authorized Cost
Revenue and Other Financing Sources:				
Capital Lease Purchase Agreement Proceeds	\$ 230,000		\$ 230,000	\$ 230,000
Total Revenue and Other Financing Sources	230,000		230,000	230,000
Expenditures:				
Other Purchased Professional and Technical Services	33,640		33,640	33,640
Legal Services	15,000		15,000	15,000
Construction Services	153,805	\$ 16,650	170,455	181,360
Total Expenditures	202,445	16,650	219,095	230,000
Excess of Revenue and Other Financing Sources Over Expenditures	\$ 27,555	\$ (16,650)	\$ 10,905	\$ -0-

Additional Project Information:

State Project Numbers:

N/A

Lease Authorization Date

5/3/2016

Lease Authorized

\$ 230,000

Lease Issued

230,000

Original Authorized Cost

230,000

Additional Authorized Cost

-0-

Revised Authorized Cost

230,000

Percentage Increase over Original Authorized Cost

0%

Percentage Completion

95%

Original Target Completion Date

12/31/2016

Revised Target Completion Date

12/31/2017

PROPRIETARY FUNDS

ROCHELLE PARK SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2017

	<u>Non-Major Funds</u>		<u>Total</u>
	<u>Latchkey Program</u>	<u>Food Service</u>	
<u>ASSETS:</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 109,446	\$ 57,535	\$ 166,981
Accounts Receivable:			
Federal		8,942	8,942
State		332	332
Other Receivables	1,685		1,685
Inventory		1,372	1,372
Total Current Assets	<u>111,131</u>	<u>68,181</u>	<u>179,312</u>
Non-Current Assets:			
Capital Assets	9,580	148,721	158,301
Accumulated Depreciation	<u>(5,268)</u>	<u>(145,377)</u>	<u>(150,645)</u>
Total Non-Current Assets	<u>4,312</u>	<u>3,344</u>	<u>7,656</u>
Total Assets	<u>115,443</u>	<u>71,525</u>	<u>186,968</u>
<u>LIABILITIES:</u>			
Current Liabilities:			
Interfund Payable - General Fund		35,747	35,747
Accounts Payable - Vendors	383	10,443	10,826
Unearned Revenue	<u>11,806</u>	<u>2,274</u>	<u>14,080</u>
Total Current Liabilities	<u>12,189</u>	<u>48,464</u>	<u>60,653</u>
<u>NET POSITION:</u>			
Investment in Capital Assets	4,312	3,344	7,656
Unrestricted	<u>98,942</u>	<u>19,717</u>	<u>118,659</u>
Total Net Position	<u>\$ 103,254</u>	<u>\$ 23,061</u>	<u>\$ 126,315</u>

ROCHELLE PARK SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Non-Major Funds</u>		<u>Total</u>
	<u>Latchkey Program</u>	<u>Food Service</u>	
Operating Revenue:			
Local Sources:			
Daily Sales - Reimbursable Programs		\$ 80,965	\$ 80,965
Daily Sales - Nonreimbursable Meals		48,015	48,015
Special Functions		7,532	7,532
Program Fees	\$ 188,831		188,831
Total Operating Revenue	<u>188,831</u>	<u>136,512</u>	<u>325,343</u>
Operating Expenses:			
Cost of Sales for Reimbursable Programs		57,161	57,161
Cost of Sales for Nonreimbursable Programs		25,660	25,660
Salaries, Benefits & Payroll Taxes	155,720	96,720	252,440
Other Purchased Services		23,785	23,785
Management Fee		15,210	15,210
Supplies and Materials	7,572	8,516	16,088
Miscellaneous Expenses	5,305		5,305
Depreciation	1,916	10,054	11,970
Total Operating Expenses	<u>170,513</u>	<u>237,106</u>	<u>407,619</u>
Operating Income/(Loss)	<u>18,318</u>	<u>(100,594)</u>	<u>(82,276)</u>
Non-Operating Revenue:			
Federal Sources:			
National School Lunch Program		57,831	57,831
School Breakfast Program		1,411	1,411
U.S.D.A. Commodities		14,297	14,297
State Sources:			
School Lunch Program		2,157	2,157
Total Non-Operating Revenue		<u>75,696</u>	<u>75,696</u>
Change in Net Position	18,318	(24,898)	(6,580)
Net Position - Beginning of Year	<u>84,936</u>	<u>47,959</u>	<u>132,895</u>
Net Position - End of Year	<u>\$ 103,254</u>	<u>\$ 23,061</u>	<u>\$ 126,315</u>

ROCHELLE PARK SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Non-Major Funds		Total
	Latchkey Program	Food Service	
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 188,831	\$ 140,907	\$ 329,738
Payments to/for Employees	(143,606)		(143,606)
Payments to Food Service Contractor		(165,362)	(165,362)
Payments to Suppliers	(12,877)	(7,352)	(20,229)
Net Cash Provided by/(Used for) Operating Activities	<u>32,348</u>	<u>(31,807)</u>	<u>541</u>
Cash Flows from Noncapital Financing Activities:			
Interfund Advanced - General Fund	3,008	17,488	20,496
Cash Received From Federal Reimbursements - Collected in Food Service Fund		58,707	58,707
Cash Received From State Reimbursements - Collected in Food Service Fund		2,155	2,155
Net Cash Provided by Noncapital Financing Activities	<u>3,008</u>	<u>78,350</u>	<u>81,358</u>
Net Increase in Cash and Cash Equivalents	35,356	46,543	81,899
Cash and Cash Equivalents, July 1	<u>74,090</u>	<u>10,992</u>	<u>85,082</u>
Cash and Cash Equivalents, June 30	<u>\$ 109,446</u>	<u>\$ 57,535</u>	<u>\$ 166,981</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:			
Operating Income/(Loss)	\$ 18,318	\$ (100,594)	\$ (82,276)
Adjustment to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:			
Depreciation	1,916	10,054	11,970
Food Distribution Program		14,297	14,297
Changes in Assets and Liabilities:			
Decrease in Other Receivables	355	3,855	4,210
Decrease in Inventory		341	341
Increase/(Decrease) in Interfund Payable		35,747	35,747
Increase/(Decrease) in Accounts Payable	(47)	3,953	3,906
Increase/(Decrease) in Unearned Revenue	11,806	540	12,346
Net Cash Provided by/(Used for) Operating Activities	<u>\$ 32,348</u>	<u>\$ (31,807)</u>	<u>\$ 541</u>

Noncash Investing and Financing Activities:

The Food Service Enterprise Fund received and utilized U.S.D.A Commodities Through the Food Distribution Program Valued at \$14,297 for the fiscal year ended June 30, 2017.

FIDUCIARY FUNDS

ROCHELLE PARK SCHOOL DISTRICT
FIDUCIARY FUND
COMBINING STATEMENT OF NET OF POSITION
JUNE 30, 2017

	Student Activity	Agency Payroll	Agency Total	Unemployment Compensation Trust	Private Purpose Scholarship Trust	Totals
ASSETS:						
Cash and Cash Equivalents	\$ 29,866	\$ 141,200	\$ 171,066	\$ 44,302	\$ 1,565	\$ 216,933
Total Assets	29,866	141,200	171,066	44,302	1,565	216,933
LIABILITIES:						
Accrued Salaries and Wages Due to Student Groups	29,866	141,200	141,200			141,200
Total Liabilities	29,866	141,200	171,066			171,066
NET POSITION:						
Held in Trust for Unemployment Claims Restricted for Scholarships				44,302	1,565	44,302
Total Net Position	\$ -0-	\$ -0-	\$ -0-	\$ 44,302	\$ 1,565	\$ 45,867

ROCHELLE PARK SCHOOL DISTRICT
FIDUCIARY FUND
STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Trust</u>
ADDITIONS:		
Contributions:		
Board Contribution	\$ 34,802	
Employee Contributions	<u>9,283</u>	
Total Contributions	<u>44,085</u>	
Total Additions	<u>44,085</u>	
DEDUCTIONS:		
Unemployment Contribution Payments	<u>20,089</u>	
Total Deductions	<u>20,089</u>	
Change in Net Position	23,996	
Net Position—Beginning of the Year	<u>20,306</u>	<u>\$ 1,565</u>
Net Position—End of the Year	<u><u>\$ 44,302</u></u>	<u><u>\$ 1,565</u></u>

ROCHELLE PARK SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
ASSETS:				
Cash and Cash Equivalents	\$ 30,393	\$ 26,757	\$ 27,284	\$ 29,866
Total Assets	\$ 30,393	\$ 26,757	\$ 27,284	\$ 29,866
 LIABILITIES:				
Liabilities:				
Due to Student Groups	\$ 30,393	\$ 26,757	\$ 27,284	\$ 29,866
Total Liabilities	\$ 30,393	\$ 26,757	\$ 27,284	\$ 29,866

ROCHELLE PARK SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Balance July 1, 2016	Cash Receipts	Cash Disbursements	Balance June 30, 2017
Student Activities	\$ 30,393	\$ 26,757	\$ 27,284	\$ 29,866

ROCHELLE PARK SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS:				
Cash and Cash Equivalents	\$ 126,485	\$ 5,876,614	\$ 5,861,899	\$ 141,200
Total Assets	<u>\$ 126,485</u>	<u>\$ 5,876,614</u>	<u>\$ 5,861,899</u>	<u>\$ 141,200</u>
 LIABILITIES:				
Payroll Deductions and Withholdings	\$ 117	\$ 5,735,813	\$ 5,735,930	
Accrued Salaries and Wages	125,489	140,801	125,090	\$ 141,200
Interfund Payable - General Fund	<u>879</u>		<u>879</u>	
Total Liabilities	<u>\$ 126,485</u>	<u>\$ 5,876,614</u>	<u>\$ 5,861,899</u>	<u>\$ 141,200</u>

LONG-TERM DEBT

ROCHELLE PARK SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

<u>Item</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance July 1, 2016</u>	<u>Retirements</u>	<u>Balance June 30, 2017</u>
Energy Conservation Measures	2.42%	230,000	\$ 230,000	\$ 21,677	\$ 208,323
			<u>\$ 230,000</u>	<u>\$ 21,677</u>	<u>\$ 208,323</u>

ROCHELLE PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 453,337		\$ 453,337	\$ 453,337	
Debt Service Aid	122,257		122,257	122,257	
Total Revenues	575,594		575,594	575,594	
EXPENDITURES:					
Regular Debt Service:					
Interest	195,528		195,528	195,528	
Redemption of Principal	395,000		395,000	395,000	
Total Regular Debt Service	590,528		590,528	590,528	
Total Expenditures	590,528		590,528	590,528	
Deficit of Revenue Under Expenditures	(14,934)		(14,934)	(14,934)	
Fund Balance, July 1	14,961		14,961	14,961	
Fund Balance, June 30	\$ 27	\$ -0-	\$ 27	\$ 27	\$ -0-
Recapitulation:					
Restricted				\$ 27	

STATISTICAL SECTION
(UNAUDITED)

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

Contents

Exhibit

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

J-1 thru J-5

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.

J-6 thru J-9

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

J-10 thru J-13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.

J-14 thru J-15

Operating Information

These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.

J-16 thru J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

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

	June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental Activities										
Net Investment in Capital Assets	\$ 218,520	\$ 276,672	\$ 278,303	\$ 433,080	\$ 601,914	\$ 787,894	\$ 967,901	\$ 1,149,409	\$ 1,183,574	\$ 2,250,181
Restricted	212,050	620,275	43,686	48,960	85,696	762,007	776,812	629,046	1,957,283	1,774,495
Unrestricted/(Deficit)	256,501	(45,050)	(15,748)	(13,136)	349,264	376,405	(1,481,367)	(1,401,736)	(1,781,180)	(1,751,032)
Total Governmental Activities Net Position	\$ 687,071	\$ 851,897	\$ 306,241	\$ 468,904	\$ 1,036,874	\$ 1,926,306	\$ 263,346	\$ 376,719	\$ 1,359,677	\$ 2,273,644
Business-Type Activities										
Net Investment in Capital Assets	\$ 45,475	\$ 39,680	\$ 33,885	\$ 28,089	\$ 22,294	\$ 16,498	\$ 27,429	\$ 26,023	\$ 19,626	\$ 7,656
Unrestricted	18,158	8,412	5,501	52,319	133,451	147,174	54,956	56,719	113,269	118,659
Total Business-Type Activities Net Position	\$ 63,633	\$ 48,092	\$ 39,386	\$ 80,408	\$ 155,745	\$ 163,672	\$ 82,385	\$ 82,742	\$ 132,895	\$ 126,315
District-Wide										
Net Investment in Capital Assets	\$ 263,995	\$ 316,352	\$ 312,188	\$ 461,169	\$ 624,208	\$ 804,392	\$ 995,330	\$ 1,175,432	\$ 1,203,200	\$ 2,257,837
Restricted	212,050	620,275	43,686	48,960	85,696	762,007	776,812	629,046	1,957,283	1,774,495
Unrestricted/(Deficit)	274,659	(36,638)	(10,247)	39,183	482,715	523,579	(1,426,411)	(1,345,017)	(1,667,911)	(1,632,373)
Total District-Wide Net Position	\$ 750,704	\$ 899,989	\$ 345,627	\$ 549,312	\$ 1,192,619	\$ 2,089,978	\$ 345,731	\$ 459,461	\$ 1,492,572	\$ 2,399,959

Source: School District Financial Reports

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

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 2,593,706	\$ 2,815,642	\$ 2,780,590	\$ 3,640,567	\$ 3,812,794	\$ 3,577,736	\$ 3,874,004	\$ 4,599,659	\$ 4,845,825	\$ 5,549,003
Special Education	549,376	583,295	644,947	824,690	878,544	982,242	964,163	1,140,360	1,555,783	1,568,832
Other Special Instruction	169,357	208,005	225,041	303,915	305,811	369,982	353,283	404,569	228,565	267,561
School-Sponsored/Other Instruction	45,749	54,132	38,296	35,512	40,956	39,986	38,778	60,791	116,304	124,482
Support Services:										
Tuition	2,616,313	2,546,645	2,703,222	2,874,295	2,755,948	3,088,795	3,412,474	3,560,980	3,077,760	2,918,034
Student and Instruction Related Services	833,720	873,130	822,429	942,207	874,633	876,642	814,337	858,857	1,129,648	1,305,598
General Administrative Services	325,172	315,441	276,574	307,041	294,656	256,588	275,701	349,459	464,101	472,196
School Administrative Services	163,224	169,434	160,766	211,841	283,464	211,090	286,785	287,788	284,485	293,386
Central Services	195,992	193,059	209,796	245,777	195,349	244,219	213,836	269,338	178,759	145,765
Administration Information Technology										
Plant Operations and Maintenance	569,284	598,452	538,987	600,775	590,287	664,467	675,858	785,920	819,657	1,033,824
Pupil Transportation	364,024	347,451	409,039	339,440	369,318	292,327	318,507	344,778	169,222	137,699
Unallocated Employee Benefits	1,886,844	1,521,004	1,662,822						359,645	322,916
Unallocated Depreciation				67,713	52,231	52,153	52,149	52,149	50,434	40,639
Transfer of Funds to Charter Schools				32,888	36,826	35,245	73,215	102,716	18,820	51,559
Capital Outlay	201,457	312,036	234,006	18,521	5,213			32,600	71,654	16,238
Interest on Long-Term Debt	90,964	82,648	73,891	86,714	51,830	41,808	83,183	218,786	212,181	188,909
Total Governmental Activities Expenses	10,605,182	10,605,182	10,780,406	10,531,896	10,547,860	10,733,280	11,626,833	13,242,484	13,582,843	14,436,641

ROCHELLE PARK SCHOOL DISTRICT
CHANGE IN NET POSITION BY COMPONENT, LAST TEN FISCAL YEARS

UNAUDITED
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses:										
Business-Type Activities:										
Food Service	\$ 160,943	\$ 169,242	\$ 184,334	\$ 173,651	\$ 172,029	\$ 193,904	\$ 193,903	\$ 212,045	\$ 180,128	\$ 237,106
Latchkey and Preschool Programs				126,483	136,999	280,714	280,714	151,003	123,454	170,513
Total Business-Type Activities Expense	160,943	160,943	184,334	300,134	309,028	474,618	474,617	363,048	303,582	407,619
Total District Expenses	\$ 10,766,125	\$ 10,766,125	\$ 10,964,740	\$ 10,832,030	\$ 10,856,888	\$ 11,207,898	\$ 12,101,450	\$ 13,605,532	\$ 13,886,425	\$ 14,844,260
Program Revenues:										
Governmental Activities:										
Charges for Services	\$ 1,480,999	\$ 1,148,240	\$ 1,204,946	\$ 1,154,183	\$ 1,302,745	\$ 1,474,900	\$ 1,464,573	\$ 50,310	\$ 67,833	\$ 27,731
Operating Grants and Contributions	1,480,999	1,480,999	1,204,946	1,154,183	1,302,745	1,474,900	1,464,573	2,505,726	2,726,583	3,511,367
Total Governmental Activities Program Revenues	2,961,998	2,629,239	2,409,892	2,308,366	2,605,490	2,949,800	2,929,146	2,505,726	2,794,416	3,539,098
Business-Type Activities:										
Charges for Services:										
Food Service	98,428	98,073	105,486	110,994	121,780	109,088	106,788	110,645	125,725	136,512
Latchkey and Preschool Programs				165,582	196,875	153,206	205,557	160,563	166,387	188,831
Operating Grants and Contributions	29,425	29,345	39,739	43,892	45,682	56,928	59,995	55,281	61,623	75,696
Total Business-Type Activities Program Revenues	127,853	127,853	145,225	320,468	364,337	319,222	372,340	326,489	353,735	401,039
Total District Program Revenues	\$ 1,608,852	\$ 1,608,852	\$ 1,350,171	\$ 1,474,651	\$ 1,667,082	\$ 1,794,122	\$ 1,836,913	\$ 2,832,215	\$ 3,148,151	\$ 3,940,137
Net (Expense)/Revenue:										
Governmental Activities	\$ (9,124,183)	\$ (9,124,183)	\$ (9,575,460)	\$ (9,377,713)	\$ (9,245,115)	\$ (9,258,380)	\$ (10,162,260)	\$ (10,736,758)	\$ (10,788,427)	\$ (10,897,543)
Business-Type Activities	(33,090)	(33,090)	(39,109)	20,334	55,309	(155,396)	(102,277)	(36,559)	50,153	(6,580)
Total District-Wide Net Expense	\$ (9,157,273)	\$ (9,157,273)	\$ (9,614,569)	\$ (9,357,379)	\$ (9,189,806)	\$ (9,413,776)	\$ (10,264,537)	\$ (10,773,317)	\$ (10,738,274)	\$ (10,904,123)

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

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 8,791,803	\$ 8,775,772	\$ 8,699,726	\$ 9,257,385	\$ 9,442,533	\$ 9,691,383	\$ 9,963,292	\$ 10,308,529	\$ 10,747,678	\$ 10,978,185
Taxes Levied for Debt Service	277,863	273,940	276,706	274,262	276,698	275,473	273,797	239,228	524,495	453,337
Unrestricted Grants and Contributions	178,529	441,712	117,162	20,703	41,637	48,325	47,095	58,593	312,161	187,892
Investment Earnings	60,004	171,709	13,556	8,051	72,217	152,631	124,578	230,166	187,051	192,096
Miscellaneous Income	(26,022)	(26,173)	(77,346)	(20,374)	(20,000)	(20,000)	(20,000)	(36,695)		
Transfers	9,282,177	9,636,960	9,029,804	9,540,376	9,813,085	10,147,812	10,388,762	10,799,821	11,771,385	11,811,510
Total Governmental Activities										
Business-Type Activities:										
Miscellaneous Income	569	110	107	314	28	813	992	221		
Transfers	26,022	26,173	30,296	20,374	20,000	20,000	20,000	36,695		
Total Business-Type Activities	26,591	26,591	30,403	20,688	20,028	20,813	20,992	36,916		
Total District-Wide	\$ 9,308,768	\$ 9,308,768	\$ 9,060,207	\$ 9,561,064	\$ 9,833,113	\$ 10,168,625	\$ 10,409,754	\$ 10,836,737	\$ 11,771,385	\$ 11,811,510
Change in Net Position:										
Governmental Activities	\$ 157,994	\$ 512,777	\$ (545,656)	\$ 162,663	\$ 567,970	\$ 889,432	\$ 226,502	\$ 63,063	\$ 982,958	\$ 913,967
Business-Type Activities	(6,499)	(6,499)	(8,706)	41,022	75,337	(134,583)	(81,285)	357	50,153	(6,580)
Total District	\$ 151,495	\$ 506,278	\$ (554,362)	\$ 203,685	\$ 643,307	\$ 754,849	\$ 145,217	\$ 63,420	\$ 1,033,111	\$ 907,387

Source: School District Financial Reports

ROCHELLE PARK SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENT FUNDS

LAST TEN FISCAL YEARS
UNAUDITED

(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues:										
Local Tax Levy	\$ 9,069,666	\$ 9,049,712	\$ 8,976,432	\$ 9,531,647	\$ 9,719,231	\$ 9,966,856	\$ 10,237,089	\$ 10,547,757	\$ 11,272,173	\$ 11,431,522
Tuition Charges		1,009	348	349	3	70	71	50,310	67,833	27,731
Interest Earnings on Capital Reserve								40	27	7,873
Miscellaneous	58,575	170,700	13,556	8,051	72,214	152,561	124,507	230,126	187,024	184,223
State Sources	1,511,047	1,251,805	1,095,619	948,173	1,124,970	1,336,787	1,311,532	1,506,104	1,783,397	1,786,054
Federal Sources	148,481	148,481	226,141	226,713	219,412	186,438	200,136	282,903	229,117	199,577
Total Revenue	10,789,198	10,621,707	10,312,096	10,714,933	11,135,830	11,642,712	11,873,355	12,617,240	13,539,571	13,636,980
Expenditures:										
Instruction:										
Regular Instruction	2,593,706	2,815,642	2,780,590	2,650,331	2,725,742	2,473,166	2,724,869	2,957,564	2,991,081	3,152,142
Special Education Instruction	549,376	583,295	644,947	641,338	674,484	697,602	708,940	766,375	987,208	950,584
Other Special Instruction	169,357	208,005	225,041	215,139	207,805	244,587	241,962	248,967	106,834	109,436
School-Sponsored/Other Instruction	45,749	54,132	38,296	29,364	33,245	32,291	27,327	40,462	96,322	99,018
Support Services:										
Tuition	2,616,313	2,546,645	2,703,222	2,874,295	2,755,948	3,088,795	3,412,474	3,560,980	3,077,760	2,918,034
Student and Instruction Related Services	833,720	873,130	822,429	757,922	698,392	692,128	676,331	650,421	817,377	840,434
General Administrative Services		315,441	276,574	259,742	251,301	218,194	236,976	272,544	362,913	340,671
School Administrative Services	325,172	169,434	160,766	161,243	215,287	153,278	211,925	190,796	170,080	168,431
Central Services	163,224	193,059	209,796	203,025	179,769	204,065	183,185	206,688	177,780	145,441
Administration Information Technology							96,972	142,934	126,431	86,105
Plant Operations and Maintenance	282,729	598,452	538,987	544,016	523,226	523,713	597,980	642,511	676,049	896,532
Pupil Transportation	482,547	347,451	409,039	337,639	367,481	290,356	318,507	344,778	359,645	322,916
Unallocated Benefits	2,252,715	1,522,527	1,674,952	1,663,300	1,773,386	1,917,896	1,886,337	1,968,464	2,136,477	2,355,436

ROCHELLE PARK SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENT FUNDS.

LAST TEN FISCAL YEARS

UNAUDITED

(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenditures: (Cont'd)										
Capital Outlay	\$ 117,711	\$ 109,604	\$ 160,637	\$ 18,521	\$ 29,102	\$ 77,896	\$ 300,782	\$ 2,220,072	\$ 3,958,162	\$ 683,235
Charter Schools				32,888	36,826	35,245	73,215	102,716	71,654	51,559
Debt Service:										
Principal	190,000	195,000	205,000	210,000	220,000	230,000	240,000	215,000	570,000	395,000
Interest and Other Charges	90,964	82,648	73,891	64,773	55,335	45,473	35,160	218,603	215,790	195,528
Total Expenditures	10,713,283	10,614,465	10,924,167	10,663,536	10,747,329	10,924,685	11,972,942	14,749,875	16,901,563	13,710,502
Excess (Deficiency) of Revenues Over (Under) Expenditures	75,915	7,242	(612,071)	51,397	388,501	718,027	(99,607)	(2,132,635)	(3,361,992)	(73,522)
Other Financing Sources (Uses):										
Bond Proceeds				196			6,513,000		27	44
Transfers In				(20,570)	(20,000)	(20,000)	(27,841)	392,609	(27)	(44)
Transfers Out	(26,022)	(26,173)	(77,346)	(20,374)	(20,000)	(20,000)	(27,841)	(429,304)	(230,000)	
Capital Leases (Non-Budgeted)								(36,695)		
Total Other Financing Sources (Uses)	(26,022)	(26,022)	(77,346)	(20,374)	(20,000)	(20,000)	6,493,000	(36,695)	230,000	
Net Change in Fund Balances	\$ 49,893	\$ (18,780)	\$ (689,417)	\$ 31,023	\$ 368,501	\$ 698,027	\$ 6,393,393	\$ (2,169,330)	\$ (3,131,992)	\$ (73,522)
Debt Service as a Percentage of Noncapital Expenditures	2.65 %	2.65 %	2.59 %	2.58 %	2.57 %	2.54 %	2.36 %	3.46 %	6.07 %	4.53 %

Source: School District Financial Reports

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Prior Year</u> <u>Refunds/</u> <u>Reimbursements</u>	<u>Other</u>	<u>Tuition from</u> <u>Individuals</u>	<u>Contribution</u> <u>from Township</u>	<u>Total</u>
2008	\$ 44,383	\$ 10,578				54,961
2009	12,633	82,067	\$ 75,413			170,113
2010	9,381	3,957				13,338
2011	7,685		413			8,098
2012	38	30,457	41,722			72,217
2013	70	36,817	15,744		\$ 100,000	152,631
2014	71	11,061	10,998		94,607	116,737
2015	40	18,870	778	\$ 50,310	195,544	265,542
2016			89,024	67,833	98,000	254,857
2017	7,829	34,757	52,283	27,731	97,183	219,783

Source: Rochelle Park School District records

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

Year Ended December 31,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2007	\$ 8,087,901	\$ 415,706,800	\$ 216,896,300	\$ 24,498,800	\$ 23,899,100	\$ 689,088,901	\$ 39,262,700	\$ 17,789,752	\$ 706,878,653	1.26	\$ 1,037,448,129
2008	8,761,001	416,907,900	211,950,500	23,848,800	23,899,100	685,367,301	39,234,200	17,560,579	702,927,880	1.27	1,139,935,685
2009	8,998,700	418,915,200	192,045,320	22,993,300	23,899,100	666,851,620	39,259,200	14,984,048	681,835,668	1.30	1,133,648,896
* 2010	11,715,400	604,811,200	315,071,900	32,392,800	20,821,200	984,812,500	57,172,800	27,395,337	1,012,207,837	0.93	1,089,014,589
2011	5,803,900	604,321,800	315,635,400	32,392,800	20,821,200	978,975,100	60,951,000	24,940,711	1,003,915,811	0.96	1,070,397,320
2012	4,934,400	603,442,100	314,727,200	32,247,600	20,821,200	976,612,100	60,951,000	26,451,640	1,003,063,740	0.98	980,904,991
2013	5,374,000	601,560,500	312,497,200	32,045,600	20,626,700	971,664,400	60,675,500	971,664,400	971,664,400	1.04	896,065,307
2014	5,112,800	600,122,200	305,389,200	31,876,500	20,821,500	963,322,200	62,929,500	963,322,200	963,322,200	1.08	954,162,242
2015	4,733,000	598,696,400	294,709,900	31,388,900	20,821,500	950,349,700	62,929,500	950,349,700	950,349,700	1.18	945,928,214
2016	4,413,700	597,374,700	296,392,800	31,311,400	29,696,600	959,189,200	63,521,500	959,189,200	959,189,200	1.17	947,909,282

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

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

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

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

Source: Municipal Tax Assessor

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

Year Ended December 31,	Rochelle Park School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Township of Rochelle Park	Bergen County	
2007	\$ 1.22	\$ 0.04	1.26	0.96	0.26	2.48
2008	1.23	0.04	1.27	1.03	0.30	2.59
2009	1.26	0.04	1.30	1.10	0.30	2.70
2010	* 0.91	0.03	0.93	0.81	0.21	1.95
2011	0.93	0.03	0.96	0.84	0.22	2.01
2012	0.96	0.03	0.98	0.86	0.21	2.06
2013	1.02	0.03	1.04	0.86	0.21	2.11
2014	1.06	0.02	1.08	0.89	0.24	2.21
2015	1.12	0.05	1.18	0.96	0.24	2.37
2016	1.13	0.05	1.17	0.97	0.24	2.38

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

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

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

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

Source: Municipal Tax Collector and School Business Administrator

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

	2017		2008	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Mack-Cali Realty LP	\$ 26,000,000	2.70 %		
Verizon	16,000,000	1.66 %		
Rochelle Park Holding LLC	12,900,000	1.34 %		
395 W Passaic LLC	14,875,500	1.54 %		
SAC Realty LLC	13,750,000	1.43 %		
Rte 17 Invest LLC	11,773,500	1.22 %		
Coolidge Park 17 LLC	11,463,900	1.19 %		
Rochelle Pk. Jt. Vent. (c/o Mandelbaum)	11,370,900	1.18 %		
Sims Associates (c/o S. Goldsmith)	10,267,700	1.07 %		
Sherebrooke Holding Company	10,236,300	1.06 %		
Total	\$ 138,637,800	14.39 %		

NOT AVAILABLE

ROCHELLE PARK SCHOOL DISTRICT
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 ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2008	\$ 9,069,666	\$ 9,069,666	100.00 %	-0-
2009	9,049,712	9,049,712	100.00 %	-0-
2010	8,976,432	8,976,432	100.00 %	-0-
2011	9,531,647	9,531,647	100.00 %	-0-
2012	9,719,231	9,719,231	100.00 %	-0-
2013	9,966,856	9,966,856	100.00 %	-0-
2014	10,237,089	10,237,089	100.00 %	-0-
2015	10,547,757	10,547,757	100.00 %	-0-
2016	11,272,173	11,272,173	100.00 %	-0-
2017	11,431,522	11,431,522	100.00 %	-0-

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

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

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

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

Fiscal Year Ended June 30,	Governmental Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Capital Leases			
2008	\$ 1,955,000	\$ -0-	\$ 1,955,000	0.47 %	\$ 323
2009	1,760,000	-0-	1,760,000	0.42 %	291
2010	1,555,000	-0-	1,555,000	0.40 %	256
2011	1,345,000	-0-	1,345,000	0.37 %	243
2012	1,125,000	-0-	1,125,000	0.30 %	202
2013	895,000	-0-	895,000	0.22 %	161
2014	7,168,000	-0-	7,168,000	1.77 %	1,246
2015	6,953,000	-0-	6,953,000	1.68 %	1,232
2016	6,383,000	230,000	6,613,000	1.54 %	1,167
2017	5,988,000	208,323	6,196,323	1.44 %	1,093

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

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

Source: School District Financial Reports

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General		Net General		
	Obiligation Bonds	Deductions	Bonded Debt Outstanding		
2008	\$ 1,955,000	-0-	\$ 1,955,000	0.28 %	\$ 323
2009	1,760,000	-0-	1,760,000	0.25 %	291
2010	1,555,000	-0-	1,555,000	0.23 %	256
2011	1,345,000	-0-	1,345,000	0.13 %	243
2012	1,125,000	-0-	1,125,000	0.11 %	202
2013	895,000	-0-	895,000	0.09 %	161
2014	7,168,000	-0-	7,168,000	0.74 %	1,246
2015	6,953,000	-0-	6,953,000	0.72 %	1,232
2016	6,383,000	-0-	6,383,000	0.67 %	1,126
2017	5,988,000	-0-	5,988,000	0.62 %	1,056

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

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

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

Source: School District Financial Reports

ROCHELLE PARK SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2016
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid With Property Taxes			
Township of Rochelle Park	\$ 11,924,000	100.00 %	\$ 11,924,000
Bergen County General Obligation Debt	1,205,030,344	1.00 %	<u>12,050,303</u>
Subtotal, Overlapping Debt			23,974,303
Rochelle Park School District			<u>6,163,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 30,137,303</u></u>

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2017

2016	\$ 948,199,351
2015	950,349,700
2014	950,225,414
	\$ 2,848,774,465
 Average Equalized Valuation of Taxable Property	 \$949,591,488.33
Debt Limit (3% of Average Equalization Value) ^a	\$ 28,487,745
Net Bonded School Debt at June 30, 2017	6,163,000
Legal Debt Margin	\$ 22,324,745

	Fiscal Year				
	2013	2014	2015	2016	2017
Debt Limit	\$ 28,943,420	\$ 29,309,875	\$ 28,644,291	\$ 28,469,971	\$ 28,487,745
Total Net Debt Applicable to Limit	895,000	7,168,000	6,953,000	6,733,000	5,988,000
Legal Debt Margin	\$ 28,048,420	\$ 22,141,875	\$ 21,691,291	\$ 21,736,971	\$ 22,499,745
 Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	 3.09 %	 24.46 %	 24.27 %	 23.65 %	 21.02 %

	Fiscal Year				
	2008	2009	2010	2011	2012
Debt Limit	\$ 34,263,011	\$ 34,879,558	\$ 34,025,607	\$ 34,115,608	\$ 30,503,516
Total Net Debt Applicable to Limit	1,955,000	1,760,000	1,555,000	1,345,000	1,125,000
Legal Debt Margin	\$ 32,308,011	\$ 33,119,558	\$ 32,470,607	\$ 32,770,608	\$ 29,378,516
 Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	 5.71 %	 5.05 %	 4.57 %	 3.94 %	 3.69 %

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

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

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

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income (thousands of dollars) ^b</u>	<u>Bergen County Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2008	6,046	\$ 414,441,208	\$ 68,548	5.10 %
2009	6,063	391,493,973	64,571	9.10 %
2010	5,536	361,362,400	65,275	9.30 %
2011	5,566	379,846,104	68,244	9.10 %
2012	5,575	397,943,500	71,380	9.30 %
2013	5,754	405,645,492	70,498	12.10 %
2014	5,645	415,042,980	73,524	5.70 %
2015	5,669	429,987,981	75,849	5.70 %
2016	5,669	429,987,981 ***	75,849 **	4.30 %
2017	5,669 *	429,987,981 ***	75,849 **	N/A

* - Latest Bergen County per capita personal income available (2015) was used for calculation purposes.

** - Latest population data available (2016) was used for calculation purposes.

*** - Latest available population data (2016) and latest available Bergen County per capita personal income (2015) was used for calculation purposes

N/A - Information Unavailable

Source:

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

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

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

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

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

<u>2017</u>		<u>2008</u>	
<u>Employer</u>	<u>Employees</u>	<u>Employer</u>	<u>Employees</u>
		<u>Percentage of</u>	<u>Percentage of</u>
		<u>Total</u>	<u>Total</u>
		<u>Employment</u>	<u>Employment</u>

Information is Not Available

Information is Not Available

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

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

<u>Function/Program</u>	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Instruction:										
Regular	41.0	42.0	41.0	42.0	42.0	42.0	44.0	45.0	46.0	47.0
Support Services:										
Student and Instruction Related Services	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	19.0	20.0
School Administrative Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0
General Administrative Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Plant Operations and Maintenance	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.5
Business and Other Support Services	2.5	2.5	3.0	3.0	3.0	3.0	3.0	3.0	75.0	77.5
	<u>65.5</u>	<u>66.5</u>	<u>66.0</u>	<u>67.0</u>	<u>67.0</u>	<u>67.0</u>	<u>69.0</u>	<u>70.0</u>	<u>75.0</u>	<u>77.5</u>
Food Service	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	4.0	6.0
Latchkey/After School Program	6.0	6.0	10.0	4.0	4.0	4.0	10.0	10.0	4.0	6.0
	<u>71.5</u>	<u>72.5</u>	<u>76.0</u>	<u>77.0</u>	<u>77.0</u>	<u>77.0</u>	<u>79.0</u>	<u>80.0</u>	<u>79.0</u>	<u>83.5</u>
Total										

Source: District Personnel Records

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

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^b	Percentage Change	Teaching Staff ^c	Elementary/Middle			% Change in Average Daily Enrollment	Student Attendance Percentage
						Pupil/Teacher Ratio	Average Daily Enrollment (ADE) ^d	Average Daily Attendance (ADA) ^d		
2008	498	\$ 10,314,608	\$ 20,712	N/A	49	10:2	496	472	3.68 %	95.16 %
2009	505	10,227,213	20,252	-2.22 %	50	10:1	507	485	2.22 %	95.56 %
2010	510	10,484,639	20,558	1.51 %	49	10:2	504	483	-0.59 %	95.81 %
2011	452	10,370,242	22,943	11.60 %	47	9:6	452	431	-10.32 %	95.33 %
2012	462	10,442,892	22,604	-1.48 %	47	9:6	462	442	2.21 %	95.67 %
2013	463	10,571,316	22,832	1.01 %	47	9:6	456	435	-1.30 %	95.39 %
2014	458	11,397,000	24,884	8.99 %	48	9:5	458	437	0.44 %	95.41 %
2015	479	12,096,200	25,253	1.48 %	45	9:5	470	448	2.62 %	95.32 %
2016	497	12,157,611	24,462	-3.13 %	45	9:5	497	474	5.74 %	95.37 %
2017	498	12,436,739	24,973	2.09 %	47	9:5	497	474	0.09 %	95.37 %

N/A This information is not available.

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

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

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

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

Note: Enrollment based on annual October district count.

Source: Rochelle Park School District records

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

<u>District Building</u>	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Midland School										
Square Feet	33,500	33,500	33,500	33,500	33,500	33,500	33,500	33,500	33,500	33,500
Capacity (Students)	506	506	506	506	506	506	506	506	506	506
Enrollment	498	505	510	452	462	463	458	479	497	498

Number of Schools at June 30, 2017
 Elementary = 1

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

Source: Rochelle Park School District Facilities Office

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

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

School Facility	Project #	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Midland School	N/A	\$ 86,737	\$ 88,869	\$ 80,275	\$ 71,550	\$ 101,571	\$ 79,657	\$ 77,131	\$ 131,763	\$ 259,403	\$ 295,057
		\$ 86,737	\$ 88,869	\$ 80,275	\$ 71,550	\$ 101,571	\$ 79,657	\$ 77,131	\$ 131,763	\$ 259,403	\$ 295,057

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

Source: Rochelle Park School District records

ROCHELLE PARK SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2017
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
Northeast Bergen County School Board Insurance Group (NESBIG):		
Package Policy - Selective Insurance Company		
Property	\$ 15,293,399	\$ 5,000
Earthquake/Flood (Outside Zones A & V)	5,000,000	50,000
Flood Zones A & V	1,000,000	500,000
Liability		
Automobile (Comprehensive & Collision)	1,000,000	1,000
Comprehensive General Liability	1,000,000	None
Crime (Non-statutory Bonds)		
Per Employee (Primary)	100,000	5,000
Per Loss (Excess)	400,000	None
Boiler & Machinery	Property Limit	
Environmental - ACE	2,000,000	15,000
Fund Aggregate	20,000,000	
Educator's Legal Liability/ Employment Practices - Darwin	1,000,000	10,000 15,000
Commercial Umbrella - Selective	9,000,000	10,000
Excess Umbrella - Fireman's Fund Fund Aggregate	50,000,000	
Cyber Liability - XL Fund Aggregate	1,000,000 4,000,000	15,000
Surety Bond Coverage:		
Treasurer of School Monies	185,000	
Business Administrator	185,000	

Source: Rochelle Park School District 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 Fax

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Rochelle Park School District, in the County of Bergen (the "District") as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 13, 2017.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

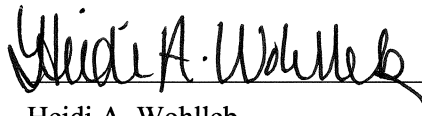
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

Purpose of this Report

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

November 13, 2017
Mount Arlington, New Jersey

NISIVOCCIA LLP



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

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

Independent Auditors' Report

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

Report on Compliance for Each Major State Program

We have audited the Board of Education of the Rochelle Park School District's (the "District's") compliance with the types of compliance requirements described in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major state programs for the fiscal year ended June 30, 2017. 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 federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditors' Responsibility

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

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

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

Opinion on Each Major State Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2017.

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.

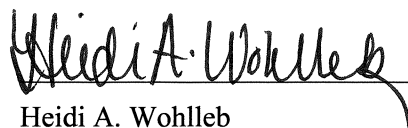
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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.

November 13, 2017
Mount Arlington, New Jersey

NISIVOCCIA LLP



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

ROCHELLE PARK SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Federal Grantor Pass Through Grantor/ Program/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2016		Cash Received	Budgetary Expenditures	Amounts Provided to Subrecipients	Balance at June 30, 2017		
					Unearned Revenue (Accounts Receivable)	Due to Grantor				(Accounts Receivable)	Unearned Revenue	
U.S. Department of Agriculture												
Passed-through State Department of Agriculture:												
Child Nutrition Cluster:												
National School Lunch Program	10.555	N/A	7/1/14-6/30/15	\$ 5,852			\$ 7,973	\$ (5,852) *		\$ (5,852)		
National School Lunch Program	10.555	N/A	7/1/15-6/30/16	45,484			49,178	(51,979)		(2,801)		
National School Lunch Program	10.555	N/A	7/1/16-6/30/17	51,979				(234) *		(234)		
National School Breakfast Program	10.553	N/A	7/1/14-6/30/15	234								
National School Breakfast Program	10.553	N/A	7/1/15-6/30/16	1,684			434	(1,177)		(55)		
National School Breakfast Program	10.553	N/A	7/1/16-6/30/17	1,177			14,297	(14,297)				
Federal Food Distribution Program	10.555	N/A	7/1/16-6/30/17	14,297			73,004	(73,539)		(8,942)		
Total Child Nutrition Cluster												
Total U.S. Department of Agriculture							73,004	(73,539)		(8,942)		
Total Enterprise Funds							73,004	(73,539)		(8,942)		
U.S. Department of Education												
Passed-through State Department of Education:												
Special Revenue Fund:												
NCLB Consolidated Grant:												
Title I	84.010A	NCLB-4470-16	7/1/15-6/30/16	58,252			3,236			(3,236)		
Title I	84.010A	NCLB-4470-17	7/1/16-6/30/17	58,666			58,666	(58,666)				
Title II - Part A	84.278A	NCLB-4470-17	7/1/16-6/30/17	8,527			8,527	(8,527)				
Total Special Education Cluster:							70,429	(67,193)				
IDEA Part B, Basic	84.027	IDEA-4470-16	7/1/15-6/30/16	129,477			17,703			(17,703)		
IDEA Part B, Basic	84.027	IDEA-4470-17	7/1/16-6/30/17	127,137			127,137	(127,137)				
IDEA Part B, Preschool	84.173	IDEA-4470-17	7/1/16-6/30/17	5,247			5,247	(5,247)				
Total Special Education Cluster							150,087	(132,384)				
Total Special Revenue Fund							220,516	(199,577)				
Total U.S. Department of Education							220,516	(199,577)				
Total Federal Financial Awards							\$ 293,520	\$ (273,116)	\$ -0-	\$ (8,942)	\$ -0-	

N/A - Not Available/Applicable
* - Reimbursement for Meals Claimed in Prior Year Granted in the Current Year

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

ROCHELLE PARK SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2016		Cash Received	Budgetary Expenditures	Repayment of Prior Year's Balances	Balance at June 30, 2017		Memo	
				(Accounts Receivable)	Due to Grantor				GAAP (Accounts Receivable)	Unearned Revenue	Budgetary (Accounts Receivable)	Cumulative Total Expenditures
State Department of Education:												
General Fund:												
Special Education Categorical Aid	17-495-034-5120-089	7/1/16-6/30/17	\$ 362,837			\$ 333,627	\$ (362,837)				\$ (29,210)	\$ 362,837
Special Education Categorical Aid	16-495-034-5120-089	7/1/15-6/30/16	366,046	\$ (17,500)		17,500						
Security Aid	17-495-034-5120-084	7/1/16-6/30/17	47,531			43,705	(47,531)				(3,826)	47,531
Security Aid	16-495-034-5120-084	7/1/15-6/30/16	46,303	(2,214)		2,214						
Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	31,373			28,847	(31,373)				(2,526)	31,373
Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	27,358	(1,308)		1,308						
PARCC Readiness Aid	17-495-034-5120-098	7/1/16-6/30/17	6,430			5,912	(6,430)				(518)	6,430
PARCC Readiness Aid	16-495-034-5120-098	7/1/15-6/30/16	6,430	(307)		307						
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16-6/30/17	6,430			5,912	(6,430)				(518)	6,430
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15-6/30/16	6,430	(307)		307						
Professional Learning Community Aid	17-495-034-5120-101	7/1/16-6/30/17	6,480			5,959	(6,480)				(521)	6,480
Host District Aid	17-495-034-5120-102	7/1/16-6/30/17	1,434			1,319	(1,434)				(115)	1,434
Extraordinary Special Education Aid	17-495-034-5120-044	7/1/16-6/30/17	107,931				(107,931)			\$ (107,931)	(107,931)	107,931
Extraordinary Special Education Aid	16-495-034-5120-044	7/1/15-6/30/16	149,692	(149,692)		149,692						
Nonpublic Transportation	17-495-034-5120-014	7/1/16-6/30/17	6,264				(6,264)				(6,264)	6,264
Nonpublic Transportation	16-495-034-5120-014	7/1/15-6/30/16	6,800	(6,800)		6,800						
Reimbursed TPAF Social Security Contributions	17-495-034-5094-003	7/1/16-6/30/17	298,110			283,482	(298,110)				(14,628)	298,110
Reimbursed TPAF Social Security Contributions	16-495-034-5094-003	7/1/15-6/30/16	285,843	(27,634)		27,634						
On-Behalf TPAF Post Retirement Contributions	17-495-034-5094-001	7/1/16-6/30/17	365,089			365,089	(365,089)					365,089
On-Behalf TPAF Pension Contributions	17-495-034-5094-002	7/1/16-6/30/17	422,842			422,842	(422,842)					422,842
On-Behalf TPAF Non-Contributory Insurance	17-495-034-5094-004	7/1/16-6/30/17	15,321			15,321	(15,321)					15,321
On-Behalf TPAF Long-Term Disability Insurance	17-495-034-5094-004	7/1/16-6/30/17	1,323			1,323	(1,323)					1,323
Total General Fund State Aid				(205,762)		1,719,100	(1,679,395)			(128,823)	(166,057)	1,679,395
Special Revenue Fund:												
Nonpublic Textbook Aid (Chapter 194)	16-100-034-5120-064	7/1/15-6/30/16	4,682			\$ 4,682		\$ (4,682)				
Nonpublic Technology Initiative Aid	16-100-034-5120-373	7/1/15-6/30/16	2,132			2,132		(2,132)				
Nonpublic Nursing Services (Chapter 226)	16-100-034-5120-070	7/1/15-6/30/16	7,380			7,380		(7,380)				
Non Public Security Aid	16-100-034-5120-509	7/1/15-6/30/16	2,050			2,050		(2,050)				
Total Special Revenue Fund						16,244		(16,244)				
Debt Service Fund:												
Debt Service Aid Type II	17-495-034-5120-125	7/1/16-6/30/17	122,257			122,257	(122,257)					122,257
Total Debt Service Fund						122,257	(122,257)					122,257

ROCHELLE PARK SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2016		Cash Received	Budgetary Expenditures	Repayment of Prior Year's Balances	Balance at June 30, 2017		Memo	
				(Accounts Receivable)	Due to Grantor				GAAP (Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary (Accounts Receivable)
Enterprise Fund:												
State School Lunch Program	15-100-010-3350-023	7/1/14-6/30/15	\$ 222		\$ 222	\$ (222) *						\$ 222
State School Lunch Program	16-100-010-3350-023	7/1/15-6/30/16	1,896	\$ (330)	330							1,896
State School Lunch Program	17-100-010-3350-023	7/1/16-6/30/17	1,935		1,603	(1,935)			\$ (332)		\$ (332)	1,935
Total Enterprise Fund				(330)	2,155	(2,157)			(332)		(332)	4,053
Capital Projects Fund:												
Schools Development Authority: Educational Facilities Construction & Financing Act: Midland Elementary School#1- Sprinkler System												
Construction Services	4470-050-14-1003	7/1/13-6/30/17	122,200	(122,200)							(122,200)	
Total Capital Projects Fund				(122,200)							(122,200)	
Total State Awards Subject to Single Audit Determination				\$ (328,292)	\$ 1,6244	\$ 1,843,512	\$ (1,803,809)	\$ (16,244)	\$ (129,155)	\$ -0-	\$ (288,589)	\$ 1,805,705
Less: State Awards Not Subject to Single Audit Major Program Determination												
On-Behalf TPAF Pension System Contributions:												
On-Behalf TPAF Post Retirement Contributions	17-495-034-5094-001	7/1/16-6/30/17	(365,089)				365,089					
On-Behalf TPAF Pension Contributions	17-495-034-5094-002	7/1/16-6/30/17	(422,842)				422,842					
On-Behalf TPAF Non-Contributory Insurance	17-495-034-5094-004	7/1/16-6/30/17	(15,321)				15,321					
On-Behalf TPAF Long-Term Disability Insurance	17-495-034-5094-004	7/1/16-6/30/17	(1,323)				1,323					
Subtotal - On-Behalf TPAF Pension System Contribution							804,575					
Total State Awards Subject to Single Audit Major Program Determination							\$ (999,234)					

* - Reimbursement for Meals Claimed in Prior Year Granted in the Current Year

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

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards (the “Schedules”) include the federal and state grant activity of the Rochelle Park School District under programs of the federal and state governments for the fiscal year ended June 30, 2017. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey’s OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. Summary of Significant Accounting Policies

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

NOTE 3. Indirect Cost Rate

The District has not 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 (\$15,598) for the general fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and the special revenue funds.

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(Continued)

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 1,663,797	\$ 1,663,797
Special Revenue Fund	\$ 199,577		199,577
Debt Service Fund		122,257	122,257
Food Service Fund	<u>73,539</u>	<u>2,157</u>	<u>75,696</u>
Total Awards	<u>\$ 273,116</u>	<u>\$ 1,788,211</u>	<u>\$ 2,061,327</u>

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6. FEDERAL AND STATE LOANS OUTSTANDING

Rochelle Park School District had no outstanding federal or state loan balances at June 30, 2017.

NOTE 7. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2017. Revenue and expenditures reported under the Federal Food Distribution Program represent current year value received and current year distributions, respectively.

NOTE 8. NJ SCHOOLS DEVELOPMENT AUTHORITY (SDA) GRANTS

The District has an active grant awarded in the amount of \$122,200 from the Schools Development Authority (SDA) under the Educational Facilities Construction and Financing Act. As of June 30, 2017, the grant funds have not been expended, or drawn down or received. The District realizes grant revenue in the Capital Projects Fund on the GAAP basis as it is expended and submitted for reimbursement.

ROCHELLE PARK SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major State Program; Report on Internal Control Over Compliance*.
- The auditor's report on compliance for the major state programs for the District expresses an unmodified opinion on all major state programs.
- The District was not subject to the single audit provisions of the Uniform Guidance for the fiscal year ended June 30, 2017 as federal grant expenditures were less than the single audit threshold of \$750,000 identified in the Uniform Guidance.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District's programs tested as major state programs for the current fiscal year consisted of the following state aid:

	State Grant Number	Grant Period	Award Amount	Budgetary Expenditures
State Aid - Public:				
Special Education Categorical Aid	17-495-034-5120-089	7/1/16-6/30/17	\$ 362,837	\$ 362,837
Security Aid	17-495-034-5120-084	7/1/16-6/30/17	47,531	47,531
PARCC Readiness Aid	17-495-034-5120-098	7/1/16-6/30/17	6,430	6,430
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16-6/30/17	6,430	6,430
Professional Learning Community Aid	17-495-034-5120-101	7/1/16-6/30/17	6,480	6,480
Host District Aid	17-495-034-5120-102	7/1/16-6/30/17	1,434	1,434

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

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

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

ROCHELLE PARK SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Findings and Questioned Costs for Federal Awards:

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

Findings and Questioned Costs for State Awards:

- The audit did not disclose any finding or questioned costs for state awards as defined in section 2 CFR 200.516(a) of the Uniform Guidance or NJOMB 15-08.

ROCHELLE PARK SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Status of Prior Year Findings:

There were no prior year audit findings.