

Comprehensive Annual Financial Report

of the

Borough of Roselle School District

County of Union

Roselle, New Jersey

For the Fiscal Year Ended June 30, 2017

Prepared by

**Borough of Roselle School District
Business Office**

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INTRODUCTORY SECTION

Roselle Public Schools

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(908) 298-2040 Ext. 2041
Twitter: @corbettroselle

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Board President
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Mr. Jason Jones

School Business Administrator
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December 05, 2017

Honorable President Ms. Candida Young and
Members of the Roselle Borough Board of Education
710 Locust Street
Roselle, NJ 07203

Dear President and Members of the Board of Education:

The Comprehensive Annual Financial Report (CAFR) of the Roselle Borough Board of Education for the fiscal year ended June 30, 2017 is submitted by the district's Office of the Superintendent of Schools and the School Business Administrator. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education of the Borough of Roselle, specifically the Superintendent of Schools and the School Business Administrator/Board Secretary.

To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the Roselle Public Schools. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included. The district's internal controls have been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.



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The District has implemented Statement No. 34 of the Governmental Accounting Standards Board (GASB) entitled *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. This standard, issued in June 1999, created a revised reporting model of financial information and disclosure. There are two main basic financial statements created by this standard:

1. Statement of Net Assets and
2. Statement of Activities

These two statements tend to answer the questions: “Is the district better or worse off financially than it was in the previous year?” A comparison of net assets should help the reader in answering that question.

Also required as part of the “Required Supplementary Information” by GASB Statement No. 34 is a “Management’s Discussion and Analysis” (MD&A), which allows the district to explain in layman terms its financial position and results of operation of the past fiscal year.

REPORT FORMAT

The Comprehensive Annual Financial Report is presented in four sections: Introductory, Financial, Statistical and Single Audit. The purpose of each section of the CAFR is as follows:

- **Introductory Section**—This section includes this transmittal letter, the district’s organization chart and a list of principal officials. This section is intended to familiarize the reader with the organizational structure of the school district, the nature and scope of the services it provides, and the specifics of its legal operating environment. It is primarily designed for the taxpayer.
- **Financial Section**—This includes the independent auditor’s report, the Management’s Discussion and Analysis (MD&A), basic financial statements, supplemental information and the combining and individual fund schedules. It is primarily designed for oversight and legislative bodies.

Generally accepted accounting principles (GAAP) requires that the management provides a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter is designed to complement the MD&A and should be read in conjunction with it. The MD&A of the Roselle Public Schools can be found immediately following the report of the independent auditors.

- **Statistical Section**—Contains substantial financial information, but presents tables that differ from financial statements in that they present non-accounting data, cover several years, and are designed to reflect social and economic data and financial and fiscal trends, as well as the fiscal capacity of the district. Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant years.
 - **Financial Trends J-1 to J-5**
These schedules contain trend information to help the reader understand how the Roselle Public Schools’ financial performance and well-being have changed over time.
 - **Revenue Capacity J-6 to J-9**
These schedules contain information to help the reader assess the Roselle Public Schools’ most significant local revenue source, the property tax.
 - **Debt Capacity J-10 to J-13**
These schedules present information to help the reader assess the Roselle Public Schools’ current levels of outstanding debt and the government's ability to issue additional debt in the future.
 - **Demographic and Economic Information J-14 and J-15**
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Roselle Public Schools’ financial activities take place.
 - **Operating Information J-16 to J-20**
These schedules contain service and infrastructure data to help the reader understand how the information in the Roselle Public Schools’ financial report relates to the services the government provides and the activities it performs.

-
- **Single Audit Section**—The district is required to undergo an annual single audit in conformity with the provisions of the Federal Single Audit Act and applicable US Office of Management and Budget Circulars; and the applicable State of New Jersey OMB Circulars.

Information related to this single audit, including the auditors’ report on the internal control structure and compliance with applicable laws, regulations, findings and recommendations, is included in the Single Audit Section of this report.

This section includes independent auditors’ reports on compliance and internal control, schedules of expenditures for federal and state grants, notes to the schedules of expenditures of federal and state grants, schedule of findings and questioned costs, and a summary schedule of prior audit findings.

REPORTING ENTITY AND ITS SERVICES

The Roselle Borough School District is an independent reporting entity within the criteria adopted by the GASB. All funds and account groups of the District are included in this report. The Roselle Borough Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade level K through 12. These include regular as well as special education for handicapped youngsters beginning with Pre-K.

The following details the changes in the student enrollment of the District over the last ten years:

<u>Fiscal Year</u>	<u>Actual Student Enrollment</u>	<u>% of Change</u>
2016/2017	2,875	1.05
2015/2016	2,731	1.56
2014/2015	2,689	(2.21)
2013/2014	2,750	2.58
2012/2013	2,679	(2.29)
2011/2012	2,742	(4.59)
2010/2011	2,874	0.03
2009/2010	2,873	(4.39)
2008/2009	3,005	5.48
2007/2008	2,849	0.07
2006/2007	2,847	0.14
2005/2006	2,843	(1.25)

ORGANIZATION OF THE BOARD

The Roselle Board of Education has nine (9) members that are elected for three (3) year overlapping terms. The members of the Board are residents of the City of Roselle and vote on all matters before the Board of Education. The Board of Education is annually organized.

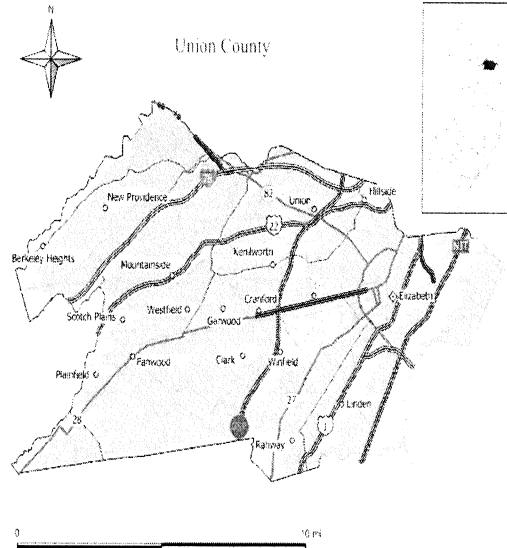
All Board of Education meetings are public. The Board holds regularly scheduled public meetings twice a month.

The Board of Education provides a full range of free public educational services appropriate to grade levels prekindergarten through grade 12 for residents of the City of Roselle. These educational services include regular and special education to address the educational needs of children with disabilities and handicaps.

BOROUGH OF ROSELLE

The Borough of Roselle is located in Union County, New Jersey. Its 2.65 square miles of land area contain a mix of light industry, stores and businesses as well as residential land uses.

According to the U.S. Census Bureau the 2017 population of the Borough of Roselle was estimated at 21,551 with a diverse racial and ethnic demographic. There are many churches of a variety of faiths.



INTERNAL ACCOUNTING CONTROLS

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse. District management is also responsible to ensure that the adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that:

- (1) The cost of a control should not exceed the benefits likely to be derived; and
- (2) The valuation costs and benefits require estimates and judgments by management.

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

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

BUDGETARY CONTROLS

In addition to internal accounting controls, the District maintains budgetary controls. The object of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund.

An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2017.

The New Jersey Department of Education has prescribed forms and formats for the presentation of the annual school budget. The Board of Education adheres to Department of Education requirements for budget development, presentation and adoption.

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 and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

CASH MANAGEMENT

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. 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 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.

RISK MANAGEMENT

The Board carries various forms of insurance, including but not limited to general liability, automobile liability, and comprehensive/collision, hazard and theft insurance on property and contents and fidelity bonds.

OTHER INFORMATION

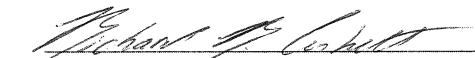
The state statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Suplee, Clooney & Company was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of single audit in conformity with 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 State of New Jersey OMB Circular 15-08 “Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.”.

The auditor’s report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor’s reports related specifically to the single audit are included in the Single Audit Section of this report.

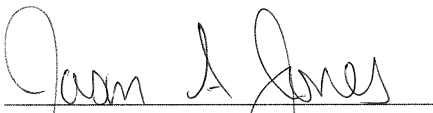
ACKNOWLEDGEMENTS

We would like to express our appreciation to the members of the Roselle Borough 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,



Dr. Richard Corbett
Superintendent of Schools



Mr. Jason Jones
School Business Administrator

**Borough of Roselle School District
Union County, New Jersey**

Roster of Officials

June 30, 2017

Members of the Board of Education

Term Expires

Candida Young, President	2017
Jazmine Charles, Vice-President	2017
Angela Alvey-Wimbush	2019
Archange Antoine	2017
Donne Eleazer	2018
Patricia Fabrizio	2018
Sherise Pollard	2018
Arthur Rice	2019
Richard Villeda	2019

Other Officials

Dr. Richard Corbett, Superintendent of Schools
Dr. Shakiria Harrington, Assistant Superintendent for Curriculum and Instruction
Rhonda Curry, School Business Administrator
Andrea Lawrence-Hyatt, Treasurer of School Monies

**Borough of Roselle School District
Union County, New Jersey**

Independent Auditors and Advisors

Independent Auditors

Suplee, Clooney & Company
308 E. Broad St, Westfield, NJ 07090
(908) 789-9300

Attorneys

Roth D'Aquanni, LLC
150 Morris Avenue, Suite 206
Springfield, NJ 07081

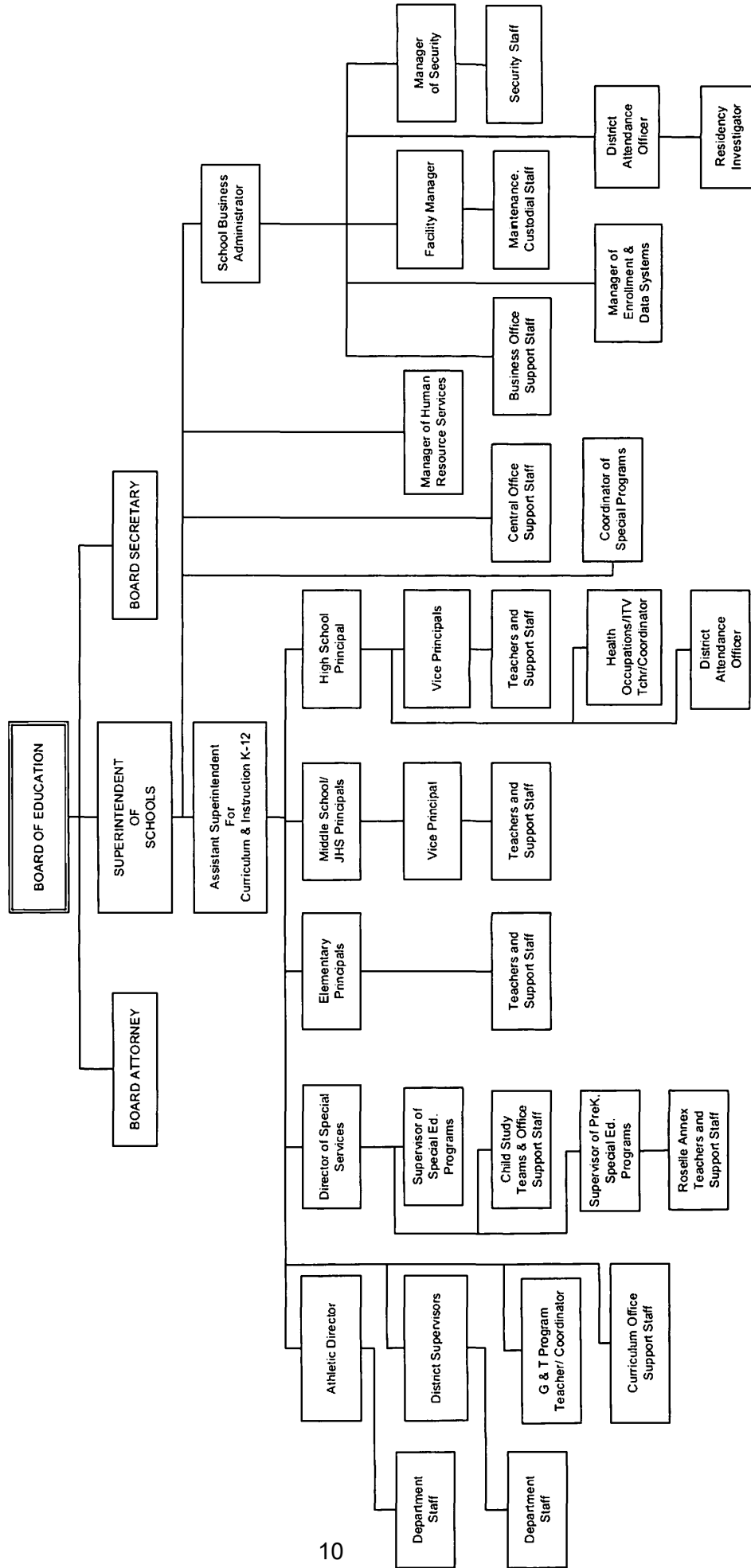
Weiner Lesniak, LLP
629 Parsippany Road
Parsippany, NJ 07054

Official Depositories

TD Bank
Roselle Savings Bank

ROSELLE PUBLIC SCHOOLS
ROSELLE, NEW JERSEY

DISTRICT ORGANIZATIONAL CHART



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FINANCIAL SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300 Fax 908-789-8535

E-mail info@senco.com

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Borough of Roselle School District
County of Union
Roselle, New Jersey 07203

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 Borough of Roselle School District, County of Union, New Jersey as of and for the 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey, and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and State of New Jersey *OMB Circular 15-08* "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

SUPLEE, CLOONEY & COMPANY

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

Opinion

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 Borough of Roselle School District, County of Union, New Jersey as of June 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information in Exhibit C-1 through C-3 and the schedules related to accounting and reporting for pensions in Exhibit L-1 through L-4 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.

SUPLEE, CLOONEY & COMPANY

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Roselle School District's basic financial statements. The accompanying supplementary information schedules such as the combining and individual fund financial statements and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by the Uniform Guidance, New Jersey's OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the State of New Jersey, Department of Education, Division of Finance, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

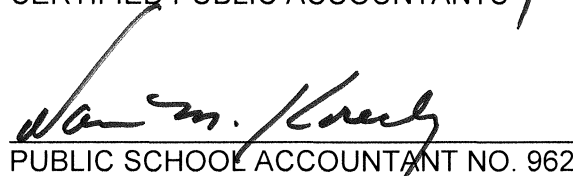
The accompanying supplementary information schedules such as the combining and individual fund financial statements and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required the Uniform Guidance, New Jersey's OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and by the State of New Jersey, Department of Education, Division of Finance is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The 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 December 5, 2017 on our consideration of the Borough of Roselle School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough of Roselle School District's internal control over financial reporting and compliance.


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 962

December 5, 2017

REQUIRED SUPPLEMENTARY INFORMATION – Part I

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

**BOROUGH OF ROSELLE SCHOOL DISTRICT
ROSELLE, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017
UNAUDITED**

The Management's Discussion and Analysis of the Borough of Roselle School District (the "District") offers readers of the District's financial statements a narrative overview of the financial activities for the fiscal year ended June 30, 2017. The intent of this discussion is to look at the District's financial performance as a whole; therefore readers should also review the transmittal letter at the front of this report, along with the District's financial statements and notes to the financial statements to enhance their understanding of the District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of the Required Supplementary Information (RSI) specified in the Governmental Accounting Standards Board's (GASB) Statement Number 34, Basic Financial Statements and Management's Discussion and Analysis of State and Local Governments issued in June 1999. Certain comparative information between the current fiscal year (2016-2017) and the prior fiscal year (2015-2016) is required to be presented in the MD&A.

Financial Highlights

- Revenue from governmental activities accounted for \$66,233,544.01 of school district revenue. The other \$1,899,371.47 of revenue was generated by the business type activities.
- The District's total net position is \$15,683,419.18

Overview of the Financial Statements

This Comprehensive Annual Financial Report ("CAFR") 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, District-wide Financial Statements and Fund Financial Statements.

- District-wide Financial Statements provide both short-term and long-term information about the District's overall financial status.
- Fund Financial Statements report the District's operations in more detail than the District-wide statements on individual parts of the District, the Governmental Funds, Proprietary Funds and Fiduciary Funds.

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- 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, which include food services.
- Fiduciary Funds Statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The notes to financial statements are also included, which are an integral part of the financial statements. The information in the notes provides detailed data on the District's financial operations.

Required supplementary information further explains and supports the financial statements with a comparison of the District's budget for the year. Exhibit A-1 reflects how the various parts of this annual report are arranged and related to one another.

District-wide Financial Statements

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

The District-wide Financial Statements report the District's net positions and how they have changed. Net positions, the difference between the District's assets and liabilities, is one way to measure the District's financial health or position. Over time, increases or decreases in the District's net positions are an indicator of whether its financial position has improved or diminished. The causes of this change may be a result of many factors, some financial and some not. Non-financial factors include the District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the District-wide Financial Statements, the District's activities are divided into two categories, governmental and business-type activities.

- Governmental activities - All of the District's programs and services are reported here including, but not limited to regular and special education instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities. Property taxes and state formula aid finance most of these activities.
- Business-type activities - These services are provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. District charges fees to help it cover the costs of certain services it provided. The food service activities (i.e. milk, juice, and water sales) are reported as business activities.

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Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on major funds. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by state law and by bond covenants. The District establishes other funds to control and manage money for particular purposes (i.e. long-term debt) or to show that it is properly using certain restricted revenues (i.e. entitlement grants).

The District maintains three financial funds:

- **Governmental Funds:** The District's activities reported in governmental funds focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting that measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the government-wide Statement of Net Position and Statement of Activities) and governmental funds statements is reconciled in the financial statements.
- **Proprietary Funds:** Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide financial statements. The District's enterprise funds (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flow.
- **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.

**BOROUGH OF ROSELLE SCHOOL DISTRICT
ROSELLE, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
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Financial Analysis of the District as a Whole

The District's combined net positions have decreased from the 2015-2016 fiscal year. The net positions from governmental funds decreased \$1,607,586.03. Net positions from business-type activities decreased \$19,137.12. Table A-1 below reflects the District's net positions as a whole. Table A-2 reflects the changes in net positions from operating results.

**Table A-1
Condensed Statement of Net Positions**

	Governmental Activities		Business-Type Activities		Total School District		Total
	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016	Percentage Change
Current and							
Other Assets	\$12,858,496.79	\$13,072,941.02	\$408,233.28	\$429,561.01	\$13,266,730.07	\$13,502,502.03	-1.75%
Capital Assets	16,869,080.72	16,645,285.81	82,349.27	95,459.51	16,951,429.99	16,740,745.32	1.26%
Total Assets	29,727,577.51	29,718,226.83	490,582.55	525,020.52	30,218,160.06	30,243,247.35	-0.08%
Deferred Outflows							
Pension Related	6,045,547.00	2,202,725.00			6,045,547.00	2,202,725.00	174.46%
Total Deferred Outflows	6,045,547.00	2,202,725.00	0.00	0.00	6,045,547.00	2,202,725.00	174.46%
Long-Term							
Liabilities	18,643,120.36	13,261,174.36			18,643,120.36	13,261,174.36	40.58%
Short-Term							
Liabilities	1,460,828.07	1,103,676.35	156,076.45	171,377.31	1,616,904.52	1,275,053.66	26.81%
Total Liabilities	20,103,948.43	14,364,850.71	156,076.45	171,377.31	20,260,024.88	14,536,228.02	39.38%
Deferred Inflows							
Pension Related	320,263.00	599,602.00			320,263.00	599,602.00	-46.59%
Total Deferred Inflows	320,263.00	599,602.00	0.00	0.00	320,263.00	599,602.00	-46.59%
Net Positions:							
Net Investment							
In Capital							
Assets	16,869,080.72	16,645,285.81	82,349.27	95,459.51	16,951,429.99	16,740,745.32	1.26%
Restricted	11,971,752.42	12,542,445.67			11,971,752.42	12,542,445.67	-4.55%
Unrestricted (Deficit)	(13,491,920.06)	(12,231,232.36)	252,156.83	258,183.70	(13,239,763.23)	(11,973,048.66)	10.58%
Total Net							
Positions	\$15,348,913.08	\$16,956,499.12	\$334,506.10	\$353,643.21	\$15,683,419.18	\$17,310,142.33	-9.40%

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**Table A-2
Changes in Net Positions from Operating Results**

	<u>FY 2017</u>	<u>FY 2016</u>
Revenue:		
Program Revenue:		
Charges for Services	\$330,736.55	\$352,825.75
Operating Grants and Contributions	19,320,359.69	14,433,812.81
General Revenue:		
Property Taxes	23,907,576.00	23,907,576.00
Federal and State Aid	24,238,258.76	24,092,526.46
Other	335,984.48	243,685.59
	<u>68,132,915.48</u>	<u>63,030,426.61</u>
Total Revenue		
Expenses/Indirect Allocations:		
Instruction	41,204,308.73	40,366,075.41
Student & Instructional Related Services	10,829,949.42	7,490,244.93
Administrative and Business	8,126,675.40	6,663,083.72
Maintenance & Operations	5,764,273.01	5,679,994.47
Transportation	1,327,647.48	1,264,861.59
Other	2,506,784.59	2,416,426.36
	<u>69,759,638.63</u>	<u>63,880,686.48</u>
Total Expenses		
Increase/(Decrease) in Net Positions	<u>(\$1,626,723.15)</u>	<u>(\$850,259.87)</u>

Sources of Revenue for Fiscal Year 2017

The District's total revenue for the 2016-2017 school year was \$68,132,915.48 as reflected in Table A-3 below. Property taxes accounted for 35.10 percent of the total revenue with the other 64.90 percent consisting of federal & state aid, charges for service, operating grants & contributions, and miscellaneous sources.

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**MANAGEMENT'S DISCUSSION AND ANALYSIS
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**Table A-3
Sources of Revenue**

<u>Sources of Revenue</u>	<u>FY 2017</u>		<u>FY 2016</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Property Taxes	\$23,907,576.00	35.10%	\$23,907,576.00	37.94%
Operating Grants & Contributions	19,320,359.69	28.36%	14,433,812.81	22.90%
Other Sources	335,984.48	0.49%	243,685.59	0.39%
Federal & State Aid Unrestricted	24,238,258.76	35.57%	24,092,526.46	38.22%
Charges for Services	330,736.55	0.49%	352,825.75	0.56%
	<u>\$68,132,915.48</u>	<u>100.00%</u>	<u>\$63,030,426.61</u>	<u>100.00%</u>

Expenses & Indirect Costs Allocated for the Fiscal Year 2017

The total expenditures for the 2016-2017 fiscal year for all programs and services were \$69,759,638.63. Table A-4 below summarizes these program costs. The District's expenses are predominantly related to instructing, providing services and transporting students, grades kindergarten through twelve, which accounts for 76.50 percent of the total District costs. Administrative and business expenses account for the costs of the Office of the Superintendent of Schools, the Business Office, and the Principal's Offices in both school buildings. Maintenance and operations account for the costs of keeping the school buildings and grounds safe, clean and in good operating condition, and includes all the utility costs related to the school facilities. Other costs include interest on long-term debt, unallocated depreciation expense and the costs of the business-type activities of the proprietary funds.

**Table A-4
Expenses & Indirect Costs Allocated**

<u>Expense Category</u>	<u>FY 2017</u>		<u>FY 2016</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Instruction	\$41,204,308.73	59.08%	\$40,366,075.41	63.20%
Student & Instr. Related Services	10,829,949.42	15.52%	7,490,244.93	11.73%
Administrative and Business	8,126,675.40	11.65%	6,663,083.72	10.43%
Maintenance & Operations	5,764,273.01	8.26%	5,679,994.47	8.89%
Transportation	1,327,647.48	1.90%	1,264,861.59	1.98%
Other	2,506,784.59	3.59%	2,416,426.36	3.78%
	<u>\$69,759,638.63</u>	<u>100.00%</u>	<u>\$63,880,686.48</u>	<u>100.00%</u>

**BOROUGH OF ROSELLE SCHOOL DISTRICT
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**MANAGEMENT'S DISCUSSION AND ANALYSIS
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Governmental Activities

Table A-5 presents the net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs) of six major District activities: instruction, student and instructional services, administration and business, maintenance and operations, transportation, and other. The net cost shows the financial burden placed on the District's taxpayers and the state by each of these functions.

**Table A-5
Net Cost of Governmental Activities**

<u>Function/Program</u>	<u>FY 2017</u>		<u>FY 2016</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Instruction	\$28,468,335.80	56.80%	\$30,181,857.09	61.47%
Student & Instruction Related Services	7,267,642.37	14.50%	6,067,213.54	12.36%
Administrative and Business	6,673,230.61	13.32%	5,400,726.82	11.00%
Maintenance & Operations	5,764,273.01	11.50%	5,679,994.47	11.57%
Transportation	1,327,647.48	2.65%	1,264,861.59	2.58%
Other	607,413.12	1.21%	499,394.41	1.02%
	<u>\$50,108,542.39</u>	<u>100.00%</u>	<u>\$49,094,047.92</u>	<u>100.00%</u>

General Fund Budgeting Highlights

The District's budget is prepared according to New Jersey Statutes and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting.

Over the course of the year, the Board of Education approved revisions to the general fund budget as needed. These budget amendments were necessary for the following reasons:

- Realign budgeted salary accounts as needed to account for staff transfers to various programs.
- Realigned appropriations in accordance with the prescribed chart of accounts as modified by the comprehensive educational improvement and financing act.
- Transferred from unexpended appropriations to purchase teaching materials and equipment to meet various program needs.

**BOROUGH OF ROSELLE SCHOOL DISTRICT
ROSELLE, NEW JERSEY**

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Capital Assets

Table A-6 reflects the comparative balances of capital assets net of depreciation. The detail of the changes in capital assets is reflected in Note 3 to the financial statements.

**Table A-6
Capital Assets (Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	<u>FY 2017</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2016</u>	
Land and Site Improvements	\$68,319.00	\$75,984.00			\$68,319.00	\$75,984.00	-10.088%
Building and Building Improvements	15,478,350.77	15,219,849.82			15,478,350.77	15,219,849.82	1.698%
Machinery and Equipment	1,322,410.94	1,349,451.99	\$82,349.28	\$95,459.51	1,404,760.22	1,444,911.50	-2.779%
Total Assets	<u><u>\$16,869,080.71</u></u>	<u><u>\$16,645,285.81</u></u>	<u><u>\$82,349.28</u></u>	<u><u>\$95,459.51</u></u>	<u><u>\$16,951,429.99</u></u>	<u><u>\$16,740,745.32</u></u>	<u><u>1.259%</u></u>

**BOROUGH OF ROSELLE SCHOOL DISTRICT
ROSELLE, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
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Debt Administration

At June 30, 2017 the District had \$18,643,120.36 of outstanding long-term debt, consisting of compensated absences, and net pension liability. The District will continue to pay down its debt, as the obligations are due. Table A-7 reflects the comparison of outstanding debt for the past two fiscal years. More information of the District's long-term debt is presented in Note 4 to the financial statements.

**Table A-7
Outstanding Long-term Debt**

	Total School Debt		Total Percentage Change
	FY 2017	FY 2016	
Compensated Absences	\$1,241,875.36	\$1,241,875.36	0.00%
Net Pension Liability	17,401,245.00	12,019,299.00	44.78%
	<u>\$18,643,120.36</u>	<u>\$13,261,174.36</u>	<u>40.58%</u>

The District's Future

The Borough of Roselle School District ended the fiscal year in a sound financial condition. The District's budget for 2016-2017 was approved by the Roselle Board of Education with no increase in the local school tax. In conclusion, the Borough of Roselle School District has committed itself to quality education and financial excellence for many years. In addition, the School District's system for financial planning, budgetary and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenges of the future.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional information, contact the Business Administrator/Board Secretary's office, Roselle Borough School District, 710 Locust Street, Roselle, New Jersey 07203. Also, please visit our website to learn more about our School District www.roselleschools.org.

BASIC FINANCIAL STATEMENTS

The basic financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all funds as of June 30, 2017.

DISTRICT-WIDE FINANCIAL STATEMENTS

The statement of net positions and the statement of activities display information about the District. These statements include the financial activities of the overall district, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

BOROUGH OF ROSELLE SCHOOL DISTRICT
STATEMENT OF NET POSITIONS
JUNE 30, 2017

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and cash equivalents	\$ (1,510,310.51)	\$ 177,259.33	\$ (1,333,051.18)
Receivables, net	8,879,516.93	178,442.54	9,057,959.47
Due from other funds	1,066,376.22		1,066,376.22
Inventory		52,531.41	52,531.41
Restricted assets:			
Restricted cash and cash equivalents	4,422,914.15		4,422,914.15
Capital assets:			
Other capital assets, net	16,869,080.72	82,349.27	16,951,429.99
Total assets	<u>\$ 29,727,577.51</u>	<u>\$ 490,582.55</u>	<u>\$ 30,218,160.06</u>
DEFERRED OUTFLOW OF RESOURCES			
Related to pensions	<u>\$ 6,045,547.00</u>	<u>\$</u>	<u>\$ 6,045,547.00</u>
Total deferred outflow of resources	<u>\$ 6,045,547.00</u>	<u>\$</u>	<u>\$ 6,045,547.00</u>
LIABILITIES			
Accounts payable	\$ 1,251,632.17	\$ 116,675.93	\$ 1,368,308.10
Unearned revenue	165,062.90	13,465.52	178,528.42
Due to other funds		25,935.00	25,935.00
Payable to state government	44,133.00		44,133.00
Noncurrent liabilities:			
Due beyond one year:			
Compensated absences payable	1,241,875.36		1,241,875.36
Net pension liability	17,401,245.00		17,401,245.00
Total liabilities	<u>\$ 20,103,948.43</u>	<u>\$ 156,076.45</u>	<u>\$ 20,260,024.88</u>
DEFERRED INFLOW OF RESOURCES			
Related to pensions	<u>\$ 320,263.00</u>	<u>\$</u>	<u>\$ 320,263.00</u>
Total deferred inflow of resources	<u>\$ 320,263.00</u>	<u>\$</u>	<u>\$ 320,263.00</u>
Net investment in capital assets	\$ 16,869,080.72	\$ 82,349.27	\$ 16,951,429.99
Restricted for:			
Capital projects	1,136,952.69		1,136,952.69
Other purposes	10,834,799.73		10,834,799.73
Unrestricted (Deficit)	<u>(13,491,920.06)</u>	<u>252,156.83</u>	<u>(13,239,763.23)</u>
Total net positions	<u>\$ 15,348,913.08</u>	<u>\$ 334,506.10</u>	<u>\$ 15,683,419.18</u>

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

BOROUGH OF ROSELLE SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
JUNE 30, 2017

FUNCTIONS/PROGRAMS	EXPENSES	INDIRECT EXPENSES ALLOCATION	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION	
			CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES
Governmental Activities:						
Instruction:						
Regular	\$ 13,724,589.51	\$ 11,355,414.69	\$	\$ 7,350,541.43	\$ (17,729,462.77)	\$ (17,729,462.77)
Special education	9,381,195.92	5,172,367.83		4,943,352.10	(9,610,231.65)	(9,610,231.65)
Other	899,638.19	671,082.59		442,079.40	(1,128,641.38)	(1,128,641.38)
Support services:						
Student and instruction related services	7,293,275.43	3,536,673.99		3,562,307.05	(7,267,642.37)	(7,267,642.37)
General administrative services	1,062,353.39	268,407.86		117,797.05	(1,212,964.20)	(1,212,964.20)
School administrative services	2,121,869.58	2,027,531.58		1,335,647.74	(2,813,753.42)	(2,813,753.42)
Central services	405,201.35	1,619,115.35			(2,024,316.70)	(2,024,316.70)
Administration information technology	424,960.79	197,235.50			(622,196.29)	(622,196.29)
Plant operations and maintenance	4,255,873.20	1,508,399.81			(5,764,273.01)	(5,764,273.01)
Student transportation services	1,327,647.48				(1,327,647.48)	(1,327,647.48)
Unallocated benefits	25,602,580.11	(25,602,580.11)				
Unallocated depreciation	753,669.09	(753,669.09)				
Special schools	8,568.00				(8,568.00)	(8,568.00)
Charter schools	579,708.00				(579,708.00)	(579,708.00)
Total governmental activities	\$ 67,841,130.04	\$	\$	\$ 17,751,724.77	\$ (50,089,405.27)	\$ (50,089,405.27)
Business-type activities:						
Food Service Fund	1,916,336.29		328,816.55	1,568,634.92	(18,884.82)	(18,884.82)
Community School	2,172.30		1,920.00		(252.30)	(252.30)
Total business-type activities	\$ 1,918,508.59	\$	\$ 330,736.55	\$ 1,568,634.92	\$ (19,137.12)	\$ (19,137.12)
Total primary government	\$ 69,759,638.63	\$	\$ 330,736.55	\$ 19,320,359.69	\$ (50,089,405.27)	\$ (50,108,542.39)
General Revenues:						
Taxes:						
Property taxes - general					\$ 23,907,576.00	\$ 23,907,576.00
Federal and state aid not restricted					24,238,258.76	24,238,258.76
Miscellaneous income					335,984.48	335,984.48
Total general revenues					\$ 48,481,819.24	\$ 48,481,819.24
Change in net position					\$ (1,607,586.03)	\$ (1,626,723.15)
Net position - beginning					\$ 16,956,499.11	\$ 17,310,142.33
Net position - ending					\$ 15,348,913.08	\$ 15,683,419.18

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

MAJOR FUND FINANCIAL STATEMENTS

The Individual fund financial statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

BOROUGH OF ROSELLE SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

ASSETS AND OTHER DEBITS:	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>	<u>CAPITAL PROJECTS FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
Assets:				
Cash and cash equivalents	\$ 2,912,603.64	\$	\$	\$ 2,912,603.64
Accounts receivable:				
State	293,015.59		5,478,121.77	5,771,137.36
Federal		1,107,261.57		1,107,261.57
Other	1,960,607.00	40,511.00		2,001,118.00
Interfund	<u>6,340,141.61</u>			<u>6,340,141.61</u>
Total assets	<u>\$ 11,506,367.84</u>	<u>\$ 1,147,772.57</u>	<u>\$ 5,478,121.77</u>	<u>\$ 18,132,262.18</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts payable	\$ 671,568.11	\$ 55,492.06	\$	\$ 727,060.17
Interfunds payable		932,596.31	4,341,169.08	5,273,765.39
Payable to state government		44,133.00		44,133.00
Unearned revenue		<u>165,062.90</u>		<u>165,062.90</u>
Total liabilities	<u>\$ 671,568.11</u>	<u>\$ 1,197,284.27</u>	<u>\$ 4,341,169.08</u>	<u>\$ 6,210,021.46</u>
Fund balances:				
Restricted for:				
Capital reserve account	\$ 4,072,914.15	\$	\$	\$ 4,072,914.15
Maintenance reserve account	250,000.00			250,000.00
Emergency reserve account	100,000.00			100,000.00
Excess surplus-current year	2,661,885.58			2,661,885.58
Excess surplus designated for subsequent years expenditures	3,750,000.00			3,750,000.00
Capital Projects Fund			1,136,952.69	1,136,952.69
Unassigned:				
Special revenue fund (deficit)		<u>(49,511.70)</u>		<u>(49,511.70)</u>
Total fund balances	<u>\$ 10,834,799.73</u>	<u>\$ (49,511.70)</u>	<u>\$ 1,136,952.69</u>	<u>\$ 11,922,240.72</u>
Total liabilities and fund balances	<u>\$ 11,506,367.84</u>	<u>\$ 1,147,772.57</u>	<u>\$ 5,478,121.77</u>	<u>18,132,262.18</u>

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

BOROUGH OF ROSELLE SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

Total Fund Balances (Brought Forward)	\$	11,922,240.72
<p>Amounts Reported for Governmental Activities in the Statement of Net Assets (A-1) are different because:</p> <p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>		
Cost of Assets	\$	30,604,159.84
Accumulated Depreciation		<u>(13,735,079.12)</u>
		16,869,080.72
<p>Long term liabilities, including bonds payable, and other related amounts that are not due and payable in the current period and therefore are not reported as liabilities in the funds.</p>		
Net pension liability	\$	(17,401,245.00)
Compensated absences payable		<u>(1,241,875.36)</u>
		(18,643,120.36)
<p>Deferred outflows and inflows of resources are applicable to future periods and therefore are not reported in the funds.</p>		
Deferred outflows:		
Pension related		6,045,547.00
Deferred inflows:		
Pension related		(320,263.00)
<p>Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.</p>		
Account payable - pension related		<u>(524,572.00)</u>
Net Positions of Governmental Activities	\$	<u><u>15,348,913.08</u></u>

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

BOROUGH OF ROSELLE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>	<u>CAPITAL PROJECTS FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
REVENUES:				
Local sources:				
Local tax levy	\$ 23,907,576.00	\$	\$	\$ 23,907,576.00
Miscellaneous revenues	335,984.48	22,638.32		358,622.80
Total revenues-local sources	<u>\$ 24,243,560.48</u>	<u>\$ 22,638.32</u>	<u>\$</u>	<u>\$ 24,266,198.80</u>
State sources	\$ 29,427,326.88	\$ 944,037.70	\$	\$ 30,371,364.58
Federal sources	225,982.06	2,526,997.57		2,752,979.63
Total revenues	<u>\$ 53,896,869.42</u>	<u>\$ 3,493,673.59</u>	<u>\$</u>	<u>\$ 57,390,543.01</u>
EXPENDITURES:				
Current expense:				
Instruction:				
Regular	\$ 13,110,285.72	\$	\$	\$ 13,110,285.72
Special education	6,350,381.45	2,138,313.14		8,488,694.59
Other instruction	899,638.19			899,638.19
Support services:				
Tuition	1,418,351.33			1,418,351.33
Student and instruction related services	5,939,622.28	1,353,653.15		7,293,275.43
General administrative services	1,062,353.39			1,062,353.39
School administrative services	2,121,869.58			2,121,869.58
Central services	405,201.35			405,201.35
Administration information technology	424,960.79			424,960.79
Plant operations and maintenance	4,255,873.20			4,255,873.20
Student transportation services	1,327,647.48			1,327,647.48
Employee benefits	15,497,184.11			15,497,184.11
Capital outlay	1,065,917.80			1,065,917.80
Special Schools	8,568.00			8,568.00
Charter Schools	579,708.00			579,708.00
Total expenditures	<u>\$ 54,467,562.67</u>	<u>\$ 3,491,966.29</u>	<u>\$</u>	<u>\$ 57,959,528.96</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (570,693.25)</u>	<u>\$ 1,707.30</u>	<u>\$</u>	<u>\$ (568,985.95)</u>
Net change in fund balances	\$ (570,693.25)	\$ 1,707.30	\$	\$ (568,985.95)
Fund balances, July 1, 2016	\$ 11,405,492.98	\$ (51,219.00)	\$ 1,136,952.69	\$ 12,491,226.67
Fund balances, June 30, 2017	<u>\$ 10,834,799.73</u>	<u>\$ (49,511.70)</u>	<u>\$ 1,136,952.69</u>	<u>\$ 11,922,240.72</u>

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

BOROUGH OF ROSELLE 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)	\$	(568,985.95)
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Amounts reported for governmental activities in the statement of activities (A-2) are different because:

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

Depreciation expense	\$	(753,669.09)	
Capital outlays (Net, excl. uncapitalized outlays)		<u>977,464.01</u>	223,794.92

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

District pension contributions	\$	521,962.00	
Less: Pension expense		<u>(1,784,357.00)</u>	<u>(1,262,395.00)</u>

Change in net position of governmental activities	\$	<u><u>(1,607,586.03)</u></u>
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The accompanying Notes to the Financial Statements are an integral part of this statement.

OTHER FUNDS

BOROUGH OF ROSELLE SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS - ENTERPRISE FUNDS
JUNE 30, 2017

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u>		
	<u>MAJOR FUND</u>	<u>NON-MAJOR FUND</u>	<u>TOTAL</u>
	<u>FOOD SERVICE</u>	<u>COMMUNITY SCHOOL</u>	
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 177,249.96	\$ 9.37	\$ 177,259.33
Accounts receivable:			
State	1,488.62		1,488.62
Federal	105,548.34		105,548.34
Other	71,405.58		71,405.58
Inventories	52,531.41		52,531.41
Total current assets	<u>\$ 408,223.91</u>	<u>\$ 9.37</u>	<u>\$ 408,233.28</u>
Noncurrent assets:			
Furniture, machinery & equipment	\$ 417,168.55		\$ 417,168.55
Less accumulated depreciation	<u>(334,819.28)</u>		<u>(334,819.28)</u>
Total noncurrent assets	<u>\$ 82,349.27</u>		<u>\$ 82,349.27</u>
Total assets	<u><u>\$ 490,573.18</u></u>	<u><u>\$ 9.37</u></u>	<u><u>\$ 490,582.55</u></u>
LIABILITIES:			
Current liabilities:			
Unearned revenue	\$ 13,465.52	\$	\$ 13,465.52
Interfunds payable	25,935.00		25,935.00
Accounts payable	116,675.93		116,675.93
Total current liabilities	<u>\$ 156,076.45</u>	<u>\$ 0.00</u>	<u>\$ 156,076.45</u>
Total liabilities	<u>\$ 156,076.45</u>	<u>\$ 0.00</u>	<u>\$ 156,076.45</u>
NET POSITION:			
Net Investments in capital assets	\$ 82,349.27	\$	\$ 82,349.27
Unrestricted	252,147.46	9.37	252,156.83
Total net position	<u><u>\$ 334,496.73</u></u>	<u><u>\$ 9.37</u></u>	<u><u>\$ 334,506.10</u></u>

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

BOROUGH OF ROSELLE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u>		
	<u>MAJOR FUND</u>	<u>NON-MAJOR FUND</u>	
	<u>FOOD SERVICE</u>	<u>COMMUNITY SCHOOL</u>	<u>TOTAL</u>
OPERATING REVENUES:			
Charges for services:			
Sales-Reimbursable	\$ 183,228.50	\$	\$ 183,228.50
Sales-Nonreimbursable	145,588.05		145,588.05
Miscellaneous Revenue		1,920.00	1,920.00
Total operating revenues	<u>\$ 328,816.55</u>	<u>\$ 1,920.00</u>	<u>\$ 330,736.55</u>
OPERATING EXPENSES:			
Cost of sales-Reimbursable	\$ 916,103.24	\$	\$ 916,103.24
Cost of sales-Nonreimbursable	75,636.16		75,636.16
Salaries	649,260.82		649,260.82
Employee benefits	145,759.17		145,759.17
Other purchased services	48,000.00		48,000.00
Miscellaneous Expenses	60,222.66	2,172.30	62,394.96
Depreciation	21,354.24		21,354.24
Total operating expenses	<u>\$ 1,916,336.29</u>	<u>\$ 2,172.30</u>	<u>\$ 1,918,508.59</u>
Operating income (loss)	<u>\$ (1,587,519.74)</u>	<u>\$ (252.30)</u>	<u>\$ (1,587,772.04)</u>
NONOPERATING REVENUES (EXPENSES):			
State sources			
School lunch program	\$ 19,399.83		\$ 19,399.83
Federal sources			
School lunch and PB programs	1,046,416.90		1,046,416.90
School breakfast program	266,552.37		266,552.37
After school snack program	57,635.48		57,635.48
Fresh fruit & vegetables program	39,720.27		39,720.27
National food distribution commodities	138,910.07		138,910.07
Total nonoperating revenues	<u>\$ 1,568,634.92</u>		<u>\$ 1,568,634.92</u>
Net income /(Loss)	\$ (18,884.82)	\$ (252.30)	\$ (19,137.12)
Total net position - July 1	<u>353,381.55</u>	<u>261.67</u>	<u>353,643.22</u>
Total net position - June 30	<u>\$ 334,496.73</u>	<u>\$ 9.37</u>	<u>\$ 334,506.10</u>

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

BOROUGH OF ROSELLE SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND		
	MAJOR FUND	NON-MAJOR FUND	TOTAL
	FOOD SERVICE	COMMUNITY SCHOOL	
Cash flows from operating activities:			
Receipts from customers	\$ 366,841.90	\$ 1,920.00	\$ 368,761.90
Payments to employees	(605,948.17)		(605,948.17)
Payments to employee benefits	(138,281.27)		(138,281.27)
Payment to suppliers	(1,157,593.40)	(2,172.30)	(1,159,765.70)
Net cash provided (used for) by operating activities	\$ (1,534,980.94)	\$ (252.30)	\$ (1,535,233.24)
Cash flows from noncapital financing activities:			
State sources	\$ 19,407.63		\$ 19,407.63
Federal sources	1,554,627.88		1,554,627.88
Net cash provided by (used for) noncapital financing activities	\$ 1,574,035.51		\$ 1,574,035.51
Cash flows from capital and related financing activities			
Purchase of capital assets	\$ (8,244.00)		\$ (8,244.00)
Net cash provided by (used for) capital and related financing activities	\$ (8,244.00)		\$ (8,244.00)
Net increase (decrease) in cash and cash equivalents	\$ 30,810.57	\$ (252.30)	\$ 30,558.27
Cash and cash equivalents - July 1	146,439.39	261.67	146,701.06
Cash and cash equivalents - June 30	\$ 177,249.96	\$ 9.37	\$ 177,259.33
Operating income (loss)	\$ (1,587,519.74)	\$ (252.30)	\$ (1,587,772.04)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:			
Depreciation	21,354.24		21,354.24
Change in assets and liabilities:			
(Increase) Decrease in Inventory	4,492.51		4,492.51
(Increase) Decrease in accounts receivable	38,025.35		38,025.35
Increase (Decrease) in accounts payable	(11,333.30)		(11,333.30)
Net cash provided (used) by operating activities	\$ (1,534,980.94)	\$ (252.30)	\$ (1,535,233.24)

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

BOROUGH OF ROSELLE SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>PRIVATE PURPOSE AWARD FUND</u>	<u>AGENCY FUNDS</u>
ASSETS:		
Cash and cash equivalents	\$ <u>432,986.90</u>	\$ <u>1,699,779.03</u>
Total Assets	\$ <u><u>432,986.90</u></u>	\$ <u><u>1,699,779.03</u></u>
LIABILITIES:		
Payroll deductions and withholdings	\$	\$ 568,221.86
Interfund		1,040,441.22
Due to student groups	<u> </u>	<u>91,115.95</u>
Total liabilities	\$ <u> </u>	\$ <u>1,699,779.03</u>
NET ASSETS:		
Held in Trust for Awards	\$ <u>432,986.90</u>	\$ <u> </u>
Total Net Position	\$ <u><u>432,986.90</u></u>	\$ <u><u> </u></u>

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

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

	<u>PRIVATE PURPOSE AWARD FUNDS</u>
ADDITIONS:	
Contributions:	
Other	\$ <u>5,000.00</u>
Total contributions	\$ <u>5,000.00</u>
Investment earnings:	
Interest	\$ <u>126.96</u>
Net investment earnings	\$ <u>126.96</u>
Total additions	\$ <u>5,126.96</u>
DEDUCTIONS:	
Scholarships awarded	\$ <u>11,462.00</u>
Total deductions	\$ <u>11,462.00</u>
Change in net assets	(6,335.04)
Net position beginning of year	\$ <u>439,321.94</u>
Net position end of year	\$ <u><u>432,986.90</u></u>

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

Borough of Roselle School District
Notes to the Financial Statements
June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Borough of Roselle School District have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental 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.

Reporting Entity

The Borough of Roselle School District is a Type II District located in Union County, New Jersey. The District is an instrumentality of the State of New Jersey, established to function as an educational institution. The District is governed by a nine member board elected to three-year terms 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.

The primary criterion for including activities within the District's reporting entity are set forth in Statement No. 39 of the Governmental Accounting Standards Board entitled "*Determining Whether Certain Organizations are Component Units*" (GASB 39) as codified in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

Organizations that are legally separate, tax-exempt entities and that meet *all* of the following criteria should be discreetly presented as component units. These criteria are:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government.
2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources of the 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.

The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District includes elementary schools, middle schools, and a high school. 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.

Borough of Roselle School District
Notes to the Financial Statements
June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

The District's basic financial statements consist of District-wide statements, including a Statement of Net Positions and a Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

District-Wide Statements: The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish generally between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Net Position presents the financial condition of the governmental and business-type activity of the District at fiscal year end. The Statement of Activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as generally revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements: During the fiscal year, the District segregates transactions related to certain 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.

Borough of Roselle School District
Notes to the Financial Statements
June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Types

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

As required by the New Jersey State Department of Education, the District includes budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

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

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

Borough of Roselle School District
Notes to the Financial Statements
June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Proprietary Fund

Enterprise Fund - The enterprise fund accounts for all revenues and expenses pertaining to cafeteria operations and the community school. Enterprise 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.

Fiduciary Fund Types

Agency Funds - The agency funds are used to account for assets held by the district on behalf of others and are custodial in nature. The agency funds included in this category are as follows:

Payroll and Student Activities Funds - These are agency funds used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

Private Purpose Trust Funds - These trust funds are used to account for assets donated by individuals that will provide for the payment of awards and other purposes.

Basis of Accounting - Measurement Focus

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

District-wide, Proprietary, and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available.

Borough of Roselle School District
Notes to the Financial Statements
June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting - Measurement Focus (Continued)

The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transactions can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. 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. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

All governmental and business type activities and enterprise funds of the District follow FASB Statements and Interpretations issued on or before November 30, 1989, Account Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office. In accordance with P.L. 2011, c. 202, which became effective January 17, 2012, the District elected to move the School Board election to the date of the November general election thereby eliminating the vote on the annual base budget unless required by the mandated State budget CAP. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(f)1. Expenditures may not legally exceed budgeted appropriations at the line item level. All budget amendments and transfer must be approved by School Board resolution. Budget amendments during the year ended June 30, 2017 totaled \$0.00. All budget 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).

Borough of Roselle School District
Notes to the Financial Statements
June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control (Continued)

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures.

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

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

Encumbrance Accounting

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

Open encumbrances in the special revenue fund and capital projects fund for which the District has received advances are reflected in the balance sheet as unearned revenues 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.

Borough of Roselle School District
Notes to the Financial Statements
June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfunds

Interfund receivables and payables arise from transactions between particular funds and are considered short term in duration. The interfund transactions are recorded by all funds affected in the period in which the transactions are executed and are part of the district's available expendable resources.

Inventories and Prepaid Expenses

Inventories of materials and supplies held for consumption in the governmental funds are recorded as expenditures at the time of purchase and year end balances are not reported in the financial statements.

Inventories of food and/or supplies in the food service fund are recorded at cost on a first-in, first-out basis or, in the case of Food Distribution Commodities, at stated value which approximates market.

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

Capital Assets

The District has an established formal system of accounting for its capital assets. Capital Assets used for governmental purposes, which include land, buildings and improvements, and furniture and equipment, are only reported in the district-wide financial statements. The District generally defines capital assets as assets with an initial cost of \$2,000.00 or more and an estimated useful life in excess of one year. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their acquisition values on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. In fiscal year 2016, the District implemented GASB 72. The objective of this is to improve financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures about fair value measurement. These improvements are based in part on the concepts and definitions established in Concepts Statement No. 6, Measurement of Elements of Financial Statements, and other relevant literature. Capital assets are depreciated in the district-wide statements using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Buildings	50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office & Computer Equipment	5-10
Instructional Equipment	10
Ground Equipment	15

Borough of Roselle School District
Notes to the Financial Statements
June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

The District accounts for compensated absences (e.g., unused sick days) 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 sick days in accordance with the District's employment contract and personnel policy. Upon termination, employees are paid for accrued sick time. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after four years of service.

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick days that are expected to become eligible for payment upon retirement. The District estimates its accrued compensated absences liability based on the accumulated sick days at the balance sheet date by those employees who are currently eligible to receive retirement payments.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

Fund Equity

Fund balance restrictions are used to indicate that portion of the fund balance that is not available for expenditures or is legally segregated for a specific future use. Designations of portions of the fund balances are established to indicate tentative plans for financial utilization in a future period. The unassigned fund balances represent the amount available for future budgetary operations.

Unassigned net position represent the remains of the District's equity in the cumulative earnings of the food service fund.

Unearned Revenue

Unearned revenue in the special revenue and capital projects funds represents funds which have been received but not yet earned. A corresponding accounts receivable has also been established for any open encumbrances at year end which is an allowable under generally accepted accounting principles.

Borough of Roselle School District
Notes to the Financial Statements
June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

Net Position

GASB 63 provides guidance for reporting net position in the statement of financial position and related disclosures. Net Position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

Fund Balance Reserves

Under GASB 54, in the fund financial statements, governmental funds report the following classifications of fund balance:

Non-Spendable – includes amounts that cannot be spend because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation. The District reports the Capital Reserve, Emergency Reserve, Maintenance Reserve, Tuition Reserve, and Excess Surplus as Restricted Fund Balance.

Borough of Roselle School District
Notes to the Financial Statements
June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Reserves (Continued)

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education

Assigned – includes amount that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator. The District reports Year End Encumbrances and amounts Designated for Subsequent Year's Expenditures as Assigned Fund Balance.

Unassigned – is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred for purposed for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, he District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

Revenues Exchange and Non-Exchange 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.

Borough of Roselle School District
Notes to the Financial Statements
June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues Exchange and Non-Exchange Transactions (Continued)

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, income 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 property taxes is recognized in the period in which the income is earned. 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 District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year end: property taxes available as an advance, interest, and tuition.

Proprietary Funds Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the School District enterprise funds are charges to customers for sales of food service. Operating expenses for enterprise funds include the cost of sales and services, administrative expense and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of the program. Depreciation expense, where practicable, is specifically identified by function in the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately in the Statement of Activities.

Borough of Roselle School District
Notes to the Financial Statements
June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent of occurrence. Special items are transactions or events that are within control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Accounting and Financial Reporting for Pensions

In the District-Wide Financial Statements 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 District's proportionate share of the New Jersey Public Employees Retirement System ("PERS") and the Teachers' Pension and Annuity Fund ("TPAF") and the additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they were reported by PERS and TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

In the Governmental Fund Financial Statements the year end Net pension liability is not required to be reflected. Pension related revenues and expenditures are reflected based on amounts that are normally expected to be liquidated with available financial resources for required pension contributions. Expenditures for PERS are recognized based upon billings made by the State of New Jersey due April 1st of each fiscal year. TPAF contributions are paid on the District's behalf by the State of New Jersey. The Governmental Fund Financial Statements reflects both a revenue and expenses for this pension contribution.

Borough of Roselle School District
Notes to the Financial Statements
June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has only two items that qualify for reporting in this category, deferred amounts from refunding debt and deferred amounts related to pensions.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualify in this category, deferred amounts related to pension.

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

The Board considers petty cash, change funds, cash in banks, certificates of deposits, deposits in the New Jersey Cash Management Fund, deposits in the governmental money market fund, deposits in the New Jersey Asset and Rebate Management Program and short term investments with original maturities of three months or less as cash and cash equivalents. Investments are stated at cost, which approximates market.

Deposits

New Jersey statutes permit the deposit of public funds in public depositories which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a Banking Institution that is a member of the Federal Reserve System, and has capital funds of not less than \$25,000,000.00. Under (GUDPA), if a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of the deposits to the governmental unit.

Borough of Roselle School District
Notes to the Financial Statements
June 30, 2017

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Deposits (Continued)

The Borough of Roselle School District had the following cash and cash equivalents at June 30, 2017:

<u>Fund Type</u>	<u>Cash in Bank</u>	<u>Reconciling Items</u>	<u>Reported Total</u>
Governmental	\$ 6,332,333.67	\$ (\$3,419,730.03)	\$ 2,912,603.64
Proprietary	177,259.33		177,259.33
Fiduciary	2,304,499.91	(171,733.98)	2,132,765.93
	<u>\$ 8,814,092.91</u>	<u>(\$3,591,464.01)</u>	<u>\$ 5,222,628.90</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The District does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of June 30, 2017, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank, \$279,070.50 was covered by Federal Depository Insurance and \$8,535,022.41 was covered under the provisions of NJGUDPA.

Investments

The purchase of investments by the Board is strictly limited by the express authority of the N.J.S.A. 18A:20-37 Education, Administration of School Districts. Permitted investments include any of the following type 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 which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. These funds are also required to be rated by a nationally recognized statistical rating organization.

Borough of Roselle School District
Notes to the Financial Statements
June 30, 2017

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments (Continued)

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 of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by School Districts;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. 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
8. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

Borough of Roselle School District
Notes to the Financial Statements
June 30, 2017

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments (Continued)

At June 30, 2017, the District had no outstanding investments.

Based upon the limitation set forth by New Jersey Statutes 18A:20-37 and its existing investment practices, the District is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risks for its investments, nor is it exposed to foreign currency risks for its deposits and investments.

NOTE 3: CHANGE IN CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Ending Balance</u>
Governmental activities:			
Site improvements	\$ 144,499.00	\$	\$ 144,499.00
Building and building improvements	23,291,964.01	925,406.51	24,217,370.52
Machinery and equipment	6,190,232.82	52,057.50	6,242,290.32
Total capital assets being depreciated	<u>\$ 29,626,695.83</u>	<u>\$ 977,464.01</u>	<u>\$ 30,604,159.84</u>
 Total gross assets	 <u>\$ 29,626,695.83</u>	 <u>\$ 977,464.01</u>	 <u>\$ 30,604,159.84</u>
 Less: accumulated depreciation for:			
Site improvements	\$ (68,515.00)	\$ (7,665.00)	\$ (76,180.00)
Building and building improvements	(8,072,114.19)	(666,905.56)	(8,739,019.75)
Machinery and equipment	(4,840,780.83)	(79,098.54)	(4,919,879.37)
	<u>\$ (12,981,410.02)</u>	<u>\$ (753,669.10)</u>	<u>\$ (13,735,079.12)</u>
 Governmental activities capital assets, net	 <u>\$ 16,645,285.81</u>	 <u>\$ 223,794.91</u>	 <u>\$ 16,869,080.72</u>
 Business type activities:			
Machinery and equipment	\$ 408,924.55	\$ 8,244.00	\$ 417,168.55
Less: accumulated depreciation	<u>(313,465.03)</u>	<u>(21,354.24)</u>	<u>(334,819.27)</u>
 Proprietary fund capital assets, net	 <u>\$ 95,459.52</u>	 <u>\$ (13,110.24)</u>	 <u>\$ 82,349.28</u>

Borough of Roselle School District
Notes to the Financial Statements
June 30, 2017

NOTE 4: LONG-TERM LIABILITIES

At June 30, 2017, the District had no bonded debt or bonds or notes authorized but not issued.

The following is a summary of changes in liabilities that effect other long-term obligations for the year ended June 30, 2017.

	<u>Net Pension Liability</u>	<u>Compensated Absences Payable</u>	<u>Total</u>
Balance, July 1, 2016	\$12,019,299.00	\$1,241,875.36	\$13,261,174.36
Net Change	<u>5,381,946.00</u>	<u> </u>	<u>5,381,946.00</u>
Balance, June 30, 2017	<u><u>\$17,401,245.00</u></u>	<u><u>\$1,241,875.36</u></u>	<u><u>\$18,643,120.36</u></u>

Under New Jersey Statutes the District may incur debt in an amount not to exceed 3% of the averaged equalized valuation basis of real property. For the fiscal year ended June 30, 2017, the District borrowing capacity under N.J.S.A. 18A:24-19 would be as follows:

<u>Year</u>	<u>Equalized Valuation Of Real Property</u>
2016	\$1,354,875,264.00
2015	1,328,443,868.00
2014	<u>1,337,835,971.00</u>
Average equalized valuation of property	<u>\$1,340,385,034.00</u>
School borrowing margin (3% of above)	<u>53,615,401.00</u>
Net bonded school debt and authorized but not issued as of June 30, 2017	<u>\$0.00</u>
School borrowing power available	<u>\$53,615,401.00</u>

Borough of Roselle School District
Notes to the Financial Statements
June 30, 2017

NOTE 5: PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provision of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Defined Contribution Retirement Program (DCRP) The Defined Contribution Retirement Program (DCRP) was established under the provision of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 to provide coverage to elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one year of membership.

Borough of Roselle School District
Notes to the Financial Statements
June 30, 2017

NOTE 5: PENSION PLANS (CONTINUED)

Significant Legislation

Effective June 28, 2011, P.L. 2011, c. 78 enacted certain changes in the operations and benefit provisions of the TPAF and the PERS systems.

Pension Plan Design Changes

Effective June 28, 2011, P.L. 2011, c. 78, new members of TPAF and PERS, hired on or after June 28, 2011, will need 30 years of creditable service and have attained the age of 65 for receipt of the early retirement benefit without a reduction of 1/4 of 1% for each month that the member is under age 65. New members will be eligible for a service retirement benefit at age 65.

Funding Changes

Under the new legislation, the methodology for calculating the unfunded accrued liability payment portion of the employer's annual pension contribution to the PERS, and TPAF. The unfunded actuarial accrued liability (UAAL) will be amortized for each plan over an open-ended 30 year period and paid in level dollars. Beginning with the July 1, 2019 actuarial valuation (July 1, 2018 for PFRS), the UAAL will be amortized over a closed 30 year period until the remaining period reaches 20, when the amortization period will revert to an open-ended 20 year period.

COLA Suspension

The payment of automatic cost-of-living adjustment to current and future retirees and beneficiaries are suspended until reactivated as permitted by this law.

Vesting and Benefit Provisions The vesting and benefit provisions of PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after ten years of service, except for post-retirement healthcare benefits that vest after 25 years of service.

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.

Borough of Roselle School District
Notes to the Financial Statements
June 30, 2017

NOTE 5: PENSION PLANS (CONTINUED)

Contribution Requirements The contribution policy is set by N.J.S.A. 43:15A and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation.

Effective June 28, 2011, P.L. 2011, c. 78 provides for increases in the employee contribution rates: from 5.5% to 6.5% plus an additional 1% phased-in over 7 years beginning in the first year, meaning after 12 months, after the law's effective date for TPAF and PERS.

Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of TPAF (*i.e.* the State of New Jersey makes the employer contribution on behalf of public school districts).

<u>Year</u> <u>June 30,</u>	<u>Three-Year Trend Information for PERS</u>		<u>Net Pension</u> <u>Obligation</u>
	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage of</u> <u>APC Contributed</u>	
2017	\$521,962.00	100.00%	\$521,962.00
2016	460,325.00	100.00%	460,325.00
2015	369,322.00	100.00%	369,322.00

During the fiscal years ended June 30, 2017, 2016, and 2015, the State of New Jersey contributed \$2,127,034, \$1,485,960, and \$995,246 respectively, excluding post-retirement medical and long-term disability, to the TPAF pension system on behalf of the District.

In accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$1,508,142.18 during the year ended June 30, 2017 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 68.

Borough of Roselle School District
Notes to the Financial Statements
June 30, 2017

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68

Public Employees Retirement System (PERS)

At June 30, 2017, the District reported a liability of \$17,401,245.00 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 0.0587539838 percent, which was an increase of 0.0052111234 percent from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized pension expense of \$1,784,325.00 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2016 measurement date.

At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>
Differences between expected and actual experience		\$323,610.00
Changes of assumptions		3,604,608.00
Net difference between projected and actual earnings on pension plan investments		663,525.00
Changes in proportion and differences between District contributions and proportionate share of contributions	\$320,263.00	929,232.00
District contributions subsequent to the measurement date		524,572.00
	<u>\$320,263.00</u>	<u>\$6,045,547.00</u>

Borough of Roselle School District
Notes to the Financial Statements
June 30, 2017

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(Continued)

Public Employees Retirement System (PERS) (Continued)

The \$524,572.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2017, the plan measurement date is June 30, 2016) will be recognized as a reduction of the net pension liability in the year ended June 30, 2018.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	
<u>June 30</u>	<u>Amount</u>
2018	\$1,148,461.00
2019	\$1,148,461.00
2020	\$1,288,079.00
2021	\$1,175,566.00
2022	\$440,145.00

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 rolled forward to June 30, 2016. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	3.08 Percent
Salary Increases	
Through 2026	1.65-4.15 Percent (based on age)
Thereafter	2.65-5.15 Percent (based on age)
Investment Rate of Return	7.65 Percent

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.

Borough of Roselle School District
Notes to the Financial Statements
June 30, 2017

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

Mortality Rates

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. 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 1 year for females).

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016 and 7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment 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.

Borough of Roselle School District
Notes to the Financial Statements
June 30, 2017

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(Continued)

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return (continued)

Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>June 30, 2016</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 Markets	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Returns	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%
	<u>100.00%</u>	

Borough of Roselle School District
Notes to the Financial Statements
June 30, 2017

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 3.98% and 4.90% as of June 30, 2016 and 2015, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and 7.90%, and a municipal bond rate of 2.85% and 3.80% as of June 30, 2016 and 2015, respectively, 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 on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employer 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.

Sensitivity of the collective net pension liability to changes in the discount rate.

The following presents the collective net pension liability of the participating employers as of June 30, 2016 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease <u>2.98%</u>	At Current Discount Rate <u>3.98%</u>	1% Increase <u>4.98%</u>
District's proportionate share of the pension liability	21,323,194.00	17,401,245.00	14,163,335.00

Borough of Roselle School District
Notes to the Financial Statements
June 30, 2017

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(Continued)

Public Employees Retirement System (PERS) (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

Teachers Pensions and Annuity Fund (TPAF)

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2017 was as follows:

Net Pension Liability:	
Districts proportionate share	-0-
State's proportionate share associated with the District	<u>\$146,002,220</u>
	<u>\$146,002,220</u>

Borough of Roselle School District
Notes to the Financial Statements
June 30, 2017

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(Continued)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

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 June 30, 2015. The net pension liability associated with the District 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 school districts and the State, actuarially determined. At June 30, 2016, the proportion of the TPAF net pension liability associated with the District was .1855967488% which was a decrease of .0015089534 percent from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized on-behalf pension expense and revenue of \$10,970,035.00 in the government-wide financial statements for contributions provided by the State. This pension expense and revenue was based on the pension plans June 30, 2016 measurement date.

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%

Mortality Rate

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-year 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.

Borough of Roselle School District
Notes to the Financial Statements
June 30, 2017

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(Continued)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.39%
US Government Bonds	1.50%	1.28%
US Credit Bonds	13.00%	2.76%
US Mortgages	2.00%	2.38%
US Inflation-Indexed Bonds	1.50%	1.41%
High Yield Bonds	2.00%	4.70%
US Equities Markets	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%
Farmlands	1.00%	4.39%
Private Equity	9.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds - Multi Strategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%
	<u>100.00%</u>	

Borough of Roselle School District
Notes to the Financial Statements
June 30, 2017

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(Continued)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 3.22% and 4.13% as of June 30, 2016 and 2015, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and 7.90, and a municipal bond rate of 2.85% and 3.80% as of June 30, 2016 and 2015, respectively, 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 on the contribution rate in the most recent fiscal year. The State contributed 30% of the 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 2029. Therefore, the long-term expected rate of return on 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 Net Pension Liability to Changes in the Discount Rate

Because the District's proportionate share of the net pension liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

Pension Plan Fiduciary Net Position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Teachers Public and Annuity Fund (TPAF). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>

Borough of Roselle School District
Notes to the Financial Statements
June 30, 2017

NOTE 7: GASB 45 – OTHER POST-RETIREMENT BENEFITS

For eligible retired employees, the School District participates in the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 *et seq.*, to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on state disability retirement. P.L. 2007, Chapter 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 eligible for 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 Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

Borough of Roselle School District
Notes to the Financial Statements
June 30, 2017

NOTE 7: GASB 45 – OTHER POST-RETIREMENT BENEFITS (CONTINUED)

The State will set the contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the years ended June 30, 2017, 2016, and 2015 were \$1,772,303, \$1,769,368, and \$1,579,952 respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

NOTE 8: LITIGATION

The Board attorney's letter advises that there is no litigation, pending litigation, claims, contingent liabilities, unasserted claims or assessments or statutory violations which involve the Board of Education and which might materially affect the Board's financial position.

NOTE 9: CONTINGENCIES

The Board receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2016-2017 fiscal year were subject to the U.S. OMB Uniform Guidance and New Jersey OMB Circular 15-08 which mandates that grant revenues and expenditures be audited in conjunction with the Board's annual audit. Findings and questioned costs, if any, relative to federal awards and state financial assistance programs will be discussed in the Single Audit Section, Schedule of Findings and Questioned Costs. In addition, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. Further, the School Child Nutrition Program is a recipient of federal reimbursements and is subject to certain related federal regulations. These federal reimbursements are subject to subsequent audit and interpretation by the New Jersey Department of Education. The Board management does not believe such an audit would result in material amounts of disallowed costs.

Borough of Roselle School District
Notes to the Financial Statements
June 30, 2017

NOTE 10: RISK MANAGEMENT

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

Property and Liability Insurance - The District maintains commercial coverage covering each of those risks of loss. The administration believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Liability Method". Under this plan, the District is required to calculate and pay the amount required on a quarterly basis based upon rates as determined by the New Jersey Department of Labor.

NOTE 11: FUND BALANCE APPROPRIATED

General Fund – The table below reflects the District's Fund Balance at June 30, 2017 on both a GAAP (Exhibit B-1) and Budgetary (Exhibit C-1) basis including the required adjustment related to the last state aid payment which under GAAP is not recognized:

	<u>Budgetary</u> <u>Basis</u>	<u>Adjustment</u>	<u>GAAP</u> <u>Basis</u>
Restricted:			
Excess Surplus:			
Designated for Subsequent			
Year's Expenditures	\$ 3,750,000.00	\$	\$ 3,750,000.00
Current Year	3,740,000.00	(1,078,114.42)	2,661,885.58
Capital Reserve	4,072,914.15		4,072,914.15
Maintenance Reserve	250,000.00		250,000.00
Emergency Reserve	100,000.00		100,000.00
Committed:			
Designated for Subsequent			
Year's Expenditures	25,806.00	(25,806.00)	
Assigned:			
Encumbrances	42,926.63	(42,926.63)	
Unassigned	<u>1,199,552.25</u>	<u>(1,199,552.25)</u>	
	<u>\$ 13,181,199.03</u>	<u>\$ (2,346,399.30)</u>	<u>\$ 10,834,799.73</u>

Borough of Roselle School District
Notes to the Financial Statements
June 30, 2017

NOTE 12: COMPENSATED ABSENCES

The District accounts for compensated absences (e.g. unused vacation and 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.

The District accounts for compensated absences (e.g. unused vacation and 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 personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

The liability for vested compensated absences of the governmental fund types are recorded in the district - wide statement of net position. As of June 30, 2017, a liability existed for compensated absences for governmental fund-types in the district-wide Statement of Net Position of \$1,241,875.36.

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 proprietary fund.

For additional descriptive information see Note 1, Summary of Significant Accounting Policies.

Borough of Roselle School District
Notes to the Financial Statements
June 30, 2017

NOTE 13: CALCULATION OF EXCESS SURPLUS - BUDGETARY BASIS

In accordance with N.J.S.A.18A:7F-7, as amended by P.L. 2004, c73 (S1701), the Restricted Fund Balance Excess Surplus is a required calculation pursuant to the New Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restricted 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 years' budget. The excess fund balance resulting from the year ended June 30, 2017 is \$3,740,000.00.

General Fund Expenditures Fiscal Year Ended June 30, 2017	\$54,467,562.67
Less:	
On-Behalf TPAF Pension, PRM, LTD, and Social Security Reimbursement	<u>5,415,050.18</u>
Adjusted General Fund Expenditures	\$49,052,512.49
Excess Surplus Percentage	<u>2.00%</u>
2% of Adjusted 2016-17 General Fund Expenditures	\$981,050.25
Add: Allowable Adjustments	<u>218,502.00</u>
Maximum Unreserved/Undesignated Fund Balance	\$1,199,552.25
Total Unassigned/Unrestricted Fund Balance	<u>4,939,552.25</u>
Excess Surplus	<u><u>\$3,740,000.00</u></u>

NOTE 14: CAPITAL RESERVE ACCOUNT

A capital reserve account was originally established by the Borough of Roselle 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. The balance remaining in the reserve as of June 30, 2017 is \$4,072,914.15.

Borough of Roselle School District
Notes to the Financial Statements
June 30, 2017

NOTE 14: CAPITAL RESERVE ACCOUNT (CONTINUED)

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. 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:

Beginning balance, July 1, 2016	\$4,555,836.68
Increased by:	
Board Approved Transfers	65,952.47
Decreased by:	
Appropriated To Capital Outlay	<u>(548,875.00)</u>
Ending balance, June 30, 2017	<u><u>\$4,072,914.15</u></u>

NOTE 15: MAINTENANCE RESERVE ACCOUNT

In accordance with N.J.S.A. 18A:7G-13, a Maintenance reserve account was established by the District. The Maintenance reserve account is maintained in the general fund.

A district board of education or board of school estimate, as appropriate, may increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes.

A district board of education or board of school estimate, as appropriate, may by resolution withdraw such funds from the maintenance reserve account and appropriate into the required maintenance account lines at budget time or any time during the year for use on required maintenance activities for a school facility as reported in the comprehensive maintenance plan pursuant to N.J.A.C. 6A:26A-4.

Borough of Roselle School District
Notes to the Financial Statements
June 30, 2017

NOTE 15: MAINTENANCE RESERVE ACCOUNT (CONTINUED)

The district board of education shall ensure that the maintenance reserve account balance does not, at any time, exceed four percent of the replacement cost of the school district's school facilities for the current year. If the account exceeds this maximum amount at June 30, the district board of education shall reserve and designate such excess in the subsequent year's budget.

The activity of the maintenance reserve during the year ended June 30, 2017, is as follows:

Balance, July 1, 2016	
and June 30, 2017	<u>\$250,000.00</u>

NOTE 16: EMERGENCY RESERVE ACCOUNT

An emergency reserve account was established by the District for the accumulation of funds for use as emergency expenditures in subsequent fiscal years. The emergency reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The emergency reserve account was created to fund medical expenses in excess of 4%. The emergency reserve account is used to fund unanticipated general fund current expense costs and may be established to supplement the reserve in the district's annual budget or through a transfer by board resolution at year end of any unanticipated revenue and unexpended line item appropriation amounts in accordance with N.J.S.A. 18A:7F-41.

The activity of the emergency reserve during the year ended June 30, 2017, is as follows:

Balance, July 1, 2016	
and June 30, 2016	<u>\$100,000.00</u>

Borough of Roselle School District
Notes to the Financial Statements
June 30, 2017

NOTE 17: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balances sheet at June 30, 2017:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General Fund	\$6,340,141.61	
Special Revenue Fund		\$932,596.31
Capital Projects Fund		4,341,169.08
Enterprise Funds		25,935.00
Fiduciary Funds		1,040,441.22
	<u>\$6,340,141.61</u>	<u>\$6,340,141.61</u>

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were received.

NOTE 18: DEFICIT FUND BALANCE

The District has a deficit of fund balance of \$49,511.70 in the Special Revenue Fund as of June 30, 2017 as reported in the GAAP fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed 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 delayed state aid payments in the subsequent fiscal year, the school district cannot recognize the delayed state aid payments on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the delayed state aid payments, the Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a result from a delay in state aid payments until the following fiscal year, is not considered a violation of New Jersey statute. The deficit in the Special Revenue Fund is equal to or less than the delayed state aid payment and; therefore, no violation of New Jersey Statute or regulation exists; nor is there a need for corrective action.

Borough of Roselle School District
Notes to the Financial Statements
June 30, 2017

NOTE 19: INVENTORY

Inventory in the Food Service Fund at June 30, 2017 consisted of the following:

Food, Commodities and Supplies \$52,531.41

NOTE 20: DEFERRED COMPENSATION

The District offers its employees a choice of the deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans 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. Since the District does not have any property or rights to the plan assets and no fiduciary relationship exists between the District and the deferred compensation plan, the plan assets are not included in the District's financial statements as of June 30, 2017.

NOTE 21: SUBSEQUENT EVENTS

The District has evaluated subsequent events occurring after the financial statement date through December 5, 2017 which is the date the financial statements were available to be issued. The District has determined that there are no material subsequent events needed to be disclosed.

REQUIRED SUPPLEMENTARY INFORMATION – Part II

BUDGETARY COMPARISON SCHEDULES

BOROUGH OF ROSELLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2017

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
REVENUES:					
Local sources:					
Local tax levy	\$ 23,907,576.00	\$	\$ 23,907,576.00	\$ 23,907,576.00	\$
Unrestricted miscellaneous revenues	10,000.00		10,000.00	335,984.48	325,984.48
Total revenues-local sources	<u>\$ 23,917,576.00</u>	<u>\$</u>	<u>\$ 23,917,576.00</u>	<u>\$ 24,243,560.48</u>	<u>\$ 325,984.48</u>
State sources:					
Extraordinary aid	\$	\$	\$	\$ 218,502.00	\$ 218,502.00
Categorical special education aid	1,681,565.00		1,681,565.00	1,681,565.00	
Equalization aid	21,768,981.00		21,768,981.00	21,768,981.00	
Categorical security aid	225,869.00		225,869.00	225,869.00	
PARCC Readiness Aid	26,400.00		26,400.00	26,400.00	
Per Pupil Growth Aid	26,400.00		26,400.00	26,400.00	
Professional Learning Community Aid	26,910.00		26,910.00	26,910.00	
Categorical transportation aid	54,056.00		54,056.00	54,056.00	
On-behalf TPAF pension contributions (non-budgeted)				2,127,034.00	2,127,034.00
On-behalf TPAF firm contributions (non-budgeted)				1,772,303.00	1,772,303.00
On-behalf TPAF long-term disability insurance (non-budgeted)				7,571.00	7,571.00
Reimbursed TPAF social security cont. (non-budgeted)				1,508,142.18	1,508,142.18
Total - state sources	<u>\$ 23,810,181.00</u>	<u>\$</u>	<u>\$ 23,810,181.00</u>	<u>\$ 29,443,733.18</u>	<u>\$ 5,633,552.18</u>
Federal sources:					
SEMI Medicaid reimbursement	\$ 71,731.00		\$ 71,731.00	\$ 225,982.06	\$ 154,251.06
Total - state sources	<u>\$ 71,731.00</u>	<u>\$</u>	<u>\$ 71,731.00</u>	<u>\$ 225,982.06</u>	<u>\$ 154,251.06</u>
Total revenues	<u>\$ 47,799,488.00</u>	<u>\$</u>	<u>\$ 47,799,488.00</u>	<u>\$ 53,913,275.72</u>	<u>\$ 6,113,787.72</u>

BOROUGH OF ROSELLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2017

	<u>ORIGINAL</u> <u>BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL</u> <u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u> <u>FINAL TO ACTUAL</u>
EXPENDITURES:					
CURRENT EXPENSE:					
Regular programs - instruction					
Kindergarten - salaries of teachers	\$ 884,133.00	\$	\$ 884,133.00	\$ 878,704.36	\$ 5,428.64
Grades 1-5 salaries of teachers	4,010,117.00		4,010,117.00	3,909,030.17	101,086.83
Grades 6-8 salaries of teachers	2,813,055.00		2,813,055.00	2,751,625.11	61,429.89
Grades 9-12 salaries of teachers	4,178,707.00	(164,223.00)	4,014,484.00	3,887,664.73	126,819.27
Salaries of teachers	64,000.00		64,000.00	53,108.90	10,891.10
Other salaries for instruction	441,216.00	(26,842.00)	414,374.00	402,938.25	11,435.75
Purchased professional education services	101,150.00	(27,950.00)	73,200.00	52,586.71	20,613.29
Other purchased services (400-500 series)	415,540.00	(34,391.00)	381,149.00	374,972.06	6,176.94
General supplies	483,368.45	141,265.83	624,634.28	544,040.56	80,593.72
Textbooks	356,450.00	(100,000.00)	256,450.00	115,333.16	141,116.84
Other objects	103,968.00	59,600.00	163,568.00	140,281.71	23,286.29
Total regular programs - instruction	\$ 13,851,704.45	\$ (152,540.17)	\$ 13,699,164.28	\$ 13,110,285.72	\$ 588,878.56
Learning and/or language disabilities					
Salaries of teachers	\$ 343,254.00	\$ (66,842.00)	\$ 276,412.00	\$ 271,070.17	\$ 5,341.83
Other salaries for instruction	299,903.00	(10,100.00)	289,803.00	270,972.89	18,830.11
Total learning and/or language disabilities	\$ 643,157.00	\$ (76,942.00)	\$ 566,215.00	\$ 542,043.06	\$ 24,171.94
Behavioral Disabilities					
Salaries of teachers	\$ 167,585.00		\$ 167,585.00	\$ 167,585.00	
Other salaries for instruction	163,334.00	100.00	163,434.00	162,550.04	883.96
Total behavioral disabilities	\$ 330,919.00	\$ 100.00	\$ 331,019.00	\$ 330,135.04	\$ 883.96
Multiple disabilities					
Salaries of teachers	\$ 386,637.00	\$ (38,210.00)	\$ 348,427.00	\$ 332,386.00	\$ 16,041.00
Other salaries for instruction	309,553.00	(6,000.00)	303,553.00	275,357.04	28,195.96
General supplies	49,535.66		49,535.66	41,698.57	7,837.09
Total multiple disabilities	\$ 745,725.66	\$ (44,210.00)	\$ 701,515.66	\$ 649,441.61	\$ 52,074.05
Resource room/ resource center					
Salaries of teachers	\$ 2,217,670.00	\$ (212,637.11)	\$ 2,005,032.89	\$ 1,996,815.10	\$ 8,217.79
Other salaries for instruction	163,916.00		163,916.00	133,930.92	29,985.08
General supplies	1,800.00		1,800.00	1,546.25	253.75
Total resource room/ resource center	\$ 2,383,386.00	\$ (212,637.11)	\$ 2,170,748.89	\$ 2,132,292.27	\$ 38,456.62

BOROUGH OF ROSELLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2017

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
Autism					
Salaries of teachers	\$ 116,228.00	\$	\$ 116,228.00	\$ 114,953.00	\$ 1,275.00
Other salaries for instruction	138,352.00		138,352.00	131,318.32	7,033.68
General supplies	7,175.00		7,175.00	2,111.10	5,063.90
Total autism	\$ 261,755.00	\$	\$ 261,755.00	\$ 248,382.42	\$ 13,372.58
Preschool disabilities - full time					
Salaries of teachers	\$ 60,083.00	\$	\$ 60,083.00	\$ 56,191.25	\$ 3,891.75
Other salaries for instruction	161,594.00	27,700.00	189,294.00	173,528.98	15,765.02
Total preschool disabilities - full time	\$ 221,677.00	\$ 27,700.00	\$ 249,377.00	\$ 229,720.23	\$ 19,656.77
Basic skills/ remedial - instruction					
Salaries of teachers	\$ 745,520.00	\$ (19,000.00)	\$ 726,520.00	\$ 718,907.92	\$ 7,612.08
General supplies	713.00		713.00		713.00
Total basic skills/ remedial - instruction	\$ 746,233.00	\$ (19,000.00)	\$ 727,233.00	\$ 718,907.92	\$ 8,325.08
Bilingual education - instruction					
Salaries of teachers	\$ 1,127,296.00	\$ (75,000.00)	\$ 1,052,296.00	\$ 1,038,207.49	\$ 14,088.51
Other salaries for instruction	423,943.00	17,800.00	441,743.00	440,020.37	1,722.63
Purchased professional education services	3,000.00		3,000.00	2,994.00	6.00
General supplies	15,950.00		15,950.00	11,625.51	4,324.49
Textbooks	9,161.00		9,161.00	6,469.78	2,691.22
Other objects	5,000.00		5,000.00	141.75	4,858.25
Total bilingual education - instruction	\$ 1,584,350.00	\$ (57,200.00)	\$ 1,527,150.00	\$ 1,499,458.90	\$ 27,691.10
School sponsored athletics - instruction					
Salaries	\$ 386,630.00	\$	\$ 386,630.00	\$ 294,302.46	\$ 92,327.54
Supplies and materials	128,600.00		128,600.00	124,119.21	4,480.79
Other objects	32,000.00		32,000.00	27,325.00	4,675.00
Total school sponsored athletics - instruction	\$ 547,230.00	\$	\$ 547,230.00	\$ 445,746.67	\$ 101,483.33
Other instructional programs - instruction					
Salaries	\$ 161,341.00	\$	\$ 161,341.00	\$ 150,498.17	\$ 10,842.83
Purchased services (300-500 series)	14,406.00		14,406.00	14,396.05	9.95
Supplies and materials	10,241.00		10,241.00	5,880.00	4,361.00
Other objects	5,477.00		5,477.00	3,725.13	1,751.87
Total other instructional programs - instruction	\$ 191,465.00	\$	\$ 191,465.00	\$ 174,499.35	\$ 16,965.65

BOROUGH OF ROSELLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2017

	<u>ORIGINAL</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>BUDGET</u>		<u>BUDGET</u>		<u>FINAL TO ACTUAL</u>
Before/ after school programs - instruction					
Salaries of teachers	\$ 153,902.00	\$ (6,200.00)	\$ 147,702.00	\$ 140,859.15	\$ 6,842.85
Other salaries of instruction	\$ 32,950.00	\$ 6,200.00	\$ 39,150.00	\$ 30,956.35	\$ 8,193.65
Total before/ after school programs - instruction	\$ 186,852.00		\$ 186,852.00	\$ 171,815.50	\$ 15,036.50
Other suppl/ at-risk prog - instruction					
Salaries of teachers	\$ 131,039.00		\$ 131,039.00	\$ 107,576.67	\$ 23,462.33
Total other suppl/ at-risk prog - instruction	\$ 131,039.00		\$ 131,039.00	\$ 107,576.67	\$ 23,462.33
Undistributed expenditures:					
Instruction tuition:					
Tuition to other LEAs within state - special	\$ 699,960.00	\$ (200,000.00)	\$ 499,960.00	\$ 368,685.38	\$ 131,274.62
Tuition to county voc. School dist. - regular	\$ 502,500.00	\$ 27,500.00	\$ 530,000.00	\$ 525,850.00	\$ 4,150.00
Tuition to county voc. School dist. - special	\$ 40,000.00	\$ 40,000.00	\$ 80,000.00	\$ 8,000.00	\$ 72,000.00
Tuition to priv. sch. For the disabled w/ state	\$ 1,474,655.00	\$ (518,877.00)	\$ 955,778.00	\$ 374,169.54	\$ 581,608.46
Tuition - state facilities	\$ 141,235.00	\$ 1,377.00	\$ 142,612.00	\$ 141,646.41	\$ 965.59
Total instruction tuition	\$ 2,858,350.00	\$ (650,000.00)	\$ 2,208,350.00	\$ 1,418,351.33	\$ 789,998.67
Attendance and social work:					
Salaries	\$ 185,559.00	\$ 53,576.00	\$ 239,135.00	\$ 227,221.95	\$ 11,913.05
Salaries of family liaisons/comm parent inv spe	\$ 28,892.00		\$ 28,892.00	\$ 28,611.00	\$ 281.00
Purchased professional and technical services	\$ 23,000.00	\$ (23,000.00)			
Total attendance and social work	\$ 237,451.00	\$ 30,576.00	\$ 268,027.00	\$ 255,832.95	\$ 12,194.05
Health services:					
Salaries	\$ 493,670.00		\$ 493,670.00	\$ 456,694.09	\$ 36,975.91
Purchased professional and technical services	\$ 88,037.00	\$ (25,684.00)	\$ 62,353.00	\$ 37,031.54	\$ 25,321.46
Supplies and materials	\$ 9,000.00	\$ (3,000.00)	\$ 6,000.00	\$ 5,691.21	\$ 308.79
Other objects	\$ 1,161.00		\$ 1,161.00		\$ 1,161.00
Total health services	\$ 591,868.00	\$ (28,684.00)	\$ 563,184.00	\$ 499,416.84	\$ 63,767.16
Speech OT PT related svcs:					
Salaries	\$ 355,321.00	\$ (150,000.00)	\$ 205,321.00	\$ 179,935.00	\$ 25,386.00
Total speech OT PT related svcs	\$ 355,321.00	\$ (150,000.00)	\$ 205,321.00	\$ 179,935.00	\$ 25,386.00
OTH supp serv std extra:					
Purchased professional - education services	\$ 802,575.00	\$ 944,000.00	\$ 1,746,575.00	\$ 1,532,203.33	\$ 214,371.67
Total OTH supp serv std extra	\$ 802,575.00	\$ 944,000.00	\$ 1,746,575.00	\$ 1,532,203.33	\$ 214,371.67

BOROUGH OF ROSELLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2017

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
Guidance:					
Salaries of other professional staff	\$ 597,698.00	\$ (5,000.00)	\$ 592,698.00	\$ 589,438.72	\$ 3,259.28
Salaries of secretarial and clerical assistants	80,495.00		80,495.00	80,494.80	0.20
Other salaries	123,142.00		123,142.00	121,939.92	1,202.08
Purchased professional - educational services	26,400.00	(15,000.00)	11,400.00	10,696.25	703.75
Other purchased prof. and tech. services	77,621.00		77,621.00	76,649.00	972.00
Supplies and materials	7,465.00	(5,000.00)	2,465.00	1,008.74	1,456.26
Total guidance	\$ 912,821.00	\$ (25,000.00)	\$ 887,821.00	\$ 880,227.43	\$ 7,593.57
Child study teams:					
Salaries of other professional staff	\$ 1,366,441.00	\$ (130,308.00)	\$ 1,236,133.00	\$ 1,203,767.08	\$ 32,365.92
Salaries of secretarial and clerical assistants	140,321.00		140,321.00	140,320.92	0.08
Other salaries	108,623.00	3,818.00	112,441.00	112,440.96	0.04
Misc pur serv (400-500 series o/than resid costs)	35,016.00	2,500.00	37,516.00	37,516.00	
Supplies and materials	40,593.95	(2,500.00)	38,093.95	38,087.07	6.88
Other objects	4,800.00		4,800.00	4,185.03	614.97
Total child study teams	\$ 1,695,794.95	\$ (126,490.00)	\$ 1,569,304.95	\$ 1,536,317.06	\$ 32,987.89
Improvement of inst. serv:					
Sal of supervisor of instruction	\$ 212,336.00	\$ 10,000.00	\$ 222,336.00	\$ 222,238.80	\$ 97.20
Sal of other professional staff	116,131.00	(18,271.00)	97,860.00	66,850.72	31,009.28
Sal of secr and clerical assist.	41,088.00		41,088.00	41,088.00	
Other salaries	98,789.00	8,271.00	107,060.00	107,059.92	0.08
Purchased prof - educational services	4,149.00		4,149.00	4,149.00	
Other purch prof. and tech. services	92,000.00	(10,000.00)	82,000.00	66,284.00	15,716.00
Other purch services (400-500)	16,160.00		16,160.00	12,819.02	3,340.98
Supplies and materials	151,106.93	(30,000.00)	121,106.93	98,957.05	22,149.88
Total improvement of inst. serv.	\$ 731,759.93	\$ (40,000.00)	\$ 691,759.93	\$ 619,446.51	\$ 72,313.42
Edu. media serv. / library:					
Salaries	\$ 115,265.00	\$ 175.00	\$ 115,440.00	\$ 115,425.01	\$ 14.99
Salaries of technology coordinators	98,789.00	8,271.00	107,060.00	107,059.92	0.08
Supplies and materials	137,903.00	(25,000.00)	112,903.00	105,885.29	7,017.71
Total edu. media serv./ library	\$ 351,957.00	\$ (16,554.00)	\$ 335,403.00	\$ 328,370.22	\$ 7,032.78
Instr. Staff training serv:					
Other salaries	\$ 53,348.00	\$ (8,446.00)	\$ 44,902.00	\$ 44,715.00	\$ 187.00
Other purchased services (400-500 series)	98,554.00	(4,500.00)	94,054.00	63,157.94	30,896.06
Total instr. Staff training serv.	\$ 151,902.00	\$ (12,946.00)	\$ 138,956.00	\$ 107,872.94	\$ 31,083.06

BOROUGH OF ROSELLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2017

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
Support serv. Gen. admin:					
Salaries	\$ 353,526.00	\$ 19,842.00	\$ 373,368.00	\$ 369,441.37	\$ 3,926.63
Legal Services	142,424.89	273,376.00	415,800.89	415,800.89	
Audit Fees	48,300.00	350.00	48,650.00	48,650.00	
Other purchased professional services	30,000.00	(22,350.00)	7,650.00	6,008.34	1,641.66
Communications/ telephone	127,255.95	(35,000.00)	92,255.95	61,318.76	30,937.19
BOE other purchased services	21,130.00	1,500.00	22,630.00	21,652.33	977.67
Misc. purch serv (400-500) other than 530 & 585	87,086.00		87,086.00	82,312.11	4,773.89
General supplies	20,096.00		20,096.00	18,749.68	1,346.32
Miscellaneous expenditures	15,048.00	2,537.00	17,585.00	16,855.86	729.14
BOE membership dues and fees	23,099.00	(1,500.00)	21,599.00	21,564.05	34.95
Total support serv. Gen. admin.	<u>\$ 867,965.84</u>	<u>\$ 238,755.00</u>	<u>\$ 1,106,720.84</u>	<u>\$ 1,062,353.39</u>	<u>\$ 44,367.45</u>
Support serv. School admin:					
Salaries of principals/asst. principals/prog dir	\$ 1,610,200.00	\$ (127,800.00)	\$ 1,482,400.00	\$ 1,447,635.64	\$ 34,764.36
Salaries of secretarial and clerical assistants	691,070.00	(2,900.00)	688,170.00	646,829.09	41,340.91
Supplies and materials	32,816.00		32,816.00	27,404.85	5,411.15
Total support serv. School admin	<u>\$ 2,334,086.00</u>	<u>\$ (130,700.00)</u>	<u>\$ 2,203,386.00</u>	<u>\$ 2,121,869.58</u>	<u>\$ 81,516.42</u>
Central services:					
Salaries	\$ 367,087.00	\$ (10,000.00)	\$ 357,087.00	\$ 333,832.40	\$ 23,254.60
Misc. purchased services	58,876.50		58,876.50	55,996.50	2,880.00
Supplies and materials	11,250.00	5,000.00	16,250.00	15,372.45	877.55
Interest on lease purchase agreement	25,049.00		25,049.00	25,049.00	
Total undistributed expenditure central services	<u>\$ 462,262.50</u>	<u>\$ (5,000.00)</u>	<u>\$ 457,262.50</u>	<u>\$ 405,201.35</u>	<u>\$ 52,061.15</u>
Admin info technology:					
Salaries	\$ 399,391.00	\$	\$ 399,391.00	\$ 389,399.63	\$ 9,991.37
Other purchased services (400-500 series)	67,500.00	(26,066.33)	41,433.67	35,561.16	5,872.51
Total admin info technology	<u>\$ 466,891.00</u>	<u>\$ (26,066.33)</u>	<u>\$ 440,824.67</u>	<u>\$ 424,960.79</u>	<u>\$ 15,863.88</u>
Salaries	\$ 161,128.00	\$	\$ 161,128.00	\$ 157,129.68	\$ 3,998.32
Cleaning, repair, and maintenance services	116,866.00		116,866.00	116,497.38	368.62
General supplies	45,169.36		45,169.36	44,559.07	610.29
Total required maint for sch fac.	<u>\$ 323,163.36</u>	<u>\$</u>	<u>\$ 323,163.36</u>	<u>\$ 318,186.13</u>	<u>\$ 4,977.23</u>

BOROUGH OF ROSELLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2017

	<u>ORIGINAL</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
	<u>BUDGET</u>		<u>BUDGET</u>		<u>FINAL TO ACTUAL</u>
Custodial services:					
Salaries	\$ 935,320.00	\$ (40,000.00)	\$ 895,320.00	\$ 884,871.40	\$ 10,448.60
Purchased professional and technical services	586,053.91	7,800.00	593,853.91	578,405.49	15,448.42
Cleaning, repair, and maintenance services	317,556.75	(10,000.00)	307,556.75	295,044.46	12,512.29
Rental and land & bldg other than lease pur agrmt	367,592.00	127,447.11	495,039.11	460,663.78	34,375.33
Insurance	211,529.00		211,529.00	211,529.00	
General supplies	217,598.18	60,000.00	277,598.18	270,179.85	7,418.33
Energy (natural gas)	271,544.54	(20,000.00)	251,544.54	218,631.53	32,913.01
Energy (electricity)	468,000.00		468,000.00	401,898.13	66,101.87
Total custodial services	\$ 3,375,194.38	\$ 125,247.11	\$ 3,500,441.49	\$ 3,321,223.64	\$ 179,217.85
Care and upkeep of grounds:					
Salaries	\$ 100,355.33		\$ 100,355.33	\$ 88,146.54	\$ 12,208.79
Cleaning, repair, and maintenance services	20,000.00		20,000.00	20,000.00	
General supplies	15,000.00		15,000.00	14,978.88	21.12
Total care and upkeep of grounds	\$ 135,355.33		\$ 135,355.33	\$ 123,125.42	\$ 12,229.91
Security:					
Salaries	\$ 408,517.00	\$ 85,000.00	\$ 493,517.00	\$ 493,338.01	\$ 178.99
Total security	\$ 408,517.00	\$ 85,000.00	\$ 493,517.00	\$ 493,338.01	\$ 178.99
Student transportation serv:					
Management fee - ESC & CTSA trans program	\$ 42,344.00		\$ 42,344.00	\$ 38,028.48	\$ 4,315.52
Contr serv (bet home and sch) vendors	464,943.00	106,859.00	571,802.00	571,802.00	
Contr serv (oth than bet home & sch) vend	166,575.00	(26,859.00)	139,716.00	139,716.00	
Contract serv (sp ed stds) joint agreements	658,101.00	(80,000.00)	578,101.00	578,101.00	
Total student trans serv	\$ 1,331,963.00		\$ 1,331,963.00	\$ 1,327,647.48	\$ 4,315.52
Unallocated benefits:					
Social security contributions	\$ 531,300.00		\$ 531,300.00	\$ 551,300.00	\$ 44.64
Other retirement contributions - PERS	480,000.00	85,000.00	565,000.00	564,955.36	73,180.80
Unemployment compensation	114,993.00		114,993.00	41,812.20	63,185.79
Workmen's compensation	224,345.00		224,345.00	161,159.21	256,723.16
Health benefits	8,995,893.00	(120,000.00)	8,875,893.00	8,619,169.84	147.98
Tuition reimbursement	80,346.00		80,346.00	80,198.02	25,568.70
Other employee benefits	89,108.00		89,108.00	63,539.30	418,851.07
Total unallocated benefits	\$ 10,515,985.00	\$ (15,000.00)	\$ 10,500,985.00	\$ 10,082,133.93	\$ 418,851.07

BOROUGH OF ROSELLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2017

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
On-behalf TPAF pension contributions (non-budgeted)				\$ 2,127,034.00	\$ (2,127,034.00)
On-behalf TPAF firm contributions (non-budgeted)				1,772,303.00	(1,772,303.00)
On-behalf TPAF long-term disability insurance (non-budgeted)				7,571.00	(7,571.00)
Reimbursed TPAF social security contributions (non-budgeted)				1,508,142.18	(1,508,142.18)
				<u>\$ 5,415,050.18</u>	<u>\$ (5,415,050.18)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	\$ 28,911,183.29	\$ 197,137.78	\$ 29,108,321.07	\$ 32,453,063.51	\$ (3,344,742.44)
TOTAL EXPENDITURES - CURRENT EXPENSE	\$ 50,736,676.40	\$ (337,591.50)	\$ 50,399,084.90	\$ 52,813,368.87	\$ (2,414,283.97)
CAPITAL OUTLAY:					
Equipment:					
Grades 9-12			\$ 11,596.50	\$ 11,596.50	
Custodial Services			25,995.00		25,995.00
Care and upkeep of grounds	33,871.00		33,871.00	33,871.00	
Undistributed expenditure security		10,000.00	10,000.00	6,590.00	3,410.00
Total equipment	\$ 33,871.00	\$ 47,591.50	\$ 81,462.50	\$ 52,057.50	\$ 29,405.00
Facilities acquisition and const. serv.					
Architectural/ engineering services	\$ 50,000.00		\$ 50,000.00	\$ 47,487.42	\$ 2,512.58
Construction services	923,875.00	100,000.00	1,023,875.00	877,919.09	145,955.91
Lease purchase agreements - principal	120,330.27	(10,000.00)	110,330.27	72,995.79	37,334.48
Assessment for Debt Service on SDA Funding	15,458.00		15,458.00	15,458.00	
Total facilities acquisition and const. serv.	\$ 1,109,663.27	\$ 90,000.00	\$ 1,199,663.27	\$ 1,013,860.30	\$ 185,802.97
TOTAL CAPITAL OUTLAY	\$ 1,143,534.27	\$ 137,591.50	\$ 1,281,125.77	\$ 1,065,917.80	\$ 215,207.97
SPECIAL SCHOOLS:					
Adult education - local support serv.	\$ 10,243.00		\$ 10,243.00	\$ 8,568.00	\$ 1,675.00
Salaries	\$ 10,243.00		\$ 10,243.00	\$ 8,568.00	\$ 1,675.00
Total adult education - local support ser.					
TOTAL SPECIAL SCHOOLS	\$ 10,243.00		\$ 10,243.00	\$ 8,568.00	\$ 1,675.00
Transfer of funds to charter school	\$ 466,049.00	\$ 200,000.00	\$ 666,049.00	\$ 579,708.00	\$ 86,341.00
TOTAL TRANSFER TO CHARTER SCHOOLS	\$ 466,049.00	\$ 200,000.00	\$ 666,049.00	\$ 579,708.00	\$ 86,341.00
TOTAL EXPENDITURES	\$ 52,356,502.67	\$	\$ 52,356,502.67	\$ 54,467,562.67	\$ (2,111,060.00)

BOROUGH OF ROSELLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2017

	<u>ORIGINAL</u> <u>BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL</u> <u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u> <u>FINAL TO ACTUAL</u>
Excess (deficiency) of revenues					
Over (under) expenditures	\$ (4,557,014.67)	\$	\$ (4,557,014.67)	\$ (554,286.95)	\$ 8,224,847.72
Fund balance, July 1				\$ 13,735,485.98	
Fund balance, June 30				\$ 13,181,199.03	
Recapitulation:					
Restricted:					
Excess Surplus - Designated for Subsequent Year's Expenditures				\$ 3,750,000.00	
Excess Surplus - Current Year				3,740,000.00	
Maintenance Reserve				250,000.00	
Emergency Reserve				100,000.00	
Capital Reserve				4,072,914.15	
Committed:					
Designated for Subsequent Year's Expenditures				25,806.00	
Assigned:					
Encumbrances				42,926.63	
Unassigned				1,199,552.25	
				<u>13,181,199.03</u>	
Reconciliation to Government Fund Statements					
Last state aid payments not recognized on GAAP basis				\$ (2,346,399.30)	
fund balance per government funds (GAAP)				\$ <u>10,834,799.73</u>	

BOROUGH OF ROSELLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR FISCAL YEAR ENDED JUNE 30, 2017

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS/ AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
REVENUES:					
State sources	\$ 1,159,785.00	\$ (68,922.00)	\$ 1,090,863.00	\$ 942,330.40	\$ (148,532.60)
Federal sources	1,358,857.00	1,693,880.00	3,052,737.00	2,526,997.57	(525,739.43)
Other sources		83,480.32	83,480.32	22,638.32	(60,842.00)
Total revenues	\$ 2,518,642.00	\$ 1,708,438.32	\$ 4,227,080.32	\$ 3,491,966.29	\$ (735,114.03)
EXPENDITURES:					
Instruction:					
Salaries of teachers	\$ 983,910.00	\$ (200,643.00)	\$ 783,267.00	\$ 681,759.18	\$ 101,507.82
Other salaries for instruction	145,679.00		145,679.00	103,351.98	42,327.02
Purchased professional & technical services		30,936.00	30,936.00	20,352.17	10,583.83
Other purchased services		510,920.00	510,920.00	505,986.24	4,933.76
Tuition	975,107.00	(597,217.00)	377,890.00	337,200.00	40,690.00
General supplies		545,930.50	545,930.50	434,653.35	111,277.15
Other objects	5,000.00	130,715.82	135,715.82	55,010.22	80,705.60
Total instruction	\$ 2,109,696.00	\$ 420,642.32	\$ 2,530,338.32	\$ 2,138,313.14	\$ 392,025.18
Support services:					
Other salaries		\$ 269,399.00	\$ 269,399.00	\$ 234,295.68	\$ 35,103.32
Purchased professional & technical services		966,021.32	979,907.00	843,835.84	136,071.16
Purchased prof. educational services	13,885.68	14,300.00	14,300.00	14,300.00	14,300.00
Purchased professional services		52,470.00	52,470.00	52,470.00	52,470.00
Personal services - employee benefits	100,000.00	34,100.00	134,100.00	85,865.81	48,234.19
Other purchased services		30,197.00	30,197.00	16,849.54	13,347.46
Rentals	267,422.00	(74,400.00)	193,022.00	160,348.33	32,673.67
Supplies and materials	27,638.32	(4,291.32)	23,347.00	12,457.95	10,889.05
Total support services	\$ 408,946.00	\$ 1,287,796.00	\$ 1,696,742.00	\$ 1,353,653.15	\$ 343,088.85
Total expenditures	\$ 2,518,642.00	\$ 1,708,438.32	\$ 4,227,080.32	\$ 3,491,966.29	\$ 735,114.03

BOROUGH OF ROSELLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
BUDGET TO GAAP RECONCILIATION
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/inflows of resources		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 53,913,275.72	\$ 3,491,966.29
Difference - budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and related revenue is recognized.		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	2,329,993.00	51,219.00
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(2,346,399.30)	(49,511.70)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	\$ 53,896,869.42	\$ 3,493,673.59
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedules	\$ 54,467,562.67	\$ 3,491,966.29
Difference - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial purposes		
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	\$ 54,467,562.67	\$ 3,491,966.29

REQUIRED SUPPLEMENTARY INFORMATION – Part III

SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSION (GASB 68)

Borough of Roselle School District
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employees Retirement System
Last Ten Years

Fiscal Year Ending June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered-Employee Payroll	District's Proportion Share of the Net Pension Liability (Asset) as a percentage of its Covered- Employee Payroll	Plan Fiduciary Net Position as a percentage of the total Pension Liability
2013	0.0553174915%	\$ 10,572,272.00	\$ 3,666,910.00	288.32%	48.72%
2014	0.0561010543%	10,503,652.00	3,866,477.00	271.66%	52.08%
2015	0.0535428604%	12,019,299.00	4,091,708.00	293.75%	47.92%
2016	0.0587539838%	17,401,245.00	4,185,783.00	415.72%	40.14%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

Borough of Roselle School District
Schedule of the District's Contributions
Public Employees Retirement System
Last Ten Years

Fiscal Year Ending <u>June 30,</u>	Contractually Required <u>Contribution</u>	Contributions in Relation to the Contractually Required <u>Contributions</u>	Contribution Deficiency (<u>Excess</u>)	District's Covered- Employee <u>Payroll</u>	Contributions as a Percentage of Covered- Employee <u>Payroll</u>
2014	\$ 369,322	\$ 369,322	\$ -0-	\$ 3,666,910.00	10.07%
2015	460,325	460,325	-0-	3,866,477.00	11.91%
2016	521,962	521,962	-0-	4,091,708.00	12.76%
2017	524,572	524,572	-0-	4,185,783.00	12.53%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

Borough of Roselle School District
Schedule of the District's Proportionate Share of the Net Pension Liability
Teachers Pension and Annuity Fund
Last Ten Years

Fiscal Year Ending June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered-Employee Payroll	District's Proportion Share of the Net Pension Liability (Asset) as a percentage of it's Covered- Employee Payroll	Plan Fiduciary Net Position as a percentage of the total Pension Liability
2013	0.1906939263%	\$ -0-	\$ 18,234,585.00	-0-	33.76%
2014	0.1819631913%	-0-	18,394,861.00	-0-	33.64%
2015	0.1840877954%	-0-	19,000,141.00	-0-	28.71%
2016	0.1855967488%	-0-	19,304,235.00	-0-	22.33%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

Borough of Roselle School District
Schedules Related To Accounting And Reporting For Pension
Notes to the Required Supplementary Information Part III
For The Fiscal Year Ended June 30, 2017

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms: None

Change in assumptions: The discount rate changed from 4.90% to 3.98% as of
June 30, 2016.

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms: None

Change in assumptions: The discount rate changed from 4.13% to 3.22% as of
June 30, 2016.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

BOROUGH OF ROSELLE SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	IDEA BASIC	IDEA PRE-SCHOOL	TITLE I / TITLE I SIA		TITLE II	TITLE III / IMMIGRANT		PERKINS SECONDARY	NONPUBLIC			NURSING
			TITLE I PARTS	TITLE I SIA		TITLE III	TITLE III		TEXTBOOK	TECHNOLOGY	SECURITY	
REVENUES:												
State sources	\$ 1,287,512.00	\$ 12,227.67	\$ 1,069,542.11	\$ 63,734.49	\$ 72,416.27	\$ 21,565.03			\$ 14,300.00	\$ 28,080.00	\$ 29,150.00	\$ 52,470.00
Federal sources												
Other sources												
Total revenues	\$ 1,287,512.00	\$ 12,227.67	\$ 1,069,542.11	\$ 63,734.49	\$ 72,416.27	\$ 21,565.03			\$ 14,300.00	\$ 28,080.00	\$ 29,150.00	\$ 52,470.00
EXPENDITURES:												
Instruction:												
Salaries of teachers	\$ 3,687.36	\$	\$ 327,842.72	\$ 47,542.86	\$ 51,616.59	\$	\$	\$	\$	\$	\$	\$
Other salaries for instruction												
Purchased professional and technical services	491,806.24		18,522.17			1,830.00						
Other purchased services			14,180.00									
Tuition												
General supplies	18,374.02	3,618.76	359,286.46		14,526.87	4,514.43				28,080.00		
Other objects	40,291.46	8,608.91				901.50						
Total instruction	\$ 554,159.08	\$ 12,227.67	\$ 719,831.35	\$ 47,542.86	\$ 66,143.46	\$ 7,245.93			\$ 28,080.00	\$ 28,080.00	\$ 29,150.00	\$
Support services:												
Other salaries	\$ 282.08	\$	\$ 230,453.09	\$	\$ 2,344.59	\$ 1,498.00			\$	\$	\$	\$
Personal services - employee benefits	733,070.84		69,073.38	12,876.63	3,519.72	114.00						
Purchased professional and technical services			41,505.00	2,490.00					14,300.00			
Rentals												
Other purchased services			2,908.94	825.00	408.50	12,707.10						
General supplies			5,770.35									
Total support services	\$ 733,352.92	\$	\$ 349,710.76	\$ 16,191.63	\$ 6,272.81	\$ 14,319.10			\$ 14,300.00	\$	\$	\$ 52,470.00
Total expenditures	\$ 1,287,512.00	\$ 12,227.67	\$ 1,069,542.11	\$ 63,734.49	\$ 72,416.27	\$ 21,565.03			\$ 14,300.00	\$ 28,080.00	\$ 29,150.00	\$ 52,470.00

(Continued on next page)

BOROUGH OF ROSELLE SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

CH.192/193

	COMPENSATORY EDUCATION	ESL	TRANSPORTATION	EXAMINATION & CLASSIFICATION	CORRECTIVE SPEECH	SUPPLEMENTAL INSTRUCTION	PRESCHOOL AID	LOCAL PROGRAMS	TOTAL
REVENUES:									
State sources	\$ 165,902.00	\$ 2,192.00	\$ 18,556.00	\$ 65,903.00	\$ 11,397.00	\$ 44,100.00	\$ 510,280.40	\$	\$ 942,330.40
Federal sources									2,526,997.57
Other sources									22,638.32
Total revenues	\$ 165,902.00	\$ 2,192.00	\$ 18,556.00	\$ 65,903.00	\$ 11,397.00	\$ 44,100.00	\$ 510,280.40	\$ 22,638.32	\$ 3,491,966.29
EXPENDITURES:									
Instruction:									
Salaries of teachers	\$	\$	\$	\$	\$	\$	\$	\$	\$ 681,759.18
Other salaries for instruction							246,580.09	4,489.56	103,351.98
Purchased professional and technical services							103,351.98		20,352.17
Other purchased services									505,986.24
Tuition	165,902.00	2,192.00	18,556.00	65,903.00	11,397.00	44,100.00			337,200.00
General supplies									434,653.35
Other objects									55,010.22
Total Instruction	\$ 165,902.00	\$ 2,192.00	\$ 18,556.00	\$ 65,903.00	\$ 11,397.00	\$ 44,100.00	\$ 349,932.07	\$ 15,950.72	\$ 2,138,313.14
Support services:									
Other salaries	\$	\$	\$	\$	\$	\$	\$	\$	\$ 234,295.68
Personal services - employee benefits									85,865.81
Purchased professional and technical services									843,835.84
Rentals							180,348.33		160,348.33
Other purchased services									16,849.54
General supplies								6,687.60	12,457.95
Total support services	\$	\$	\$	\$	\$	\$	\$ 180,348.33	\$ 6,687.60	\$ 1,353,653.15
Total expenditures	\$ 165,902.00	\$ 2,192.00	\$ 18,556.00	\$ 65,903.00	\$ 11,397.00	\$ 44,100.00	\$ 510,280.40	\$ 22,638.32	\$ 3,491,966.29

BOROUGH OF ROSELLE SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID PROGRAM EXPENDITURES
FOR FISCAL YEARS ENDED JUNE 30, 2017

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS/ AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
EXPENDITURES:					
Instruction:					
Salaries of teachers	\$ 276,800.00	\$	276,800.00	\$ 246,850.09	\$ 29,949.91
Other salaries	145,679.00		145,679.00	103,351.98	42,327.02
Other objects	5,000.00	(5,000.00)			
Total instruction	<u>\$ 427,479.00</u>	<u>\$ (5,000.00)</u>	<u>\$ 422,479.00</u>	<u>\$ 350,202.07</u>	<u>\$ 72,276.93</u>
Support services:					
Personal services - employee benefits	\$ 100,000.00	\$ (100,000.00)	\$	\$	\$
Rental	267,422.00	(75,399.70)	192,022.30	160,078.33	31,943.97
Other purchased services	5,000.00	(5,000.00)			
Total support services	<u>\$ 372,422.00</u>	<u>\$ (180,399.70)</u>	<u>\$ 192,022.30</u>	<u>\$ 160,078.33</u>	<u>\$ 31,943.97</u>
Total expenditures	<u>\$ 799,901.00</u>	<u>\$ (185,399.70)</u>	<u>\$ 614,501.30</u>	<u>\$ 510,280.40</u>	<u>\$ 104,220.90</u>
<u>Calculation of Budget and Carryover</u>					
			Total Revised 2016-2017 Preschool Education Aid Allocation		495,117.00
			Add: Actual Preschool Education Aid Carryover (June 30, 2016)		119,384.00
			Total Preschool Education Aid Funds Available for 2016-2017 Budget		614,501.00
			Less: 2016-2017 Budgeted Preschool Education Aid		(510,280.40)
			(expended, net, including prior year budgeted carryover)		104,220.60
			2016-2017 Actual Carryover - Preschool Education Aid		<u>104,220.60</u>

CAPITAL PROJECTS FUND DETAIL STATEMENTS

The capital projects fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

BOROUGH OF ROSELLE 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

Fund balance - July 1	\$ <u>2,911,938.92</u>
Fund balance - June 30	\$ <u><u>2,911,938.92</u></u>
<u>Reconciliation to GAAP Basis:</u>	
Unrecognized state grant	\$ <u>(1,774,986.23)</u>
Total fund balance - GAAP basis (B-2)	\$ <u><u>1,136,952.69</u></u>

BOROUGH OF ROSELLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
ADDITIONS - WILDAY MIDDLE SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
State sources - Grant	\$ 1,545,644.00	\$	\$ 1,545,644.00	\$ 1,545,644.00
Transfer - Capital reserve	2,930,260.00		2,930,260.00	2,930,260.00
Total revenues and other financing sources	<u>\$ 4,475,904.00</u>	<u>\$</u>	<u>\$ 4,475,904.00</u>	<u>\$ 4,475,904.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	\$	\$	\$	
Construction services	4,451,750.00		4,451,750.00	
Total expenditures and other financing uses	<u>\$ 4,451,750.00</u>	<u>\$</u>	<u>\$ 4,451,750.00</u>	<u>\$ 4,475,904.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 24,154.00</u>	<u>\$</u>	<u>\$ 24,154.00</u>	
ADDITIONAL PROJECT INFORMATION:				
Project number			-----	
Grant date			-----	
Bond authorization date			N/A	
Bonds authorized			N/A	
Bonds issued			N/A	
Original authorized cost	\$4,475,904.00			
Additional authorized cost			N/A	
Revised authorized cost	\$4,475,904.00			
Percentage increase over original authorized cost			N/A	
Percentage completion			99.46%	

BOROUGH OF ROSELLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
AUDITORIUM UPGRADE - ABRAHAM CLARK HIGH SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
State sources - Grant	\$ 458,263.00	\$	\$ 458,263.00	\$ 458,263.00
Transfer - Capital outlay	<u>291,992.00</u>	<u></u>	<u>291,992.00</u>	<u>291,992.00</u>
Total revenues and other financing sources	<u>\$ 750,255.00</u>	<u>\$</u>	<u>\$ 750,255.00</u>	<u>\$ 750,255.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	\$ 32,579.00	\$	\$ 32,579.00	
Construction services	<u>717,675.06</u>	<u></u>	<u>717,675.06</u>	
Total expenditures and other financing uses	<u>\$ 750,254.06</u>	<u>\$</u>	<u>\$ 750,254.06</u>	<u>\$ 750,255.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 0.94</u>	<u>\$</u>	<u>\$ 0.94</u>	
ADDITIONAL PROJECT INFORMATION:				
Project number	4540-010-09-1011			
Grant date	6/2/10			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorized cost	\$750,255.00			
Additional authorized cost	N/A			
Revised authorized cost	\$750,255.00			
Percentage increase over original authorized cost	N/A			
Percentage completion	100.00%			

BOROUGH OF ROSELLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
NEW EXTERIOR DOORS, BOILER, CCTV SECURITY SYSTEM - ABRAHAM CLARK HIGH SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
State sources - Grant	\$ 739,162.00	\$	\$ 739,162.00	\$ 739,162.00
Transfer - Capital outlay	<u>470,973.00</u>	<u></u>	<u>470,973.00</u>	<u>470,973.00</u>
Total revenues and other financing sources	<u>\$ 1,210,135.00</u>	<u>\$</u>	<u>\$ 1,210,135.00</u>	<u>\$ 1,210,135.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	\$ 14,772.89	\$	\$ 14,772.89	
Construction services	<u>1,051,902.14</u>	<u></u>	<u>1,051,902.14</u>	
Total expenditures and other financing uses	<u>\$ 1,066,675.03</u>	<u>\$</u>	<u>\$ 1,066,675.03</u>	<u>\$ 1,210,135.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 143,459.97</u>	<u>\$</u>	<u>\$ 143,459.97</u>	
ADDITIONAL PROJECT INFORMATION:				
Project number	4540-010-09-1004			
Grant date	6/2/10			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorized cost	\$1,210,135.00			
Additional authorized cost	N/A			
Revised authorized cost	\$1,210,135.00			
Percentage increase over original authorized cost	N/A			
Percentage completion	88.15%			

BOROUGH OF ROSELLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
NEW EXTERIOR DOORS, BOILER, CCTV SECURITY SYSTEM - DR. CHARLES C. POLK SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
State sources - Grant	\$ 144,645.00	\$	\$ 144,645.00	\$ 144,645.00
Transfer - Capital outlay	33,507.00		33,507.00	33,507.00
Transfer - Capital reserve	<u>58,656.00</u>		<u>58,656.00</u>	<u>58,656.00</u>
Total revenues and other financing sources	<u>\$ 236,808.00</u>	<u>\$</u>	<u>\$ 236,808.00</u>	<u>\$ 236,808.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	\$ 7,039.00	\$	\$ 7,039.00	
Construction services	<u>56,414.00</u>		<u>56,414.00</u>	
Total expenditures and other financing uses	<u>\$ 63,453.00</u>	<u>\$</u>	<u>\$ 63,453.00</u>	<u>\$ 236,808.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 173,355.00</u>	<u>\$</u>	<u>\$ 173,355.00</u>	
ADDITIONAL PROJECT INFORMATION:				
Project number	4540-030-009-1009			
Grant date	6/2/10			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorized cost	\$236,808.00			
Additional authorized cost	N/A			
Revised authorized cost	\$236,808.00			
Percentage increase over original authorized cost	N/A			
Percentage completion	26.80%			

BOROUGH OF ROSELLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
SCIENCE LAB RENOVATIONS & NEW LOCKERS - ABRAHAM CLARK HIGH SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
State sources - Grant	\$ 902,718.00	\$	\$ 902,718.00	\$ 902,718.00
Transfer - Capital outlay	<u>575,186.00</u>	<u></u>	<u>575,186.00</u>	<u>575,186.00</u>
Total revenues and other financing sources	<u>\$ 1,477,904.00</u>	<u>\$</u>	<u>\$ 1,477,904.00</u>	<u>\$ 1,477,904.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	\$ 85,494.00	\$	\$ 85,494.00	
Construction services	<u>766,545.00</u>	<u></u>	<u>766,545.00</u>	
Total expenditures and other financing uses	<u>\$ 852,039.00</u>	<u>\$</u>	<u>\$ 852,039.00</u>	<u>\$ 1,477,904.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 625,865.00</u>	<u>\$</u>	<u>\$ 625,865.00</u>	
ADDITIONAL PROJECT INFORMATION:				
Project number	4540-010-09-1005			
Grant date	6/2/10			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorized cost	\$1,477,904.00			
Additional authorized cost	N/A			
Revised authorized cost	\$1,477,904.00			
Percentage increase over original authorized cost	N/A			
Percentage completion	57.65%			

BOROUGH OF ROSELLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
ROOF REPLACEMENT - WILDAY MIDDLE SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
State sources - Grant	\$ 301,343.00	\$	\$ 301,343.00	\$ 301,343.00
Transfer - Capital reserve	<u>192,007.00</u>	<u></u>	<u>192,007.00</u>	<u>192,007.00</u>
Total revenues and other financing sources	<u>\$ 493,350.00</u>	<u>\$</u>	<u>\$ 493,350.00</u>	<u>\$ 493,350.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	\$ 6,259.00	\$	\$ 6,259.00	
Construction services	<u>253,090.00</u>	<u></u>	<u>253,090.00</u>	
Total expenditures and other financing uses	<u>\$ 259,349.00</u>	<u>\$</u>	<u>\$ 259,349.00</u>	<u>\$ 493,350.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 234,001.00</u>	<u>\$</u>	<u>\$ 234,001.00</u>	
ADDITIONAL PROJECT INFORMATION:				
Project number	4540-060-09-1012			
Grant date	6/2/10			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorized cost	\$493,350.00			
Additional authorized cost	N/A			
Revised authorized cost	\$493,350.00			
Percentage increase over original authorized cost	N/A			
Percentage completion	52.57%			

BOROUGH OF ROSELLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
UPGRADE ELECTRICAL SERVICES - HARRISON ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
State sources - Grant	\$ 36,587.00	\$	\$ 36,587.00	\$ 36,587.00
Transfer - Capital reserve	<u>23,313.00</u>	<u></u>	<u>23,313.00</u>	<u>23,313.00</u>
Total revenues and other financing sources	<u>\$ 59,900.00</u>	<u>\$</u>	<u>\$ 59,900.00</u>	<u>\$ 59,900.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	\$ 7,815.00	\$	\$ 7,815.00	
Total expenditures and other financing uses	<u>\$ 7,815.00</u>	<u>\$</u>	<u>\$ 7,815.00</u>	<u>\$ 59,900.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 52,085.00</u>	<u>\$</u>	<u>\$ 52,085.00</u>	
ADDITIONAL PROJECT INFORMATION:				
Project number	4540-020-09-1002			
Grant date	6/2/10			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorized cost	\$59,900.00			
Additional authorized cost	N/A			
Revised authorized cost	\$59,900.00			
Percentage increase over original authorized cost	N/A			
Percentage completion	13.05%			

BOROUGH OF ROSELLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
NEW INTERCOM AND CCTV SECURITY SYSTEM - WILDAY MIDDLE SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
State sources - Grant	\$ 45,201.00	\$	\$ 45,201.00	\$ 45,201.00
Transfer - Capital reserve	<u>28,800.00</u>	<u></u>	<u>28,800.00</u>	<u>28,800.00</u>
Total revenues and other financing sources	<u>\$ 74,001.00</u>	<u>\$</u>	<u>\$ 74,001.00</u>	<u>\$ 74,001.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	\$ 8,968.00	\$	\$ 8,968.00	
Construction services	<u>61,114.44</u>	<u></u>	<u>61,114.44</u>	
Total expenditures and other financing uses	<u>\$ 70,082.44</u>	<u>\$</u>	<u>\$ 70,082.44</u>	<u>\$ 74,001.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 3,918.56</u>	<u>\$</u>	<u>\$ 3,918.56</u>	
ADDITIONAL PROJECT INFORMATION:				
Project number	4540-060-09-1007			
Grant date	6/2/10			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorized cost	\$74,001.00			
Additional authorized cost	N/A			
Revised authorized cost	\$74,001.00			
Percentage increase over original authorized cost	N/A			
Percentage completion	94.70%			

BOROUGH OF ROSELLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
NEW INTERCOM AND CCTV SECURITY SYSTEM - WASHINGTON ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
State sources - Grant	\$ 45,201.00	\$	\$ 45,201.00	\$ 45,201.00
Transfer - Capital reserve	<u>28,800.00</u>	<u></u>	<u>28,800.00</u>	<u>28,800.00</u>
Total revenues and other financing sources	<u>\$ 74,001.00</u>	<u>\$</u>	<u>\$ 74,001.00</u>	<u>\$ 74,001.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	\$ 7,039.00	\$	\$ 7,039.00	
Construction services	<u>57,061.05</u>	<u></u>	<u>57,061.05</u>	
Total expenditures and other financing uses	<u>\$ 64,100.05</u>	<u>\$</u>	<u>\$ 64,100.05</u>	<u>\$ 74,001.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 9,900.95</u>	<u>\$</u>	<u>\$ 9,900.95</u>	
ADDITIONAL PROJECT INFORMATION:				
Project number	4540-050-09-1010			
Grant date	6/2/10			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorized cost	\$74,001.00			
Additional authorized cost	N/A			
Revised authorized cost	\$74,001.00			
Percentage increase over original authorized cost	N/A			
Percentage completion	86.62%			

BOROUGH OF ROSELLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
NEW INTERCOM AND CCTV SECURITY SYSTEM - LEONARD V. MOORE MIDDLE SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
State sources - Grant	\$ 45,201.00	\$	\$ 45,201.00	\$ 45,201.00
Transfer - Capital reserve	<u>28,800.00</u>	<u></u>	<u>28,800.00</u>	<u>28,800.00</u>
Total revenues and other financing sources	<u>\$ 74,001.00</u>	<u>\$</u>	<u>\$ 74,001.00</u>	<u>\$ 74,001.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	\$ 7,948.00	\$	\$ 7,948.00	
Construction services	<u>48,616.23</u>	<u></u>	<u>48,616.23</u>	
Total expenditures and other financing uses	<u>\$ 56,564.23</u>	<u>\$</u>	<u>\$ 56,564.23</u>	<u>\$ 74,001.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 17,436.77</u>	<u>\$</u>	<u>\$ 17,436.77</u>	
ADDITIONAL PROJECT INFORMATION:				
Project number	4540-040-09-1006			
Grant date	6/2/10			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorized cost	\$74,001.00			
Additional authorized cost	N/A			
Revised authorized cost	\$74,001.00			
Percentage increase over original authorized cost	N/A			
Percentage completion	76.44%			

BOROUGH OF ROSELLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
INTERCOM PA SYSTEM REPLACEMENT AND NEW SECURITY SYSTEM - HARRISON ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
State sources - Grant	\$ 99,442.00	\$	\$ 99,442.00	\$ 99,442.00
Transfer - Capital reserve	<u>63,362.00</u>	<u></u>	<u>63,362.00</u>	<u>63,362.00</u>
Total revenues and other financing sources	<u>\$ 162,804.00</u>	<u>\$</u>	<u>\$ 162,804.00</u>	<u>\$ 162,804.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	\$ 7,039.00	\$	\$ 7,039.00	
Construction services	<u>56,558.00</u>	<u></u>	<u>56,558.00</u>	
Total expenditures and other financing uses	<u>\$ 63,597.00</u>	<u>\$</u>	<u>\$ 63,597.00</u>	<u>\$ 162,804.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 99,207.00</u>	<u>\$</u>	<u>\$ 99,207.00</u>	
ADDITIONAL PROJECT INFORMATION:				
Project number	4540-020-09-1008			
Grant date	6/2/10			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorized cost	\$162,804.00			
Additional authorized cost	N/A			
Revised authorized cost	\$162,804.00			
Percentage increase over original authorized cost	N/A			
Percentage completion	39.06%			

BOROUGH OF ROSELLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
ROOF REPLACEMENT AND PARAPET WALL REPAIR - WASHINGTON ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
State sources - Grant	\$ 432,812.00	\$	\$ 432,812.00	\$ 432,812.00
Transfer - Capital reserve	<u>273,688.00</u>	<u></u>	<u>273,688.00</u>	<u>273,688.00</u>
Total revenues and other financing sources	<u>\$ 706,500.00</u>	<u>\$</u>	<u>\$ 706,500.00</u>	<u>\$ 706,500.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	\$ 67,375.05	\$	\$ 67,375.05	
Construction services	<u>206,080.00</u>	<u></u>	<u>206,080.00</u>	
Total expenditures and other financing uses	<u>\$ 273,455.05</u>	<u>\$</u>	<u>\$ 273,455.05</u>	<u>\$ 706,500.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 433,044.95</u>	<u>\$</u>	<u>\$ 433,044.95</u>	
ADDITIONAL PROJECT INFORMATION:				
Project number	4540-050-10-1010			
Grant date	5/23/12			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorized cost	\$706,500.00			
Additional authorized cost	N/A			
Revised authorized cost	\$706,500.00			
Percentage increase over original authorized cost	N/A			
Percentage completion	38.71%			

BOROUGH OF ROSELLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
ELECTRICAL UPGRADES - WASHINGTON ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
State sources - Grant	\$ 572,489.00	\$	\$ 572,489.00	\$ 572,489.00
Transfer - Capital reserve	<u>362,011.00</u>	<u></u>	<u>362,011.00</u>	<u>362,011.00</u>
Total revenues and other financing sources	<u>\$ 934,500.00</u>	<u>\$</u>	<u>\$ 934,500.00</u>	<u>\$ 934,500.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	\$ 90,587.00	\$	\$ 90,587.00	
Construction services	<u>788,599.00</u>	<u></u>	<u>788,599.00</u>	
Total expenditures and other financing uses	<u>\$ 879,186.00</u>	<u>\$</u>	<u>\$ 879,186.00</u>	<u>\$ 934,500.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 55,314.00</u>	<u>\$</u>	<u>\$ 55,314.00</u>	
ADDITIONAL PROJECT INFORMATION:				
Project number	4540-050-10-1026			
Grant date	5/23/12			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorized cost	\$934,500.00			
Additional authorized cost	N/A			
Revised authorized cost	\$934,500.00			
Percentage increase over original authorized cost	N/A			
Percentage completion	94.08%			

BOROUGH OF ROSELLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
ROOF REPLACEMENT - HARRISON ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
State sources - Grant	\$ 367,201.00	\$	\$ 367,201.00	\$ 367,201.00
Transfer - Capital reserve	<u>232,199.00</u>	<u></u>	<u>232,199.00</u>	<u>232,199.00</u>
Total revenues and other financing sources	<u>\$ 599,400.00</u>	<u>\$</u>	<u>\$ 599,400.00</u>	<u>\$ 599,400.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	\$ 58,819.16	\$	\$ 58,819.16	
Construction services	<u>228,000.00</u>	<u></u>	<u>228,000.00</u>	
Total expenditures and other financing uses	<u>\$ 286,819.16</u>	<u>\$</u>	<u>\$ 286,819.16</u>	<u>\$ 599,400.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 312,580.84</u>	<u>\$</u>	<u>\$ 312,580.84</u>	
ADDITIONAL PROJECT INFORMATION:				
Project number	4540-020-10-1003			
Grant date	5/23/12			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorized cost	\$599,400.00			
Additional authorized cost	N/A			
Revised authorized cost	\$599,400.00			
Percentage increase over original authorized cost	N/A			
Percentage completion	47.85%			

BOROUGH OF ROSELLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
INTERIOR DOOR REPLACEMENT - HARRISON ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
State sources - Grant	\$ 171,287.00	\$	\$ 171,287.00	\$ 171,287.00
Transfer - Capital outlay	<u>108,313.00</u>	<u></u>	<u>108,313.00</u>	<u>108,313.00</u>
Total revenues and other financing sources	<u>\$ 279,600.00</u>	<u>\$</u>	<u>\$ 279,600.00</u>	<u>\$ 279,600.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	\$	\$	\$	
Construction services	<u></u>	<u></u>	<u></u>	
Total expenditures and other financing uses	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 279,600.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 279,600.00</u>	<u>\$</u>	<u>\$ 279,600.00</u>	
ADDITIONAL PROJECT INFORMATION:				
Project number	4540-020-10-1002			
Grant date	5/23/12			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorized cost	\$279,600.00			
Additional authorized cost	N/A			
Revised authorized cost	\$279,600.00			
Percentage increase over original authorized cost	N/A			
Percentage completion	100%			

BOROUGH OF ROSELLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
BRICK POINTING, POWER CLEANING, LINTEL REPLACEMENT - HARRISON ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
State sources - Grant	\$ 115,325.00	\$	\$ 115,325.00	\$ 115,325.00
Transfer - Capital reserve	<u>72,925.00</u>	<u></u>	<u>72,925.00</u>	<u>72,925.00</u>
Total revenues and other financing sources	<u>\$ 188,250.00</u>	<u>\$</u>	<u>\$ 188,250.00</u>	<u>\$ 188,250.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	\$ 19,524.42	\$	\$ 19,524.42	
Construction services	<u>159,500.00</u>	<u></u>	<u>159,500.00</u>	
Total expenditures and other financing uses	<u>\$ 179,024.42</u>	<u>\$</u>	<u>\$ 179,024.42</u>	<u>\$ 188,250.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 9,225.58</u>	<u>\$</u>	<u>\$ 9,225.58</u>	
ADDITIONAL PROJECT INFORMATION:				
Project number	4540-020-10-1017			
Grant date	5/23/12			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorized cost	\$188,250.00			
Additional authorized cost	N/A			
Revised authorized cost	\$188,250.00			
Percentage increase over original authorized cost	N/A			
Percentage completion	95.10%			

BOROUGH OF ROSELLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
ELECTRICAL SERVICE UPGRADE - DR. CHARLES C. POLK SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
State sources - Grant	\$ 370,142.00	\$	\$ 370,142.00	\$ 370,142.00
Transfer - Capital reserve	<u>234,058.00</u>	<u></u>	<u>234,058.00</u>	<u>234,058.00</u>
Total revenues and other financing sources	<u>\$ 604,200.00</u>	<u>\$</u>	<u>\$ 604,200.00</u>	<u>\$ 604,200.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	\$ 74,999.99	\$	\$ 74,999.99	
Construction services	<u>529,200.01</u>	<u></u>	<u>529,200.01</u>	
Total expenditures and other financing uses	<u>\$ 604,200.00</u>	<u>\$</u>	<u>\$ 604,200.00</u>	<u>\$ 604,200.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$</u>	<u>\$</u>	<u>\$</u>	
ADDITIONAL PROJECT INFORMATION:				
Project number	4540-030-10-1020			
Grant date	5/23/12			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorized cost	\$604,200.00			
Additional authorized cost	N/A			
Revised authorized cost	\$604,200.00			
Percentage increase over original authorized cost	N/A			
Percentage completion	100.00%			

BOROUGH OF ROSELLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
BRICK POINTING, POWER CLEANING, LINTEL REPLACEMENT - DR. CHARLES C. POLK SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
State sources - Grant	\$ 110,393.00	\$	\$ 110,393.00	\$ 110,393.00
Transfer - Capital reserve	<u>69,807.00</u>	<u></u>	<u>69,807.00</u>	<u>69,807.00</u>
Total revenues and other financing sources	<u>\$ 180,200.00</u>	<u>\$</u>	<u>\$ 180,200.00</u>	<u>\$ 180,200.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	\$ 18,227.89	\$	\$ 18,227.89	
Construction services	<u>154,000.00</u>	<u></u>	<u>154,000.00</u>	
Total expenditures and other financing uses	<u>\$ 172,227.89</u>	<u>\$</u>	<u>\$ 172,227.89</u>	<u>\$ 180,200.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 7,972.11</u>	<u>\$</u>	<u>\$ 7,972.11</u>	
ADDITIONAL PROJECT INFORMATION:				
Project number	4540-030-10-1021			
Grant date	5/23/12			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorized cost	\$180,200.00			
Additional authorized cost	N/A			
Revised authorized cost	\$180,200.00			
Percentage increase over original authorized cost	N/A			
Percentage completion	95.58%			

BOROUGH OF ROSELLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
BRICK POINTING, POWER CLEANING, LINTEL REPLACEMENT - LEONARD V. MOORE MIDDLE SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
State sources - Grant	\$ 118,847.00	\$	\$ 118,847.00	\$ 118,847.00
Transfer - Capital reserve	<u>75,153.00</u>	<u></u>	<u>75,153.00</u>	<u>75,153.00</u>
Total revenues and other financing sources	<u>\$ 194,000.00</u>	<u>\$</u>	<u>\$ 194,000.00</u>	<u>\$ 194,000.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	\$ 20,132.70	\$	\$ 20,132.70	
Construction services	<u>150,000.00</u>	<u></u>	<u>150,000.00</u>	
Total expenditures and other financing uses	<u>\$ 170,132.70</u>	<u>\$</u>	<u>\$ 170,132.70</u>	<u>\$ 194,000.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 23,867.30</u>	<u>\$</u>	<u>\$ 23,867.30</u>	
ADDITIONAL PROJECT INFORMATION:				
Project number	4540-040-10-1022			
Grant date	5/23/12			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorized cost	\$194,000.00			
Additional authorized cost	N/A			
Revised authorized cost	\$194,000.00			
Percentage increase over original authorized cost	N/A			
Percentage completion	87.70%			

BOROUGH OF ROSELLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
ELECTRICAL UPGRADES - LEONARD V. MOORE MIDDLE SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
State sources - Grant	\$ 400,711.00	\$	\$ 400,711.00	\$ 400,711.00
Transfer - Capital reserve	<u>253,389.00</u>	<u></u>	<u>253,389.00</u>	<u>253,389.00</u>
Total revenues and other financing sources	<u>\$ 654,100.00</u>	<u>\$</u>	<u>\$ 654,100.00</u>	<u>\$ 654,100.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	\$ 63,669.77	\$	\$ 63,669.77	
Construction services	<u>565,556.00</u>	<u></u>	<u>565,556.00</u>	
Total expenditures and other financing uses	<u>\$ 629,225.77</u>	<u>\$</u>	<u>\$ 629,225.77</u>	<u>\$ 654,100.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 24,874.23</u>	<u>\$</u>	<u>\$ 24,874.23</u>	
ADDITIONAL PROJECT INFORMATION:				
Project number	4540-040-10-1023			
Grant date	5/23/12			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorized cost	\$654,100.00			
Additional authorized cost	N/A			
Revised authorized cost	\$654,100.00			
Percentage increase over original authorized cost	N/A			
Percentage completion	96.20%			

BOROUGH OF ROSELLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
WINDOWS AND EXTERIOR DOOR REPLACEMENT - LEONARD V. MOORE MIDDLE SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
State sources - Grant	\$ 394,800.00	\$	\$ 394,800.00	\$ 394,800.00
Transfer - Capital outlay	<u>249,650.00</u>	<u></u>	<u>249,650.00</u>	<u>249,650.00</u>
Total revenues and other financing sources	<u>\$ 644,450.00</u>	<u>\$</u>	<u>\$ 644,450.00</u>	<u>\$ 644,450.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	\$ 64,895.30	\$	\$ 64,895.30	
Construction services	<u>558,000.00</u>	<u></u>	<u>558,000.00</u>	
Total expenditures and other financing uses	<u>\$ 622,895.30</u>	<u>\$</u>	<u>\$ 622,895.30</u>	<u>\$ 644,450.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 21,554.70</u>	<u>\$</u>	<u>\$ 21,554.70</u>	
ADDITIONAL PROJECT INFORMATION:				
Project number	4540-040-10-1024			
Grant date	5/23/12			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorized cost	\$644,450.00			
Additional authorized cost	N/A			
Revised authorized cost	\$644,450.00			
Percentage increase over original authorized cost	N/A			
Percentage completion	96.66%			

BOROUGH OF ROSELLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
WINDOWS AND EXTERIOR DOOR REPLACEMENT - HARRISON ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
State sources - Grant	\$ 340,767.00	\$	\$ 340,767.00	\$ 340,767.00
Transfer - Capital outlay	<u>215,483.00</u>	<u> </u>	<u>215,483.00</u>	<u>215,483.00</u>
Total revenues and other financing sources	<u>\$ 556,250.00</u>	<u>\$</u>	<u>\$ 556,250.00</u>	<u>\$ 556,250.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	\$ 69,615.51	\$	\$ 69,615.51	
Construction services	<u>440,000.00</u>	<u> </u>	<u>440,000.00</u>	
Total expenditures and other financing uses	<u>\$ 509,615.51</u>	<u>\$</u>	<u>\$ 509,615.51</u>	<u>\$ 556,250.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 46,634.49</u>	<u>\$</u>	<u>\$ 46,634.49</u>	
ADDITIONAL PROJECT INFORMATION:				
Project number	4540-020-10-1018			
Grant date	5/23/12			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorized cost	\$556,250.00			
Additional authorized cost	N/A			
Revised authorized cost	\$556,250.00			
Percentage increase over original authorized cost	N/A			
Percentage completion	91.62%			

BOROUGH OF ROSELLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
WINDOWS AND EXTERIOR DOOR REPLACEMENT - WASHINGTON ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
State sources - Grant	\$ 335,390.00	\$	\$ 335,390.00	\$ 335,390.00
Transfer - Capital outlay	<u>212,083.00</u>	<u></u>	<u>212,083.00</u>	<u>212,083.00</u>
Total revenues and other financing sources	<u>\$ 547,473.00</u>	<u>\$</u>	<u>\$ 547,473.00</u>	<u>\$ 547,473.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	\$ 52,435.97	\$	\$ 52,435.97	
Construction services	<u>475,000.00</u>	<u></u>	<u>475,000.00</u>	
Total expenditures and other financing uses	<u>\$ 527,435.97</u>	<u>\$</u>	<u>\$ 527,435.97</u>	<u>\$ 547,473.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 20,037.03</u>	<u>\$</u>	<u>\$ 20,037.03</u>	
ADDITIONAL PROJECT INFORMATION:				
Project number	4540-050-10-1025			
Grant date	5/23/12			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorized cost	\$547,473.00			
Additional authorized cost	N/A			
Revised authorized cost	\$547,473.00			
Percentage increase over original authorized cost	N/A			
Percentage completion	96.34%			

BOROUGH OF ROSELLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
ELECTRICAL UPGRADES - WILDAY MIDDLE SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
State sources - Grant	\$ 370,142.00	\$	\$ 370,142.00	\$ 370,142.00
Transfer - Capital reserve	<u>234,058.00</u>	<u></u>	<u>234,058.00</u>	<u>234,058.00</u>
Total revenues and other financing sources	<u>\$ 604,200.00</u>	<u>\$</u>	<u>\$ 604,200.00</u>	<u>\$ 604,200.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	\$ 63,189.00	\$	\$ 63,189.00	
Construction services	<u>483,770.00</u>	<u></u>	<u>483,770.00</u>	
Total expenditures and other financing uses	<u>\$ 546,959.00</u>	<u>\$</u>	<u>\$ 546,959.00</u>	<u>\$ 604,200.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 57,241.00</u>	<u>\$</u>	<u>\$ 57,241.00</u>	
ADDITIONAL PROJECT INFORMATION:				
Project number	4540-060-10-1013			
Grant date	5/23/12			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorized cost	\$604,200.00			
Additional authorized cost	N/A			
Revised authorized cost	\$604,200.00			
Percentage increase over original authorized cost	N/A			
Percentage completion	90.53%			

BOROUGH OF ROSELLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
WINDOW AND EXTERIOR DOOR REPLACEMENT - WILDAY MIDDLE SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
State sources - Grant	\$ 193,893.00	\$	\$ 193,893.00	\$ 193,893.00
Transfer - Capital outlay	<u>122,607.00</u>	<u></u>	<u>122,607.00</u>	<u>122,607.00</u>
Total revenues and other financing sources	<u>\$ 316,500.00</u>	<u>\$</u>	<u>\$ 316,500.00</u>	<u>\$ 316,500.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	\$ 35,291.50	\$	\$ 35,291.50	
Construction services	<u>275,000.00</u>	<u></u>	<u>275,000.00</u>	
Total expenditures and other financing uses	<u>\$ 310,291.50</u>	<u>\$</u>	<u>\$ 310,291.50</u>	<u>\$ 316,500.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 6,208.50</u>	<u>\$</u>	<u>\$ 6,208.50</u>	
ADDITIONAL PROJECT INFORMATION:				
Project number	4540-060-10-1028			
Grant date	5/23/12			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorized cost	\$316,500.00			
Additional authorized cost	N/A			
Revised authorized cost	\$316,500.00			
Percentage increase over original authorized cost	N/A			
Percentage completion	98.04%			

BOROUGH OF ROSELLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
DOOR REPLACEMENT - WILDAY MIDDLE SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
State sources - Grant	\$ 141,146.00	\$	\$ 141,146.00	\$ 141,146.00
Transfer - Capital outlay	<u>89,254.00</u>	<u></u>	<u>89,254.00</u>	<u>89,254.00</u>
Total revenues and other financing sources	<u>\$ 230,400.00</u>	<u>\$</u>	<u>\$ 230,400.00</u>	<u>\$ 230,400.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased professional and technical services	\$	\$	\$	
Construction services	<u></u>	<u></u>	<u></u>	
Total expenditures and other financing uses	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 230,400.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 230,400.00</u>	<u>\$</u>	<u>\$ 230,400.00</u>	
ADDITIONAL PROJECT INFORMATION:				
Project number	4540-060-10-1030			
Grant date	5/23/12			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorized cost	\$230,400.00			
Additional authorized cost	N/A			
Revised authorized cost	\$230,400.00			
Percentage increase over original authorized cost	N/A			
Percentage completion	100%			

BOROUGH OF ROSELLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

ISSUE / PROJECT TITLE	ORIGINAL DATE	APPROPRIATION	PRIOR YEARS	EXPENDITURES TO DATE		(MEMO ONLY) UNEXPENDED BALANCE JUNE 30, 2017
				CURRENT YEAR		
	---	\$ 4,475,904.00	\$ 4,451,750.00	\$	\$	24,154.00
Additions - Wilday Middle School	6/2/10	750,255.00	750,254.06			0.94
Auditorium Upgrade - Abraham Clark High School	6/2/10	1,210,135.00	1,066,675.03			143,459.97
New Exterior Doors, Boiler, CCTV Security System - Abraham Clark High School	6/2/10	236,808.00	63,453.00			173,355.00
New Exterior Doors, Boiler, CCTV Security System - Dr. Charles C. Polk School	6/2/10	1,477,904.00	852,039.00			625,865.00
Science Lab Renovations & New Lockers - Abraham Clark High School	6/2/10	493,350.00	259,349.00			234,001.00
Roof Replacement - Wilday Middle School	6/2/10	59,900.00	7,815.00			52,085.00
Upgrade Electrical Services - Harrison Elementary School	6/2/10	74,001.00	70,082.44			3,918.56
New Intercom and CCTV Security System - Wilday Middle School	6/2/10	74,001.00	64,100.05			9,900.95
New Intercom and CCTV Security System - Washington Elementary School	6/2/10	74,001.00	56,564.23			17,436.77
New Intercom and CCTV Security System - Leonard V. Moore Middle School	6/2/10	162,804.00	63,597.00			99,207.00
Intercom PA System Replacement and New Security System - Harrison Elementary School	5/23/12	706,500.00	273,455.05			433,044.95
Roof Replacement and Parapet Wall Repair - Washington Elementary School	5/23/12	934,500.00	879,186.00			55,314.00
Electrical Upgrades - Washington Elementary School	5/23/12	599,400.00	286,819.16			312,580.84
Roof Replacement - Harrison Elementary School	5/23/12	279,600.00				279,600.00
Interior Door Replacement - Harrison Elementary School	5/23/12	188,250.00	179,024.42			9,225.58
Brick Pointing, Power Cleaning, Lintel Replacement - Harrison Elementary School	5/23/12	604,200.00	604,200.00			
Electrical Service Upgrade - Dr. Charles C. Polk School	5/23/12	180,200.00	172,227.89			7,972.11
Brick Pointing, Power Cleaning, Lintel Replacement - Dr. Charles C. Polk School	5/23/12	194,000.00	170,132.70			23,867.30
Brick Pointing, Power Cleaning, Lintel Replacement - Leonard V. Moore Middle School	5/23/12	654,100.00	629,225.77			24,874.23
Electrical Upgrades - Leonard V. Moore Middle School	5/23/12	644,450.00	622,895.30			21,554.70
Windows and Exterior Door Replacement - Leonard V. Moore Middle School	5/23/12	556,250.00	509,615.51			46,634.49
Windows and Exterior Door Replacement - Harrison Elementary School	5/23/12	547,473.00	527,435.97			20,037.03
Electrical Upgrades - Wilday Middle School	5/23/12	604,200.00	546,959.00			57,241.00
Window and Exterior Door Replacement - Wilday Middle School	5/23/12	316,500.00	310,291.50			6,208.50
Door Replacement - Wilday Middle School	5/23/12	230,400.00				230,400.00
		\$ 16,329,086.00	\$ 13,417,147.08	\$	\$	2,911,938.92

PROPRIETARY FUND DETAIL STATEMENTS

Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the district's board is that the costs of providing goods or services be financed through user charges.

- Food Services Fund:** This fund provides for the operation of food services within the school district.
- Community School Fund:** This fund provides for the operation of a community school within the school district.

BOROUGH OF ROSELLE SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS - ENTERPRISE FUNDS
JUNE 30, 2017

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND			
	MAJOR FUND	NON-MAJOR FUND	FY 2017 TOTAL	FY 2016 TOTAL
	FOOD SERVICE	COMMUNITY SCHOOL		
ASSETS:				
Current assets:				
Cash and cash equivalents	\$ 177,249.96	\$ 9.37	\$ 177,259.33	\$ 146,701.06
Accounts receivable:				
State	1,488.62		1,488.62	1,496.41
Federal	105,548.34		105,548.34	114,908.69
Other	71,405.58		71,405.58	109,430.93
Inventories	52,531.41		52,531.41	57,023.92
Total current assets	\$ 408,223.91	\$ 9.37	\$ 408,233.28	\$ 429,561.01
Noncurrent assets:				
Furniture, machinery & equipment	\$ 417,168.55		\$ 417,168.55	\$ 408,924.55
Less accumulated depreciation	(334,819.28)		(334,819.28)	(313,465.04)
Total noncurrent assets	\$ 82,349.27		\$ 82,349.27	\$ 95,459.51
Total assets	\$ 490,573.18	\$ 9.37	\$ 490,582.55	\$ 525,020.52
LIABILITIES:				
Current liabilities:				
Unearned revenue	\$ 13,465.52	\$	\$ 13,465.52	\$ 17,433.08
Interfunds payable	25,935.00		25,935.00	25,935.00
Accounts payable	116,675.93		116,675.93	128,009.23
Total current liabilities	\$ 156,076.45	\$	\$ 156,076.45	\$ 171,377.31
Total liabilities	\$ 156,076.45	\$	\$ 156,076.45	\$ 171,377.31
NET POSITION:				
Net investments in capital assets	\$ 82,349.27	\$	\$ 82,349.27	\$ 95,459.51
Unrestricted	252,147.46	9.37	252,156.83	258,183.70
Total net position	\$ 334,496.73	\$ 9.37	\$ 334,506.10	\$ 353,643.21

BOROUGH OF ROSELLE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u>			
	<u>MAJOR FUND</u>	<u>NON-MAJOR FUND</u>	<u>FY 2017</u>	<u>FY 2016</u>
	<u>FOOD SERVICE</u>	<u>COMMUNITY SCHOOL</u>		
OPERATING REVENUES:				
Charges for services:				
Sales-Reimbursable	\$ 183,228.50	\$	\$ 183,228.50	\$ 323,393.93
Sales-Nonreimbursable	145,588.05		145,588.05	28,121.21
Miscellaneous Revenue		1,920.00	1,920.00	1,310.61
	<u>328,816.55</u>	<u>1,920.00</u>	<u>330,736.55</u>	<u>352,825.75</u>
Total operating revenues	\$	\$	\$	\$
OPERATING EXPENSES:				
Cost of sales-Reimbursable	\$ 916,103.24	\$	\$ 916,103.24	\$ 797,937.90
Cost of sales-Nonreimbursable	75,636.16		75,636.16	69,385.90
Salaries	649,260.82		649,260.82	644,073.53
Employee benefits	145,759.17		145,759.17	152,966.73
Other purchased services	48,000.00		48,000.00	48,000.00
Miscellaneous Expenses	60,222.66	2,172.30	62,394.96	167,799.66
Depreciation	21,354.24		21,354.24	20,105.64
	<u>1,916,336.29</u>	<u>2,172.30</u>	<u>1,918,508.59</u>	<u>1,900,269.36</u>
Total operating expenses	\$	\$	\$	\$
Operating income (loss)	\$ (1,587,519.74)	\$ (252.30)	\$ (1,587,772.04)	\$ (1,547,443.61)
NONOPERATING REVENUES (EXPENSES):				
State sources				
School lunch program	\$ 19,399.83		\$ 19,399.83	\$ 19,038.24
Federal sources				
School lunch and PB programs	1,046,416.90		1,046,416.90	1,040,890.37
School breakfast program	266,552.37		266,552.37	262,011.33
After school snack program	57,635.48		57,635.48	55,595.40
Fresh fruit & vegetables program	39,720.27		39,720.27	24,870.86
National food distribution commodities	138,910.07		138,910.07	161,800.00
	<u>1,568,634.92</u>		<u>1,568,634.92</u>	<u>1,564,206.20</u>
Total nonoperating revenues (expenses)	\$		\$	\$
Net income	\$ (18,884.82)	\$ (252.30)	\$ (19,137.12)	\$ 16,762.59
Total net position - July 1	<u>353,381.55</u>	<u>261.67</u>	<u>353,643.22</u>	<u>336,880.63</u>
Total net position - June 30	<u>\$ 334,496.73</u>	<u>\$ 9.37</u>	<u>\$ 334,506.10</u>	<u>\$ 353,643.22</u>

BOROUGH OF ROSELLE SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND			
	<u>MAJOR FUND</u>	<u>NON-MAJOR FUND</u>	FY 2017 <u>TOTAL</u>	FY 2016 <u>TOTAL</u>
	<u>FOOD SERVICE</u>	<u>COMMUNITY SCHOOL</u>		
Cash flows from operating activities:				
Receipts from customers	\$ 366,841.90	\$ 1,920.00	\$ 368,761.90	\$ 335,878.41
Payments to employees	(605,948.17)		(605,948.17)	(596,974.87)
Payments to employee benefits	(138,281.27)		(138,281.27)	(141,592.35)
Payment to suppliers	<u>(1,157,593.40)</u>	<u>(2,172.30)</u>	<u>(1,159,765.70)</u>	<u>(1,025,211.94)</u>
Net cash provided (used for) by operating activities	<u>\$ (1,534,980.94)</u>	<u>\$ (252.30)</u>	<u>\$ (1,535,233.24)</u>	<u>\$ (1,427,900.75)</u>
Cash flows from noncapital financing activities:				
State sources	\$ 19,407.63		\$ 19,407.63	\$ 19,226.11
Federal sources	<u>1,554,627.88</u>		<u>1,554,627.88</u>	<u>1,549,637.07</u>
Net cash provided by (used for) noncapital financing activities	<u>\$ 1,574,035.51</u>		<u>\$ 1,574,035.51</u>	<u>\$ 1,568,863.18</u>
Cash flows from capital and related financing activities				
Purchase of capital assets	<u>\$ (8,244.00)</u>		<u>\$ (8,244.00)</u>	<u>\$ (14,781.55)</u>
Net cash provided by (used for) capital and related financing activities	<u>\$ (8,244.00)</u>		<u>\$ (8,244.00)</u>	<u>\$ (14,781.55)</u>
Net increase (decrease) in cash and cash equivalents	\$ 30,810.57	\$ (252.30)	\$ 30,558.27	\$ 126,180.88
Cash and cash equivalents - July 1	<u>146,439.39</u>	<u>261.67</u>	<u>146,701.06</u>	<u>20,520.18</u>
Cash and cash equivalents - June 30	<u>\$ 177,249.96</u>	<u>\$ 9.37</u>	<u>\$ 177,259.33</u>	<u>\$ 146,701.06</u>
Operating income (loss)	\$ (1,587,519.74)	\$ (252.30)	\$ (1,587,772.04)	\$ (1,547,443.61)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:				
Depreciation	21,354.24		21,354.24	20,105.64
Change in assets and liabilities:				
(Increase) Decrease in Inventory	4,492.51		4,492.51	(11,624.67)
(Increase) Decrease in accounts receivable	38,025.35		38,025.35	(16,947.34)
Increase (Decrease) in accounts payable	<u>(11,333.30)</u>		<u>(11,333.30)</u>	<u>128,009.23</u>
Net cash provided (used) by operating activities	<u>\$ (1,534,980.94)</u>	<u>\$ (252.30)</u>	<u>\$ (1,535,233.24)</u>	<u>\$ (1,427,900.75)</u>

FIDUCIARY FUNDS DETAIL STATEMENTS

Fiduciary Funds are used to account for funds received by the district for a specific purpose:

Scholarship Funds

These private purpose trust funds are used to account for assets held by the district for grants to students where there are no restrictions regarding the use of principal and income.

Agency Funds are used to account for assets held by the district as an agent for another party:

Student Activity Funds :

These agency funds are used to account for student funds held at the schools.

Payroll Fund:

This agency fund is used to account for the payroll transactions of the school district.

BOROUGH OF ROSELLE SCHOOL DISTRICT
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 JUNE 30, 2017

	AGENCY FUNDS			PRIVATE	TOTAL
ASSETS	STUDENT ACTIVITY	PAYROLL AGENCY	TOTAL AGENCY	PURPOSE AWARD FUND	TRUST
Cash and cash equivalents	\$ 91,115.95	\$ 1,608,663.08	\$ 1,699,779.03	\$ 432,986.90	\$ 432,986.90
Total assets	\$ 91,115.95	\$ 1,608,663.08	\$ 1,699,779.03	\$ 432,986.90	\$ 432,986.90
LIABILITIES					
Payroll deductions and withholdings		\$ 568,221.86	\$ 568,221.86		
Interfund payable		1,040,441.22	1,040,441.22		
Due to student groups	91,115.95		91,115.95		
Total liabilities	\$ 91,115.95	\$ 1,608,663.08	\$ 1,699,779.03		
NET ASSETS					
Held in Trust for Award				\$ 432,986.90	\$ 432,986.90
Total net assets				\$ 432,986.90	\$ 432,986.90

BOROUGH OF ROSELLE SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	PRIVATE PURPOSE AWARD FUNDS							
	OLIVER E. YOUNG	OLIVER E. YOUNG	OLIVER E. YOUNG	OLIVER E. YOUNG	DR. HERBERT I.	DOHNER	DARLENE	PLAYGROUND
		VOCAL	INSTRUMENTAL	EVELYN RUNG	PULLER	TRUST	ROBERTO	PROJECT
	OLIVER E. YOUNG							TOTAL
ADDITIONS:								
Contributions:								
Other	\$	\$	\$	\$	\$	\$	\$	\$
Total contributions							5,000.00	5,000.00
Investment earnings:								
Net increase (decrease) in fair value of investments	\$	21.22	2.53	4.23	3.03	95.95		126.96
Interest	\$	21.22	2.53	4.23	3.03	95.95		126.96
Net investment earnings								
Total additions	\$	21.22	2.53	4.23	3.03	95.95	5,000.00	5,126.96
DEDUCTIONS								
Awards	\$	1,562.00	500.00	200.00	200.00	1,000.00	5,000.00	11,462.00
Total deductions	\$	1,562.00	500.00	200.00	200.00	1,000.00	5,000.00	11,462.00
Change in net assets	\$	(1,540.78)	(497.47)	(195.77)	(196.97)	(904.05)		(6,335.04)
Net position beginning of year	\$	59,771.39	1,267.96	2,098.04	1,499.31	111,690.46	2,031.62	439,321.94
Net position end of year	\$	58,230.61	770.49	1,902.27	1,302.34	110,786.41	2,031.62	432,986.90

EXHIBIT "H-3"

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

	<u>BALANCE</u> <u>JUNE 30, 2016</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSE-</u> <u>MENTS</u>	<u>BALANCE</u> <u>JUNE 30, 2017</u>
ELEMENTARY SCHOOLS	\$ 20,317.66	\$ 49,624.99	\$ 53,220.04	\$ 16,722.61
MIDDLE SCHOOLS	9,082.19	18,853.29	17,222.77	10,712.71
HIGH SCHOOL	<u>69,676.25</u>	<u>87,276.78</u>	<u>93,272.40</u>	<u>63,680.63</u>
Total all schools	\$ <u>99,076.10</u>	\$ <u>155,755.06</u>	\$ <u>163,715.21</u>	\$ <u>91,115.95</u>

BOROUGH OF ROSELLE SCHOOL DISTRICT
PAYROLL AGENCY FUNDS
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>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2017</u>
ASSETS:				
Cash and cash equivalents	\$ 446,621.37	\$ 34,575,025.49	\$ 33,412,983.78	\$ 1,608,663.08
Total assets	<u>\$ 446,621.37</u>	<u>\$ 34,575,025.49</u>	<u>\$ 33,412,983.78</u>	<u>\$ 1,608,663.08</u>
LIABILITIES:				
Payroll & deductions payable	\$ 446,621.37	\$ 32,288,971.22	\$ 32,167,370.73	\$ 568,221.86
Interfund payable		1,040,441.22		1,040,441.22
Total liabilities	<u>\$ 446,621.37</u>	<u>\$ 33,329,412.44</u>	<u>\$ 32,167,370.73</u>	<u>\$ 1,608,663.08</u>

STATISTICAL SECTION
(UNAUDITED)

**Statistical Section
Unaudited**

Contents

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.

Revenue Capacity

These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.

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.

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.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.

Sources: *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year.*

Borough of Roselle School District
Net Position by Component
Unaudited

	June 30,										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
Governmental activities											
Net investment in capital assets	\$ 6,220,309	\$ 5,856,819	\$ 6,033,927	\$ 6,777,011	\$ 10,355,551	\$ 13,973,394	\$ 15,762,535	\$ 16,816,183	\$ 16,645,286	\$ 16,869,081	
Restricted	2,543,461	4,259,390	6,257,698	5,241,137	8,378,938	9,134,105	11,347,926	13,220,800	12,542,446	11,971,752	
Unrestricted (Deficit)	(404,204)	1,161,574	(1,367,096)	1,534,839	612,767	1,174,472	(280,004)	(12,213,462)	(12,231,232)	(13,491,920)	
Total governmental activities net position	\$ 8,359,566	\$ 11,277,763	\$ 10,924,529	\$ 13,352,987	\$ 19,347,256	\$ 24,281,971	\$ 26,830,457	\$ 17,823,522	\$ 16,956,499	\$ 15,348,913	
Business-type activities											
Invested in capital assets	\$ 60,013	\$ 53,915	\$ 73,462	\$ 119,261	\$ 154,848	\$ 136,512	\$ 119,904	\$ 100,784	\$ 95,460	\$ 82,349	
Unrestricted	280,903	234,407	281,771	285,857	145,313	72,750	117,134	236,097	258,184	252,157	
Total business-type activities net position	\$ 340,916	\$ 288,322	\$ 355,233	\$ 405,118	\$ 300,161	\$ 209,262	\$ 237,038	\$ 336,881	\$ 353,643	\$ 334,506	
Government-wide											
Net investment in capital assets	\$ 6,280,322	\$ 5,910,734	\$ 6,107,389	\$ 6,896,272	\$ 10,510,399	\$ 14,109,906	\$ 15,882,439	\$ 16,916,967	\$ 16,740,745	\$ 16,951,430	
Restricted	2,543,461	4,259,390	6,257,698	5,241,137	8,378,938	9,134,105	11,347,926	13,220,800	12,542,446	11,971,752	
Unrestricted (Deficit)	(123,301)	1,385,981	(1,085,325)	1,620,696	758,080	1,247,222	(162,870)	(11,977,365)	(11,973,049)	(13,239,763)	
Total government-wide net position	\$ 8,700,482	\$ 11,566,105	\$ 11,279,762	\$ 13,758,105	\$ 19,647,417	\$ 24,491,233	\$ 27,067,495	\$ 18,160,402	\$ 17,310,142	\$ 15,683,419	

Source: CAFR Schedule A-1

Note: GASB 63 was implemented during the 2013 fiscal year, which required the reclassification of balances previously reported as net assets to net position.

Borough of Roselle School District
Changes in Net Position
Unaudited

	Year ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses & Indirect Allocations										
Governmental activities										
Instruction										
Regular	\$ 17,145,489	\$ 16,124,349	\$ 19,121,220	\$ 19,816,588	\$ 19,658,151	\$ 20,710,786	\$ 18,677,796	\$ 21,030,022	\$ 24,305,361	\$ 25,080,004
Special education	3,614,379	4,022,220	4,775,597	5,604,221	5,028,434	5,602,304	10,338,622	14,658,676	13,512,203	14,553,584
Other instruction	2,189,176	3,116,842	3,727,847	3,846,346	4,055,906	4,392,570	4,423,657	1,306,955	2,548,511	1,570,721
Support Services:										
Tuition	7,647,788	5,557,907	5,162,562	4,369,280	3,958,783	3,677,777	7,683,565	7,896,825	7,490,245	10,829,949
Student & instruction related services	6,509,272	4,765,049	6,046,005	7,564,912	7,484,000	7,437,973	7,437,973	1,030,704	1,125,697	1,330,781
General administrative services	1,027,030	2,670,739	1,238,057	1,148,364	912,100	834,281	944,977	3,504,183	4,501,958	4,148,401
School administrative services	2,211,582	1,815,740	2,554,188	2,682,376	2,874,166	2,736,811	2,738,963	1,035,429	1,035,429	2,646,513
Business/Central/Info Technology	1,269,501	908,661	1,200,556	1,286,521	1,365,168	1,363,765	1,417,373	5,308,283	5,679,994	5,764,273
Plant operations and maintenance	4,406,397	6,526,613	4,477,769	4,008,630	4,078,466	4,127,896	4,899,561	1,264,862	1,327,647	8,568
Pupil transportation	3,584,399	2,918,452	2,206,990	1,426,179	1,483,072	1,517,366	1,283,435	8,400	507,589	579,708
Special Schools	8,400	8,400	8,400	8,495	92,875	6,464	8,160	8,400	8,400	8,568
Charter Schools	40,395	53,212	45,111	62,251	92,875	242,668	314,006	571,639	61,980,417	67,841,130
Capital Outlay	176,945									
Total governmental activities expenses	\$ 49,653,808	\$ 48,665,209	\$ 50,524,302	\$ 51,794,363	\$ 51,019,613	\$ 52,670,679	\$ 52,730,115	\$ 57,710,679	\$ 61,980,417	\$ 67,841,130
Business-type activities:										
Food service	1,187,073	1,244,829	1,244,170	1,447,503	1,589,954	1,727,783	1,720,789	1,796,086	1,898,086	1,916,336
Community School	6,702	3,996	1,189	1,889	341	1,394	263	2,183	2,183	2,172
Total business-type activities expense	\$ 1,193,775	\$ 1,248,825	\$ 1,245,359	\$ 1,449,108	\$ 1,590,295	\$ 1,727,783	\$ 1,722,183	\$ 1,796,349	\$ 1,900,269	\$ 1,918,509
Total district expenses	\$ 50,847,583	\$ 49,914,034	\$ 51,769,661	\$ 53,243,471	\$ 52,609,908	\$ 54,398,462	\$ 54,452,297	\$ 59,507,028	\$ 63,880,686	\$ 69,759,639
Program Revenues										
Governmental activities:										
Operating grants and contributions	\$ 4,937,245	\$ 2,950,632	\$ 5,725,552	\$ 5,378,726	\$ 4,630,524	\$ 7,435,864	\$ 6,851,481	\$ 11,022,018	\$ 12,869,607	\$ 17,751,725
Capital grants and contributions	4,937,245	2,950,632	5,725,552	421,246	1,632,412	2,066,175	6,851,481	11,022,018	12,869,607	17,751,725
Total governmental activities program revenues	\$ 9,874,490	\$ 5,901,264	\$ 11,451,104	\$ 5,800,000	\$ 6,262,936	\$ 9,502,039	\$ 13,702,962	\$ 22,044,036	\$ 25,739,214	\$ 35,503,450
Business-type activities:										
Charges for services										
Food service	319,565	263,084	263,160	319,305	281,440	297,028	324,519	360,951	351,978	328,817
Community School	3,800	3,718	1,610	1,244	423	200	1,145	1,675	848	1,920
Operating grants and contributions	817,611	929,429	1,010,075	1,178,441	1,203,474	1,339,656	1,424,292	1,483,989	1,564,206	1,568,635
Total business-type activities program revenues	\$ 1,140,976	\$ 1,196,231	\$ 1,274,845	\$ 1,498,990	\$ 1,485,337	\$ 1,636,884	\$ 1,749,956	\$ 1,846,614	\$ 1,917,032	\$ 1,899,371
Total district program revenues	\$ 6,078,221	\$ 4,146,963	\$ 7,000,397	\$ 7,298,962	\$ 7,748,273	\$ 11,138,923	\$ 8,601,437	\$ 12,868,632	\$ 14,786,639	\$ 19,651,096
Net (Expense)/Revenue										
Governmental activities	\$ (44,716,563)	\$ (45,714,577)	\$ (44,798,750)	\$ (45,994,391)	\$ (44,756,677)	\$ (43,168,640)	\$ (45,878,634)	\$ (46,688,661)	\$ (49,110,811)	\$ (50,089,405)
Business-type activities	(52,739)	(52,594)	29,486	49,882	(104,958)	(90,899)	21,774	50,285	16,763	(19,137)
Total district-wide net expense	\$ (44,769,362)	\$ (45,767,171)	\$ (44,769,264)	\$ (45,944,509)	\$ (44,861,635)	\$ (43,259,539)	\$ (45,856,860)	\$ (46,638,376)	\$ (49,094,048)	\$ (50,108,542)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 22,538,275	\$ 23,438,800	\$ 23,438,800	\$ 23,438,800	\$ 23,438,800	\$ 23,438,800	\$ 23,438,800	\$ 23,438,800	\$ 23,907,576	\$ 23,907,576
Federal and State Aid Not Restricted	20,428,848	24,902,428	20,877,266	24,842,450	26,876,842	23,950,097	24,916,230	24,509,746	24,092,528	24,238,259
Miscellaneous income	512,723	281,941	142,700	141,599	435,304	714,458	72,089	305,452	243,686	335,984
Transfers In/Out	(50,084)		(37,424)							
Total governmental activities	\$ 43,429,762	\$ 48,623,169	\$ 44,421,342	\$ 48,422,849	\$ 50,750,946	\$ 48,103,355	\$ 48,427,119	\$ 48,253,998	\$ 48,243,788	\$ 48,481,819
Business-type activities:										
Miscellaneous Income				3	1					
Transfers	53,002		37,424							
Total business-type activities	\$ 53,002	\$ 48,623,169	\$ 44,458,766	\$ 48,422,852	\$ 50,750,947	\$ 48,103,355	\$ 48,427,119	\$ 48,253,998	\$ 48,243,788	\$ 48,481,819
Total district-wide	\$ 43,482,764	\$ 97,246,338	\$ 88,880,108	\$ 96,845,699	\$ 101,501,893	\$ 96,206,710	\$ 96,854,238	\$ 96,507,996	\$ 96,487,576	\$ 96,963,638
Change in Net Position										
Governmental activities	\$ (1,286,801)	\$ 2,908,592	\$ (377,408)	\$ 2,428,468	\$ 5,994,269	\$ 4,934,715	\$ 2,548,485	\$ 1,565,337	\$ (867,022)	\$ (1,607,586)
Business-type activities	203	(52,594)	66,910	49,885	(104,957)	(90,899)	27,774	50,285	16,763	(19,137)
Total district	\$ (1,286,598)	\$ 2,855,998	\$ (310,498)	\$ 2,478,343	\$ 5,889,312	\$ 4,843,816	\$ 2,576,259	\$ 1,615,602	\$ (850,260)	\$ (1,626,723)

Source: CAFR Schedule A-2

Note: GASB 63 was implemented during the 2013 fiscal year, which required the reclassification of balances previously reported as net assets to net position.

Borough of Roselle School District
Fund Balances - Governmental Funds
Unaudited

	June 30,										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
General Fund											
Reserved	\$ 2,543,461	\$ 790,635	\$ 5,787,791								
Unreserved	2,236,073	6,185,927	(1,158,224)								
Restricted				\$ 3,689,994	\$ 5,061,770	\$ 7,124,610	\$ 9,963,246	\$ 12,083,847	\$ 11,405,493	\$ 10,834,800	
Assigned/Committed to				2,591,233	1,871,705	2,398,753	1,047,417	73,261			
Total general fund	\$ 4,779,534	\$ 6,976,562	\$ 4,629,567	\$ 6,281,227	\$ 6,933,475	\$ 9,523,363	\$ 11,010,664	\$ 12,157,108	\$ 11,405,493	\$ 10,834,800	
All Other Governmental Funds											
Unreserved, reported in:											
Special revenue fund	\$ (134,146)	\$ (37,915)	\$ (39,182)								
Capital projects fund	33,779	24,154	1,531,640								
Restricted				\$ 1,551,143	\$ 3,317,168	\$ 2,009,495	\$ 1,384,680	\$ 1,136,953	\$ 1,136,953	\$ 1,136,953	
Unassigned (deficit)				(39,182)	(48,978)	(49,905)	(71,707)	(58,050)	(51,219)	(49,512)	
Total all other governmental funds	\$ (100,367)	\$ (13,761)	\$ 1,492,458	\$ 1,511,961	\$ 3,268,190	\$ 1,959,590	\$ 1,312,973	\$ 1,078,903	\$ 1,085,734	\$ 1,067,441	

Source: CAFR Schedule B-1

Borough of Roselle School District
Changes in Fund Balances, Governmental Funds
Unaudited

	Year ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Tax/levy	\$ 22,538,275	\$ 23,438,800	\$ 23,438,800	\$ 23,438,800	\$ 23,438,800	\$ 23,438,800	\$ 23,438,800	\$ 23,438,800	\$ 23,907,576	\$ 23,907,576
Miscellaneous	634,912	282,465	163,043	172,575	466,083	721,948	78,367	329,670	259,193	356,623
State sources	23,302,236	25,813,678	19,944,906	26,134,733	28,410,117	30,933,989	29,473,981	29,307,336	29,809,705	30,371,365
Federal sources	2,059,009	2,037,058	6,637,569	4,476,713	4,698,882	2,510,657	2,287,451	1,962,309	1,518,584	2,752,980
Total revenue	48,534,432	51,572,001	50,184,318	54,222,821	57,013,682	57,605,394	55,278,600	55,038,116	55,495,058	57,390,543
Expenditures										
Instruction	13,561,760	13,010,427	14,315,334	15,337,345	14,956,060	15,023,941	12,798,560	12,703,885	13,538,176	13,110,286
Regular instruction	2,865,260	3,370,469	3,685,555	4,013,520	3,540,734	3,738,910	5,907,731	8,500,562	8,318,940	8,488,686
Special education instruction	1,735,446	2,609,924	2,714,285	2,787,418	2,902,318	2,981,107	3,047,283	859,816	851,764	899,638
Other instruction										
Support Services:										
Instruction	6,062,702	5,557,907	5,162,562	4,369,280	3,958,783	3,677,777	3,100,461	2,379,327	2,090,397	1,418,351
Student & instruction related services	5,160,157	4,692,629	5,051,532	6,559,305	6,220,599	5,793,583	6,116,953	5,681,260	6,211,431	7,293,275
General administration services	805,946	847,253	1,099,761	1,008,722	778,343	678,581	803,956	810,774	901,205	1,062,353
School administration services	1,735,740	1,815,740	1,765,070	1,898,552	2,024,522	1,837,954	1,873,223	2,091,689	2,459,437	2,121,870
Central Services / Administration Info. Technology	1,006,384	908,681	930,204	957,638	1,024,390	961,194	1,004,651	699,128	793,449	830,162
Plant operations and maintenance	3,282,731	3,345,458	3,818,314	3,446,889	3,527,447	4,398,550	3,902,364	4,197,051	4,335,767	4,255,873
Pupil transportation	2,841,494	2,483,953	2,187,901	1,406,969	1,463,393	1,492,649	1,283,435	1,341,093	1,264,862	1,327,647
Unallocated employee benefits	10,211,562	9,391,127	9,078,347	9,660,844	10,074,393	12,116,971	11,748,989	12,426,983	14,280,274	15,497,184
Special Schools	8,400	8,400	8,400	8,400	8,400	6,373	8,160	8,400	8,568	8,568
Charter Schools	40,395	53,212	45,112	62,251	92,875	242,668	314,006	571,639	507,589	579,708
Capital outlay	775,023	190,070	1,145,295	1,034,525	4,032,948	3,373,848	2,528,146	1,854,143	677,982	1,065,918
Total expenditures	50,093,000	48,285,250	50,987,672	52,551,658	54,605,405	56,324,106	54,437,916	54,125,741	56,239,842	57,959,529
Excess (Deficiency) of revenues over (under) expenditures	(1,558,568)	3,286,751	(803,354)	1,671,163	2,408,477	1,281,288	840,683	912,374	(744,784)	(568,986)
Other Financing sources (uses)										
Capital leases (non-budgeted)	226,402									
Transfers in	(50,084)		(37,424)	559,566	2,804,678					
Transfers out	176,318		(37,424)	(559,566)	(2,804,678)					
Total other financing sources (uses)										
Net change in fund balances	\$ (1,382,250)	\$ 3,286,751	\$ (840,778)	\$ 1,671,163	\$ 2,408,477	\$ 1,281,288	\$ 840,683	\$ 912,374	\$ (744,784)	\$ (568,986)

Source: CAFR Schedule B-2

Borough of Roselle School District
General Fund Other Local Revenue by Source
Unaudited

Fiscal Year Ended June 30,	Interest on Investments	State Tuition Refund	E-Rate	Refunds	Misc.	Total
2008	\$ 405,615				\$ 28,489	\$ 434,104
2009	90,947	60,386			131,132	282,465
2010	42,573	3,506			96,622	142,701
2011	39,999				101,600	141,599
2012	15,417				419,887	435,304
2013	6,134	117,951			590,373	714,458
2014	8,180				63,909	72,089
2015	10,247		266,374		28,831	305,452
2016	10,632	126,860		93,656	12,538	243,686
2017	61,032		188,423		86,530	335,985

Source: District Records

Borough of Roselle School District
Assessed Value and Actual Value of Taxable Property
Unaudited

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (a)	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate
2008	2,955,300	616,569,100	78,215,100	36,721,300	46,320,400	780,781,200	2,526,090	783,307,290	1,815,828,896	2.935
2009	3,160,700	616,978,400	79,717,100	35,839,000	43,756,100	779,451,300	2,549,136	782,000,436	1,844,946,125	3.001
2010	3,302,700	616,649,300	79,717,100	35,698,200	43,756,100	779,123,400	2,690,235	781,813,635	1,801,451,180	3.001
2011	3,756,000	614,288,300	79,772,400	34,886,600	43,425,700	776,129,000	3,378,770	779,507,770	1,655,244,105	2.998
2012	3,827,000	614,044,100	75,596,100	34,886,600	43,425,700	771,779,500	3,218,842	774,998,342	1,339,662,732	3.025
2013	3,640,900	613,088,878	76,313,040	34,917,800	42,930,000	770,890,618	2,856,193	773,746,811	1,494,760,867	3.030
2014	2,989,900	613,320,200	74,365,600	34,753,200	43,693,000	769,121,900	2,815,295	771,937,195	1,294,662,057	3.037
2015	2,939,900	611,767,400	75,576,200	33,996,900	43,693,000	767,973,400	2,565,760	770,539,160	1,346,044,256	3.103
2016	3,608,800	610,679,250	78,490,000	34,392,000	43,482,100	770,652,150	2,738,632	773,390,782	1,340,490,895	3.061
2017	3,652,600	611,045,381	77,323,500	33,167,700	43,390,200	768,579,381	2,762,084	771,341,465	1,358,638,339	3.108

Source: District records Tax list summary & Municipal Tax Assessor

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

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

(b): Tax rates are per \$100

Borough of Roselle School District
Direct and Overlapping Property Tax Rates
Unaudited

Fiscal Year Ended June 30,	Roselle Borough Board of Education			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	Roselle Borough	Union County	
2008	2.935		2.935	3.323	0.783	7.041
2009	3.001		3.001	3.321	0.825	7.147
2010	3.001		3.001	3.393	0.826	7.220
2011	2.998		2.998	3.605	0.912	7.515
2012	3.025		3.025	3.713	0.876	7.614
2013	3.030		3.030	3.816	0.867	7.713
2014	3.037		3.037	3.985	0.849	7.871
2015	3.103		3.103	3.985	0.905	7.993
2016	3.061		3.061	4.089	0.928	8.078
2017	3.108		3.108	4.210	0.942	8.260

Source: District Records and Municipal Tax Collector

Borough of Roselle School District
Principal Property Tax Payers - Current Year and Nine Years Ago
Unaudited

Taxpayer	2017			2013			
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Related Management Co. LP	\$ 9,298,700	1	1.21%	Related Management Co. LP	\$ 9,298,700	1	1.21%
Warren J. Lockwood Village	7,159,500	2	0.93%	Warren J. Lockwood Village	7,159,500	2	0.93%
Roselle Urban Renewal, LLC	4,243,900	3	0.55%	Roselle Shopping Center	6,024,200	3	0.78%
Cole WG Roselle NJ, LLC % Walgreens	3,706,000	4	0.48%	Roselle Golf Club	4,243,900	4	0.55%
Roselle Shopping Center	3,284,300	5	0.43%	Bell Atlantic / NJ Property Tax De	3,218,842	5	0.42%
WEC 2000A-23 LLC % CVS	3,083,000	6	0.40%	O.T. Group	3,000,000	6	0.39%
O.T. Group	3,000,000	7	0.39%	Rainbow Gardens	2,350,000	7	0.31%
Verizon - NJ Tax Dept	2,762,084	8	0.36%	Roselle 3 Equities, LLC % Eckerd	2,179,600	8	0.28%
Rainbow Gardens	2,350,000	9	0.31%	Lincoln Mold Realty Co	2,007,000	9	0.26%
Roselle Equities, LLC% Rite Aid	2,179,600	10	0.28%	WEC 2000A-23 LLC % CVS	2,000,000	10	0.26%
Total	\$ 41,067,084		5.34%	Total	\$ 41,481,742		5.39%

Source: Municipal Tax Assessor

Note: Information from nine years ago is not available, therefore information from 2013 is presented until nine years of information is collected

Borough of Roselle School District
Property Tax Levies and Collections
Unaudited

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy	Percentage of Levy	Collections in Subsequent Years
2008	\$ 22,538,275	\$ 22,538,275	100.00%	
2009	23,438,800	23,438,800	100.00%	
2010	23,438,800	23,438,800	100.00%	
2011	23,438,800	21,563,696	92.00%	\$ 1,875,104
2012	23,438,800	21,563,696	92.00%	1,875,104
2013	23,438,800	21,563,696	92.00%	1,875,104
2014	23,438,800	21,563,696	92.00%	1,875,104
2015	23,438,800	21,563,696	92.00%	1,875,104
2016	23,907,576	21,873,278	91.49%	1,986,298
2017	23,907,576	21,994,969	92.00%	1,912,607

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

Note: 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 certified prior to the end of the school.

EXHIBIT "J-10"

Borough of Roselle School District
Ratios of Outstanding Debt by Type
Unaudited

Governmental Activities

Fiscal Year Ended June 30,	General Obligation		Capital Leases		Total District	Percentage of Personal Income ^a		Per Capita ^a
	Bonds					Personal Income ^a		
2008	None	\$	426,463	\$	426,463	12.05%	20.76	
2009	None		321,849		321,849	16.43%	15.67	
2010	None		213,794		213,794	23.50%	10.35	
2011	None		123,871		123,871	41.49%	5.86	
2012	None		47,597		47,597	112.41%	2.24	
2013	None		None		None	None	None	
2014	None		None		None	None	None	
2015	None		None		None	None	None	
2016	None		None		None	None	None	
2016	None		None		None	None	None	

Source: District CAFR Schedules I-2.

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

EXHIBIT "J-11"

Borough of Roselle School District
Ratios of Net General Bonded Debt Outstanding
Unaudited

Fiscal Year Ended June 30,	General Bonded Debt Outstanding				Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	\$		
2008	NONE	-	NONE	\$	0.00%	-
2009	NONE	-	NONE		0.00%	-
2010	NONE	-	NONE		0.00%	-
2011	NONE	-	NONE		0.00%	-
2012	NONE	-	NONE		0.00%	-
2013	NONE	-	NONE		0.00%	-
2014	NONE	-	NONE		0.00%	-
2015	NONE	-	NONE		0.00%	-
2016	NONE	-	NONE		0.00%	-
2017	NONE	-	NONE		0.00%	-

^a See Exhibit J-6 for property tax data.

^b Population data can be found in Exhibit J-14.

Borough of Roselle School District
 Direct and Overlapping Governmental Activities Debt
 As of June 30, 2017
 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 Board of Education	\$ -		
Other debt Borough County Utility Authority		NOT APPLICABLE	

Subtotal, overlapping debt

Total direct and overlapping debt

Sources: Borough Chief Financial Officer, Utility Authority Financial Manager And County Treasurer's Office

N/A - Information is not available.

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

Note:

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

Borough of Roselle School District
Legal Debt Margin Information,
Unaudited

Legal Debt Margin Calculation for Calendar Year 2016

Equalized valuation basis	
2016	\$ 1,354,875,264
2015	1,328,443,868
2014	1,337,835,971
[A]	\$ 4,021,155,103
Average equalized valuation of taxable property [A3] \$ 1,340,385,034	
Debt limit (4% of average equalized value)	[B] 53,615,401
Net bonded school debt	[C] -
Legal debt margin	[B-C] \$ 53,615,401

	Calendar Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt limit	\$ 66,170,941	\$ 71,476,916	\$ 72,829,683	\$ 70,688,552	\$ 63,951,440	\$ 59,862,503	\$ 56,396,985	\$ 52,931,467	\$ 52,744,345	\$ 53,615,401
Total net debt applicable to limit										
Legal debt margin	\$ 66,170,941	\$ 71,476,916	\$ 72,829,683	\$ 70,688,552	\$ 63,951,440	\$ 59,862,503	\$ 56,396,985	\$ 52,931,467	\$ 52,744,345	\$ 53,615,401
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Abstract of Rates and District Records.

Borough of Roselle School District
Demographic and Economic Statistics
Unaudited

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2008	20,544	1,055,817,792	51,393	8.20%
2009	20,538	1,085,864,598	52,871	13.80%
2010	20,655	1,037,665,890	50,238	14.00%
2011	21,132	1,085,931,216	51,388	14.00%
2012	21,225	1,135,664,850	53,506	14.00%
2013	21,336	1,165,991,064	54,649	9.40%
2014	21,499	1,180,058,611	54,889	8.10%
2015	21,605	1,238,096,130	57,306	8.10%
2016	21,670	1,302,128,630	60,089	7.40%
2017	21,625	N/A	N/A	6.40%

Source:

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

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

^c Per Capita personal income by municipality estimated based upon the census published by the US Bureau of Economic Analysis.

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

N/A

Data is not available

EXHIBIT "J-15"

Borough of Roselle School District
Principal Employers - Current Year and Ten Years Ago
Unaudited

Employer	2017			2008		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
N/A	Information is not available					

Borough of Roselle School District
 Full-time Equivalent District Employees by Function/Program
 Unaudited

<u>Function/Program</u>	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Instruction:										
Regular	220.0	226.0	225.0	225.0	230.0	231.0	235.0	231.0	231.0	231.0
Special education	66.0	69.0	89.0	92.5	90.0	90.0	95.0	89.0	89.0	89.0
Other instruction	25.0	25.0	23.0	25.5	23.0	23.0	24.0	30.0	30.0	30.0
Support Services:										
Student & instruction related services	50.0	50.0	48.0	48.0	50.0	50.0	50.0	51.0	51.0	51.0
General administrative services	9.0	9.0	6.0	6.0	7.0	7.0	7.0	4.0	4.0	4.0
School administrative services	23.0	23.0	23.0	12.0	20.0	20.0	21.0	28.0	28.0	28.0
Business administrative services	11.0	11.0	9.0	11.0	11.0	11.0	11.0	10.0	10.0	10.0
Plant operations and maintenance	25.0	29.0	20.0	19.0	19.0	19.0	19.0	23.0	24.0	24.0
Total	429.0	442.0	443.0	439.0	450.0	451.0	462.0	466.0	467.0	467.0

Source: District Personnel Records

Borough of Roselle School District
Operating Statistics
Unaudited

Fiscal Year	Enrollment	Operating Expenditures a	Cost Per Pupil	Percentage Change	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) c	Average Daily Attendance (ADA) c	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff b	Elementary				
2008	2,849	49,534,630	17,387	23.16%	408	1:17	2,888	2,718	2.20%	94.11%
2009	3,005	48,111,587	16,011	-7.92%	408	1:17	2,777	2,620	-3.84%	94.35%
2010	2,873	47,540,242	16,547	3.35%	271	1:17	2,779	2,610	0.07%	93.92%
2011	2,874	51,517,134	17,925	8.33%	271	1:17	2,782	2,609	0.11%	93.78%
2012	2,742	50,572,457	18,444	2.89%	270	1:17	2,726	2,569	-2.01%	94.25%
2013	2,679	51,768,729	19,324	4.77%	271	1:17	2,649	2,483	-2.82%	93.71%
2014	2,750	51,275,455	18,646	-3.51%	276	1:17	2,677	2,505	1.05%	93.57%
2015	2,689	51,909,770	19,304	3.53%	263	1:17	2,757	2,588	2.99%	93.87%
2016	2,731	55,561,860	20,345	5.39%	263	1:17	2,710	2,562	-1.70%	94.54%
2017	2,778	56,893,611	20,480	0.66%	263	1:17	2,750	2,578	1.48%	93.75%

Sources: District records, ASSA and Schedules J-12, J-14

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less capital outlay.

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

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

Borough of Roselle School District
School Building Information
Unaudited

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
High School										
Abraham Clark High School (1917, 1924, 1958)										
Square Feet	112,749	112,749	112,749	112,749	112,749	112,749	112,749	112,749	112,749	112,749
Capacity (students)	1,084	1,084	1,084	1,084	1,084	1,084	1,084	1,084	1,084	1,084
Enrollment	1,010	1,043	1,015	1,015	781	713	726	674	676	735
Elementary										
Charles E. Polk School (1922, 1928)										
Square Feet	33,053	33,053	33,053	33,053	33,053	33,053	33,053	33,053	33,053	33,053
Capacity (students)	322	322	322	322	322	322	322	322	322	322
Enrollment	277	270	273	273	274	279	293	271	278	313
Harrison School (1922, 1928)										
Square Feet	41,401	41,401	41,401	41,401	41,401	41,401	41,401	41,401	41,401	41,401
Capacity (students)	346	346	346	346	346	346	346	346	346	346
Enrollment	310	310	326	326	302	302	314	329	331	324
Washington School (1928, 1953)										
Square Feet	48,960	48,960	48,960	48,960	48,960	48,960	48,960	48,960	48,960	48,960
Capacity (students)	408	408	408	408	408	408	408	408	408	408
Enrollment	358	341	322	322	279	287	348	327	333	315
Kindergarten Success Academy (Leased)										
Square Feet					22,000	22,000	22,000	22,000	22,000	22,000
Capacity (students)					300	300	300	300	300	300
Enrollment					229	199	215	173	179	215
Middle School										
Leonard V. Moore School (1957)										
Square Feet	43,055	43,055	43,055	43,055	43,055	43,055	43,055	43,055	43,055	43,055
Capacity (students)	487	487	487	487	487	487	487	487	487	487
Enrollment	442	390	406	406	415	407	429	429	429	470
Junior High School										
Grace Wliday School										
Square Feet	48,726	48,726	48,726	48,726	48,726	48,726	48,726	48,726	48,726	48,726
Capacity (students)	512	512	512	512	512	512	512	512	512	512
Enrollment	446	441	416	416	350	388	380	410	414	426
Special Education School										
Roselle School Annex										
Square Feet	14,955	14,955	14,955	14,955	14,955	14,955	14,955	14,955	14,955	14,955
Capacity (students)	37	37	37	37	37	37	37	37	37	37
Enrollment	36	36	31	31	70	76	61	76	91	73
Other										
Administration Building										
Square Feet	2,645	2,645	2,645	2,645	2,645	2,645	2,766	2,766	2,766	2,766
Maintenance and Field House										
Square Feet	1,535	1,535	1,535	1,535	1,535	1,535	1,535	1,535	1,535	1,535

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

Number of Schools at June 30, 2016
 High School = 1
 Elementary = 3
 Middle School = 1
 Junior High School = 1
 Special Education School = 1
 Source: District records, ASSA

Borough of Roselle School District
 Schedule of Required Maintenance
 Unaudited

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

School Facilities	2017	2016	2015	2014	2013	2012	2011	2010	2009
Abraham Clark High School	\$ 109,394.19	\$ 108,204	\$ 117,805	\$ 113,807	\$ 114,532	\$ 112,106	\$ 103,599	\$ 127,899	\$ 131,425
Leonard V. Moore Middle School	41,773.91	41,320	54,052	52,848	57,247	43,967	47,581	74,492	60,625
Grace Wilday Junior High School	47,276.17	46,762	24,506	23,599	27,708	23,218	21,954	32,513	22,870
Harrison Elementary School	40,169.13	39,732	35,438	32,665	35,268	33,874	31,669	50,072	39,679
Charles E. Polk Elementary School	32,069.52	31,721	32,583	35,914	33,208	29,936	28,735	38,852	31,331
Washington Elementary School	47,503.21	46,987	37,154	34,463	34,383	34,351	31,841	42,979	38,365
Total School Facilities	\$ 318,186	\$ 314,726	\$ 301,537	\$ 293,297	\$ 302,346	\$ 277,452	\$ 265,379	\$ 366,806	\$ 324,295

Information in this level of detail was not available for 2007 fiscal year and prior and therefore ten years are not presented. Additional years will be added until ten required years are presented.



New Jersey Schools Insurance Group
Educational Risk and Insurance Consortium - North
Package Policy Declarations

Named Insured:

Roselle Borough Board of Education
710 Locust Street
Roselle, NJ 07203-1919

Agent:

Acrisure, LLC
6 Dickinson Drive, Bldg. 300, Suite 302
Chadds Ford, PA 19317

Policy Term: 07/01/2016 to 07/01/2017 12:01 AM Eastern Standard Time

Article I - Property

Real and Personal Property	\$450,000,000 per occurrence NJSIG Limit
Extra Expense	\$50,000,000 per occurrence NJSIG Limit
Valuable Papers and Records	\$10,000,000 per occurrence NJSIG Limit
Demolition and Increased Cost of Construction	\$25,000,000 per occurrence NJSIG Limit
Loss of Rents	Not Covered
Loss of Business Income/Tuition	Not Covered
Limited Builders Risk	\$5,000,000 per occurrence NJSIG Limit
Fire Department Service Charge	\$10,000 per occurrence
Arson Reward	\$10,000 per occurrence
Pollutant Cleanup and Removal	\$250,000 per occurrence
Fine Arts	Not Covered
Sublimits: Special Flood Hazard Area Flood Zones	\$25,000,000 per occurrence/ NJSIG annual aggregate
Accounts Receivable	\$250,000 per occurrence
All Flood Zones	\$75,000,000 per occurrence /NJSIG annual aggregate
Earthquake	\$50,000,000 per occurrence /NJSIG annual aggregate
Terrorism	\$1,000,000 per occurrence /NJSIG annual aggregate

Deductibles:	Real & Personal	\$5,000 per occurrence
	Extra Expense	\$5,000 per occurrence
	Valuable Papers	\$5,000 per occurrence
Special Flood Hazard Area Flood Deductibles:		\$500,000 per building
		\$500,000 per building contents
All Other Flood Zones Flood Deductible:		\$10,000 per member/per occurrence



New Jersey Schools Insurance Group
Educational Risk and Insurance Consortium - North
Package Policy Declarations

Article II - Electronic Data Processing

Hardware/Software		\$250,000 per occurrence
Extra Expense		Included
Coverage Extensions:	Transit	\$25,000
	Loss of Income	\$10,000
	Terrorism	Included in Property
	Computer Virus	\$250,000 (\$10,000,000 NJSIG Annual Aggregate)
Deductible:		\$1,000 per occurrence
Special Flood Hazard Area Flood Deductible:		\$500,000 per building contents
All Other Flood Zones Flood Deductible:		\$10,000 per member/per occurrence

Article III - Equipment Breakdown

Combined Single Limit per Accident for Property Damage and Business Income		\$100,000,000
SubLimits:	Property Damage	Included
	Off Premises Property Damage	\$100,000
	Business Income	Included
	Extra Expense	\$10,000,000
	Service Interruption	\$10,000,000
	Perishable Goods	\$500,000
	Data Restoration	\$100,000
	Contingent Business Income	\$100,000
	Demolition	\$1,000,000
	Ordinance or Law	\$1,000,000
	Expediting Expenses	\$500,000
	Hazardous Substances	\$500,000
	Newly Acquired Locations (120 days notice)	\$250,000
	Terrorism	Included

Deductibles: \$5,000 per Accident for Property Damage
12 Hours for Indirect Coverages
Service Interruption Waiting Period 24 Hours



New Jersey Schools Insurance Group
Educational Risk and Insurance Consortium - North
Package Policy Declarations

Article IV - Crime

Insuring Agreements	Limits	Deductibles
Insuring Agreement 1 - Public Employee Dishonesty with Faithful Performance	\$250,000	\$1,000
Insuring Agreement 2 - Theft, Disappearance and Destruction - Loss of Money & Securities On or Off Premises	\$100,000	\$500
Insuring Agreement 3 - Theft, Disappearance and Destruction - Money Orders & Counterfeit Paper Currency	\$25,000	\$500
Insuring Agreement 4 - Forgery or Alteration	\$100,000	\$500
Insuring Agreement 5 - Computer Fraud	\$25,000	\$500
Public Officials Bond:		
Board Secretary	\$310,000	\$500

Article V - Comprehensive General Liability

Bodily Injury and Property Damage	\$16,000,000 per occurrence
Products and Completed Operations	\$16,000,000 annual aggregate
Sexual Abuse	\$16,000,000 per occurrence \$17,000,000 annual NJSIG aggregate
Personal Injury and Advertising Injury	\$16,000,000 per occurrence/annual aggregate
Employee Benefits Liability	\$16,000,000 per occurrence/annual aggregate
Employee Benefits Liability Deductible	\$1,000 each claim
Premises Medical Payments	\$10,000 per accident \$5,000 limit per person
Terrorism	\$1,000,000 per occurrence/annual NJSIG aggregate
Deductible	N/A



New Jersey Schools Insurance Group
Educational Risk and Insurance Consortium - North
Package Policy Declarations

Article VI - Automobile

Liability

Symbol 1 Any Auto	
Bodily Injury and Property Damage	\$16,000,000 per accident
Symbol 6 Uninsured/Underinsured Motorists - Private Passenger Autos	\$1,000,000 Per Accident
Symbol 6 Uninsured/Underinsured Motorists - All Other Vehicles	\$15,000 Bodily Injury Per Person \$30,000 Bodily Injury Per Accident \$5,000 Property Damage Per Accident
Symbol 5 Personal Injury Protection (including pedestrians)	\$250,000
Medical Payments	\$10,000 private passenger vehicles \$5,000 all other vehicles
Terrorism	\$1,000,000 per occurrence/annual NJSIG aggregate
Deductible	N/A

Physical Damage (Scheduled vehicles only)

Symbol 7 Comprehensive	\$1,000 deductible
Collision	\$1,000 deductible
Hired Car Physical Damage \$110,000 Limit	\$1,000 deductible
Replacement Cost	Not Covered

Garage Keepers Included

SINGLE AUDIT SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

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

Honorable President and Members
of the Board of Education
Borough of Roselle School District
County of Union
Roselle, New Jersey 07203

We have audited, in accordance with the auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Borough of Roselle School District (the "District") as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated December 5, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's 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 Borough of Roselle's School District's internal control.

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

SUPLEE, CLOONEY & COMPANY

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


Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However we noted other instances of noncompliance that we have reported to the Board of Education of the Borough of Roselle School District in a separate Auditor's Management Report on Administrative Findings – Financial and Compliance dated December 5, 2017.

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.


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 962

December 5, 2017



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO MAJOR FEDERAL
AND STATE FINANCIAL ASSISTANCE PROGRAMS AND WITH
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE
UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08**

Honorable President and Members
of the Board of Education
Borough of Roselle School District
County of Union
Roselle, New Jersey 07203

Report on Compliance for Each Major Federal and State Program

We have audited the Borough of Roselle School District's compliance with the types of compliance requirements described in the Federal *OMB Compliance Supplement* and the New Jersey *OMB State Grant Compliance Supplement* that could have a direct and material effect on each of the Borough of Roselle School District's major federal and state programs for the year ended June 30, 2017. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Borough of Roselle School District's major federal and 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; and 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 *OMB 15-08*. Those standards, the *Uniform Guidance* and New Jersey *OMB 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 federal or state program occurred. An audit includes examining, on a test basis, evidence about the Borough of Roselle School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

SUPLEE, CLOONEY & COMPANY

Opinion on Each Major Federal and State Program

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

Report on Internal Control Over Compliance

Management of the Borough of Roselle School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Borough of Roselle School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and 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 federal and state program and to test and report on internal control over compliance in accordance with the *Uniform Guidance* and New Jersey *OMB 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 Borough of Roselle School District's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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* and State of New Jersey *OMB 15-08*. Accordingly, this report is not suitable for any other purpose.


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 962

December 5, 2017

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

FEDERAL CFDA NUMBER	FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL AWARD IDENTIFICATION NUMBER	GRANTOR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE AT JUNE 30, 2016		BALANCE AT JUNE 30, 2017	
						UNEARNED REVENUE (ACCOUNTS RECEIVABLE)	CASH RECEIVED	UNEARNED REVENUE (ACCOUNTS RECEIVABLE)	BUDGETARY EXPENDITURES
Enterprise Fund									
U.S. Department of Agriculture									
Passed-through State Department of Education:									
Child Nutrition Cluster:									
10.582	Fresh Fruit & Vegetable Program	16161NJ304L1603	N/A	7/1/16-6/30/17	\$ 39,720.27	\$	\$ 31,965.02	\$ (39,720.27)	\$ (7,755.25)
10.582	Fresh Fruit & Vegetable Program	16161NJ304L1603	N/A	7/1/15-6/30/16	24,870.86	(6,025.73)	6,025.73		
10.553	National School Breakfast Program	1616NJ304N1099	N/A	7/1/16-6/30/17	266,552.37		247,645.48	(266,552.37)	(18,906.89)
10.553	National School Breakfast Program	1616NJ304N1099	N/A	7/1/15-6/30/16	262,011.33	(22,009.15)	22,009.15		
10.555	After School Snack Program	16161NJ304N1099	N/A	7/1/16-6/30/17	57,635.48		55,040.00	(57,635.48)	(2,595.48)
10.555	After School Snack Program	16161NJ304N1099	N/A	7/1/15-6/30/16	55,595.40	(4,105.92)	4,105.92		
10.555	National School Lunch - Food Distribution	16161NJ304N1099	N/A	7/1/16-6/30/17	134,942.51		134,942.51	(121,476.99)	13,465.52
10.555	National School Lunch - Food Distribution	16161NJ304N1099	N/A	7/1/15-6/30/16	150,964.85	17,433.08		(17,433.08)	
10.555	National School Lunch Program	16161NJ304N1099	N/A	7/1/16-6/30/17	1,046,416.90		969,423.40	(1,046,416.90)	(76,993.50)
10.555	National School Lunch Program	16161NJ304N1099	N/A	7/1/15-6/30/16	1,040,890.37	(82,767.89)	82,767.89		
Total Child Nutrition Cluster						\$	\$ 1,553,925.10	\$ (1,549,235.09)	\$ (92,785.60)
Total U.S. Department of Agriculture						\$	\$ 1,553,925.10	\$ (1,549,235.09)	\$ (92,785.60)
General Fund									
Special Education Medicaid Initiative (SEMI)									
93.778		1605NJ5MAP	N/A	7/1/16-6/30/17	225,982.06		247,495.63	(225,982.06)	
Total U.S. Department of Education:						\$	\$ 247,495.63	\$ (225,982.06)	\$ (241,400.12)
Special Revenue Fund									
U.S. Department of Education									
Passed-through State Department of Education:									
N.C.L.B.:									
84.010	Title I Part A	S010A150030	NCLB454017	7/1/16-6/30/17	1,093,625.00		702,197.00	(943,597.12)	(241,400.12)
84.010	Title I Part A	S010A150030	NCLB454016	7/1/15-6/30/16	666,812.00	(159,265.85)	159,265.85		
84.010	Title I ISA	S010A150030	NCLB454017	7/1/16-6/30/17	94,695.00		50,463.00	(92,575.87)	(42,112.87)
84.010	Title I ISA	S010A150030	NCLB454016	7/1/15-6/30/16	53,000.00	(26,270.16)	26,270.16		
84.010A	Title I Arts	S010A150030	NCLB454017	7/1/16-6/30/17	40,000.00		19,037.00	(33,369.12)	(14,332.12)
84.367A	Title II Part A	S367A150029	NCLB454017	7/1/16-6/30/17	86,555.00		36,999.00	(63,734.49)	(26,735.49)
84.367A	Title II Part A	S367A150029	NCLB454016	7/1/15-6/30/16	106,987.00	(41,052.38)	41,052.38		
84.365A	Title III	S365A150030	NCLB454017	7/1/16-6/30/17	71,219.00		38,809.00	(47,024.25)	(8,215.25)
84.365A	Title III	S365A150030	NCLB454016	7/1/15-6/30/16	85,983.00	(18,650.67)	18,650.67		
84.365A	Title III Immigrant	S365A150030	NCLB454017	7/1/16-6/30/17	32,838.00		22,729.00	(25,392.02)	(2,663.02)
84.365A	Title III Immigrant	S365A150030	NCLB454016	7/1/15-6/30/16	44,721.00	(6,580.49)	6,580.49		
Total N.C.L.B.						\$	\$ 1,122,053.55	\$ (1,205,692.87)	\$ (335,458.87)

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

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	GRANTOR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE AT JUNE 30, 2016		BALANCE AT JUNE 30, 2017	
						UNEARNED REVENUE (ACCOUNTS RECEIVABLE)	CASH RECEIVED	UNEARNED REVENUE (ACCOUNTS RECEIVABLE)	BUDGETARY EXPENDITURES
I.D.E.A. Special Education Cluster:									
I.D.E.A. - Part B - Basic	84.027	S027A150100	IDEA454017	7/1/16-6/30/17	1,555,544.00	\$	525,720.00	\$	(1,287,512.00)
I.D.E.A. - Part B - Basic	84.027	S027A150100	IDEA454016	7/1/15-6/30/16	1,162,168.00	(233,672.79)	233,672.79		(761,792.00)
I.D.E.A. - Part B - Preschool	84.173	S027A150100	IDEA454017	7/1/16-6/30/17	48,357.00		8,815.00	(12,227.67)	(3,412.67)
I.D.E.A. - Part B - Preschool	84.173	S173A150114	IDEA454016	7/1/15-6/30/16	51,085.00	(4,289.85)	4,289.85		
Total I.D.E.A. Special Education Cluster						<u>\$ (237,962.64)</u>	<u>\$ 772,497.64</u>	<u>\$ (1,299,739.67)</u>	<u>\$ (765,204.67)</u>
Perkins Secondary	84.048A	V048A140030	N/A	7/1/16-6/30/17	29,904.00	\$	14,967.00	\$	(6,598.03)
Perkins Secondary	84.048A	V048A140030	N/A	7/1/15-6/30/16	18,829.00	(17,849.05)	17,849.05		
Total Perkins Secondary						<u>\$ (17,849.05)</u>	<u>\$ 32,816.05</u>	<u>\$ (21,565.03)</u>	<u>\$ (6,598.03)</u>
Total U.S. Department of Education						<u>\$ (507,631.24)</u>	<u>\$ 1,927,367.24</u>	<u>\$ (2,526,997.57)</u>	<u>\$ (1,107,261.57)</u>
Total Federal Financial Assistance						<u>\$ (626,620.42)</u>	<u>\$ 3,728,787.97</u>	<u>\$ (4,302,214.72)</u>	<u>\$ (1,200,047.17)</u>

See accompanying notes to schedules of financial assistance.

BOROUGH OF ROSELLE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2016		CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS/ REPAYMENT OF PRIOR YEAR BALANCES	BALANCE AT JUNE 30, 2017		MEMO	
				DEFERRED REVENUE (ACCTS.REC.)	DUE TO GRANTOR				DEFERRED REVENUE (ACCTS.REC.)	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
General Fund:												
State Aid Cluster:												
Equalization Aid	17-495-034-5120-078	\$ 21,768,981.00	7/1/16-6/30/17	\$	\$	\$ 19,623,733.90	\$ (21,768,981.00)	\$ 2,145,247.10	\$	\$ 2,145,247.10	\$	\$ 21,768,981.00
Special Education Aid	17-495-034-5120-089	1,681,565.00	7/1/16-6/30/17			1,515,853.41	(1,681,565.00)	165,711.59		165,711.59		1,681,565.00
Security Aid	17-495-034-5120-084	225,869.00	7/1/16-6/30/17			203,610.50	(225,869.00)	22,258.50		22,258.50		225,869.00
PARCC Readiness	17-495-034-5120-097	26,400.00	7/1/16-6/30/17			23,795.38	(26,400.00)	2,604.62		2,604.62		26,400.00
Per Pupil Growth Aid	17-495-034-5120-098	26,400.00	7/1/16-6/30/17			23,795.38	(26,400.00)	2,604.62		2,604.62		26,400.00
Professional Learning Community Aid	17-495-034-5120-101	26,910.00	7/1/16-6/30/17			26,910.00	(26,910.00)	2,651.87		2,651.87		26,910.00
				\$	\$	\$ 21,417,704.57	\$ (23,756,125.00)	\$ 2,341,072.30	\$	\$ 2,341,072.30	\$	\$ 23,756,125.00
Other-General Fund:												
Extraordinary Special Education Costs Aid	16-495-034-5120-473	270,088.00	7/1/15-6/30/16	\$	\$	\$ 270,088.00	\$	\$	\$	\$	\$	\$ 270,088.00
Extraordinary Special Education Costs Aid	17-495-034-5120-473	218,502.00	7/1/16-6/30/17				(218,502.00)			218,502.00		218,502.00
Transportation Aid	17-495-034-5120-014	54,056.00	7/1/16-6/30/17			48,725.00	(54,056.00)	5,327.00		5,327.00		54,056.00
Reimbursed TPAF Social Security Contributions	16-495-034-5095-002	1,576,887.77	7/1/15-6/30/16			114,740.65	(1,508,142.18)			74,518.59		1,576,887.77
Reimbursed TPAF Social Security Contributions	17-495-034-5095-002	1,508,142.18	7/1/16-6/30/17			1,433,628.59	(1,508,142.18)					1,508,142.18
On-behalf TPAF long-term disability insurance	Not Available	7,571.00	7/1/16-6/30/17				(7,571.00)					7,571.00
On-behalf TPAF pension contributions	17-495-034-5094-002	2,127,034.00	7/1/16-6/30/17			2,127,034.00	(2,127,034.00)					2,127,034.00
On-behalf TPAF post retirement medical	17-495-034-5094-001	1,772,303.00	7/1/16-6/30/17			1,772,303.00	(1,772,303.00)					1,772,303.00
				\$	\$	\$ 5,774,094.24	\$ (5,887,608.18)	\$ 5,327.00	\$	\$ 296,342.59	\$	\$ 7,534,583.95
Special Revenue Fund:												
Nonpublic Auxiliary Services:												
Compensatory Education	100-034-5120-067	\$ 171,546.00	7/1/16-6/30/17	\$	\$	\$ 171,367.00	\$ (165,902.00)	\$	\$	\$ 5,465.00	\$	\$ 165,902.00
Compensatory Education	100-034-5120-067	177,920.00	7/1/15-6/30/16			6,395.00	(2,192.00)	(111,173.00)				177,920.00
English as a Second Education	100-034-5120-067	6,395.00	7/1/16-6/30/17			6,902.00	(18,556.00)	(6,902.00)		4,203.00		6,395.00
English as a Second Education	100-034-5120-067	8,628.00	7/1/16-6/30/17				(18,556.00)					8,628.00
Transportation	100-034-5120-067	18,556.00	7/1/16-6/30/17				(18,556.00)					18,556.00
Nonpublic Handicap Services:												
Exam & Classification	100-034-5120-066	75,819.00	7/1/16-6/30/17			75,819.00	(65,903.00)	(14,990.00)		9,916.00		65,903.00
Exam & Classification	100-034-5120-066	65,614.00	7/1/15-6/30/16			16,787.00	(11,397.00)	(14,990.00)		5,390.00		65,614.00
Exam & Classification	100-034-5120-066	16,787.00	7/1/16-6/30/17			5,267.00	(44,100.00)	(5,267.00)		15,537.00		16,787.00
Corrective Speech	100-034-5120-066	14,213.00	7/1/15-6/30/16			59,637.00	(14,300.00)	(1,260.00)				14,213.00
Supplementary Instruction	100-034-5120-066	59,637.00	7/1/16-6/30/17			14,300.00	(28,080.00)	(2,427.63)		3,622.00		59,637.00
Supplementary Instruction	100-034-5120-373	53,762.00	7/1/15-6/30/16			31,702.00	(14,300.00)	(1,260.00)				53,762.00
Nonpublic Technology Aid	100-034-5120-964	14,300.00	7/1/16-6/30/17			29,150.00	(29,150.00)					14,300.00
Nonpublic Textbook Aid	100-034-5120-964	31,702.00	7/1/16-6/30/17			52,470.00	(52,470.00)					31,702.00
Nonpublic Textbook Aid	100-034-5120-964	32,604.00	7/1/15-6/30/16			445,605.30	(510,260.40)	49,511.70		104,220.60		32,604.00
Nonpublic Security Aid	100-034-5120-809	29,150.00	7/1/16-6/30/17			921,788.30	(942,330.40)	7,492.07		44,133.00		29,150.00
Nonpublic Security Aid	100-034-5120-870	52,470.00	7/1/16-6/30/17				(942,330.40)					52,470.00
Preschool Education Aid	495-034-5120-066	495,117.00	7/1/16-6/30/17			119,384.00	(119,384.00)					495,117.00
				\$	\$	\$ 42,019.63	\$	\$	\$	\$ 44,133.00	\$	\$ 1,295,071.40
Enterprise Fund:												
National School Lunch Program (State Share)	17-100-010-3360-067	19,399.83	7/1/16-6/30/17			17,911.21	(19,399.83)			(1,488.62)		19,399.83
National School Lunch Program (State Share)	16-100-010-3360-067	19,038.24	7/1/15-6/30/16			1,496.42	(19,399.83)					19,038.24
				\$	\$	\$ 19,407.63	\$	\$	\$	\$ (1,488.62)	\$	\$ 36,438.07
Capital Projects Fund:												
Schools Development Authority Grants	Various	8,798,752.00	Various									
				\$	\$	\$ 28,132,994.74	\$ (30,405,463.41)	\$ 2,353,891.37	\$	\$ 9,943,523.21	\$	\$ 39,877,326.42
Total state financial assistance subject to single audit				\$	\$	\$ 42,019.63	\$	\$	\$	\$ 44,133.00	\$	\$ 9,943,523.21
Less: On-behalf amounts not utilized for determination of major programs:												
On-behalf TPAF long-term disability insurance				\$	\$	\$ (7,571.00)	\$ 7,571.00					
On-behalf TPAF pension contributions						(2,127,034.00)	2,127,034.00					
On-behalf TPAF post retirement medical				\$	\$	\$ (1,772,303.00)	1,772,303.00					
				\$	\$	\$ 24,226,086.74	\$ (26,495,555.41)					

See accompanying notes to schedules of financial assistance.

Borough of Roselle School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2017

NOTE 1: GENERAL

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

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exceptions of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Note 1 of the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

Borough of Roselle School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2017

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$1,774,986.23 for the capital projects fund. See the notes to the required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Federal awards and state financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$225,982.06	\$29,427,326.88	\$29,653,308.94
Special Revenue Fund	2,526,997.57	994,037.70	3,521,035.27
Food Service Fund	<u>1,549,235.09</u>	<u>19,399.83</u>	<u>1,568,634.92</u>
Total Awards & Financial Assistance	<u>\$4,302,214.72</u>	<u>\$30,440,764.41</u>	<u>\$34,742,979.13</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: OTHER

Revenues and expenditures reported in the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF pension contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2017. TPAF Social Security contributions represent the amount reimbursed by the state for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2017.

Borough of Roselle School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2017

Section I – Summary of Auditor’s Results

Financial Statements

- | | | |
|-----|--|------------|
| (1) | Type of Auditor’s Report Issued: | Unmodified |
| (2) | Internal Control Over Financial Reporting: | |
| | (a) Material weakness identified? | No |
| | (b) Significant deficiencies identified that are not considered to be material weaknesses? | No |
| (3) | Noncompliance material to basic financial statements noted? | No |

Federal Program(s)

- | | | |
|-----|--|------------|
| (1) | Internal Control Over Major Federal Programs: | |
| | (a) Material weakness identified? | No |
| | (b) Significant deficiencies identified that are not considered to be material weaknesses? | No |
| (2) | Type of Auditor’s Report issued on compliance for major federal program(s)? | Unmodified |
| (3) | Any audit findings disclosed that are required to be reported in accordance with Federal Uniform Guidance? | No |

- (4) Identification of Federal State Program(s):

<u>Program</u>	<u>CFDA Number</u>
I.D.E.A. Part B Basic	84.010
Special Education Medicaid Initiative	93.778

- | | | |
|-----|---|-----|
| (5) | Program Threshold Determination:
Type A Federal Program Threshold > \$750,000.00
Type B Federal Program Threshold <= \$750,000.00 | |
| (6) | Auditee qualified as a low-risk auditee under Federal Uniform Guidance? | Yes |

Borough of Roselle School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2017

Section I – Summary of Auditor’s Results (Continued)

State Program(s)

- (1) Internal Control Over Major State Programs:
 - (c) Material weakness identified? No
 - (d) Significant deficiencies identified that are not considered to be material weaknesses? No
- (2) Type of Auditor’s Report issued on compliance for major state program(s)? Unmodified
- (3) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08? No
- (4) Identification of Major State Program(s):

	<u>Grant Number</u>
State Aid Cluster:	
Special Education Categorical Aid	495-034-5120-089
Security Aid	495-034-5120-084
Per Pupil Growth Aid	495-034-5120-097
PARCC Readiness	495-034-5120-098
Equalization Aid	495-034-5120-078
Reimbursed TPAF Social Security Contributions	495-034-5095-002

Borough of Roselle School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2017

Section I – Summary of Auditor’s Results (Continued)

State Program(s) (Continued)

- (5) Program Threshold Determination:
 - Type A State Program Threshold > \$794,956.66
 - Type B State Program Threshold <= \$794,956.66

- (6) Auditee qualified as a low-risk auditee under New Jersey OMB Circular 15-08? Yes

Section II – Financial Statement Audit – Reported Findings Under Government Auditing Standards

Internal Control Findings

None Reported

Compliance Findings

None Reported

Section III – Findings and Questioned Costs Relative to Major Federal and State Programs

Federal Programs – None Reported

State Programs – None Reported

Borough of Roselle School District
Schedule of Prior Year Audit Findings

Not Applicable

