

**SCHOOL DISTRICT**

**OF**

**ROSELLE PARK**

**ROSELLE PARK BOARD OF EDUCATION  
ROSELLE PARK, NEW JERSEY**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**OF THE**

**ROSELLE PARK BOARD OF EDUCATION**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**PREPARED BY**

**ROSELLE PARK BOARD OF EDUCATION  
FINANCE DEPARTMENT**

**ROSELLE PARK SCHOOL DISTRICT**

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## INTRODUCTORY SECTION



1.

*Roselle Park Public Schools  
510 Chestnut Street  
Roselle Park, New Jersey 07204*

*"A High Performing District"*

**Pedro Garrido**  
Superintendent of Schools  
(908) 245-1197  
FAX (908) 245-1226

**Susan M. Guercio**  
School Business Administrator/  
Board Secretary  
(908) 245-2103

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November 19, 2018

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

Dear Board Members:

The Comprehensive Annual Financial Report of the Roselle Park School District for the fiscal year ended June 30, 2018, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rest with the management of the board of education. 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 and account groups of the district. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the district's organizational chart and a list of principle officials. The financial section includes the general-purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The district is required to undergo an annual single audit in conformity with the provisions of the Title 2 U.S. Code of Federal Regulations, Part 200, "Audits of State and Local Governments" and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payment". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

1. **REPORTING ENTITY AND ITS SERVICES:** The Roselle Park School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No.3. All funds and account groups of the district are included in this report. The Roselle Park 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 levels pre-school handicapped, and grades kindergarten through 12 (K-12). These include regular and special education for handicapped youngsters. The district also provides after-school care (extended day) for elementary and middle school children, and a summer camp for parents who need or desire care for their children beyond the traditional school year.

The district also finds itself in the unique position of providing recreational services to the community, county, and state through its operation of the Green Acres Athletic Complex. The complex is used on a regular basis by local and county athletic groups, as well as by individuals of all ages. The board maintains for their use the baseball, softball, football, soccer, tennis, and basketball facilities.

The district completed the 2017-2018 school year with an enrollment of 2081 students, which represents an increase of 22 students over the previous June 30 enrollment.

2. **ECONOMIC CONDITION AND OUTLOOK:** Roselle Park is a community that lacks commercial and industrial ratables. Since seven of the top ten taxpayers are apartment complex owners, only three out of the ten largest taxpayers require no services from the school district. The apartment dwellers are responsible for generating approximately one-fifth of the total student population.

The municipal government is involved in an ongoing program of "downtown revitalization" which at best should provide very modest relief for taxpayers in general. Since the town is almost completely developed, there is limited potential for new expansion in either the commercial, industrial, or residential sector.

Property owners directly, and apartment dwellers indirectly, will continue to shoulder the major proportion of property taxes, based upon the current school funding formula.

3. **CURRICULUM/STAFF DEVELOPMENT:** The Roselle Park School District continues to prioritize teacher and staff professional development. Three full and four half days of professional development training were again included in the 2018-2019 school year calendar, in addition to professional learning experiences our staff participate in regularly.

Diverse opportunities for job embedded support are established throughout the district, such as weekly Professional Learning Community (PLC) meetings, monthly articulation meetings, optional after hours learning opportunities offered regularly, and release time for assessment review, data analysis, and small group coaching/lesson rehearsal. Our teaching and administrative staff lead formal and informal staff development experiences as often as possible, with expert consultants used to lead professional learning opportunities when necessary.

A new structure was put in place for the 2018-19 school year for District Articulation Meetings. Instead of ten building based articulation meetings, this year principals have their full staff for five meetings. The other five meeting dates will be used for K-12 content/subject to meet, comprised of teachers ranging from preschool to High School level, led by an administrator. The goal is to build collegial relationships across buildings based on the focus content of the group.

Curriculum continues to be updated and digitized using eDoctrina. This program is accessible online and offers many features to enable curriculum to evolve into "living documents" and resource warehouses for staff to foster collaboration and consistency across buildings and grade levels.

The district invested in LinkIt to support our teachers' ability to provide data driven instruction to meet individual student needs. After a successful pilot, LinkIt was adopted for use in grades K-8, with research based formative assessments to be administered online in Math and English Language Arts three times per year to students in grades 2-8. The expectation is that ongoing curriculum work will consider the key data points and trends identified, as well as program updates and resource investments will be prioritized to meet the needs of students. Following the direction of NJDOE, emphasis will be placed on facilitating academic growth in subgroup populations.

We continue to support technology integration throughout the district and foster digital communication with parents and our community. We are currently piloting digital registration with preschool students and hope to have digital registration in place for the Spring for incoming Kindergarten students. We are proud to continue our successful 1:1 laptop initiative in grades 6-12, now in its fourth year. With technology access now consistent across the district, our attention is focused on effective implementation of technology to improve teaching and learning experiences. We continue to find innovative ways to maintain district technology equipment to minimize down time when the inevitable technology glitches occur.

Once again, a summer program was offered to Title 1 and ESL students who completed grades K-8, funded by the ESEA grant. Approximately 105 students attended this valuable learning experience and we hope to have necessary funding to provide this program again in the summer of 2019.

**4. INTERNAL ACCOUNTING CONTROLS:** District management 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, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principals (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 of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the district also is responsible for ensuring that an adequate internal control 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 requirement, 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.

**5. BUDGETARY CONTROLS:** In addition to internal accounting controls, the district maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund and the special revenue fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2018.

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

7. **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 that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

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

9. **OTHER INFORMATION:** **Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Robert A. Hulsart and Company, CPA's, conducted the audit for the board of education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Title 2 U.S. Code of Federal Regulations, Part 200, "Audits of State and Local Governments" and the State Treasury Circular Letter 15-08 OMB. 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 financial section of this report.

10. ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Roselle Park Board of Education for their desire to provide 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 operations. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

*Pedro Garrido*

Pedro Garrido  
Superintendent of Schools

*Susan Guercio*

Susan Guercio  
School Business Administrator/Board Secretary

bm

*"Where Children Come First"*

**ROSELLE PARK BOARD OF EDUCATION****ROSELLE PARK, NEW JERSEY****ROSTER OF OFFICIALS****JUNE 30, 2018**

<b><u>Members of the Board of Education</u></b>	<b><u>Term</u></b>
Loren Harms, President	2019
Christopher Miller, Vice President	2020
Kevin Cancino	2018
Troy Gerten	2018
Chad Hemenway	2020
Matthew Leingang	2020
Kimberly Powers	2019
Sundjata Sekou	2018
Joseph Signorello, Jr.	2019

**Other Officials**

Pedro Garrido, Superintendent

Susan M. Guercio, Board Secretary/School Business Administrator

Gregory Meyer, Treasurer

Anthony Sciarrillo, Esq., Board Attorney

**ROSELLE PARK BOARD OF EDUCATION  
CONSULTANTS AND ADVISORS**

**Audit Firm**

Robert A. Hulsart & Company  
P.O. Box 1409  
2807 Hurley Pond Road  
Wall, New Jersey 07719

**Attorney**

Anthony Sciarrillo  
238 St. Paul Street  
Westfield, New Jersey 07090

**Official Depository**

TD Bank, N.A.  
37 St. George Avenue  
Roselle, New Jersey 07203

**Architect**

Di Cara Rubino Architects  
30 Galesi Drive  
Wayne, New Jersey 07470

**Health and Dental**

Brown & Brown Benefit Advisors  
430 Mountain Avenue  
Murray Hill, New Jersey 07974

**Property and Casualty**

Davies & Associates, Inc.  
80 Floral Avenue  
Murray Hill Square  
Murray Hill, New Jersey 07974

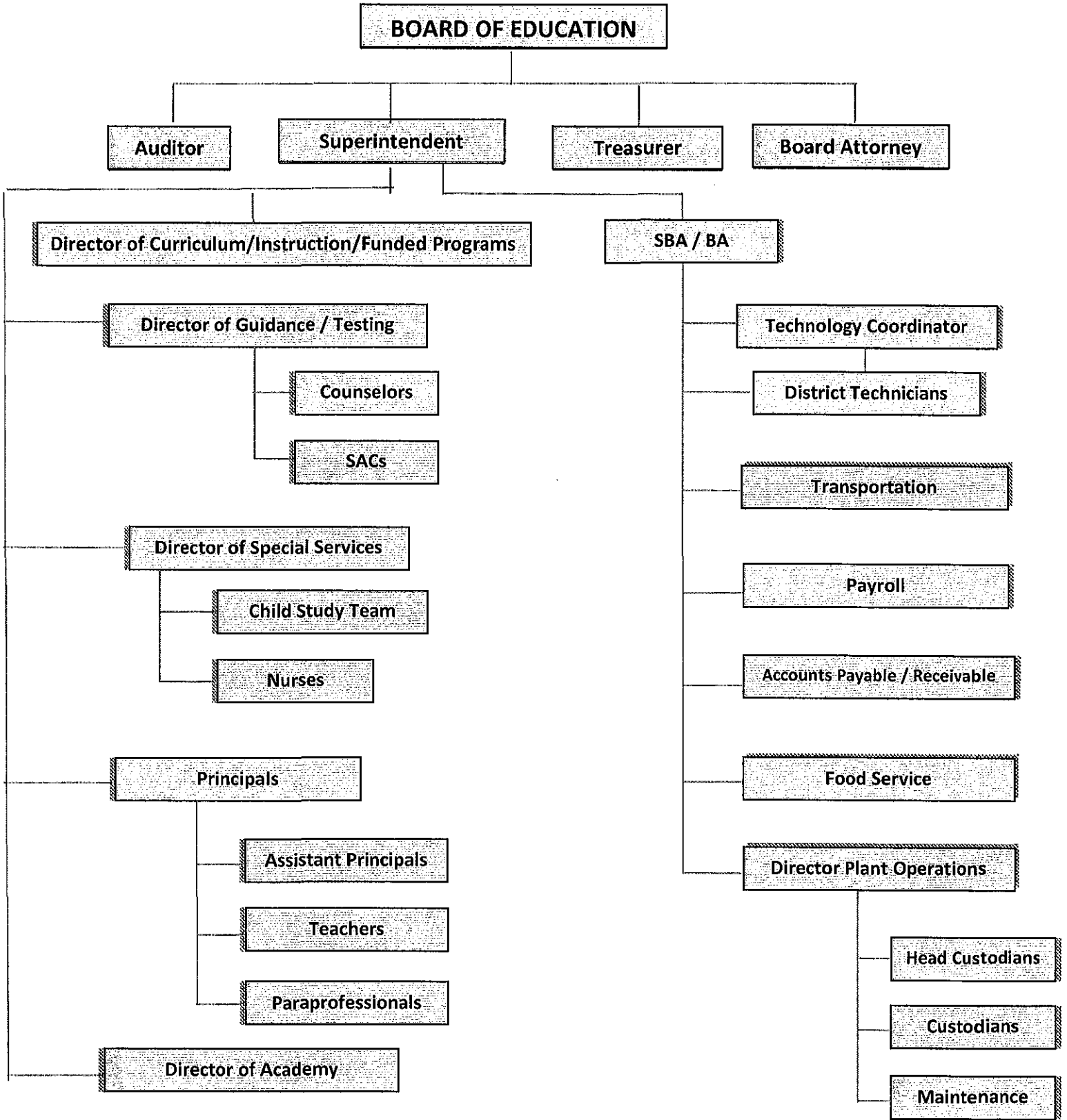
**Bond Counsel**

Ronald J. Ianoale  
McManimon & Scotland, L.L.C.  
One Riverfront Plaza  
Fourth Floor  
Newark, New Jersey 07102-5408



# ROSELLE PARK SCHOOL DISTRICT ORGANIZATIONAL CHART

Effective: January 8, 2018



**FINANCIAL SECTION**

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)  
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.  
ROBERT A. HULSART, JR., C.P.A., P.S.A.  
RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

Telecopier:  
(732) 280-8888  
e-mail:  
rah@monmouth.com

2807 Hurley Pond Road • Suite 100  
P.O. Box 1409  
Wall, New Jersey 07719-1409  
(732) 681-4990

## INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Roselle Park School District, in the County of Union, State of New Jersey, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

### *Auditors Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity's internal control. Accordingly we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Roselle Park School District, in the County of Union, State of New Jersey, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### *Other Matters*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government 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.

The accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, and statistical information 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 and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standard generally accepted in the United States of America. In our opinion, the accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, and statistical information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, and statistical information 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.

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by 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 New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid respectively, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2018 on our consideration of the Roselle Park's Board of Education internal control over financial reporting and 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 Roselle Park Board of Education's internal control over financial reporting and compliance.

Respectfully submitted,

**ROBERT A. HULSART AND COMPANY**

---

**Robert A. Hulsart**  
**Licensed Public School Accountant**  
**No. 322**  
**Robert A. Hulsart and Company**  
**Wall Township, New Jersey**

November 19, 2018

REQUIRED SUPPLEMENTARY INFORMATION  
PART I

**ROSELLE PARK PUBLIC SCHOOL DISTRICT**

**BOROUGH OF ROSELLE PARK**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

The discussion and analysis of Roselle Park School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2018. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; it should be read in conjunction with the Comprehensive Annual Financial Report's (CAFR) Letter of Transmittal which is found in the Introductory Section, and the School Board's financial statements found in the Financial Section and the notes thereto.

**Financial Highlights**

Key Financial highlights for the 2017-2018 fiscal year are as follows:

- Total assets as of June 30, 2018 were \$45,417,662 which included \$782,481 for Proprietary funds.
- The total Governmental net position included \$37,599,631 of capital assets and \$2,623,463 of restricted assets designated for state and federal projects, capital projects, and capital reserve.
- Total revenues for the year were \$41,141,558 which included \$39,631,023 in Governmental Funds, and \$1,510,535 for Proprietary Funds.
- There was state aid payments of \$1,079,636 that was not made in 2017-18 as a result of the New Jersey Legislature's Appropriations Act. This amount will be received in 2018-19.
- Proprietary Fund revenues included \$933,185 for food service and \$577,350 for Summer Camp programs.
- Total District expenditures were \$41,266,076 of which \$39,968,568 were for Governmental Funds and \$1,297,508 for Proprietary Funds.

**Using this Comprehensive Annual Financial Report (CAFR)**

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

The *Statement of Net Position and Statement of Activities* provide information about the activities of the whole school district, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Roselle Park School District, the General Fund is the most significant fund, with the Special Revenue Fund and certain Proprietary Funds also having significance.

## **Using this Comprehensive Annual Financial Report (CAFR) (Continued)**

The School Board's auditor has provided assurance in his Independent Auditor's Report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. A user of this report should read the Independent Auditor's Report carefully to ascertain the level of assurance being provided for each of the other parts of the Financial Section.

### **Reporting the School District as a Whole**

#### **Statement of Net Position and the Statement of Activities**

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

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

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

- **Governmental activities** – All of the School District's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- **Business-Type Activities** – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service Enterprise Fund, the Extended Day Care and Summer Camp Programs are reported as a business activities.

### **Reporting the School District's Most Significant Funds**

#### **Fund Financial Statements**

Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund and Debt Service Fund.



## Governmental Funds

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

## Proprietary Funds

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

## The School District as a Whole

Table 1 provides a summary of the School District's net position for the fiscal year 2016-2017 and 2017-2018.

**Table 1**  
**Net Position**

	<u>2017-2018</u>	<u>2016-2017</u>
<b><u>Assets</u></b>		
Current and Other Assets	\$ 3,119,377	3,442,725
Capital Assets, Net	<u>42,298,285</u>	<u>43,004,126</u>
Total Assets	<u>\$ 45,417,662</u>	<u>46,446,851</u>
<b><u>Deferred Outflows of Resources</u></b>		
Contribution to Pension Plans	<u>\$ 2,700,154</u>	<u>3,733,401</u>
<b><u>Deferred Inflows of Resources</u></b>		
Pension Deferrals	<u>\$ 2,320,919</u>	<u>492,854</u>
<b><u>Liabilities</u></b>		
Long-Term Liabilities	\$ 13,979,814	18,630,273
Other Liabilities	<u>1,241,297</u>	<u>239,074</u>
Total Liabilities	<u>\$ 15,221,111</u>	<u>18,869,347</u>
<b><u>Net Position</u></b>		
Invested in Capital Assets, Net of Debt	\$ 37,599,631	37,302,891
Restricted	2,623,463	1,933,932
Unrestricted	<u>(9,647,308)</u>	<u>(8,418,772)</u>
Total Net Position	<u>\$ 30,575,786</u>	<u>30,818,051</u>

Table 2 shows the changes in net position for fiscal year 2017-2018 and 2016-2017.

**Table 2**  
**Changes in Net Position**

	<u>2017-2018</u>	<u>2016-2017</u>
<b><u>Revenues</u></b>		
Program Revenues		
Charges for Services	\$ 1,300,719	1,346,095
Operating Grants and Contributions	1,287,263	1,396,218
General Revenues		
Property Taxes	22,240,947	21,759,464
Grants and Entitlements	16,230,573	15,199,326
Other	<u>82,056</u>	<u>100,426</u>
Total Revenues	<u>41,141,558</u>	<u>39,801,529</u>
<b><u>Program Expenses</u></b>		
Instruction	15,811,534	15,287,634
Tuition	1,688,553	1,688,356
Depreciation	225,588	189,047
Support Services		
Pupils/Instructional Services	3,889,398	3,725,000
Administrative-General, School, Business	2,528,470	2,505,532
Operations and Maintenance of Facilities	2,952,007	2,866,329
Pupil Transportation	502,134	467,281
Employee Benefits	11,531,414	10,421,694
Debt Service	156,379	200,988
Capital Outlay	673,818	
Charter Schools	9,273	9,273
Enterprise	<u>1,297,508</u>	<u>1,323,672</u>
Total	<u>41,266,076</u>	<u>38,684,806</u>
Adjustment for Transfers	<u>(117,747)</u>	<u>(68,150)</u>
Increase (Decrease) in Net Position	<u>\$ (242,265)</u>	<u>1,048,573</u>

### **Governmental Activities**

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services.

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

Extra Curricular activities include school sponsored co-curricular activities such as publications, clubs, drama and music as well as interscholastic athletics.

Pupils/Instructional services include the activities involved with providing support services to pupils, both regular and special education, educational media services and assisting the staff with the content and process of teaching to students, including curriculum and staff development.

## **Governmental Activities (Continued)**

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

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

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Employee Benefits represent the cost of employer's share of pension and social security, health and dental insurance premiums, compensation for retiring employees' accumulated sick leave pursuant to collective bargaining agreements, and custodial uniforms.

Capital Outlay includes equipment items with a unit cost of \$2,000 or more, and facilities acquisition and construction services.

Debt Service involves the transactions associated with the payment of principal and interest on previously authorized debt incurred by the School District.

## **Business-Type Activities**

Revenues for the District's business-type activities (food service program and summer camp) were comprised of charges for services and federal and state reimbursements.

- Food service revenues exceeded expenses by \$42,956.
- Charges for services represent \$490,966 of revenue. This represents amount paid by patrons for daily food services.
- Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities was \$442,219.
- The Summer Camp program, which has a fee for service program, had total revenues of \$577,350.

## **The School Board's Funds**

The School Board uses funds to control and manage money for particular purposes. The Fund's basic financial statements allows the School Board to demonstrate its stewardship over and accountability for resources received from the Borough of Roselle Park's taxpayer's and other entities, including the State of New Jersey and the Federal Government. These statements also allow the reader to obtain more insight into the financial workings of the School Board, and assess further the School Board's overall financial health.

The School Board's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

Over the course of the year, the School Board revises its budget as it attempts to take into consideration unexpected changes in revenue and expenditures. A schedule showing the School Board's original and final budget compared with actual operating results is provided in the section of the CAFR, entitled Budgetary Comparison Schedules.

### The School Board's Funds (Continued)

On June 30, 2018 the district's General Fund balance was \$3,303,275. This amount will be reduced by encumbrances of \$787,615, \$614,874 for Capital Reserve, and \$522,003 of excess surplus which is mandated for tax relief in 2018-2019; and \$543,705 for tax relief in 2019-2020, \$37,519 in maintenance reserve leaving an unrestricted balance of \$797,559. The unrestricted balance represents 2% of the current year's budget. This relatively low surplus is primarily the result of utilizing surplus funds in previous years for tax relief, and the reduction of state aid.

### Capital Assets

At June 30, 2018, the School Board had approximately \$42,298,285 million invested in a broad range of capital assets, including land, buildings, furniture, vehicles, computers, instructional equipment and other equipment. This amount is net of accumulated depreciation to date. Table 3 below shows the net book value of capital assets at the end of the 2018 fiscal year.

**Table 3**

	<u>Governmental Activities</u>	<u>Business Type Activities</u>
Capital Assets at June 30, 2018		
Land and Improvements	\$ 28,429,504	
Buildings and Sites	13,626,333	
Machinery, Equipment and Vehicles	<u>242,091</u>	<u>357</u>
Total	<u>\$ 42,297,928</u>	<u>357</u>

### Debt Administration

At June 30, 2018, the School District had \$15,000,547 as outstanding debt. Of this amount \$1,201,489 is for compensated absences, and \$3,885,000 for bonds for school improvement, \$813,654 in capital leases; and \$9,100,404 for pension liability.

### Economic Factors and Next Year's Budget

At this time, the most important factor affecting the budget is the unsettled situation with State Aid, and recent legislation affecting future school budgets. The District can only assume that current funding levels from the state will be maintained, however, the legislation further restricts budget growth. The District expects to experience additional growth in student population. Additionally costs for personnel, special education and energy are expected to continue to increase. The tax levy will likely be the area that will need to absorb most of the increase in budget obligations.

In conclusion, the Roselle Park School District has committed itself to a thorough and efficient operation for delivering educational services to its school children. The School District is carefully managing its resources, and is planning to meet its future educational needs in as fiscally prudent a manner as possible.

**Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact Susan Guercio, School Business Administrator/Board Secretary at Roselle Park Board of Education, 510 Chestnut Street, Roselle Park, NJ 07204.

**BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS – A**

**ROSELLE PARK SCHOOL DISTRICT****STATEMENT OF NET POSITION****Exhibit A-1****JUNE 30, 2018**

	<b><u>Governmental Activities</u></b>	<b><u>Business-Type Activities</u></b>	<b><u>Total</u></b>
<b><u>Assets</u></b>			
Cash and Cash Equivalents	\$ -	748,260	748,260
Receivables, Net	551,937	25,534	577,471
Inventory		8,330	8,330
Restricted Assets:			
Cash and Cash Equivalents	1,785,316		1,785,316
Capital Assets - (Non-Depreciable)	28,429,504		28,429,504
Capital Assets, Net (Note 1)	13,868,424	357	13,868,781
Total Assets	<u>44,635,181</u>	<u>782,481</u>	<u>45,417,662</u>
<b><u>Deferred Outflow of Resources</u></b>			
Contribution to Pension Plan	<u>2,700,154</u>		<u>2,700,154</u>
<b><u>Deferred Inflow of Resources</u></b>			
Pension Deferrals	<u>2,320,919</u>		<u>2,320,919</u>
<b><u>Liabilities</u></b>			
Accounts Payable and Accrued Interest	85,522	27,252	112,774
Deferred Revenue	107,790		107,790
Noncurrent Liabilities: (Note 3)			
Due Within One Year	1,020,733		1,020,733
Due Beyond One Year	13,979,814		13,979,814
Total Liabilities	<u>15,193,859</u>	<u>27,252</u>	<u>15,221,111</u>
<b><u>Net Position</u></b>			
Invested in Capital Assets, Net of Related Debt	37,599,274	357	37,599,631
Restricted For:			
Other Purposes	2,623,463		2,623,463
Unrestricted	<u>(10,402,180)</u>	<u>754,872</u>	<u>(9,647,308)</u>
Total Net Position	<u>\$ 29,820,557</u>	<u>755,229</u>	<u>30,575,786</u>

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



**ROSELLE PARK SCHOOL DISTRICT**

Exhibit A-2  
Sheet 1 of 2

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2018**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b><u>Functions/Programs</u></b>						
Governmental Activities:						
Instruction:						
Regular	\$ 10,857,554			(10,857,554)		(10,857,554)
Special Education	3,103,179		652,022	(2,451,157)		(2,451,157)
Other Special Instruction	844,534			(844,534)		(844,534)
Other Instruction	1,006,267			(1,006,267)		(1,006,267)
Support Services:						
Tuition	1,688,553	232,403		(1,456,150)		(1,456,150)
Student & Instruction Related Services	3,889,398		184,062	(3,705,336)		(3,705,336)
School Administrative Services	1,363,766			(1,363,766)		(1,363,766)
General and Business Administrative Services	1,164,704			(1,164,704)		(1,164,704)
Plant Operations and Maintenance	2,952,007			(2,952,007)		(2,952,007)
Pupil Transportation	502,134			(502,134)		(502,134)
Employee Benefits	11,531,414			(11,531,414)		(11,531,414)
Charter Schools	9,273			(9,273)		(9,273)
Capital Outlay	673,818		8,960	(664,858)		(664,858)
Interest on Long-Term Debt	156,379			(156,379)		(156,379)
Depreciation	225,588			(225,588)		(225,588)
Total Government Activities	<u>39,968,568</u>	<u>232,403</u>	<u>845,044</u>	<u>(38,891,121)</u>	<u>-</u>	<u>(38,891,121)</u>
Business-Type Activities:						
Food Service and Miscellaneous	<u>1,297,508</u>	<u>1,068,316</u>	<u>442,219</u>		<u>213,027</u>	<u>213,027</u>
Total Business-Type Activities	<u>1,297,508</u>	<u>1,068,316</u>	<u>442,219</u>	<u>-</u>	<u>213,027</u>	<u>213,027</u>
Total Primary Government	<u>41,266,076</u>	<u>1,300,719</u>	<u>1,287,263</u>	<u>(38,891,121)</u>	<u>213,027</u>	<u>(38,678,094)</u>

**ROSELLE PARK SCHOOL DISTRICT**

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2018**

Exhibit A-2

Sheet 2 of 2

	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
General Revenues:						
Taxes						
Property Taxes, Levied for General Purpose, Net				21,537,847	21,537,847	
Taxes Levied for Debt Service				703,100	703,100	
Federal and State Aid Not Restricted				16,230,573	16,230,573	
Miscellaneous Income				82,056	82,056	
Adjustment for Transfers Net				(117,747)	(117,747)	
Total General Revenues and Transfers				<u>38,435,829</u>	<u>38,435,829</u>	
Change in Net Position				(455,292)	213,027	(242,265)
Net Position - Beginning				<u>30,275,849</u>	<u>542,202</u>	<u>30,818,051</u>
Net Position - Ending				<u>\$ 29,820,557</u>	<u>755,229</u>	<u>30,575,786</u>

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

**FUND FINANCIAL STATEMENTS – B**

BALANCE SHEETGOVERNMENTAL FUNDSJUNE 30, 2018

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<b><u>Assets</u></b>			
Cash and Cash Equivalents-Restricted	\$ 1,785,316		1,785,316
Receivables, Net	326,420	225,517	551,937
Interfund Receivable	117,727		117,727
Total Assets	<u>\$ 2,229,463</u>	<u>225,517</u>	<u>2,454,980</u>
<b><u>Liabilities and Fund Balance</u></b>			
<b>Liabilities:</b>			
Interfund Payable	\$ -	117,727	117,727
Accounts Payable	5,824		5,824
Deferred Revenue		107,790	107,790
Total Liabilities	<u>5,824</u>	<u>225,517</u>	<u>231,341</u>
<b>Fund Balance:</b>			
<b>Restricted for:</b>			
Excess Surplus	661,452		661,452
<b>Committed To:</b>			
Capital Reserve Account	614,874		614,874
Maintenance Reserve	37,519		37,519
<b>Assigned To:</b>			
<b>Designated for Subsequent Year's Expenditures</b>			
Excess Surplus	522,003		522,003
Other Purposes	787,615		787,615
<b>Unassigned:</b>			
General Fund	(399,824)		(399,824)
Total Fund Balances	<u>2,223,639</u>	<u>-</u>	<u>2,223,639</u>
Total Liabilities and Fund Balance	<u>\$ 2,229,463</u>	<u>225,517</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$54,504,985 and the accumulated depreciation is \$12,207,057.

42,297,928

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.

(15,000,547)

Deferred outflow of resources - contributions to the pension plan

2,700,154

Deferred inflow of resources - acquisition of assets applicable to future reporting periods

(2,320,919)

Accrued Interest

(79,698)

Net Position of Governmental Activities

\$ 29,820,557

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

**ROSELLE PARK SCHOOL DISTRICT**

Exhibit B-2

Sheet 1 of 2

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

**GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2018**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b><u>Revenues</u></b>				
Local Sources:				
Local Tax Levy	\$ 21,537,847		703,100	22,240,947
Tuition Charges	232,403			232,403
Restricted Miscellaneous Funds	72,000			72,000
Miscellaneous	10,056	8,960		19,016
Total Local Sources	<u>21,852,306</u>	<u>8,960</u>	<u>703,100</u>	<u>22,564,366</u>
State Sources	16,153,428			16,153,428
Federal Sources	77,145	836,084		913,229
Total Revenues	<u>38,082,879</u>	<u>845,044</u>	<u>703,100</u>	<u>39,631,023</u>
<b><u>Expenditures</u></b>				
Current:				
Regular Instruction	10,814,771			10,814,771
Special Education Instruction	2,451,157	652,022		3,103,179
Other Special Instruction	844,534			844,534
Other Instruction	1,006,267			1,006,267
Support Services and Undistributed Costs:				
Tuition	1,688,553			1,688,553
Student and Instruction Related Services	3,705,336	184,062		3,889,398
School Administrative Services	1,363,766			1,363,766
Other Administrative Services	1,164,704			1,164,704
Plant Operations and Maintenance	2,952,007			2,952,007
Pupil Transportation	502,134			502,134
Unallocated Benefits	11,340,030			11,340,030
Debt Service:				
Principal			530,000	530,000
Interest and Other Charges			173,100	173,100
Capital Outlay	657,543	8,960		666,503
Charter Schools	9,273			9,273
Total Expenditures	<u>38,500,075</u>	<u>845,044</u>	<u>703,100</u>	<u>40,048,219</u>

ROSELLE PARK SCHOOL DISTRICT

Exhibit B-2

Sheet 2 of 2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2018

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(417,196)</u>	<u>-</u>	<u>-</u>	<u>(417,196)</u>
Other Financing Sources/(Uses):				
Adjustment for Transfers (Net)	<u>(117,747)</u>	<u>-</u>	<u>-</u>	<u>(117,747)</u>
Net Change in Fund Balances	<u>(534,943)</u>	<u>-</u>	<u>-</u>	<u>(534,943)</u>
Fund Balance - July 1	<u>2,758,582</u>	<u>-</u>	<u>-</u>	<u>2,758,582</u>
Fund Balance - June 30	<u>\$ 2,223,639</u>	<u>-</u>	<u>-</u>	<u>2,223,639</u>

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

ROSELLE PARK SCHOOL DISTRICT

Exhibit B-3

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURESAND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDSTO THE STATEMENT OF ACTIVITIESJUNE 30, 2018

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$ (534,943)
---	--------------

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 capital outlays exceeded depreciation in the period.

Depreciation Expense	(225,588)	
Capital Outlays	<u>(7,315)</u>	(232,903)

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

530,000

Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.

Accrued Interest	16,721
------------------	--------

Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position

(1,033,247)

Net Pension Liability

2,669,928

Pension Related Deferrals

(1,828,065)

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid).

(42,783)

Change in Net Position of Governmental Activities

\$ (455,292)

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

ROSELLE PARK SCHOOL DISTRICTSTATEMENT OF NET POSITIONPROPRIETARY FUNDS

Exhibit B-4

JUNE 30, 2018

	<u>Business-Type Activities Enterprise Funds</u>
<b><u>Assets</u></b>	
Current Assets:	
Cash and Cash Equivalents	\$ 748,260
Accounts Receivable:	
State	573
Federal	20,627
Other	4,334
Inventory	8,330
Total Current Assets	<u>782,124</u>
Noncurrent Assets:	
Equipment	303,698
Accumulated Depreciation	<u>(303,341)</u>
Total Fixed Assets	<u>357</u>
Total Assets	<u>\$ 782,481</u>
<b><u>Liabilities</u></b>	
Current Liabilities:	
Accounts Payable	<u>\$ 27,252</u>
Total Current Liabilities	<u>\$ 27,252</u>
<b><u>Net Position</u></b>	
Investment in Capital Assets	\$ 357
Unrestricted	<u>754,872</u>
Total Net Position	<u>\$ 755,229</u>

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



ROSELLE PARK SCHOOL DISTRICTSTATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

Exhibit B-5

PROPRIETARY FUNDSJUNE 30, 2018

	<u>Business-Type Activities Enterprise Funds</u>
Operating Revenues:	
Daily Sales - Reimbursable	\$ 291,232
Daily Sales - Non Reimbursable	199,734
Fees Charged	577,350
Total Operating Revenues	<u>1,068,316</u>
Operating Expenses:	
Salaries	624,191
Other Employee Benefits	90,970
Cost of Goods Sold - Reimbursable	263,346
Cost of Goods Sold - Non Reimbursable	146,900
Contracted Services	12,441
Supplies and Materials	49,361
Utilities	22,484
Depreciation	357
Miscellaneous	87,458
Operating Expenses	<u>1,297,508</u>
Operating Gain/(Loss)	(229,192)
Non-Operating Revenues:	
State Sources:	
State School Lunch Program	9,962
Federal Sources:	
National School Lunch Program	325,114
PB Lunch Program	11,387
Breakfast Program	25,564
Food Distribution Program	70,192
Total Non-Operating Revenues	<u>442,219</u>
Change in Net Position	213,027
Total Net Position - Beginning	<u>542,202</u>
Total Net Position - Ending	<u>\$ 755,229</u>

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

ROSELLE PARK SCHOOL DISTRICTSTATEMENT OF CASH FLOWSPROPRIETARY FUNDSJUNE 30, 2018

Exhibit B-6

	<u>Business-Type Activities Enterprise Funds</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 1,068,316
Payments for Salaries	(624,191)
Payments to Suppliers	(624,906)
Net Provided (Used) by Operating Activities	<u>(180,781)</u>
Cash Flows from Noncapital Financing Activities	
Federal & State Sources	372,027
Net Cash Provided by Noncapital Financing Activities	<u>372,027</u>
Net Increase (Decrease) in Cash and Cash Equivalents	191,246
Balances - Beginning of Year	<u>557,014</u>
Balances - End of Year	<u>\$ 748,260</u>
Reconciliation of Operating Income (Loss) to Net Cash	
Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ (229,192)
Adjustments to Reconcile Operating Income (Loss)	
to Cash Provided (Used) by Operating Activities	
Federal Commodities Consumed	70,192
Depreciation	357
Decrease/(Increase) in Inventory	(295)
(Decrease)/Increase in Accounts Payable	(24,975)
Decrease/(Increase) in Accounts Receivable	3,132
Net Provided (Used) by Operating Activities	<u>\$ (180,781)</u>

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

**ROSELLE PARK SCHOOL DISTRICT**  
**STATEMENT OF FIDUCIARY NET POSITION**

Exhibit B-7

**FIDUCIARY FUNDS**

**JUNE 30, 2018**

	<b><u>Unemployment Compensation Trust</u></b>	<b><u>Scholarship Fund</u></b>	<b><u>Agency Fund</u></b>
Assets:			
Cash and Cash Equivalents	\$ 56,247	2,101	333,684
Total Assets	<u>\$ 56,247</u>	<u>2,101</u>	<u>333,684</u>
Liabilities:			
Payroll Deductions and Withholdings	\$ -		333,684
Total Liabilities			<u>333,684</u>
Net Position:			
Reserved - Scholarship		2,101	
Reserved - Unemployment Benefits	56,247		
Total Net Position	<u>\$ 56,247</u>	<u>2,101</u>	

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

ROSELLE PARK SCHOOL DISTRICTSTATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Exhibit B-8

FIDUCIARY FUNDSJUNE 30, 2018

	<u>Unemployment Compensation Trust</u>	<u>Scholarship Fund</u>
<b><u>Additions</u></b>		
Contributions	\$ 33,668	1,161
Total Contributions	<u>33,668</u>	<u>1,161</u>
Investment Earnings:		
Interest	<u>          </u>	<u>5</u>
Net Investments Earnings	<u>-</u>	<u>5</u>
Total Additions	<u>33,668</u>	<u>1,166</u>
<b><u>Deductions</u></b>		
Unemployment Claims	38,022	
Scholarship Payments		1,050
Total Deductions	<u>38,022</u>	<u>1,050</u>
Change in Net Position	(4,354)	116
Net Position - Beginning of Year	<u>60,601</u>	<u>1,985</u>
Net Position - End of Year	<u>\$ 56,247</u>	<u>2,101</u>

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

**NOTES TO FINANCIAL STATEMENTS**

**BOARD OF EDUCATION**  
**ROSELLE PARK SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 1: Summary of Significant Accounting Policies**

The financial statements of the Board of Education (Board) of the Roselle Park School District (District) have been prepared in conformity with 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.

**A. Reporting Entity:**

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

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Government Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The government-wide and fund financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include three elementary schools, a middle school and a high school located in Roselle Park, County of Union, New Jersey. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. GASB Statement 14 established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. Furthermore the District is not includable in any other reporting entity on the basis of such criteria.

**B. Government-wide and Fund Financial Statements**

The School District's basic financial statements consist of government-wide statements, and fund financial statements which provide a more detailed level of financial information.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**B. Government-Wide and Fund Financial Statements (Continued)**

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. It is the policy of the School District to not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes and other items not properly included among program revenues are reported instead as general revenues.

In regards to the fund financial statements, the School District segregates transaction related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Fund financial statements report detailed information about the School District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a single column. Fiduciary funds are reported by fund type.

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Proprietary and fiduciary fund financial statements also report using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met. The Unemployment Trust Fund recognizes employer and employee contributions in the period in which contributions are due.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to apply current liabilities. The District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for long-term pension and compensated absences, which are reported as expenditures in the year due.

Major revenue sources susceptible to accrual includes Intergovernmental revenues, and the property tax levy. In general, other revenues are recognized when cash is received.

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for food sales and for services provided to other governmental entities. Principles operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

**D. Fund Accounting:**

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. Each fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

**Governmental Fund Types**

General Fund: The general fund is the general operating fund of the District and is used to account for all expendable financial resources except those required to be accounted for in another fund.

Special Revenue Fund: The District accounts for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are legally restricted to expenditures for specified purposes in the special revenue funds.

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

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

**Proprietary Fund Type**

Enterprise Fund: To account for operations that are financed and operated in a manner similar to private business enterprises, in which the intent of the District is that the costs of providing goods or services to the District on a continuing basis be financed or recovered primarily through user charges.



**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**D. Fund Accounting (Continued):**

**Fiduciary Fund Types**

Trust and Agency Funds: The trust and agency funds are used to account for assets held by the District on behalf of outside parties, including other governments, or on behalf of other funds within the District.

Unemployment Compensation Trust Fund: The trust fund is used to account for assets held under the terms of a formal trust agreement. The District reimburses the costs of unemployment benefits paid by the New Jersey Department of Labor.

Private-Purpose Trust Fund: The trust fund encompasses other trust fund arrangements for which principal and income benefit individuals outside of the school district. The District issued scholarships to students.

Agency Funds (Payroll and Student Activities Fund): Agency funds are 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.

**E. 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 and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting; the legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(g). All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2018 were insignificant, except for adjustments due to the reductions in state aid.

The Public School Education Act of 1975, limits the annual increase of any district's net current expense budget. The Commissioner of Education certifies the allowable amount for each district but may grant a higher level of increase if he determines that the sums so provided would be insufficient to meet the identified goals and needs of the district or that an anticipated enrollment increase requires additional funds.

The Commissioner must also review every proposed local school district budget for the next school year. He examines every item of appropriations for current expenses and budgeted capital outlay to determine their adequacy in relation to the identified needs and goals of the district. If, in his view, they are insufficient, the Commissioner must order remedial action. If necessary, he is authorized to order changes in the local district budget.

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**E. Budgets/Budgetary Control (Continued):**

Once a budget is approved, it can be amended by transfers or additional appropriation of fund balances by approval of a majority of the members of the Board. Amendments are presented to the Board at their regular meetings. Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end as dictated by law. All uncommitted budget appropriations lapse at year-end.

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

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

A reconciliation of the special revenue funds from the budgetary basis of accounting as presented in the Budgetary Comparison Schedule (C-2) to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balances -- Governmental Funds (B-2) is presented in the Budget-to-GAAP Reconciliation (C-3).

The following represents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances -- Budget and Actual -- General, Special Revenues and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances -- All Governmental Fund Types. Note that the district does not report encumbrances outstanding at year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payment.

**F. Encumbrances:**

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

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as deferred revenues and/or reductions of receivables of other governments at fiscal year end.

**NOTE 1: Summary of Significant Accounting Policies (Continued)****F. Encumbrances (Continued):**

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.

**G. Short-Term Interfund Receivables/Payables:**

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

**H. Inventories and Prepaid Expenses**

Inventories and prepaid expenses, which benefit future periods, are recorded as an expenditure during the year of purchase. The value of inventories remaining at the end of the fiscal year is not included on the balance sheet.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2018.

**I. Capital Assets and Depreciation**

The District's property, buildings and improvements, equipment, vehicles, furniture and fixtures with useful lives of five years or more are stated at historical or estimated historical cost and are reported in the government-wide financial statements. Proprietary Fund capital assets are reported in its respective fund.

The District contracted with an outside service company during the 2003 fiscal year to provide a report with a comprehensive detail of capital assets and depreciation. The report dated October 10, 2002, included capital assets purchased during the 2002 fiscal year and prior with a historical cost of \$500 or more and capital assets purchased during the 2002-03 fiscal year with a historical cost of \$2,000 or more. Accumulated depreciation prior to fiscal year 2003, fiscal year 2003 depreciation expense, total accumulated depreciation and book values were also provided. The District has provided updates subsequent to 2003. The records are updated annually. The costs of normal maintenance and repairs that do not add to the asset value or materially extend the useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts. Estimated useful lives, in years, for depreciable assets are as follows:

Buildings and Improvements	20 – 50
Equipment and Vehicles	5 – 20
Furniture and Fixtures	5 – 20

The District currently has software that maintains proper capital asset and depreciation records.

**NOTE 1: Summary of Significant Accounting Policies (Continued)****I. Capital Assets and Depreciation (Continued)**

Capital asset activity for the year ended June 30, 2018 was as follows:

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Adj.</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>
<b>Governmental Activities:</b>					
Capital Assets That are Not Being Depreciated:					
Land	\$ 27,615,850				27,615,850
Capital Leases	<u>1,286,235</u>			(472,581)	<u>813,654</u>
Total Capital Assets Not Being Depreciated	<u>28,902,085</u>			(472,581)	<u>28,429,504</u>
<b>Depreciable Assets:</b>					
Site Improvements	957,203				957,203
Buildings & Sites	19,345,286				19,345,286
Equipment	<u>5,780,307</u>			(7,315)	<u>5,772,992</u>
Total	<u>26,082,796</u>			(7,315)	<u>26,075,481</u>
<b>Less: Accumulated Depreciation:</b>					
Sites	(910,419)	(4,510)			(914,929)
Buildings	(5,587,788)	(173,439)			(5,761,227)
Equipment	<u>(5,483,262)</u>	<u>(47,639)</u>			<u>(5,530,901)</u>
Total Accumulated Depreciation	<u>(11,981,469)</u>	<u>(225,588)</u>			<u>(12,207,057)</u>
Net Depreciable Assets	<u>14,101,327</u>	<u>(225,588)</u>		(479,896)	<u>13,868,424</u>
<b>Governmental Activities</b>					
Capital Assets (Net)	<u>\$ 43,003,412</u>	<u>(225,588)</u>		(479,896)	<u>42,297,928</u>
<b>Business-Type Activities:</b>					
Equipment	\$ 303,698				303,698
<b>Less Accumulated Depreciation for:</b>					
Equipment	<u>(302,984)</u>	<u>(357)</u>			<u>(303,341)</u>
<b>Business-Type Activities</b>					
Capital Assets, Net	<u>\$ 714</u>	<u>(357)</u>			<u>357</u>

Depreciation expense was charged to governmental functions as follows:

Unallocated	<u>\$ 225,588</u>
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**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**J. Compensated Absences**

District employees are permitted, within certain limitations, to accrue vacation and sick leave in varying amounts under the Districts personnel policies and may be paid at a later date according to contractual agreements.

The liability for vested compensated absences of the governmental fund types is recorded in the government-wide financial statements as a non-current liability. Governmental funds report only matured compensated absences payable to currently terminating employees and are included in wages and benefits payable

**K. Deferred Revenue**

Deferred revenue in the general and special revenue funds represent cash which has been received but not yet earned. Deferred revenue in the general fund represents property tax levy monies received for fiscal year 2016. See Note 1(F) regarding the special revenue fund.

**L. Fund Equity**

The governmental fund financial statements report reserved fund balance for amounts not available for appropriation or legally restricted for specified purposes. The general fund reserve for restricted purposes includes net assets relating to capital reserve.

**M. Net Position**

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

*Net Investment in Capital Assets* – This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

*Restricted* – Net Position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

*Unrestricted* – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**Fund Balance**

The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

***Nonspendable*** – The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

***Restricted*** – The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

***Committed*** – The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) if employed to previously commit those amounts.

***Assigned*** – The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. Such authority of the business administrator is established by way of a formal job description for the position and standard operating procedures, approved by the Board of Education.

***Unassigned*** – The unassigned fund balance classification 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 is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the School District to spend restricted fund balances first. Moreover, when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order; committed, assigned, then unassigned.

**NOTE 2: Cash and Cash Equivalents and Investments**

Cash and cash equivalents for all funds, include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. U.S. treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

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

**Deposits**

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

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

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

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

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

**Investments**

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

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or any United States Bank for cooperatives which have a maturity date not greater than twelve months from the date of purchase.
- c. Bonds or other obligations of the school district.

**NOTE 2: Cash and Cash Equivalents and Investments (Continued)**

As of June 30, 2018, cash and cash equivalents and investments of the District consisted of the following:

	<b>Cash and Cash Equivalents</b>
Checking and Money Market Accounts	<u>\$ 3,062,950</u>

The carrying amount of the District's cash and cash equivalents at June 30, 2018 was \$3,062,950 and the bank balance was \$3,636,691. Of the bank balance, \$250,244 was covered by federal depository insurance and \$3,296,516 was covered by a collateral pool maintained by the banks as required by New Jersey statutes; and \$89,931 was uninsured.

**Credit Risk Categories**

All bank deposits and investments as of the balance sheet date are classified as to credit risk by the following two categories described below:

GUDPA	\$ 3,296,516
FDIC	250,044
Uninsured	89,931

As of June 30, 2018, the District did not hold any long-term investments.

**Custodial Credit Risk – Deposits**

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The District does not have a formal policy for custodial credit risk.

**NOTE 3: General Long-Term Debt**

During the fiscal year ended June 30, 2018, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2018</u>	<u>Long-Term Portion</u>	<u>Amount Due in One Year</u>
Pension Liability	\$ 11,770,332		(2,669,928)	9,100,404	9,100,404	
Compensated Absences Payable	1,158,706	42,783		1,201,489	1,201,489	
Capital Leases Payable	1,286,235		(472,581)	813,654	332,921	480,733
Bonds Payable	<u>4,415,000</u>		<u>(530,000)</u>	<u>3,885,000</u>	<u>3,345,000</u>	<u>540,000</u>
	<u>\$ 18,630,273</u>	<u>42,783</u>	<u>(3,672,509)</u>	<u>15,000,547</u>	<u>13,979,814</u>	<u>1,020,733</u>



**NOTE 3: General Long-Term Debt (Continued)****Capital Leases**

Capital lease for equipment for \$751,000 dated May 20, 2014 for five years at 1.42% interest maturing July 20, 2018 with a balance of \$153,914 at June 30, 2018.

Capital lease for equipment for \$500,000 dated July 15, 2015 for five years at 1.819% interest maturing July 15, 2019 with a balance of \$204,300 at June 30, 2018.

Capital lease for equipment for \$500,000 dated July 15, 2015 for four years at 1.741% interest maturing July 15, 2019 with a balance of \$252,867 at June 30, 2018.

Capital lease for equipment for \$400,000 dated July 15, 2016 for four years at 1.85% interest maturing July 15, 2019 with a balance of \$202,573 at June 30, 2018.

**Schedule of Capital Leases**

<b><u>2014 Lease</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2018-2019	<u>\$ 153,914</u>	<u>2,192</u>	<u>156,106</u>
<b><u>2015 Lease</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2018-2019	<u>\$ 101,230</u>	<u>3,716</u>	<u>104,946</u>
2019-2020	<u>103,070</u>	<u>1,875</u>	<u>104,945</u>
	<u>\$ 204,300</u>	<u>5,591</u>	<u>209,891</u>
<b><u>2016 Lease</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2018-2019	<u>\$ 125,342</u>	<u>4,403</u>	<u>129,745</u>
2019-2020	<u>127,525</u>	<u>2,220</u>	<u>129,745</u>
	<u>\$ 252,867</u>	<u>6,623</u>	<u>259,490</u>
<b><u>2017 Lease</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2018-2019	<u>\$ 100,247</u>	<u>4,202</u>	<u>104,449</u>
2019-2020	<u>102,326</u>	<u>2,122</u>	<u>104,448</u>
	<u>\$ 202,573</u>	<u>6,324</u>	<u>208,897</u>

**Bonds Payable**

Bonds sold 8/15/2004 for \$9,219,000 at interest from 3.50% to 4.50% maturing 2/15/2025 with a balance of \$3,885,000 at June 30, 2018.

**NOTE 3: General Long-Term Debt (Continued)****Schedule of Payments**

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 540,000	151,900	691,900
2020	545,000	130,300	675,300
2021	555,000	108,500	663,500
2022	560,000	86,300	646,300
2023	560,000	67,400	627,400
2024/2025	<u>1,125,000</u>	<u>67,600</u>	<u>1,192,600</u>
	<u>\$ 3,885,000</u>	<u>612,000</u>	<u>4,497,000</u>

**NOTE 4: 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 Teacher's 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 provisions 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.

**NOTE 4: Pension Plans (Continued)**

**Vesting and Benefit Provisions** – The vesting and benefit provisions for 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 eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provide for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provision of the System.

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 contribution. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

**Significant Legislation** - During the year ended June 30, 1997, legislation was enacted Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997), changed the asset valuation method from market related value to full-market value. This legislation also contains a provision to reduce the employee contribution rate by ½ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Districts' normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits, accordingly, the pension costs for TPAF and PERS were reduced.

**Funding Policy** – The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 7.06% of employees' annual compensation, as defined. 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 the TPAF.

Legislation enacted during 1993 provides early retirement incentives for certain members of TPAF and PERS who met certain age and service requirements and who applied for retirement between certain dates in the 1994 fiscal year. The early retirement incentives included: (a) an additional five years of service credit for employees at least age 50 with a minimum of 25 years of service; (b) free health benefits for employees at least 60 years old with at least 20 years of service; and (c) an additional \$500 per month for two years for employees at least age 60 with 10 years but less than 20 years of service. The Board will assume the increased cost for the early retirement as it affects their districts.

**NOTE 4: Pension Plans (Continued)**

The District's contributions to PERS for the year ended June 30, 2018 was \$362,869 for 2017 and \$396,982 for 2018, respectively, equal to the required contributions for each year.

During the year ended June 30, 2018, the State of New Jersey contributed \$3,723,726 to the TPAF pension benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$1,182,335 during the year ended June 30, 2018 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditure in accordance with GASB 24.

**Three-Year Trend Information for TPAF**

<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/18	\$ 3,723,726	100%	0
6/30/17	3,128,650	100%	0
6/30/16	2,501,302	100%	0

**Three-Year Trend Information for PERS**

<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/18	\$ 362,869	100%	0
6/30/17	362,869	100%	0
6/30/16	363,606	100%	0

**Pension Expense Deferred Outflows/Inflows – PERS****Plan Description**

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division).

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

The following represents the membership tiers for PERS:

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

**NOTE 4: Pension Plans (Continued)****Pension Expense Deferred Outflows/Inflows – PERS (Continued)****Plan Description**

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

**Basis of Presentation**

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

**Allocation Methodology and Reconciliation to Financial Statements**

GASB Statement No. 68, *Accounting and Financial Reporting for Pension*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented in the schedule of employer allocations and applied to amounts presented in the schedule of pension amounts by employer based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2016 through June 30, 2017. Employer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of pension amounts by employer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarially determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each individual employer of the State and local groups of the plan.

**NOTE 4: Pension Plans (Continued)****Allocation Methodology and Reconciliation to Financial Statements (Continued)**

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedule of pension amount by employer. The allocation percentages for each group of June 30, 2017 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2017.

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2017, the State's pension contribution was less than the actuarial determined amount.

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

For the year ended June 30, 2018, the District recognized pension expense of \$396,982. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 214,283	
Changes of Assumptions	1,833,418	1,826,696
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	61,968	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	193,503	494,223
District Contributions Subsequent to the Measurement Date	<u>396,982</u>	<u>                    </u>
Total	<u>\$ 2,700,154</u>	<u>2,320,919</u>

**NOTE 4: Pension Plans (Continued)****Allocation Methodology and Reconciliation to Financial Statements (Continued)**

\$2,700,154 reported as deferred outflows of resources related to pensions resulting from school district, charter school, or renaissance school project contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2018, the plan measurement date is June 30, 2017) 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:

**Additional Information**

Collective balances at December 31, 2017 and 2016 are as follows:

	<u>Dec. 31, 2017</u>	<u>Dec. 31, 2016</u>
Collective Deferred Outflows of Resources	\$ 2,700,154	3,733,401
Collective Deferred Inflows of Resources	2,320,919	492,854
Collective Net Pension Liability	9,100,404	11,770,332
District's Proportion	.03909%	.03974%

**Components of Net Pension Liability**

The components of the collective net pension liability of the participating employers as of June 30, 2017 were as follows:

	<u>2017</u>		
	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 32,535,896,852	44,852,367,051	77,388,263,903
Plan Fiduciary Net Position	<u>6,890,274,055</u>	<u>21,573,965,463</u>	<u>28,464,239,518</u>
Net Pension Liability	<u>\$ 25,645,622,797</u>	<u>23,278,401,588</u>	<u>48,924,024,385</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	21.18%	48.10%	36.78%

The components of the collective net pension liability of the participating employers as of June 30, 2016 were as follows:

	<u>2016</u>		
	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 36,295,189,928	49,474,698,146	85,769,888,074
Plan Fiduciary Net Position	<u>6,904,504,223</u>	<u>19,857,566,387</u>	<u>26,762,070,610</u>
Net Pension Liability	<u>\$ 29,390,685,705</u>	<u>29,617,131,759</u>	<u>59,007,817,464</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	19.02%	40.14%	31.20%

**NOTE 4: Pension Plans (Continued)****Components of Net Pension Liability (Continued)**

The collective total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions:

Inflation Rate	2.25%
Salary Increases:	
Through 2026	1.65% - 4.15% Based on Age
Thereafter	2.65% - 5.15% Based on Age
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement 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 (setback 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).

The actuarial assumptions used in the July 1, 2016 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.



**NOTE 4: Pension Plans (Continued)****Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) 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. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2017 are summarized in the following table:

<b><u>Asset Class</u></b>	<b><u>Target Allocation</u></b>	<b><u>Long-Term Expected Real Rate of Return</u></b>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

**Discount Rate**

The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.58% as of June 30, 2017 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 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**NOTE 4: Pension Plans (Continued)****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, 2017, 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:

	<b>2017</b>		
	<b>At 1% Decrease (4.00%)</b>	<b>At Current Discount Rate (5.00%)</b>	<b>At 1% Increase (6.00%)</b>
State	\$ 29,818,581,732	25,645,622,797	22,179,578,513
Local	<u>28,878,437,027</u>	<u>23,278,401,588</u>	<u>18,612,878,069</u>
Total	<u>\$ 58,697,018,759</u>	<u>48,924,024,385</u>	<u>40,792,456,582</u>
	<b>2016</b>		
	<b>At 1% Decrease (3.90%)</b>	<b>At Current Discount Rate (4.90%)</b>	<b>At 1% Increase (5.90%)</b>
State	\$ 34,422,851,197	29,390,685,705	25,246,574,457
Local	<u>36,292,338,055</u>	<u>29,617,131,759</u>	<u>24,106,170,190</u>
Total	<u>\$ 70,715,189,252</u>	<u>59,007,817,464</u>	<u>49,352,744,647</u>

**Teachers Pensions and Annuity Fund (TPAF)****Plan Description**

The State of New Jersey, Teacher's Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contribution, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division).

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

**NOTE 4: Pension Plans (Continued)****Teachers Pensions and Annuity Fund (TPAF) (Continued)****Plan Description**

The following represents the membership tiers for TPAF:

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

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

**Basis of Presentation**

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

**Allocation Methodology**

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense. The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocation and applied to, presented in the schedule of pension amount by employer and nonemployer are based on the ratio of the State's actual contributions made as an employer and nonemployer adjusted for unpaid early retirement incentives to total contributions to TPAF during the year ended June 30, 2017. Employer and nonemployer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the schedule of pension amounts by employer and nonemployer may result in immaterial differences.

**NOTE 4: Pension Plans (Continued)****Allocation Methodology (Continued)**

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. State legislation had modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2017, State's pension contribution was less than the actuarial determined amount.

**Special Funding Situation**

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

**Components of Net Pension Liability**

The components of the net pension liability of the State as of June 30, 2017 and 2016 are as follows:

	<u>2017</u>	<u>2016</u>
Total Pension Liability	\$ 90,726,371,000	101,746,770,000
Plan Fiduciary Net Position	<u>23,056,161,829</u>	<u>22,717,862,967</u>
Net Pension Liability	<u>\$ 67,670,209,171</u>	<u>79,028,907,033</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	25.41%	22.33%

**State Proportionate Share of Net Pension Liability Attributable to District**

	<u>2017</u>	<u>2016</u>
District's Liability	<u>\$ 102,167,459</u>	<u>112,184,007</u>
District's Proportion	.15098%	.14195%

**NOTE 4: Pension Plans (Continued)****State Proportionate Share of Net Pension Liability Attributable to District (Continued)**

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.25%
Salary Increases: 2012-2021	Varies Based on Experience
Thereafter	Varies Based on Experience
Investment Rate of Return	7.00%

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvements 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.

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) 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. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

**NOTE 4: Pension Plans (Continued)****Discount Rate**

The discount rate used to measure the total pension liability was 4.25% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.58% as of June 30, 2017 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 40% 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 2036. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2036, 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**

The following presents the net pension liability of the State as of June 30, 2017 calculated using the discount rate as disclosed above as well as what the State's 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:

	<u>At 1% Decrease</u>	<u>At Current Discount Rate</u>	<u>At 1% Increase</u>
2017 (3.25%, 4.25%, 5.25%)	\$ 80,394,331,171	67,670,209,171	57,188,022,171
2016 (2.22%, 3.22%, 4.22%)	94,378,176,033	79,028,907,033	66,494,248,033

**NOTE 5: Post-Retirement Benefits****General Information about the OPEB Plan****Plan description and benefits provided**

P.O. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program (APB) who retired from a board of education or county college with 25 years of service. (GASB Cod. Sec. 2300.106(g))

**NOTE 5: Post-Retirement Benefits (Continued)**

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

Employees covered by benefit terms. At June 30, 2017, the following employees were covered by the benefit terms:

**TPAF participant retirees:**

As of June 30, 2017, there were 112,966 retirees receiving post-retirement medical benefits, and the State contributed \$1.39 billion on their behalf.

**PERS participant retirees:**

The State paid \$238.9 million toward Chapter 126 benefits for 209,913 eligible retired members in Fiscal Year 2017.

**Total OPEB Liability**

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education/board of trustees. Note that actual numbers will be published in the NJ State's CAFR.

The total nonemployer OPEB liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. The total nonemployer OPEB liability as of June 30, 2016 was determined by an actuarial valuation as of June 30, 2016. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation rate 2.50%

	<u>TPAF</u>	<u>PERS</u>
Salary Increases:		
Through 2026	1.55% - 4.55% based on years of service	2.15% - 4.15% based on age
Thereafter	2.00% - 5.45% based on years of service	3.15% - 5.15% based on age

**NOTE 5: Post-Retirement Benefits (Continued)**

Preretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2014 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 – June 30, 2015, July 1, 2010 – June 30, 2013, and July 1, 2011 – June 30, 2014 for TPAF, PFRS and PERS, respectively.

***Health Care Trend Assumptions***

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.9% and decreases to a 5.0% long-term trend rate after nine years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5%. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long-term trend rate after nine years. For prescription drug benefits, the initial trend rate is 10.5% decreasing to a 5.0% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

***Discount Rate***

The discount rate for June 30, 2017 and 2016 was 3.58% and 2.85%, respectively. This represents the municipal bond return rate as chosen by the Division. The source is 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.

Changes in the Total OPEB Liability reported by the State of New Jersey.

	<b>Total <u>OPEB Liability</u></b>
Balance at 6/30/2016 Measurement Date	\$ 57,831,784,184
Changes for the Year:	
Service Cost	2,391,878,884
Interest on Total OPEB Liability	1,699,441,736
Change of Assumptions	(7,086,599,129)
Changes of Benefit Terms	
Differences Between Expected and Actual Experience	
Gross Benefit Payments	(1,242,412,566)
Contributions from the Member	<u>45,748,749</u>
Balance at 6/30/2017 Measurement Date	<u>\$ 53,639,841,858</u>



**NOTE 5: Post-Retirement Benefits (Continued)**

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the State for school board retirees, as well as what the State's total OPEB liability for school board would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	<b>1% Decrease</b> <b><u>(2.58%)</u></b>	<b>Discount Rate</b> <b><u>(3.58%)</u></b>	<b>1% Increase</b> <b><u>(4.58%)</u></b>
Total OPEB Liability (School Retirees)	\$ 63,674,362,200	53,639,841,858	45,680,364,453

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the State, as well as what the State's total OPEB liability would be if it were calculated using healthcare cost trend rates that 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<b>1% Decrease</b>	<b>Healthcare</b> <b>Cost Trend</b> <b><u>Rates</u></b>	<b>1% Increase</b>
Total OPEB Liability (School Retirees)	\$ 44,113,584,560	53,639,841,858	66,290,599,457

OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.

For the year ended June 30, 2018, the Board of Education recognized OPEB expense of \$4,823,472 determined by the State as the total OBEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

In accordance with GASBS No. 75, the Roselle Park Board of Education proportionate share of school retirees OPEB is zero; there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2017, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	<b>Deferred</b> <b>Outflows</b> <b><u>of Resources</u></b>	<b>Deferred</b> <b>Inflows</b> <b><u>of Resources</u></b>
Change in Proportion	\$ 99,843,255	99,843,255
Changes of Assumptions	<u>                    </u>	6,343,769,032
Total	<u>\$ 99,843,255</u>	<u>6,443,612,287</u>

**NOTE 5: Post-Retirement Benefits (Continued)**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	
2018	\$ (742,830,097)
2019	(742,830,097)
2020	(742,830,097)
2021	(742,830,097)
2022	(742,830,097)
Thereafter	(2,629,618,547)

**NOTE 6: Interfund Receivables and Payables**

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

There were interfunds as of June 30, 2018 as follows:

	<u>From</u>	<u>To</u>
Special Revenue Fund	\$ 117,727	
General Fund	_____	<u>117,727</u>
	<u>\$ 117,727</u>	<u>117,727</u>

**NOTE 7: Compensated Absences**

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

**NOTE 7: Compensated Absences (Continued)**

The liability for vested compensated absences of the governmental fund types is recorded in the general long-term debt account group (or current and long-term liabilities). The current portion of the compensated absences balance of the governmental funds is not considered material to the applicable funds total liabilities, and therefore is not shown separately from the long-term liability balance of compensated absences.

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, 2018, no liability existed for compensated absences in the Food Service Fund.

**NOTE 8: Economic Dependency**

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

**NOTE 9: Capital Reserve Account**

A capital reserve account was established by the Borough of Roselle Park Board of Education by inclusion of \$100 in 1999, for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the 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 balances 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, 2017 to June 30, 2018 fiscal year is as follows:

Beginning Balance, July 1, 2017	\$ 650,100
Budgeted Addition 2017-2018	64,774
Deposit by Board Resolution	300,000
Budget Withdrawal	<u>(400,000)</u>
Ending Balance, June 30, 2018	<u>\$ 614,874</u>

**NOTE 10: Risk Management**

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

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

**New Jersey Unemployment Compensation Insurance** – The District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District’s expendable trust fund for the current year and previous year:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Reimbursed</u>	<u>Balance</u>
2017-2018	\$ 0	33,668	38,022	56,247
2016-2017	0	32,348	40,918	60,601
2015-2016	0	41,689	55,453	69,171

**NOTE 11: Contingent Liabilities**

The Board is involved in several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect of the financial position of the District.

**NOTE 12: Equity Balance**

At June 30, 2018, the General Fund equity balance was as follows:

Maintenance Reserve	\$ 37,519
Capital Reserve	614,874
Excess Surplus	543,705
Designated for Subsequent Years Expenditures – Excess Surplus	522,003
Committed Fund Balance:	
Year-End Encumbrances	787,615
Unassigned Fund Balance	<u>797,559</u>
	<u>\$ 3,303,275</u>

**NOTE 12: Equity Balance (Continued)****2% Calculation of Excess Surplus**

2017-18 Total General Fund Expenditures Per the CAFR	\$ 38,500,075
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>(4,906,061)</u>
Adjusted 2017-18 General Fund Expenditures	<u>\$ 33,594,014</u>
2% of Adjusted 2017-18 General Fund Expenditures	\$ 671,880
Increased by Allowable Adjustments	<u>125,679</u>
Maximum Unassigned Fund Balance	<u>\$ 797,559</u>

**Section 2**

Total General Fund -- Fund Balance @ 6-30-18	\$ 3,303,275
Decreased by:	
Reserved for Encumbrances	(787,615)
Designated for Subsequent Years Expenditures -- Excess Surplus	(522,003)
Other Reserves	<u>(652,393)</u>
Total Unassigned Fund Balance	<u>\$ 1,341,264</u>
Excess Surplus	<u>\$ 543,705</u>

**Section 3**

Reserved Fund Balance -- Excess Surplus	\$ 543,705
Designated for Subsequent Years Expenditures - Excess Surplus	<u>522,003</u>
	<u>\$ 1,065,708</u>

**Detail of Allowable Adjustments**

Extraordinary Aid	<u>\$ 125,679</u>
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**Detail of Other Reserved Fund Balance**

Capital Reserve	\$ 614,874
Maintenance Reserve	<u>37,519</u>
	<u>\$ 652,393</u>

Reserved excess surplus represents a calculation under N.J.S.A. 18A:7F-7 which identifies an amount of surplus under the statute which must be restricted for use in the next succeeding budget. Designated for subsequent year's represents the amount appropriated in the 2018-2019. budget.

Unrestricted is surplus not previously committed or reserved for any other purpose.

**REQUIRED SUPPLEMENTARY INFORMATION  
PART II**

**BUDGETARY COMPARISON SCHEDULES – C**

**ROSELLE PARK SCHOOL DISTRICT**

Exhibit C-1  
Sheet 1 of 12

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**JUNE 30, 2018**

	<u>Original Budget</u>	<u>Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 21,537,847		21,537,847	21,537,847	-
Tuition	240,000		240,000	232,403	(7,597)
Restricted Miscellaneous Revenues	72,000		72,000	72,000	-
Unrestricted Miscellaneous Revenues	16,349		16,349	10,056	(6,293)
Total Local Sources	<u>21,866,196</u>	<u>-</u>	<u>21,866,196</u>	<u>21,852,306</u>	<u>(13,890)</u>
State Sources:					
Equalization Aid	9,619,107		9,619,107	9,619,107	-
Special Education Aid	1,161,432		1,161,432	1,161,432	-
Extraordinary Aid	200,000		200,000	325,679	125,679
Security Aid	101,567		101,567	101,567	-
Transportation Aid	24,011		24,011	24,011	-
Additional Adjustment Aid	1		1	1	-
PARCC Readiness Aid	18,620		18,620	18,620	-
Per Pupil Growth Aid	18,620		18,620	18,620	-
Professional Learning Community Aid	20,040		20,040	20,040	-
On-Behalf TPAF Pension Contribution (Non-Budgeted)			3,723,726	3,723,726	-
Reimbursed TPAF Social Security Contribution (Non-Budgeted)			1,182,335	1,182,335	-
Total State Sources	<u>11,163,398</u>	<u>-</u>	<u>16,069,459</u>	<u>16,195,138</u>	<u>125,679</u>
Federal Sources:					
Medicaid Reimbursement	34,402		34,402	77,145	42,743
t54r	<u>34,402</u>	<u>-</u>	<u>34,402</u>	<u>77,145</u>	<u>42,743</u>
Total Revenues	<u>33,063,996</u>	<u>-</u>	<u>37,970,057</u>	<u>38,124,589</u>	<u>154,532</u>



**ROSELLE PARK SCHOOL DISTRICT**

Exhibit C-1  
Sheet 2 of 12

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**JUNE 30, 2018**

	<u>Original Budget</u>	<u>Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Expenditures:					
Current Expense:					
Instruction - Regular Programs:					
Salaries of Teachers:					
Kindergarten	425,052	3,406	428,458	428,457	1
Grades 1-5	3,737,517	(168,781)	3,568,736	3,567,808	928
Grades 6-8	2,232,468	(117,000)	2,115,468	2,114,021	1,447
Grades 9-12	3,572,422	(77,000)	3,495,422	3,495,422	-
Home Instruction:					
Salaries of Teachers	12,000	10,300	22,300	22,299	1
Purchased Professional Educational Services	5,500	8,445	13,945	12,233	1,712
Undistributed:					
Purchased Professional/Educational Services	3,000		3,000	1,650	1,350
Purchased Technical Services	3,800	1,742	5,542	5,542	-
Other Purchased Services	556,106	467,569	1,023,675	790,682	232,993
General Supplies	187,230	379,972	567,202	375,296	191,906
Textbooks	1,500	1	1,501	556	945
Other Objects	4,300	(2,990)	1,310	805	505
Total Regular Programs	<u>10,740,895</u>	<u>505,664</u>	<u>11,246,559</u>	<u>10,814,771</u>	<u>431,788</u>
Learning and/or Language Disabilities:					
Specific Learning Disabled:					
Salaries of Teachers	135,218	17,398	152,616	152,616	-
Other Salaries for Instruction	53,368	1,452	54,820	54,819	1
General Supplies	2,100		2,100	2,063	37
Total Specific Learning Disabled	<u>190,686</u>	<u>18,850</u>	<u>209,536</u>	<u>209,498</u>	<u>38</u>

**ROSELLE PARK SCHOOL DISTRICT**

**Exhibit C-1  
Sheet 3 of 12**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**JUNE 30, 2018**

	<b><u>Original Budget</u></b>	<b><u>Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Multiple Disabilities					
Salaries of Teachers	148,001	(17,000)	131,001	130,266	735
Other Salaries for Instruction	19,970		19,970	19,949	21
General Supplies		98	98	98	-
Other Objects	2,000		2,000	1,114	886
Total Multiple Disabilities	<u>169,971</u>	<u>(16,902)</u>	<u>153,069</u>	<u>151,427</u>	<u>1,642</u>
Resource Room:					
Salaries of Teachers	1,610,558	43,835	1,654,393	1,647,886	6,507
General Supplies	3,000		3,000	2,169	831
Total Resource Room	<u>1,613,558</u>	<u>43,835</u>	<u>1,657,393</u>	<u>1,650,055</u>	<u>7,338</u>
Autism					
Salaries-Teachers	117,263		117,263	116,980	351,506
Other Salaries for Instruction	36,993	(9,000)	27,993	21,951	77,937
General Supplies	2,100		2,100	1,410	5,610
Total-Autism	<u>156,356</u>	<u>(9,000)</u>	<u>147,356</u>	<u>140,341</u>	<u>435,053</u>
Preschool Disabilities Part-Time:					
Salaries of Teachers	127,303	394	127,697	127,696	1
Other Salaries for Instruction	16,081	1,340	17,421	17,420	1
General Supplies	4,800	1,234	6,034	4,259	1,775
Other Objects	100		100		100
Total Preschool Disabilities Part-Time	<u>148,284</u>	<u>2,968</u>	<u>151,252</u>	<u>149,375</u>	<u>1,877</u>

**ROSELLE PARK SCHOOL DISTRICT**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**JUNE 30, 2018**

	<b><u>Original Budget</u></b>	<b><u>Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Preschool Disabilities Full-Time:					
Salaries of Teachers	150,492		150,492	150,364	128
Other Salaries for Instruction		97	97	97	-
Total Preschool Handicapped	<u>150,492</u>	<u>97</u>	<u>150,589</u>	<u>150,461</u>	<u>128</u>
 Total Special Programs	 <u>2,429,347</u>	 <u>39,848</u>	 <u>2,469,195</u>	 <u>2,451,157</u>	 <u>446,076</u>
 Basic Skills/Remedial:					
Salaries of Teachers	357,493	(52,122)	305,371	305,370	1
General Supplies	1,500	281	1,781	1,774	7
Total Basic Skills/Remedial	<u>358,993</u>	<u>(51,841)</u>	<u>307,152</u>	<u>307,144</u>	<u>8</u>
 Bilingual Education:					
Salaries of Teachers	496,497	40,568	537,065	534,809	2,256
General Supplies	3,500	598	4,098	2,581	1,517
Total Bilingual Education	<u>499,997</u>	<u>41,166</u>	<u>541,163</u>	<u>537,390</u>	<u>3,773</u>
 School Sponsored Co-Curricular & Extra-Curricular Activities:					
Salaries	140,000	27,298	167,298	167,297	1
Supplies	4,300	(4,000)	300		300
Miscellaneous	1,800		1,800	275	1,525
Total Co-Curricular & Extra-Curricular Activities	<u>146,100</u>	<u>23,298</u>	<u>169,398</u>	<u>167,572</u>	<u>1,826</u>
 School Sponsored Athletics:					
Salaries	324,350	(21,000)	303,350	299,251	4,099
Repairs	21,900	2,149	24,049	11,919	12,130
Rentals & Leases	17,500	3,579	21,079	21,079	-
Other Purchased Services	16,600	120	16,720	16,284	436
Supplies and Materials	59,000	5,653	64,653	34,638	30,015
Other Objects	18,200	289	18,489	14,230	4,259
Transfers to Cover Deficit	63,400	10,192	73,592	71,681	1,911
Total School Sponsored Athletics	<u>520,950</u>	<u>982</u>	<u>521,932</u>	<u>469,082</u>	<u>52,850</u>

**ROSELLE PARK SCHOOL DISTRICT**

Exhibit C-1  
Sheet 5 of 12

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**JUNE 30, 2018**

	<b><u>Original Budget</u></b>	<b><u>Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Academy Program					
Salaries	206,559		206,559	196,169	10,390
Salaries of Other Professional Staff	33,452	318	33,770	33,769	
Other Professional Salaries	15,446	18	15,464	15,463	1
Supplies and Materials	3,000	671	3,671	3,301	370
Total Academy Program	<u>258,457</u>	<u>1,007</u>	<u>259,464</u>	<u>248,702</u>	<u>10,761</u>
Community Services:					
Salaries	139,017		139,017	120,911	18,106
Supplies	2,000	492	2,492		2,492
Total Community Services	<u>141,017</u>	<u>492</u>	<u>141,509</u>	<u>120,911</u>	<u>20,598</u>
Total Instruction	<u>15,095,756</u>	<u>560,616</u>	<u>15,656,372</u>	<u>15,116,729</u>	<u>967,680</u>
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEA in State-Regular	365,000	13,000	378,000	365,400	12,600
Tuition to Other LEA in State-Special	50,000	(46,639)	3,361	3,361	-
Tuition to County Vocational School	255,000	(7,934)	247,066	242,150	4,916
Tuition to County Vocational School - Special	30,000	8,869	38,869	34,269	4,600
Tuition To CSSD & Regular Day Schools	470,000	159,276	629,276	565,369	63,907
Tuition to Private Schools - Handicapped Within State	610,000	(82,868)	527,132	475,604	51,528
Tuition-Other	18,000	(15,600)	2,400	2,400	-
Total Undistributed Expenditures - Instruction	<u>1,798,000</u>	<u>28,104</u>	<u>1,826,104</u>	<u>1,688,553</u>	<u>137,551</u>

**ROSELLE PARK SCHOOL DISTRICT**

Exhibit C-1  
Sheet 6 of 12

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**JUNE 30, 2018**

	<b><u>Original Budget</u></b>	<b><u>Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
<b>Attendance and Social Work Services:</b>					
Salaries	22,089		22,089	22,089	-
Other Purchased Services	9,500	8,805	18,305	16,655	1,650
<b>Total Attendance and Social Work Services</b>	<b>31,589</b>	<b>8,805</b>	<b>40,394</b>	<b>38,744</b>	<b>1,650</b>
<b>Health Services:</b>					
Salaries	346,524	(18,000)	328,524	327,605	919
Purchased Professional and Technical Services	11,000	693	11,693	11,626	67
Supplies and Materials	8,551	3,275	11,826	8,374	3,452
<b>Total Health Services</b>	<b>366,075</b>	<b>(14,032)</b>	<b>352,043</b>	<b>347,605</b>	<b>4,438</b>
<b>Other Support Services - Students - Related Services:</b>					
Salaries of Teachers	360,258	3,490	363,748	363,748	-
Other Professional Salaries	35,892		35,892	35,892	-
Purchased Professional-Educational Services	50,000	(3,087)	46,913	43,328	3,585
Supplies and Materials	2,000		2,000	1,496	504
<b>Total Other Support Services - Students - Related Services</b>	<b>448,150</b>	<b>403</b>	<b>448,553</b>	<b>444,464</b>	<b>4,089</b>
<b>Other Support Services - Students - Extraordinary Services:</b>					
Salaries	67,297		67,297	67,297	-
Other Salaries for Instruction	290,617	178,772	469,389	469,389	-
<b>Total Other Support Services - Students - Extraordinary Services</b>	<b>357,914</b>	<b>178,772</b>	<b>536,686</b>	<b>536,686</b>	<b>-</b>

**ROSELLE PARK SCHOOL DISTRICT**

Exhibit C-1  
Sheet 7 of 12

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**JUNE 30, 2018**

	<b>Original Budget</b>	<b>Transfers</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final to Actual</b>
<b>Guidance Services:</b>					
Salaries of Other Professional Staff	908,535	24,108	932,643	932,643	-
Salaries of Secretarial Assistants	118,865	1,431	120,296	120,295	1
Other Purchased Services	3,300	1,098	4,398	4,398	-
Supplies and Materials	5,075	(318)	4,757	4,756	1
<b>Total Guidance Services</b>	<b>1,035,775</b>	<b>26,319</b>	<b>1,062,094</b>	<b>1,062,092</b>	<b>2</b>
<b>Child Study Team Services:</b>					
Salaries of Other Professional Staff	621,270	14,012	635,282	635,281	1
Salaries of Secretarial/Clerical Assistants	68,265		68,265	66,024	2,241
Other Purchased Professional Services	22,000	4,178	26,178	24,986	1,192
Miscellaneous Purchased Services	1,000	45	1,045	760	285
Supplies and Materials	2,000	6,771	8,771	5,377	3,394
Other Objects	900		900	652	248
<b>Total Child Study Team Services</b>	<b>715,435</b>	<b>25,006</b>	<b>740,441</b>	<b>733,080</b>	<b>7,361</b>
<b>Improvement of Instruction:</b>					
Salaries of Supervisors of Instruction	63,257		63,257	63,257	-
Salaries of Other Professional Staff	4,500	4,000	8,500	8,187	313
Salaries of Secretarial Assistants	58,585		58,585	58,585	-
Supplies and Materials	45,000	(553)	44,447	34,854	9,593
Other Objects	1,000		1,000	671	329
<b>Total Improvement of Instruction</b>	<b>172,342</b>	<b>3,447</b>	<b>175,789</b>	<b>165,554</b>	<b>10,235</b>
<b>Library/Media Services:</b>					
Salaries	207,718	(9,000)	198,718	198,122	596
Other Purchased Services	33,700	30,700	64,400	59,450	4,950
Supplies and Materials	14,552	417	14,969	13,480	1,489
<b>Total Educational Media Services</b>	<b>255,970</b>	<b>22,117</b>	<b>278,087</b>	<b>271,052</b>	<b>7,035</b>

**ROSELLE PARK SCHOOL DISTRICT**

Exhibit C-1  
Sheet 8 of 12

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**JUNE 30, 2018**

	<b><u>Original Budget</u></b>	<b><u>Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Staff Development:					
Salaries - Supervisors of Instruction	63,257		63,257	63,257	-
Salaries of Other Professional Staff	5,000	1,300	6,300	30	6,270
Other Purchased Services	44,090	(10,534)	33,556	28,835	4,721
Supplies and Materials	3,000	11,000	14,000	13,937	63
Total Staff Development	<u>115,347</u>	<u>1,766</u>	<u>117,113</u>	<u>106,059</u>	<u>11,054</u>
General Administration:					
Salaries	267,017	(8,900)	258,117	258,031	86
Legal Services	150,000	(8,784)	141,216	129,053	12,163
Audit Fees	18,500		18,500	18,500	-
Other Purchased Professional Services	9,500	5,000	14,500	13,822	678
Communications/Telephone	64,500	3,010	67,510	64,087	3,423
BOE Other Purchased Services	500		500	300	200
Miscellaneous Purchased Services	145,000	14,823	159,823	128,998	30,825
General Supplies	5,000	1,606	6,606	6,606	-
Miscellaneous Expenditures	24,000	(817)	23,183	23,109	74
BOE Membership Dues and Fees	15,000	480	15,480	15,202	278
Total General Administration	<u>699,017</u>	<u>6,418</u>	<u>705,435</u>	<u>657,708</u>	<u>47,727</u>
School Administration:					
Salaries of Principals/Assistants	933,564	2,751	936,315	936,314	1
Salaries of Secretarial and Clerical Assistants	401,157	13,106	414,263	414,263	-
Other Purchased Services	2,500	4,243	6,743	6,552	191
Supplies and Materials	5,800		5,800	4,940	860
Other Objects	2,332	301	2,633	1,697	936
Total School Administration	<u>1,345,353</u>	<u>20,401</u>	<u>1,365,754</u>	<u>1,363,766</u>	<u>1,988</u>

**ROSELLE PARK SCHOOL DISTRICT**

Exhibit C-1  
Sheet 9 of 12

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**JUNE 30, 2018**

	<b><u>Original Budget</u></b>	<b><u>Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
<b>Business/Central Services:</b>					
Salaries	318,590	9,144	327,734	327,733	1
Miscellaneous Purchased Services	5,000	2,960	7,960	7,876	84
Supplies and Materials	6,000	176	6,176	5,506	670
Miscellaneous Expenditures	1,500	250	1,750	1,540	210
<b>Total Business/Central Services</b>	<b><u>331,090</u></b>	<b><u>12,530</u></b>	<b><u>343,620</u></b>	<b><u>342,655</u></b>	<b><u>965</u></b>
<b>Technology Services:</b>					
Salaries	63,467	7,884	71,351	71,351	-
Purchased Technical Services	49,250	1,948	51,198	51,198	-
Other Purchased Services	6,000	(3,600)	2,400	2,353	47
Supplies and Materials	36,000		36,000	35,506	494
Other Objects	6,000	(2,000)	4,000	3,933	67
<b>Total Technology Services</b>	<b><u>160,717</u></b>	<b><u>4,232</u></b>	<b><u>164,949</u></b>	<b><u>164,341</u></b>	<b><u>608</u></b>
<b>Required Maintenance of School Facilities:</b>					
Salaries	221,897	34,870	256,767	256,766	1
Cleaning, Repair & Maintenance Services	377,000	245,673	622,673	530,785	91,888
General Supplies	124,000	(5,167)	118,833	112,365	6,468
<b>Total Required Maintenance of School Facilities</b>	<b><u>722,897</u></b>	<b><u>275,376</u></b>	<b><u>998,273</u></b>	<b><u>899,916</u></b>	<b><u>98,357</u></b>



**ROSELLE PARK SCHOOL DISTRICT**

Exhibit C-1  
Sheet 10 of 12

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**JUNE 30, 2018**

	<b><u>Original Budget</u></b>	<b><u>Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Operation of Plant:					
Salaries	1,053,679	(13,685)	1,039,994	1,025,856	14,138
Purchased Professional Services	30,000	(9,716)	20,284	18,703	1,581
Cleaning, Repair, Maintenance Services	95,500	9,960	105,460	87,353	18,107
Rental of Land and Buildings	344,000	(94,000)	250,000	200,000	50,000
Other Purchased Property Services	48,600	9,824	58,424	57,938	486
Insurance	155,000	(5,382)	149,618	133,368	16,250
Miscellaneous Purchased Services	2,000		2,000	1,153	847
General Supplies	75,000	93,474	168,474	140,306	28,168
Energy (Electricity)	337,000	(26,438)	310,562	239,520	71,042
Other Objects	1,000	53	1,053	1,053	-
Energy(Natural Gas)	194,500	6,279	200,779	146,841	53,938
Total Operations and Maintenance of Plant	<u>2,336,279</u>	<u>(29,631)</u>	<u>2,306,648</u>	<u>2,052,091</u>	<u>254,557</u>
 Total Operations and Maintenance of Plant Services	 <u>3,059,176</u>	 <u>245,745</u>	 <u>3,304,921</u>	 <u>2,952,007</u>	 <u>352,914</u>
 Student Transportation Services:					
Salaries of Non-Instructional Aides	20,000	15,000	35,000	32,813	2,187
Salaries Pupil Transportation-Special Education	22,000	5,467	27,467	27,467	-
Salaries Pupil Transportation-Other Bet. Home & School	130,000	(6,000)	124,000	123,333	667
Cleaning, Repair & Maint.	15,000	12,908	27,908	19,841	8,067
Contracted Services - Other than Bet. Home & School - Ve	33,400	(10,879)	22,521	21,134	1,387
Contracted Services - Regular-ESCs & CTSAs	10,000	(1,800)	8,200	6,292	1,908
Transportation - Special Ed- ESC & CTSAs	230,000	41,862	271,862	262,941	8,921
Supplies	1,000	(410)	590	438	152
Miscellaneous Expenditures	3,000	4,875	7,875	7,875	-
Total Student Transportation Services	<u>464,400</u>	<u>61,023</u>	<u>525,423</u>	<u>502,134</u>	<u>23,289</u>

**ROSELLE PARK SCHOOL DISTRICT**

Exhibit C-1  
Sheet 11 of 12

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**JUNE 30, 2018**

	<b><u>Original Budget</u></b>	<b><u>Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Employee Benefits:					
Social Security Contributions	400,000	509	400,509	400,015	494
Other Retirement Contributions-PERS	375,000	21,982	396,982	396,982	-
DCRP Contribution	15,000	14,979	29,979	29,978	1
Workmen's Compensation	170,000	22,089	192,089	192,088	1
Health Benefits	5,596,360	255,144	5,851,504	5,345,995	505,509
Tuition Reimbursement	60,000	4,244	64,244	27,926	36,318
Unused Sick Payment to Terminated/Retired Staff	34,263		34,263	33,763	500
Other Employee Benefits	14,000		14,000	7,222	6,778
Total Personal Services Employee Benefits	<u>6,664,623</u>	<u>318,947</u>	<u>6,983,570</u>	<u>6,433,969</u>	<u>549,601</u>
On-Behalf TPAF Pension Contribution (Non-Budgeted)		-		3,723,726	(3,723,726)
Reimbursed TPAF Social Security Contribution (Non-Budgeted)				1,182,335	(1,182,335)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,906,061</u>	<u>(4,906,061)</u>
Total Undistributed Expenditures	<u>18,020,973</u>	<u>950,003</u>	<u>18,970,976</u>	<u>22,716,530</u>	<u>(3,745,554)</u>
Total Expenditures - Current Expense	<u>33,116,729</u>	<u>1,510,619</u>	<u>34,627,348</u>	<u>37,833,259</u>	<u>(2,777,874)</u>
Capital Outlay:					
Facilities Improvements:					
Construction Services	622,000	3,750	625,750	625,007	743
Debt Service Assessment	32,536		32,536	32,536	-
Total Facilities Improvements	<u>654,536</u>	<u>3,750</u>	<u>658,286</u>	<u>657,543</u>	<u>743</u>
Total Capital Outlay	<u>654,536</u>	<u>-</u>	<u>658,286</u>	<u>657,543</u>	<u>743</u>
Transfer of Funds to Charter Schools	<u>9,273</u>	<u>7,418</u>	<u>16,691</u>	<u>9,273</u>	<u>7,418</u>

**ROSELLE PARK SCHOOL DISTRICT**

Exhibit C-1  
Sheet 12 of 12

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**JUNE 30, 2018**

	<u>Original Budget</u>	<u>Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Total Expenditures	33,780,538	1,518,037	35,302,325	38,500,075	(2,769,713)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(716,542)	(1,518,037)	2,667,732	(375,486)	(2,615,181)
Other Financing Sources/Uses: Adjustment for Transfers (Net)				(117,747)	(117,849)
Total Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources/Uses	(716,542)	(1,518,037)	2,667,732	(493,233)	(2,733,030)
Fund Balance July 1	3,796,508		3,796,508	3,796,508	-
Fund Balance June 30	<u>\$ 3,079,966</u>	<u>(1,518,037)</u>	<u>6,464,240</u>	<u>3,303,275</u>	<u>(2,733,030)</u>
Recapitulation:					
Restricted Fund Balance:					
Excess Surplus				\$ 543,705	
Maintenance Reserve				37,519	
Excess Surplus - Designated for Subsequent Year's Expenditures				522,003	
Committed Fund Balance:					
Capital Reserve				614,874	
Assigned Fund Balance:					
Year-End Encumbrances				787,615	
Unassigned Fund Balance				<u>797,559</u>	
				3,303,275	
Reconciliation to Governmental Fund Statement (GAAP):					
Final State Aid Payments Not Recognized on GAAP Basis				<u>(1,079,636)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 2,223,639</u>	

ROSELLE PARK SCHOOL DISTRICT

Exhibit C-2

BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Local Sources	\$ -	9,782	9,782	8,960	822
Federal Sources	<u>752,082</u>	<u>190,950</u>	<u>943,032</u>	<u>943,032</u>	
Total Revenues	<u>\$ 752,082</u>	<u>200,732</u>	<u>952,814</u>	<u>951,992</u>	<u>822</u>
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 364,234	(39,087)	325,147	325,147	
Other Salaries for Instruction	387,848	(102,025)	285,823	285,823	
Tuition		136,859	136,859	136,859	
General Supplies		11,141	11,141	11,141	
Total Instruction	<u>752,082</u>	<u>6,888</u>	<u>758,970</u>	<u>758,970</u>	<u>-</u>
Salaries of Teachers		2,862	2,862	2,862	
Personal Services - Employee Benefits		123,081	123,081	123,081	
Purchased Professional and Technical Services		55,312	55,312	55,312	
Other Purchased Services		2,468	2,468	2,468	
Supplies and Materials		339	339	339	
Total Support Services	<u>-</u>	<u>184,062</u>	<u>184,062</u>	<u>184,062</u>	<u>-</u>
Facilities Acquisition and Construction Services:					
Construction Services		9,782	9,782	8,960	822
Total Expenditures	<u>\$ 752,082</u>	<u>200,732</u>	<u>952,814</u>	<u>951,992</u>	<u>822</u>

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

ROSELLE PARK SCHOOL DISTRICTREQUIRED SUPPLEMENTARY INFORMATION

Exhibit C-3

BUDGET TO GAAP RECONCILIATIONNOTE TO RSIFOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b><u>Sources/Inflows of Resources</u></b>		
Actual Amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 38,124,589	951,992
Difference - Budget to GAAP: Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized (net)		(106,948)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	1,037,926	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(1,079,636)</u>	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 38,082,879</u>	<u>845,044</u>
<b><u>Uses/Outflows of Resources</u></b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 38,500,075	951,992
Differences - budget to GAAP: Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes (net)		<u>(106,948)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 38,500,075</u>	<u>845,044</u>

**REQUIRED SUPPLEMENTARY INFORMATION – PART III**

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING  
FOR PENSIONS (GASB 68) - L**



**ROSELLE PARK SCHOOL DISTRICT**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE**

**NET PENSION LIABILITY - PERS**

**Exhibit L-1**

**LAST FIVE FISCAL YEARS**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability (Asset)	100.000%	100.000%	100.000%	100.000%	100.000%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 9,100,404	11,770,332	9,480,161	7,511,141	7,830,293
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	-	-	-	-	-
Total	<u>\$ 9,100,404</u>	<u>11,770,332</u>	<u>9,480,161</u>	<u>7,511,141</u>	<u>7,830,293</u>
District's Covered-Employee Payroll	\$ 2,605,613	2,680,103	2,785,044	2,794,257	2,792,623
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	28.63%	22.77%	29.38%	37.20%	35.66%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	36.78%	31.20%	38.21%	42.74%	40.71%

**ROSELLE PARK SCHOOL DISTRICT**

**SCHEDULE OF DISTRICT CONTRIBUTIONS - PERS**

**Exhibit L-2**

**LAST FIVE FISCAL YEARS**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 362,869	363,606	331,725	317,033	305,256
Contributions in Relation to the Contractually Required Contribution	<u>362,869</u>	<u>363,606</u>	<u>331,725</u>	<u>317,033</u>	<u>305,256</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's Covered-Employee Payroll	\$ 2,605,613	2,680,103	2,785,044	2,794,257	2,792,623
Contributions as a Percentage of Covered-Employee Payroll	13.93%	13.57%	11.91%	11.35%	10.93%

**ROSELLE PARK SCHOOL DISTRICT**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE**

**NET PENSION LIABILITY - TPAF**

**Exhibit L-3**

**LAST FIVE FISCAL YEARS**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability (Asset)	0.000%	0.000%	0.000%	0.000%	0.000%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ -	-	-	-	-
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>102,167,459</u>	<u>112,184,007</u>	<u>87,401,052</u>	<u>76,806,770</u>	<u>70,057,721</u>
Total	<u>\$ 102,167,459</u>	<u>112,184,007</u>	<u>87,401,052</u>	<u>76,806,770</u>	<u>70,057,721</u>
District's Covered-Employee Payroll	\$ 15,810,551	15,530,736	15,153,132	14,266,577	13,741,586
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	15.48%	13.84%	17.34%	18.57%	19.61%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	25.41%	22.33%	28.71%	33.64%	33.76%

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING  
FOR OPEB (GASB 75) - M**

ROSELLE PARK SCHOOL DISTRICTSCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOSLAST TWO FISCAL YEARS

Exhibit M-1

	<u>2017</u>	<u>2016</u>
<b><u>State of New Jersey's Total OPEB Liability</u></b>		
Service Cost	\$ 2,391,878,884	1,723,999,319
Interest	1,699,441,736	1,823,643,792
Benefit Payments	(1,242,412,566)	(1,223,298,019)
Member Contributions	45,748,749	46,273,747
Change of Assumptions	(7,086,599,129)	8,611,513,521
Net Change in Total OPEB Liability	<u>(4,191,942,326)</u>	<u>10,982,132,360</u>
Total OPEB Liability - Beginning	<u>57,831,784,184</u>	<u>46,849,651,824</u>
Total OPEB Liability - Ending	<u>\$ 53,639,841,858</u>	<u>57,831,784,184</u>
<b><u>State's OPEB Liability Attributable to the District</u></b>		
Service Cost	\$ 3,438,149	*
Interest	2,500,483	*
Benefit Payments	(1,825,113)	*
Member Contributions	67,205	*
Change of Assumptions	(10,554,292)	*
Net Change in Total OPEB Liability	<u>(6,373,568)</u>	<u>*</u>
Total Attributable OPEB Liability - Beginning	<u>85,170,876</u>	<u>*</u>
Total Attributable OPEB Liability - Ending	<u>\$ 78,797,308</u>	<u>85,170,876</u>
District's Proportionate Share of Total OPEB Liability	Zero	Zero
District's Covered Payroll	\$ 18,416,164	18,210,839
District's Proportionate Share of OPEB Liability as a Percentage of its Covered-Employee Payroll	0.00%	0.00%
District's Contribution	None	None
State Covered Employee Payroll (6/30/16 Census Data)	\$ 13,493,400,208	13,493,400,208
Total State OPEB Liability as a Percentage of its Covered-Employee Payroll	397.53%	428.59%

\* - Information not available

Source: GASB 75 report on State of New Jersey Health Benefits Program; District Records.

Note: This schedule is required by GASB 75 to show information for a 10 year period. However, information is only currently available for two years. Additional years will be presented as they become available.

**OTHER SUPPLEMENTARY INFORMATION**

**SCHOOL LEVEL SCHEDULES – D**

N/A

**SPECIAL REVENUE FUND – E**



**ROSELLE PARK SCHOOL DISTRICT**

Exhibit E-1

**SPECIAL REVENUE FUND**

**COMBINING SCHEDULE OF REVENUES EXPENDITURES - BUDGETARY BASIS**

**JUNE 30, 2018**

	<u>Title I</u>	<u>Title IIA</u>	<u>Title III</u>	<u>Title III Immigrant</u>	<u>IDEA Basic</u>	<u>IDEA Preschool</u>	<u>Safety Grant</u>	<u>Totals 2018</u>
Revenues:								
Federal Sources	\$ 365,819	54,881	24,849	13,806	468,266	15,411		943,032
Local Sources							8,960	8,960
<b>Total Revenue</b>	<u>\$ 365,819</u>	<u>54,881</u>	<u>24,849</u>	<u>13,806</u>	<u>468,266</u>	<u>15,411</u>	<u>8,960</u>	<u>951,992</u>
Expenditures:								
Instruction:								
Salaries of Teachers	\$ 271,547	21,535	19,272	12,793				325,147
Other Salaries for Instruction					273,668	12,155		285,823
Tuition					136,859			136,859
General Supplies					11,141			11,141
<b>Total Instruction</b>	<u>271,547</u>	<u>21,535</u>	<u>19,272</u>	<u>12,793</u>	<u>421,668</u>	<u>12,155</u>	<u>-</u>	<u>758,970</u>
Support Services:								
Salaries of Teachers		2,862						2,862
Personal Services - Employee Benefits	85,297	7,003	5,577	1,013	20,935	3,256		123,081
Purchased Professional and Technical Services	8,636	23,481			23,195			55,312
Other Purchased Services					2,468			2,468
Supplies and Materials	339							339
<b>Total Support Services</b>	<u>94,272</u>	<u>33,346</u>	<u>5,577</u>	<u>1,013</u>	<u>46,598</u>	<u>3,256</u>	<u>-</u>	<u>184,062</u>
Facilities Acquisition and Construction Services:								
Construction Services							8,960	8,960
<b>Total Expenditures</b>	<u>\$ 365,819</u>	<u>54,881</u>	<u>24,849</u>	<u>13,806</u>	<u>468,266</u>	<u>15,411</u>	<u>8,960</u>	<u>951,992</u>

**CAPITAL PROJECTS FUND – F**

N/A

**PROPRIETARY FUNDS – G**

**ROSELLE PARK SCHOOL DISTRICT**  
**COMBINING SCHEDULE OF NET POSITION**

Exhibit G-1

**ENTERPRISE FUNDS**

**JUNE 30, 2018**

	<b>Business-Type Activities - Enterprise Funds</b>								
	<b>Food Service</b>	<b>Cable 34</b>	<b>Adult School</b>	<b>Staff Computers</b>	<b>Coke Fund</b>	<b>Extended Day Care</b>	<b>Preschool</b>	<b>Summer Camp</b>	<b>Totals</b>
<b>Assets</b>									
Current Assets:									
Cash and Cash Equivalents	\$ (46,227)	2,469	(8,325)	1,500	8,581	26,235	1,950	762,077	748,260
Accounts Receivable:									
State	573								573
Federal	20,627								20,627
Other	4,334								4,334
Inventory	8,330								8,330
Total Current Assets	<u>(12,363)</u>	<u>2,469</u>	<u>(8,325)</u>	<u>1,500</u>	<u>8,581</u>	<u>26,235</u>	<u>1,950</u>	<u>762,077</u>	<u>782,124</u>
Noncurrent Assets									
Equipment	303,698								303,698
Accumulated Depreciation	(303,341)								(303,341)
Total Fixed Assets	<u>357</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>357</u>
Total Assets	<u>\$ (12,006)</u>	<u>2,469</u>	<u>(8,325)</u>	<u>1,500</u>	<u>8,581</u>	<u>26,235</u>	<u>1,950</u>	<u>762,077</u>	<u>782,481</u>
<b>Liabilities</b>									
Current Liabilities:									
Accounts Payable	\$ 27,252	-	-	-	-	-	-	-	27,252
Total Current Liabilities	<u>\$ 27,252</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,252</u>
<b>Net Position</b>									
Investment in Capital Assets	\$ 357								357
Unrestricted	(39,615)	2,469	(8,325)	1,500	8,581	2,635	1,950	762,077	731,272
Total Net Position	<u>\$ (39,258)</u>	<u>2,469</u>	<u>(8,325)</u>	<u>1,500</u>	<u>8,581</u>	<u>2,635</u>	<u>1,950</u>	<u>762,077</u>	<u>731,629</u>

ROSELLE PARK SCHOOL DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

Exhibit G-2

ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2018

	Business-Type Activities - Enterprise Funds								
	Food Service	Cable 34	Adult School	Staff Computers	Coke Fund	Extended Day Care	Preschool	Summer Camp	Totals
Operating Revenues:									
Daily Sales - Reimbursable	\$ 291,232								291,232
Daily Sales - Non Reimbursable	199,734								199,734
Fees Charged								577,350	577,350
Total Operating Revenues	<u>490,966</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>577,350</u>	<u>1,068,316</u>
Operating Expenses:									
Salaries	294,025							330,166	624,191
Other Employee Benefits	65,376							25,594	90,970
Cost of Goods Sold - Reimbursable	263,346								263,346
Cost of Goods Sold - Non-Reimbursable	146,900								146,900
Contracted Services	8,521							3,920	12,441
Supplies and Materials	29,226							20,135	49,361
Utilities								22,484	22,484
Depreciation	357								357
Miscellaneous	82,478							4,980	87,458
Operating Expenses	<u>890,229</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>407,279</u>	<u>1,297,508</u>
Operating Gain/(Loss)	(399,263)	-	-	-	-	-	-	170,071	(229,192)
Non-Operating Revenues:									
State Sources:									
State School Lunch Program	9,962								9,962
Federal Sources:									
National School Lunch Program	325,114								325,114
PB Lunch Program	11,387								11,387
Breakfast Program	25,564								25,564
Food Distribution Program	70,192								70,192
Total Non-Operating Revenues	<u>442,219</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>442,219</u>
Change in Net Position	42,956	-	-	-	-	-	-	170,071	213,027
Total Net Position - Beginning	<u>(82,214)</u>	<u>2,469</u>	<u>(8,325)</u>	<u>1,500</u>	<u>8,581</u>	<u>26,235</u>	<u>1,950</u>	<u>592,006</u>	<u>542,202</u>
Total Net Position - Ending	<u>\$ (39,258)</u>	<u>2,469</u>	<u>(8,325)</u>	<u>1,500</u>	<u>8,581</u>	<u>26,235</u>	<u>1,950</u>	<u>762,077</u>	<u>755,229</u>

**ROSELLE PARK SCHOOL DISTRICT**  
**COMBINING SCHEDULE OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

Exhibit G-3

	<b>Business-Type Activities - Enterprise Funds</b>							<b>Totals</b>
	<b>Food Service</b>	<b>Cable 34</b>	<b>Adult School</b>	<b>Staff Computers</b>	<b>Coke Fund</b>	<b>Extended Day Care</b>	<b>Preschool</b>	
<b>Cash Flows from Operating Activities:</b>								
Receipts from Customers	\$ 490,966						577,350	1,068,316
Payments for Salaries	(294,025)						(330,166)	(624,191)
Payments to Suppliers	(547,133)						(77,773)	(624,906)
Net Provided (Used) by Operating Activities	<u>(350,192)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>169,411</u>	<u>(180,781)</u>
<b>Cash Flows from Noncapital Financing Activities</b>								
Federal & State Sources	<u>372,027</u>							<u>372,027</u>
Net Cash Provided by Noncapital Financing Activities	<u>372,027</u>						<u>-</u>	<u>372,027</u>
Net Increase (Decrease) in Cash and Cash Equivalents	21,835	-	-	-	-	-	169,411	191,246
Balances - Beginning of Year	<u>(68,062)</u>	<u>2,469</u>	<u>(8,325)</u>	<u>1,500</u>	<u>8,581</u>	<u>26,235</u>	<u>1,950</u>	<u>557,014</u>
Balances - End of Year	<u>\$ (46,227)</u>	<u>2,469</u>	<u>(8,325)</u>	<u>1,500</u>	<u>8,581</u>	<u>26,235</u>	<u>1,950</u>	<u>748,260</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>								
Operating Income (Loss)	\$ (399,263)						170,071	(229,192)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities								
Federal Commodities Consumed	70,192							70,192
Depreciation	357							357
Decrease/(Increase) in Inventory	(295)							(295)
(Decrease)/Increase in Accounts Payable	(24,315)						(660)	(24,975)
Decrease/(Increase) in Accounts Receivable	3,132							3,132
Net Provided (Used) by Operating Activities	<u>\$ (350,192)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>169,411</u>	<u>(180,781)</u>

**FIDUCIARY FUND - H**

**ROSELLE PARK SCHOOL DISTRICT**

Exhibit H-1

**TRUST AND AGENCY FUND**

**COMBINING STATEMENT OF FIDUCIARY NET POSITION**

**AS OF JUNE 30, 2018**

	<b><u>Scholarship Fund Non-Expendable Trust Fund</u></b>	<b><u>Student Activity</u></b>	<b><u>Payroll Agency</u></b>	<b><u>Unemployment Compensation Expendable Trust</u></b>	<b><u>Total 2018</u></b>
Assets:					
Cash and Cash Equivalents	\$ 2,101	137,342	333,684	56,247	529,374
Total Assets	<u>\$ 2,101</u>	<u>137,342</u>	<u>333,684</u>	<u>56,247</u>	<u>529,374</u>
Liabilities and Fund Balances:					
Liabilities:					
Payroll Deductions and Withholdings	\$		333,684		333,684
Due to Student Groups		137,342			137,342
Total Liabilities	<u>-</u>	<u>137,342</u>	<u>333,684</u>	<u>-</u>	<u>471,026</u>
Net Position:					
Reserved - Scholarships	2,101				2,101
Reserved - Unemployment Benefits				56,247	56,247
Total Net Position	<u>\$ 2,101</u>			<u>56,247</u>	<u>58,348</u>



**ROSELLE PARK SCHOOL DISTRICT**  
**EXPENDABLE TRUST FUND**  
**COMBINING STATEMENT OF CHANGES**  
**IN FIDUCIARY NET POSITION**

Exhibit H-2

**JUNE 30, 2018**

	<b><u>Scholarships</u></b>	<b><u>Unemployment Compensation Insurance Trust Fund</u></b>	<b><u>Totals</u></b>
Additions:			
Local Sources:			
Contributions	\$ 1,161	33,668	34,829
Interest on Investments	5		5
Total Additions	<u>1,166</u>	<u>33,668</u>	<u>34,834</u>
Deductions:			
Scholarship Payments	1,050		1,050
Unemployment Claims		38,022	38,022
Total Deductions	<u>1,050</u>	<u>38,022</u>	<u>39,072</u>
Change in Net Position	116	(4,354)	(4,238)
Net Position, July 1	<u>1,985</u>	<u>60,601</u>	<u>62,586</u>
Net Position, June 30	<u>\$ 2,101</u>	<u>56,247</u>	<u>58,348</u>

**ROSELLE PARK SCHOOL DISTRICT**

**Exhibit H-3**

**STUDENT ACTIVITY AGENCY FUND**

**SCHEDULE OF RECEIPTS AND DISBURSEMENTS**

**JUNE 30, 2018**

	<b><u>Balance July 1, 2017</u></b>	<b><u>Cash Receipts</u></b>	<b><u>Cash Disbursements</u></b>	<b><u>Balance June 30, 2018</u></b>
Elementary Schools:				
Sherman	\$ 2,829	9,442	7,975	4,296
Aldene	2,335	13,476	11,730	4,081
Robert Gordon	3,492	11,258	10,295	4,455
Total Elementary Schools	<u>8,656</u>	<u>34,176</u>	<u>30,000</u>	<u>12,832</u>
Junior High School	<u>8,198</u>	<u>29,464</u>	<u>28,583</u>	<u>9,079</u>
Senior High School	<u>142,788</u>	<u>310,767</u>	<u>338,124</u>	<u>115,431</u>
Total All Schools	<u>\$ 159,642</u>	<u>374,407</u>	<u>396,707</u>	<u>137,342</u>

ROSELLE PARK SCHOOL DISTRICT

PAYROLL AGENCY FUND

Exhibit H-4

SCHEDULE OF RECEIPTS AND DISBURSEMENTS

JUNE 30, 2018

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>
Assets:				
Cash and Cash Equivalents	\$ 331,648	10,719,606	10,717,570	333,684
Total Assets	<u>\$ 331,648</u>	<u>10,719,606</u>	<u>10,717,570</u>	<u>333,684</u>
Liabilities:				
Payroll Deductions, Withholdings	\$ 331,648	10,719,606	10,717,570	333,684
Total Liabilities	<u>\$ 331,648</u>	<u>10,719,606</u>	<u>10,717,570</u>	<u>333,684</u>

**LONG-TERM DEBT - I**

**ROSELLE PARK SCHOOL DISTRICT**

**LONG-TERM DEBT**

**SCHEDULE OF SERIAL BONDS**

**JUNE 30, 2018**

**Exhibit I-1**

	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Beginning Balance July 1, 2017</u>	<u>Retired</u>	<u>Ending Balance June 30, 2018</u>
			<u>Date</u>	<u>Amount</u>				
Refunding Issue	3/20/2012	\$ 5,955,000	2/15/2019	\$ 540,000	4.000%	\$ 4,415,000	530,000	3,885,000
			2/15/2020	545,000				
			2/15/2021	555,000				
			2/15/2022	560,000	3.380%			
			2/15/2023	560,000	4.000%			
			2/15/2024	560,000				
			2/15/2025	565,000				
						<u>\$ 4,415,000</u>	<u>530,000</u>	<u>3,885,000</u>

**ROSELLE PARK SCHOOL DISTRICT**

**LONG-TERM LIABILITIES**

**Exhibit I-2**

**SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES**

**JUNE 30, 2018**

<b><u>Purpose</u></b>	<b><u>Date of Issue</u></b>	<b><u>Amount Of Original Issue</u></b>	<b><u>Interest Rate</u></b>	<b><u>Balance July 1, 2017</u></b>	<b><u>Paid Current Year</u></b>	<b><u>Amount Outstanding June 30, 2018</u></b>
Equipment Lease	5/20/2014	\$ 751,000	1.42%	\$ 305,667	151,753	153,914
Equipment Lease	7/15/2015	500,000	1.82%	303,720	99,421	204,299
Equipment Lease	7/15/2015	500,000	1.74%	376,064	123,197	252,867
Equipment Lease	7/15/2016	400,000	1.85%	<u>300,784</u>	<u>98,210</u>	<u>202,574</u>
				<u>\$ 1,286,235</u>	<u>472,581</u>	<u>813,654</u>

**ROSELLE PARK SCHOOL DISTRICT**

**DEBT SERVICE FUND**

Exhibit I-3

**BUDGETARY COMPARISON SCHEDULE**

**JUNE 30, 2018**

	<b><u>Original Budget</u></b>	<b><u>Budget Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Favorable (Unfavorable)</u></b>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 703,100		703,100	703,100	-
Total Revenues	<u>703,100</u>	<u>-</u>	<u>703,100</u>	<u>703,100</u>	<u>-</u>
Expenditures:					
Regular Debt Service:					
Redemption of Principal	530,000		530,000	530,000	-
Interest	173,100		173,100	173,100	-
Total Expenditures	<u>703,100</u>	<u>-</u>	<u>703,100</u>	<u>703,100</u>	<u>-</u>
Excess of Revenues over Expenditures	-	-	-	-	-
Fund Balance July 1	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Fund Balance June 30	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**STATISTICAL SECTION**

**(Unaudited)**



**Borough of Roselle Park School District  
Net Position by Component  
Last Ten Fiscal Years**

Exhibit J-1

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Governmental Activities</b>										
Invested in capital assets, net of related debt	\$ 34,538,264	\$ 34,914,985	\$ 35,270,764	\$ 34,310,044	\$ 35,477,757	\$ 36,242,402	\$ 36,744,847	\$ 38,156,767	\$ 37,302,177	\$ 37,599,274
Restricted	\$ 1,714,640	\$ 1,384,139	\$ 1,734,712	\$ 1,836,282	\$ 2,013,661	\$ 2,218,329	\$ 1,710,733	\$ 2,182,920	\$ 1,933,932	\$ 2,623,463
Unrestricted	\$ (1,605,911)	\$ (1,480,668)	\$ (1,440,849)	\$ (1,193,657)	\$ (1,397,130)	\$ (1,520,374)	\$ (9,060,032)	\$ (10,827,838)	\$ (8,960,260)	\$ (10,402,180)
<b>Total governmental activities net position</b>	<b>\$ 34,846,993</b>	<b>\$ 34,818,456</b>	<b>\$ 35,584,627</b>	<b>\$ 34,952,669</b>	<b>\$ 36,094,288</b>	<b>\$ 36,940,357</b>	<b>\$ 29,395,548</b>	<b>\$ 29,511,849</b>	<b>\$ 30,275,849</b>	<b>\$ 29,820,557</b>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ 10,126	\$ 17,525	\$ 10,900	\$ 4,678	\$ 2,875	\$ 1,783	\$ 1,427	\$ 1,070	\$ 714	\$ 357
Restricted										
Unrestricted	\$ 183,059	\$ 119,276	\$ 20,983	\$ 57,396	\$ 49,629	\$ 141,962	\$ 210,913	\$ 355,357	\$ 541,488	\$ 754,872
<b>Total business-type activities net position</b>	<b>\$ 193,185</b>	<b>\$ 136,801</b>	<b>\$ 31,883</b>	<b>\$ 62,074</b>	<b>\$ 52,504</b>	<b>\$ 143,745</b>	<b>\$ 212,340</b>	<b>\$ 356,427</b>	<b>\$ 542,202</b>	<b>\$ 755,229</b>
<b>District -wide</b>										
Invested in capital assets, net of related debt	\$ 34,548,390	\$ 34,932,510	\$ 35,281,664	\$ 34,314,722	\$ 35,480,632	\$ 36,244,185	\$ 36,746,274	\$ 38,157,837	\$ 37,302,891	\$ 37,599,631
Restricted	\$ 1,714,640	\$ 1,384,139	\$ 1,734,712	\$ 1,836,282	\$ 2,013,661	\$ 2,218,329	\$ 1,710,733	\$ 2,182,920	\$ 1,933,932	\$ 2,623,463
Unrestricted	\$ (1,422,852)	\$ (1,361,392)	\$ (1,419,866)	\$ (1,136,261)	\$ (1,347,501)	\$ (1,378,412)	\$ (8,849,119)	\$ (10,472,481)	\$ (8,418,772)	\$ (9,647,308)
<b>Total district net position</b>	<b>\$ 34,840,178</b>	<b>\$ 34,955,257</b>	<b>\$ 35,596,510</b>	<b>\$ 35,014,743</b>	<b>\$ 36,146,792</b>	<b>\$ 37,084,102</b>	<b>\$ 29,607,888</b>	<b>\$ 29,868,276</b>	<b>\$ 30,818,051</b>	<b>\$ 30,575,786</b>

**Borough of Roselle Park School District  
Changes in Activities, Last Ten Fiscal Years**

Exhibit J-2  
Sheet 1 of 2

	Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Expenses</b>										
<b>Governmental Activities</b>										
<b>Instruction</b>										
Regular	\$ 8,899,940	\$ 7,044,348	\$ 9,152,917	\$ 9,139,762	\$ 9,144,089	\$ 9,010,447	\$ 9,615,148	\$ 10,203,588	\$ 10,265,057	\$ 10,857,554
Special Education	\$ 2,739,718	\$ 2,893,071	\$ 2,231,732	\$ 3,215,878	\$ 3,456,920	\$ 3,068,534	\$ 2,212,047	\$ 3,146,352	\$ 2,407,622	\$ 3,103,179
Other special education	\$ 1,009,635	\$ 955,683	\$ 776,620	\$ 889,953	\$ 832,895	\$ 896,697	\$ 1,726,901	\$ 892,872	\$ 1,604,743	\$ 844,534
Other instruction	\$ 556,395	\$ 542,264	\$ 610,684	\$ 588,038	\$ 566,618	\$ 899,310	\$ 900,810	\$ 930,205	\$ 1,010,212	\$ 1,006,267
<b>Support Services:</b>										
Tuition	\$ 573,427	\$ 821,919	\$ 1,184,976	\$ 1,220,452	\$ 1,139,384	\$ 1,466,080	\$ 1,494,344	\$ 1,496,054	\$ 1,688,356	\$ 1,688,553
Student & instruction related services	\$ 3,705,882	\$ 3,454,142	\$ 3,032,352	\$ 3,249,222	\$ 3,466,558	\$ 3,464,665	\$ 3,555,438	\$ 3,613,193	\$ 3,725,000	\$ 3,889,398
School administrative services	\$ 1,640,413	\$ 704,284	\$ 622,517	\$ 614,682	\$ 660,436	\$ 578,053	\$ 602,195	\$ 657,075	\$ 1,324,308	\$ 1,363,766
General & business administrative services	\$ 1,007,870	\$ 2,528,748	\$ 1,745,464	\$ 1,792,069	\$ 1,816,992	\$ 1,738,066	\$ 1,758,214	\$ 1,792,736	\$ 1,181,224	\$ 1,164,704
Plant operations and maintenance	\$ 2,795,372	\$ 2,939,394	\$ 2,486,350	\$ 2,367,844	\$ 2,485,960	\$ 2,535,398	\$ 2,650,796	\$ 2,846,302	\$ 2,866,329	\$ 2,952,007
Pupil transportation	\$ 320,620	\$ 366,144	\$ 313,355	\$ 293,762	\$ 333,364	\$ 378,044	\$ 480,418	\$ 465,699	\$ 467,281	\$ 502,134
Employee Benefits	\$ 6,341,953	\$ 7,084,238	\$ 8,303,438	\$ 8,110,462	\$ 8,902,413	\$ 8,411,378	\$ 9,812,810	\$ 10,095,232	\$ 10,421,694	\$ 11,531,414
ARRA		\$ 1,665,793							\$ -	\$ -
Interest on long-term debt	\$ 332,599	\$ 305,667	\$ 290,151	\$ 221,476	\$ 237,366	\$ 222,769	\$ 215,354	\$ 200,807	\$ 200,988	\$ 156,379
Education Jobs \ capital outlay \ charter schools				\$ 353,652	\$ 11,989			\$ 304,285	\$ 9,273	\$ 683,091
Unallocated depreciation	\$ 347,025	\$ 266,580	\$ 289,817	\$ 290,431	\$ 231,012	\$ 222,822	\$ 213,294	\$ 211,732	\$ 189,047	\$ 225,588
<b>Total governmental activities expenses</b>	<b>\$ 30,270,849</b>	<b>\$ 31,572,275</b>	<b>\$ 31,040,353</b>	<b>\$ 32,347,683</b>	<b>\$ 33,285,996</b>	<b>\$ 32,892,263</b>	<b>\$ 35,237,769</b>	<b>\$ 36,856,112</b>	<b>\$ 37,361,134</b>	<b>\$ 39,968,568</b>
<b>Business-type activities</b>										
Food Service	\$ 663,258	\$ 677,463	\$ 640,947	\$ 665,172	\$ 663,885	\$ -	\$ -	\$ 805,393	\$ 895,587	\$ 890,229
Summer Camp	\$ 319,177	\$ 356,939	\$ 348,641	\$ 346,463	\$ 352,467	\$ 999,738	\$ 1,172,687	\$ 463,753	\$ 428,085	\$ 407,279
<b>Total business-type activities expense</b>	<b>\$ 982,435</b>	<b>\$ 1,034,402</b>	<b>\$ 989,588</b>	<b>\$ 1,011,635</b>	<b>\$ 1,016,352</b>	<b>\$ 999,738</b>	<b>\$ 1,172,687</b>	<b>\$ 1,269,146</b>	<b>\$ 1,323,672</b>	<b>\$ 1,297,508</b>
<b>Total district expenses</b>	<b>\$ 31,253,284</b>	<b>\$ 32,606,677</b>	<b>\$ 32,029,941</b>	<b>\$ 33,359,318</b>	<b>\$ 34,302,348</b>	<b>\$ 33,892,001</b>	<b>\$ 36,410,456</b>	<b>\$ 38,125,258</b>	<b>\$ 38,684,806</b>	<b>\$ 41,266,076</b>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
<b>Charges for services:</b>										
Operating grants and contributions	\$ 791,606	\$ 2,720,592	\$ 937,429	\$ 1,345,133	\$ 962,388	\$ 926,877	\$ 941,842	\$ 966,595	\$ 935,166	\$ 845,044
Capital grants and contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total governmental activities program revenues</b>	<b>\$ 791,606</b>	<b>\$ 2,720,592</b>	<b>\$ 937,429</b>	<b>\$ 2,051,811</b>	<b>\$ 1,402,448</b>	<b>\$ 1,273,604</b>	<b>\$ 1,225,403</b>	<b>\$ 1,303,548</b>	<b>\$ 1,232,866</b>	<b>\$ 1,077,447</b>

**Borough of Roselle Park School District  
Changes in Activities, Last Ten Fiscal Years**

Exhibit J-2  
Sheet 2 of 2

	<u>Fiscal Year Ending June 30,</u>									
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Program Revenues - Continued</b>										
Business-type activities										
Charges for services										
Food Service	\$ 402,576	\$ 363,098	\$ 344,664	\$ 341,124	\$ 322,801	\$ 769,817	\$ 851,034	\$ 408,989	\$ 446,757	\$ 490,966
Child Care	\$ 416,439	\$ 363,916	\$ 356,493	\$ 382,122	\$ 409,649	\$ -	\$ -	\$ -	\$ 601,638	\$ 577,350
Operating grants and contributions	\$ 245,565	\$ 268,439	\$ 283,513	\$ 318,580	\$ 324,512	\$ 321,162	\$ 390,248	\$ 568,356	\$ 461,052	\$ 442,219
Total business type activities program revenues	\$ 1,064,580	\$ 995,453	\$ 984,670	\$ 1,041,826	\$ 1,056,962	\$ 1,090,979	\$ 1,241,282	\$ 977,345	\$ 1,509,447	\$ 1,510,535
Total district program revenues	\$ 1,856,186	\$ 3,716,045	\$ 1,922,099	\$ 3,093,637	\$ 2,459,410	\$ 2,364,583	\$ 2,466,685	\$ 2,280,893	\$ 2,742,313	\$ 2,587,982
<b>Net(Expense)/Revenue</b>										
Governmental activities	\$ (29,479,243)	\$ (28,851,683)	\$ (30,102,924)	\$ (30,295,872)	\$ (31,883,548)	\$ (31,618,659)	\$ (34,012,366)	\$ (35,552,564)	\$ (36,128,268)	\$ (38,891,121)
Business-type activities	\$ 82,145	\$ (38,949)	\$ (4,918)	\$ 30,191	\$ 40,430	\$ 91,241	\$ 68,595	\$ 144,087	\$ 185,775	\$ 213,027
Total district-wide net expense	\$ (29,397,098)	\$ (28,890,632)	\$ (30,107,842)	\$ (30,265,681)	\$ (31,843,118)	\$ (31,527,418)	\$ (33,943,771)	\$ (35,408,477)	\$ (35,942,493)	\$ (38,678,094)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 16,740,794	\$ 17,003,024	\$ 17,505,170	\$ 17,505,170	\$ 17,505,170	\$ 17,885,273	\$ 19,183,851	\$ 20,454,668	\$ 21,055,914	\$ 21,537,847
Taxes levied for debt service	\$ 682,805	\$ 690,530	\$ 697,676	\$ 693,999	\$ 699,973	\$ 684,513	\$ 652,036	\$ 688,100	\$ 703,550	\$ 703,100
Unrestricted grants and contributions	\$ 11,573,947	\$ 10,808,534	\$ 11,734,108	\$ 11,718,748	\$ 13,799,615	\$ 13,385,247	\$ 13,882,321	\$ 14,425,901	\$ 15,199,326	\$ 16,230,573
Tuition	\$ 293,421	\$ 339,869	\$ 468,059	\$ 706,678	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous income	\$ 15,477	\$ 86,658	\$ 137,597	\$ 130,437	\$ 152,804	\$ 92,931	\$ 104,039	\$ 100,196	\$ 100,426	\$ 82,056
Transfers	\$ 50,000	\$ -	\$ 100,000	\$ -	\$ -	\$ 2,147	\$ -	\$ -	\$ 68,150	\$ (117,747)
Total governmental activities	\$ 29,356,444	\$ 28,928,615	\$ 30,642,610	\$ 30,755,032	\$ 32,157,562	\$ 32,050,111	\$ 33,822,247	\$ 35,668,865	\$ 37,127,366	\$ 38,435,829
Business-type activities:										
Investment earnings	\$ 101									
Transfers	\$ (50,000)	\$ (50,000)	\$ (100,000)	\$ -	\$ (50,000)	\$ -	\$ -	\$ -	\$ -	\$ -
Total business-type activities	\$ (49,899)	\$ (50,000)	\$ (100,000)	\$ -	\$ (50,000)	\$ -	\$ -	\$ -	\$ -	\$ -
Total district-wide	\$ 29,306,545	\$ 28,878,615	\$ 30,542,610	\$ 30,755,032	\$ 32,107,562	\$ 32,050,111	\$ 33,822,247	\$ 35,668,865	\$ 37,127,366	\$ 38,435,829
<b>Change in Net Position</b>										
Governmental activities	\$ (122,799)	\$ 76,932	\$ 539,686	\$ 459,160	\$ 274,014	\$ 401,452	\$ (190,119)	\$ 116,301	\$ 862,798	\$ (455,292)
Business-type activities	\$ 32,246	\$ (88,949)	\$ (104,918)	\$ 31,883	\$ (9,570)	\$ 91,241	\$ 68,595	\$ 144,087	\$ 185,775	\$ 213,027
Total district	\$ (90,553)	\$ (12,017)	\$ 434,768	\$ 491,043	\$ 264,444	\$ 492,693	\$ (121,524)	\$ 260,388	\$ 1,048,573	\$ (242,265)

	For the Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ 1,637,877	\$ 1,384,135	\$ 1,734,708	\$ 1,836,278	\$ 1,978,496	\$ 2,183,165	\$ 1,710,733	\$ 2,182,920	\$ 3,047,952	\$ 2,623,463
Unreserved	\$ (427,921)	\$ (423,332)	\$ (403,134)	\$ (231,447)	\$ (293,263)	\$ (408,196)	\$ (322,640)	\$ (359,147)	\$ (289,370)	\$ (399,824)
Total General Fund	\$ 1,209,956	\$ 960,803	\$ 1,331,574	\$ 1,604,831	\$ 1,685,233	\$ 1,774,969	\$ 1,388,093	\$ 1,823,773	\$ 2,758,582	\$ 2,223,639
All Other Governmental Funds										
Reserved										
Unreserved, reported in:										
Special Revenue Fund	\$ 86,759	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Projects Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service Fund	\$ 4	\$ 4	\$ 4	\$ 4	\$ 35,165	\$ 35,164	\$ -	\$ -	\$ -	\$ -
Permanent Fund										
Designated for Subsequent										
Year Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total all other Governmental Funds	\$ 86,763	\$ 4	\$ 4	\$ 4	\$ 35,165	\$ 35,164	\$ -	\$ -	\$ -	\$ -

Borough of Roselle Park School District  
 Changes in Fund Balances, Governmental Funds,  
 Last Ten Fiscal Years

Exhibit J-4

	For the Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Revenues</b>										
Local Sources	\$ 17,738,545	\$ 18,132,074	\$ 18,927,935	\$ 19,053,757	\$ 18,775,621	\$ 18,988,759	\$ 20,227,591	\$ 21,588,010	\$ 22,157,590	\$ 22,564,366
State Sources	\$ 11,573,947	\$ 10,781,776	\$ 11,702,426	\$ 12,425,426	\$ 13,732,602	\$ 13,328,689	\$ 13,798,706	\$ 14,352,725	\$ 15,148,303	\$ 16,153,428
Federal Sources	\$ 785,558	\$ 2,735,357	\$ 949,678	\$ 1,327,660	\$ 1,013,185	\$ 974,120	\$ 1,021,353	\$ 1,031,678	\$ 986,189	\$ 913,229
<b>Total Revenue</b>	<b>\$ 30,098,050</b>	<b>\$ 31,649,207</b>	<b>\$ 31,580,039</b>	<b>\$ 32,806,843</b>	<b>\$ 33,521,408</b>	<b>\$ 33,291,568</b>	<b>\$ 35,047,650</b>	<b>\$ 36,972,413</b>	<b>\$ 38,292,082</b>	<b>\$ 39,631,023</b>
<b>Expenditures</b>										
Instruction	\$ 13,133,186	\$ 11,552,692	\$ 12,775,696	\$ 13,838,287	\$ 13,899,075	\$ 13,856,645	\$ 14,454,906	\$ 15,068,839	\$ 15,287,634	\$ 15,768,751
Support Services	\$ 16,385,537	\$ 17,898,869	\$ 17,688,452	\$ 17,600,795	\$ 18,805,107	\$ 18,571,784	\$ 20,238,296	\$ 20,693,512	\$ 21,124,460	\$ 22,900,592
Capital Outlay	\$ 103,692	\$ 89,666	\$ 46,765	\$ 446,183	\$ 48,792	\$ 90,488	\$ 89,288	\$ 77,009	\$ 74,681	\$ 666,503
ARRA-ESF		\$ 1,603,711								
ARRA-GSF		\$ 62,082								
Education Jobs \ charter schools				\$ 353,652	\$ 11,989			\$ 9,273	\$ -	\$ 9,273
Debt service:										
Principal	\$ 352,345	\$ 372,345	\$ 392,346	\$ 402,345	\$ 482,345	\$ 452,245	\$ 470,000	\$ 485,000	\$ 515,000	\$ 530,000
Interest and other charges	\$ 331,280	\$ 318,995	\$ 306,009	\$ 292,325	\$ 197,139	\$ 232,818	\$ 217,200	\$ 203,100	\$ 188,550	\$ 173,100
<b>Total expenditures</b>	<b>\$ 30,306,040</b>	<b>\$ 31,898,360</b>	<b>\$ 31,209,268</b>	<b>\$ 32,933,587</b>	<b>\$ 33,444,447</b>	<b>\$ 33,203,980</b>	<b>\$ 35,469,690</b>	<b>\$ 36,536,733</b>	<b>\$ 37,190,325</b>	<b>\$ 40,048,219</b>
Excess(Deficiency) of revenues over(under) expenditures	\$ (207,990)	\$ (249,153)	\$ 370,771	\$ (126,744)	\$ 76,961	\$ 87,588	\$ (422,040)	\$ 435,680	\$ 1,101,757	\$ (417,196)
<b>Other Financing sources(uses)</b>										
Transfers in	\$ 50,000	\$ -	\$ 50,000	\$ 400,000	\$ 50,000	\$ 2,147	\$ -	\$ -	\$ -	\$ -
Transfers out	\$ -	\$ -	\$ -	\$ -	\$ (11,398)	\$ -	\$ -	\$ -	\$ (68,150)	\$ (117,747)
<b>Total other financing sources(uses)</b>	<b>\$ 50,000</b>	<b>\$ -</b>	<b>\$ 50,000</b>	<b>\$ 400,000</b>	<b>\$ 38,602</b>	<b>\$ 2,147</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (68,150)</b>	<b>\$ (117,747)</b>
<b>Net changes in fund balances</b>	<b>\$ (157,990)</b>	<b>\$ (249,153)</b>	<b>\$ 420,771</b>	<b>\$ 273,256</b>	<b>\$ 115,563</b>	<b>\$ 89,735</b>	<b>\$ (422,040)</b>	<b>\$ 435,680</b>	<b>\$ 1,033,607</b>	<b>\$ (534,943)</b>

**Borough of Roselle Park School District  
General Fund-Other Local Revenue by Source**

Exhibit J-5

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u>	<u>Rentals-Use</u> <u>Of Facilities</u>	<u>Prior Year</u> <u>Refunds</u>	<u>Transportation</u> <u>Fees</u>	<u>Other</u>	<u>Total</u>
2009	\$ 5,817	\$ 293,421	\$ 8,770			\$ 10,773	\$ 318,781
2010	\$ 4,468	\$ 339,869	\$ 50,000			\$ 32,190	\$ 426,527
2011	\$ 4,544	\$ 468,059	\$ 52,486			\$ 100,000	\$ 625,089
2012	\$ 1,947	\$ 706,678	\$ 28,038			\$ 100,000	\$ 836,663
2013	\$ 6,331	\$ 440,060	\$ 21,859			\$ 72,000	\$ 540,250
2014	\$ 4,480	\$ 346,727				\$ 88,451	\$ 439,658
2015	\$ -	\$ 283,561				\$ 108,143	\$ 391,704
2016	\$ -	\$ 336,953				\$ 100,196	\$ 437,149
2017	\$ -	\$ 297,700				\$ 100,426	\$ 398,126
2018	\$ -	\$ 232,403				\$ 82,056	\$ 314,459

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

Exhibit J-6

<u>Year Ended December 31.</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Public Utilities</u>	<u>Net Valuation Taxable</u>	<u>Estimated Actual</u>
2009	\$ 511,400	\$ 234,356,900	\$ 26,132,200	\$ 5,797,800	\$ 22,486,600	\$ 146,686	\$ 289,431,586	\$ 1,366,532,512
2010	\$ 389,300	\$ 234,506,500	\$ 26,131,300	\$ 4,999,300	\$ 21,977,800	\$ 149,050	\$ 288,153,250	\$ 1,292,167,040
2011	\$ 363,800	\$ 234,458,800	\$ 26,168,300	\$ 4,900,500	\$ 21,788,600	\$ 125,187	\$ 287,805,187	\$ 1,226,791,078
2012	\$ 343,800	\$ 233,733,160	\$ 25,607,200	\$ 4,870,500	\$ 21,759,000	\$ 210,488	\$ 286,524,148	\$ 1,063,564,024
2013	\$ 336,100	\$ 233,116,860	\$ 25,292,300	\$ 4,870,500	\$ 21,607,400	\$ 227,314	\$ 285,450,474	\$ 1,020,559,435
2014	\$ 291,700	\$ 232,264,660	\$ 25,143,400	\$ 4,870,500	\$ 21,077,700	\$ 181,168	\$ 283,829,128	\$ 1,032,105,920
2015	\$ 291,700	\$ 231,921,710	\$ 25,075,300	\$ 4,872,000	\$ 21,077,700	\$ 188,400	\$ 283,426,810	\$ 1,030,642,945
2016*	\$ 1,242,200	\$ 837,525,900	\$ 90,718,800	\$ 19,767,500	\$ 104,252,300	\$ 670,901	\$ 1,054,177,601	\$ 1,101,418,400
2017	\$ 1,242,200	\$ 836,003,400	\$ 88,880,700	\$ 19,772,500	\$ 104,252,300	\$ 652,679	\$ 1,050,803,779	\$ 1,097,910,193
2018	\$ 1,240,200	\$ 835,145,700	\$ 91,475,600	\$ 18,964,300	\$ 104,298,700	\$ 651,557	\$ 1,051,778,057	\$ 1,106,798,463

\* Note: In 2016 the borough of Roselle Park did a reassessment of all properties

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

Exhibit J-7

<u>Year Ended December 31,</u>	<u>Roselle Park School District Direct Rate</u>		<u>Overlapping Rates</u>		<u>Total Direct and Overlapping Tax Rate</u>	
	<u>Basic Rate</u>	<u>General Obligation Debt Service</u>	<u>Total Direct</u>	<u>Borough of Roselle Park</u>		<u>Union County</u>
2009			6.067	3.530	1.666	11.263
2010			6.229	3.684	1.713	11.626
2011			6.324	3.836	1.823	11.983
2012			6.353	3.986	1.845	12.184
2013			6.436	4.119	1.851	12.406
2014			6.755	4.273	1.879	12.907
2015			7.210	4.427	1.950	13.587
2016			2.034	1.227	0.550	3.811
2017			2.093	1.276	0.565	3.934
2018			2.124	1.296	0.559	3.979



Borough of Roselle Park School District  
Principal Property Tax Payers

Exhibit J-8

2018

<u>Taxpayer</u>		<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
Woodside Gardens Assoc.	\$	25,341,500.00	1	2.41
Sunrise Village	\$	20,262,100.00	2	1.93
Grande Associates, LLC	\$	11,623,000.00	3	1.11
450 West Westfield Realty LLC	\$	4,261,400.00	4	0.41
Chestnut RP, LLC	\$	3,922,900.00	5	0.37
Joseph Centanni	\$	3,857,800.00	6	0.36
Westfield Realty Holdings, LLC	\$	3,488,600.00	7	0.33
Paradise Management	\$	3,105,800.00	8	0.30
Parkway Ford Realty	\$	3,100,000.00	9	0.29
415 Westfield Associates, LLC	\$	2,919,900.00	10	0.28
Jakimowicz Partners, LP and Raymond R.	\$	2,864,000.00	11	0.27
Ashford Property c/o Boyle Property Management	\$	2,856,000.00	12	0.27

Borough of Roselle Park School District  
Property Tax Levies and Collections

Exhibit J-9

<u>Year Ended December 31,</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Percentage of Levy</u>
	<u>Taxes Levied for the Fiscal Year</u>	<u>Amount</u>	
2008	\$ 31,802,107	\$ 30,974,661	97.39%
2009	\$ 32,620,843	\$ 31,925,961	97.86%
2010	\$ 33,535,571	\$ 32,804,581	97.82%
2011	\$ 34,518,458	\$ 33,582,766	97.28%
2012	\$ 34,921,899	\$ 34,202,404	98.33%
2013	\$ 35,291,892	\$ 34,622,625	98.12%
2014	\$ 36,662,116	\$ 36,008,661	98.21%
2015	\$ 38,536,330	\$ 37,839,386	98.19%
2016	\$ 40,187,999	\$ 39,447,876	98.16%
2017	\$ 41,486,671	\$ 40,791,826	98.33%

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

Exhibit J-10

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>General</u> <u>Obligation</u> <u>Bonds</u>	<u>Certificates</u> <u>of</u> <u>Participation</u>	<u>Capital</u> <u>Leases</u>	<u>Bond</u> <u>Anticipation</u> <u>Notes</u>	<u>Total</u> <u>Direct</u>	<u>Percentage of</u> <u>Personal</u> <u>Income</u>	<u>Per</u> <u>Capita</u>
2009	\$7,939,000		\$621,789				
2010	\$7,569,000		\$715,146				
2011	\$7,179,000		\$434,463				
2012	\$6,779,000		\$400,000				
2013	\$6,335,000		\$300,000				
2014	\$5,885,000		\$850,000				
2015	\$5,415,000		\$888,099				
2016	\$4,930,000		\$755,230				
2017	\$4,415,000		\$677,780				
2018	\$3,885,000		\$888,532				

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

Exhibit J-11

General Bonded Debt Outstanding

<u>Fiscal Year Ended June 30,</u>	<u>General Obligation Bonds</u>	<u>Deductions</u>	<u>Net General Bonded Debt Outstanding</u>	<u>Percentage Actual Taxable Value of Property</u>	<u>Per Capita</u>
2009	\$ 7,939,000.00		\$ 7,939,000.00		
2010	\$ 7,569,000.00		\$ 7,569,000.00		
2011	\$ 7,179,000.00		\$ 7,179,000.00		
2012	\$ 6,779,000.00		\$ 6,779,000.00		
2013	\$ 6,335,000.00		\$ 6,335,000.00		
2014	\$ 5,885,000.00		\$ 5,885,000.00		
2015	\$ 5,415,000.00		\$ 5,415,000.00		
2016	\$ 4,930,000.00		\$ 4,930,000.00		
2017	\$ 4,415,000.00		\$ 4,415,000.00		
2018	\$ 3,885,000.00		\$ 3,885,000.00		

Borough of Roselle Park School District      Exhibit J-12  
 Ratios of Overlapping Governmental Activities Debt

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Borough of Roselle Park	\$ 18,402,163	100%	\$ 18,402,163
Union County			
General Obligation Debt	\$ 590,143,496	1.63%	\$ 9,596,771
Rahway Valley Sewerage Authority	\$ 153,764,535	1.84%	\$ 2,829,267
Subtotal, overlapping debt			<u>\$ 30,828,200</u>
Roselle Park School District Direct Debt			<u>\$ 4,415,000</u>
Total direct and overlapping debt			\$ 35,243,200

Borough of Roselle Park School District  
 Legal Debt Margin Information

Exhibit J-13

**Legal Debt Margin Calculated for Fiscal Year 2018**

	Equalized valuation basis	
	2017	\$ 1,050,803,779
	2018	\$ <u>1,051,778,057</u>
		\$ 2,102,581,836
Average equalized valuation of taxable property		\$ 1,051,290,918
Debt limit (4% of average equalization value)		\$ 42,051,637
Net bonded school debt		\$ <u>3,885,000</u>
Legal debt margin		\$ 38,166,637

	<u>Fiscal Year</u>							
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Debt Limit	\$ 42,051,637	\$ 42,099,628	\$ 42,167,104	\$ 11,345,119	\$ 11,385,592	\$ 11,439,492	\$ 11,486,587	\$ 11,519,169
Total net debt applicable to limit	\$ <u>3,885,000</u>	\$ <u>4,415,000</u>	\$ <u>4,930,000</u>	\$ <u>5,415,000</u>	\$ <u>5,885,000</u>	\$ <u>6,335,000</u>	\$ <u>6,779,000</u>	\$ <u>7,179,000</u>
Legal debt margin	\$ 38,166,637	\$ 37,684,628	\$ 37,237,104	\$ 5,930,119	\$ 5,500,592	\$ 5,104,492	\$ 4,707,587	\$ 38,166,637
Total net debt applicable to the limit as a percentage of debt limit								

Borough of Roselle Park School District  
 Demographic and Economic Statistics  
 Last Ten Years

Exhibit J-14

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Union County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2008	12,765		\$ 51,651	7.1
2009	12,861		\$ 49,213	9.8
2010	13,321		\$ 49,932	9.9
2011	13,372		\$ 52,281	9.9
2012	13,512		\$ 53,816	9.9
2013	13,525		\$ 54,382	10.3
2014	13,595		\$ 57,306	6.8
2015	13,670		\$ 60,089	5.8
2016	13,774		\$ 60,406	5.1
2017	13,821		\$ 61,808	4.7

Borough of Roselle Park School District  
Principal Employers,  
2018

Exhibit J-15

<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
Roselle Park School District			
Borough of Roselle Park			
Hexacon Electric Supply Co.			

Information was not available at the time of the audit



Borough of Roselle Park School District Exhibit J-16  
 Full-time Equivalent District Employees by Function/Program  
 Last Ten Fiscal Years

<u>Function/Program</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Instruction</b>										
Regular	140	146	138	146	141	143	145	145	145	145
Special Education	32	32	30	35	41	38	37	35	38	42
Other special education	52	54	40	49	54	57	49	48	50	52
Vocational										
Other instruction										
Nonpublic school programs										
Adult/continuing education										
<b>Support Services:</b>										
Student & instruction related services	54	52	44	37	33	34	30	31	30	30
School administrative services	12	14	11	11	11	11	11	13	13	13
General & Business Adm. services	1	1	1	1	1	1	1	1	1	1
Plant operations and maintenance	23	23	21	21	22	22	23	24	24	24
Pupil transportation		0	1	1	1	1	1	0	0	0
Business and other support services	20	20	15	14	17	17	20	21	23	23
<b>Special Schools</b>										
Food Service										
Child Care										
<b>Total</b>	<b>334</b>	<b>342</b>	<b>301</b>	<b>315</b>	<b>321</b>	<b>324</b>	<b>317</b>	<b>318</b>	<b>324</b>	<b>330</b>

Borough of Roselle Park School District  
 Operating Statistics  
 Last Ten Fiscal Years

Exhibit J-17

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Elementary</u>	<u>Middle School</u>	<u>High School</u>	<u>Avg. Daily Enrollment</u>	<u>Avg. Daily Attendance</u>	<u>% Change ADE</u>	<u>Student Attendance %</u>
2009	2,032	\$ 26,925,016.00	\$ 13,005.00		216	1:18	1:23	1:20	2009	1917		95.4%
2010	2,019	\$ 28,131,990.00	\$ 13,516.00		220	1:17	1:21	1:19	1992	1902		95.5%
2011	2,000	\$ 27,583,542.00	\$ 13,145.00		209	1:19	1:22	1:20	1981	1887		95.2%
2012	2,005	\$ 28,474,200.00	\$ 13,592.00		214	1:20	1:21	1:19	1981	1891		95.4%
2013	1,970	\$ 28,809,678.00	\$ 14,740.00		215	1:20	1:21	1:19	1852	1756		94.8%
2014	1,958	\$ 28,926,316.00	\$ 14,579.00		215	1:20	1:21	1:18	1851	1764		95.3%
2015	2,009	\$ 30,773,491.00	\$ 14,492.00		215	1:21	1:22	1:19	1982	1889		95.3%
2016	2,037	\$ 31,336,369.00	\$ 14,509.00		220	1:21	1:22	1:20	2019	1932		95.7%
2017	2,059	\$ 31,263,331.00	\$ 15,009.00		223	1:20	1:21	1:20	2032	1940		95.50%
2018	2,081	\$ 33,594,014.00	\$ 15,256.00		227	1:22	1:22	1:21	2054	1961		95.50%

Borough of Roselle Park School District  
 Building Information  
 Last Ten Fiscal Years

Exhibit J-18

<u>District Building</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Aldene										
Square Feet	32801	32801	32801	32801	32801	32801	32801	32801	32801	32801
Capacity										
Enrollment	271	285	279	313	304	300	327	320	329	308
Robert Gordon										
Square Feet	34342	34342	34342	34342	34342	34342	34342	34342	34342	34342
Capacity										
Enrollment	262	272	261	263	271	260	273	273	278	277
Sherman										
Square Feet	33560	33560	33560	33560	33560	33560	33560	33560	33560	33560
Capacity										
Enrollment	349	331	338	323	310	312	331	348	357	386
Middle School										
Square Feet	64420	64420	64420	64420	64420	64420	64420	64420	64420	64420
Capacity										
Enrollment	487	483	485	488	493	490	473	471	466	503
High School										
Square Feet	119968	119968	119968	119968	119968	119968	119968	119968	119968	119968
Capacity										
Enrollment	672	648	637	618	592	596	605	625	629	607
Board Office										
Square Feet	3124	3124	3124	3124	3124	3124	3124	3124	3124	3124

Number of Schools as of June 30, 2018

Elementary = 3

Middle School = 1

High School = 1

Borough of Roselle Park School District  
Schedule of Required Maintenance

Exhibit J-19

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Aldene</u>	<u>Robert Gordon</u>	<u>Sherman</u>	<u>Middle School</u>	<u>High School</u>	<u>Cental Office</u>	<u>Total</u>
2009	\$ 96,730.00	\$ 60,003.00	\$ 83,405.00	\$ 112,812.00	\$ 318,613.00	\$ 68,433.00	\$ 739,996.00
2010	\$ 81,861.00	\$ 75,728.00	\$ 73,058.00	\$ 162,640.00	\$ 419,853.00	\$ 27,212.00	\$ 840,352.00
2011	\$ 65,056.00	\$ 60,041.00	\$ 44,119.00	\$ 130,477.00	\$ 190,895.00	\$ 8,149.00	\$ 498,737.00
2012	\$ 76,505.00	\$ 73,148.00	\$ 66,517.00	\$ 178,920.00	\$ 214,582.00	\$ 6,747.00	\$ 616,419.00
2013	\$ 76,795.00	\$ 105,073.00	\$ 89,992.00	\$ 159,959.00	\$ 334,145.00	\$ 6,014.00	\$ 771,978.00
2014	\$ 108,984.00	\$ 96,005.00	\$ 65,900.00	\$ 238,573.00	\$ 252,904.00	\$ 9,055.00	\$ 771,421.00
2015	\$ 97,294.00	\$ 67,797.00	\$ 75,967.00	\$ 154,339.00	\$ 213,492.00	\$ 8,821.00	\$ 617,710.00
2016	\$ 131,030.00	\$ 92,218.00	\$ 69,079.00	\$ 169,488.00	\$ 327,732.00	\$ 6,453.00	\$ 796,000.00
2017	\$ 111,849.00	\$ 102,482.00	\$ 59,569.00	\$ 188,107.00	\$ 298,795.00	\$ 7,554.00	\$ 768,356.00
2018	\$ 95,355.00	\$ 129,544.00	\$ 158,838.00	\$ 181,234.00	\$ 325,915.00	\$ 9,030.00	\$ 899,916.00

## Borough of Roselle Park School District Insurance Schedule

Exhibit J-20

<u>School Package Policy</u>		<u>Coverage</u>	<u>Deductible</u>
Property		\$ 400,000,000.00	\$ 5,000.00
Comprehensive General Liability		\$ 16,000,000.00	n/a
Automobile Liability		\$ 16,000,000.00	n/a
Crime Coverage		\$ 5,000.00	\$ 500.00
Forgery & Alteration		\$ 25,000.00	\$ 500.00
Extra Expense		\$ 50,000,000.00	\$ 5,000.00
Valuable Papers		\$ 10,000,000.00	\$ 5,000.00
Demolition and Increased Cost of Construction		\$ 25,000,000.00	n/a
Equipment Breakdown		\$ 100,000,000.00	\$ 5,000.00
Electronic Data		\$ 900,000.00	\$ 1,000.00
Workers Compensation	Each Accident	\$ 2,000,000.00	
	Disease Policy Limit	\$ 2,000,000.00	
	Disease Each Employee	\$ 2,000,000.00	
School Leaders Errors & Omissions Liability		\$ 16,000,000.00	\$ 5,000.00
		\$100,000/\$300,000	
Administrator - Bond		\$ 25,000.00	\$ 500.00
Treasurer - Bond		\$ 300,000.00	\$ 1,000.00
Crisis Management	Expenses	\$ 1,000,000.00	
	Judgement/Defense	\$ 1,000,000.00	
	Death/Dismemberment	\$ 250,000.00	
	Disappearance	\$ 100,000.00	
	Treat	\$ 150,000.00	
Student Accident		\$ 1,000,000.00	
Pollutant Cleanup and Removal		\$ 250,000.00	\$ 5,000.00
Automobile Physical Damage	Actual Cash Basis		\$ 1,000.00
Flood Deductible	All Zones Except A&V	\$	10,000.00
Robert Gordon Flood Deductible		\$	1,000.00
Earthquake		\$ 50,000,000.00	\$ 5,000.00
Environmental Liability		\$ 1,000,000.00	\$ 25,000.00
First Party Microbial Clean Up		\$ 100,000.00	\$ 200,000.00
Tuition		\$ 347,000.00	\$ 5,000.00
Employee Benefits Liability		\$ 16,000,000.00	n/a
Sexual Abuse		\$ 16,000,000.00	n/a
Terrorism		\$ 1,000,000.00	n/a

**SINGLE AUDIT SECTION**

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)  
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.  
ROBERT A. HULSART, JR., C.P.A., P.S.A.  
RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

Telecopier:  
(732) 280-8888  
e-mail:  
rah@monmouth.com

2807 Hurley Pond Road • Suite 100  
P.O. Box 1409  
Wall, New Jersey 07719-1409  
(732) 681-4990

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

K-1

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

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 the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Roselle Park Board of Education, County of Union, State of New Jersey as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Roselle Park Board of Education, County of Union, State of New Jersey's basic financial statements, and have issued our report thereon dated November 19, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Roselle Park Board of Education, County of Union, State of New Jersey's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions of the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Roselle Park Board of Education, County of Union, State of New Jersey's internal control. Accordingly, we do not express an opinion on the effectiveness of the Roselle Park Board of Education, County of Union, and State of New Jersey'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purposes 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 Roselle Park Board of Education, County of Union, State of New Jersey's financial statements are free from material misstatement, we performed tests of it compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

**ROBERT A. HULSART AND COMPANY**

*Robert A. Hulsart*

Licensed Public School Accountant  
No. 322  
Robert A. Hulsart and Company  
Wall Township, New Jersey

November 19, 2018



ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)  
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.  
ROBERT A. HULSART, JR., C.P.A., P.S.A.  
RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

Telecopier:  
(732) 280-8888  
e-mail:  
rah@monmouth.com

2807 Hurley Pond Road • Suite 100  
P.O. Box 1409  
Wall, New Jersey 07719-1409  
(732) 681-4990

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED  
BY THE UNIFORM GUIDANCE AND SCHEDULE OF EXPENDITURES OF STATE  
FINANCIAL ASSISTANCE AS REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

K-2

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

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

We have audited the Board of Education of the Roselle Park School District, County of Union, State of New Jersey's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Board of Education of the Roselle Park School District, County of Union, State of New Jersey's major state programs for the year ended June 30, 2018. The Board of Education of the Roselle Park School District, County of Union, State of New Jersey'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 programs.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Board of Education of the Roselle Park School District, County of Union, State of New Jersey'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 prescribed by the Office of School Finance, Department of Education, State of New Jersey; 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 New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and the Uniform Guidance and New Jersey OMB's Circular 15-08, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Board of Education of the Roselle Park School District, County of Union, State of New Jersey's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Board of Education of the Roselle Park School District, County of Union, State of New Jersey's compliance.

### ***Opinion on Each Major Federal and State Program***

In our opinion, the Board of Education of the Roselle Park School District, County of Union, State of New Jersey's, 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, 2018.

### **Report on Internal Control Over Compliance**

Management of the Board of Education of the Roselle Park School District, County of Union, State of New Jersey's is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Board of Education of the Roselle Park School District, County of Union, State of New Jersey'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 U.S. Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board of Education of the Roselle Park School District, County of Union, and State of New Jersey's internal control over compliance.

*A deficiency in internal control* over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and 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 was for the limited purposes 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 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 U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

**ROBERT A. HULSART AND COMPANY**

*Robert A. Hulsart*

**Licensed Public School Accountant**

**No. 322**

**Robert A. Hulsart and Company**

**Wall Township, New Jersey**

November 19, 2018

**ROSELLE PARK SCHOOL DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Schedule A  
K-3

Department of Education Project/Title	CFDA Number	Federal Fain Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2017	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year Balances	Balance at June 30, 2018				
					From	To							(Accounts Receivable)	Deferred Revenue	Due to Grantor		
U.S. Department of Agriculture																	
Passed Through State Department of Education:																	
National School Lunch Program	10.555	1816NJ304N1099		\$ 325,114	07/01/2017	06/30/2018	\$ -		306,755	(325,114)			(18,359)				
National School Lunch Program	10.555	171NJ304N1099		333,894	07/01/2016	06/30/2017	(20,929)		20,929								
HHFKA Program	10.555	171NJ304N1099		11,368	07/01/2016	06/30/2017	(735)		735								
HHFKA Program	10.555	1816NJ304N1099		11,387	07/01/2017	06/30/2018			10,731	(11,387)			(656)				
School Breakfast Program	10.553	1816NJ304N1099		25,564	07/01/2017	06/30/2018			23,953	(25,564)			(1,611)				
School Breakfast Program	10.553	171NJ304N1099		31,960	07/01/2016	06/30/2017	(2,426)		2,426								
Food Distribution	10.550	181NJ304N1099		70,192	07/01/2017	06/30/2018			70,192	(70,192)							
<b>Total Department of Agriculture</b>							<b>(24,090)</b>	<b>-</b>	<b>435,721</b>	<b>(432,257)</b>	<b>-</b>	<b>-</b>	<b>(20,626)</b>	<b>-</b>	<b>-</b>		
General Fund:																	
Medicaid	93.778	1605NJSMAP		77,145	07/01/2017	06/30/2018			77,145	(77,145)							
									77,145	(77,145)							
U.S. Department of Education																	
Passed Through State Department of Education:																	
Special Revenue Fund:																	
Title I	84.010	S010A160030		369,380	07/01/2016	06/30/2017	(113,287)		113,287								
Title I	84.010	S010A150030		365,819	07/01/2017	06/30/2018			256,964	(365,819)			(108,855)				
Title IIA	84.367A	S367A150029		54,881	07/01/2017	06/30/2018			43,177	(54,881)			(11,704)				
Title IIA	84.367A	S367A160029		36,811	07/01/2016	06/30/2017	(7,705)		7,705								
Title III	84.365A	S365A150030		24,849	07/01/2017	06/30/2018			15,247	(24,849)			(9,602)				
Title III	84.365A	S365A160030		44,366	07/01/2016	06/30/2017	(17,813)		17,813								
Title III Immigrant	84.365A	S365A160030		13,806	07/01/2017	06/30/2018			13,806	(13,806)							
Title III Immigrant	84.365A	S365A160030		4,738	07/01/2016	06/30/2017	(263)		263								
LD.E.A.:																	
Part B	84.027	H027A150100		468,266	07/01/2017	06/30/2018			376,308	(468,266)			(91,958)				
Part B	84.027	H027A160100		469,355	07/01/2016	06/30/2017	(71,148)		71,148								
Preschool	84.173	H173A150114		15,411	07/01/2017	06/30/2018			12,013	(15,411)			(3,398)				
Preschool	84.173	H173A160114		45,455	07/01/2016	06/30/2017	(2,737)		2,737								
<b>Total U.S. Department of Education</b>							<b>(212,953)</b>	<b>-</b>	<b>930,468</b>	<b>(943,032)</b>	<b>-</b>	<b>-</b>	<b>(225,517)</b>	<b>-</b>	<b>-</b>		
<b>Total Federal Financial Assistance</b>							<b>\$ (237,043)</b>	<b>-</b>	<b>1,443,334</b>	<b>(1,452,434)</b>	<b>-</b>	<b>-</b>	<b>(246,143)</b>	<b>-</b>	<b>-</b>		

See Accompanying Notes to Schedules of Financial Assistance.

ROSELLE PARK SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Schedule B  
K-4

Department of Education Project/Title	State Grant Number	Program or Award Amount	Grant Period		Balance at June 30, 2017			Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year Balances	Balance at June 30, 2018			MEMO	
			From	To	Deferred Revenue (Accounts Receivable)	Due To Grantor	Carryover (Walkover) Amount					(Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable	Total Cumulative Expenditures
State Department of Education:																
Special Education Aid	18-495-034-5120-089	\$ 1,161,432	07/01/2017	06/30/2018	\$ -		1,046,991	(1,161,432)						(114,441)	1,161,432	
Equalization Aid	18-495-034-5120-078	9,619,107	07/01/2017	06/30/2018			8,672,266	(9,619,107)						(946,841)	9,619,107	
Security Aid	18-495-034-5120-084	101,567	07/01/2017	06/30/2018			91,850	(101,567)						(9,717)	101,567	
Extraordinary Aid	17-495-034-5120-044	323,289	07/01/2016	06/30/2017	(323,289)		323,289									
Extraordinary Aid	18-495-034-5120-044	325,679	07/01/2017	06/30/2018				(325,679)			(325,679)				325,679	
Transportation Aid	18-495-034-5120-014	24,011	07/01/2017	06/30/2018			21,851	(24,011)						(2,160)	24,011	
Additional Adjustment Aid	18-495-034-5120-085	1	07/01/2017	06/30/2018			1	(1)							1	
PARCC Readiness Aid	18-495-034-5120-098	18,620	07/01/2017	06/30/2018			16,461	(18,620)						(2,159)	18,620	
Per Pupil Growth Aid	18-495-034-5120-097	18,620	07/01/2017	06/30/2018			16,461	(18,620)						(2,159)	18,620	
Professional Learning Community Aid	18-495-034-5120-101	20,040	07/01/2017	06/30/2018			17,881	(20,040)						(2,159)	20,040	
On-Behalf TPAF Pension Fund	18-495-034-5094-002	3,723,726	07/01/2017	06/30/2018			3,723,726	(3,723,726)							3,723,726	
Reimbursed TPAF Social Security Contribution (Non-Budgeted)	18-100-034-5095-003	1,182,355	07/01/2017	06/30/2018			1,181,594	(1,182,355)				(741)			1,182,355	
Reimbursed TPAF Social Security Contribution (Non-Budgeted)	17-100-034-5095-002	1,152,565	07/01/2016	06/30/2017	(61,145)		61,145									
					(384,434)		15,173,516	(16,195,138)				(326,420)		(1,079,636)	16,195,138	
State School Lunch Program (State Share)	18-100-010-3350-023	9,962	07/01/2017	06/30/2018			9,389	(9,962)				(573)			9,962	
State School Lunch Program (State Share)	17-100-010-3350-023	9,084	07/01/2016	06/30/2017	(584)		584									
					(384)		9,973	(9,962)				(573)			9,962	
Total State Financial Assistance					\$ (385,018)		15,183,489	(16,205,100)				(326,993)		(1,079,636)	16,205,100	
Less On Behalf TPAF Pension Fund Contributions								\$ (3,723,726)								
Total for State Financial Assistance-Major Program Determination								\$ (12,481,374)								

See Accompanying Notes to Schedules of Financial Assistance.

**BOARD OF EDUCATION**

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**ROSELLE PARK SCHOOL DISTRICT****NOTES TO SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE****JUNE 30, 2018****NOTE 1: General**

The accompanying schedules of financial assistance present the activity of all federal and state financial assistance programs of the Board of Education, Roselle Park School District. The Board of Education is defined in Note 1(A) to the Board's general-purpose financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies is included on the schedule of federal financial assistance.

**NOTE 2: Basis of Accounting**

The accompanying schedules of financial assistance are presented using the modified accrual basis of accounting. This basis of accounting is described in Note 1(C) to the Board's general-purpose financial statements.

**NOTE 3: Relationship to General Purpose Financial Statements**

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to *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 revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with *N.J.S.A.* 18A:22-4.2.

Awards and financial assistance revenues are reported in the Board's general purpose financial statements on a GAAP basis as presented below:

**NOTE 3: Relationship to General Purpose Financial Statements**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Food Service</u>	<u>Total</u>
<b><u>State Assistance</u></b>					
Actual Amounts (Budgetary)					
“Revenues” from the Schedule of Expenditures of State					
Financial Assistance	\$ 16,195,138			9,962	16,205,100
Difference – Budget to “GAAP”					
Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures and the Related Revenue is Recognized					
The Last State Aid Payment Is Recognized as Revenue for Budgetary Purposes, and Differs from GAAP Which does not Recognize This Revenue Until the Subsequent Year When the State Recognizes the Related Expense (GASB 33)	(41,710)				(41,710)
Total State Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances	<u>\$ 16,153,428</u>			<u>9,962</u>	<u>16,163,390</u>

**NOTE 3: Relationship to General Purpose Financial Statements (Continued)**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Food Service</u>	<u>Total</u>
<b><u>Federal Assistance</u></b>					
Actual Amounts (Budgetary) "Revenues" from the Schedule of Expenditures of Federal Awards	\$ 77,145	943,032		432,257	1,452,434
Difference -- Budget to "GAAP" Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures and the Related Revenue is Recognized	_____	(106,948)	_____	_____	(106,948)
Total Federal Revenue as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances	<u>\$ 77,145</u>	<u>836,084</u>	_____	<u>432,257</u>	<u>1,345,486</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 under 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 of behalf of the District for the year ended June 30, 2018. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2018.



**ROSELLE PARK SCHOOL DISTRICT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

K-6

**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

*Part 1 - Summary of Auditor's Results*

**Financial Statement Section**

Unmodified

Type of auditor's report issued:

Internal control over financial reporting:

1) Material weakness(es) identified? \_\_\_\_\_ Yes   x   No

2) Reportable conditions(s) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes   x   None Reported

Noncompliance material to general purpose financial statements noted? \_\_\_\_\_ Yes   x   No

**Federal Awards**

Internal control over compliance:

1) Material weakness(es) identified? \_\_\_\_\_ Yes   x   No

2) Reportable condition(s) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes   x   None Reported

Type of auditor's report issued on compliance for major programs: \_\_\_\_\_ Unmodified

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? \_\_\_\_\_ Yes   x   No

Identification of major programs:

**CFDA Number(s)**

84.027  
84.173  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Name of Federal Program or Cluster**

IDEA Part B (Special Education Cluster)  
IDEA-Preschool (Special Education Cluster)  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

\$750,000

Auditee qualified as low-risk auditee? \_\_\_\_\_

  x   Yes \_\_\_\_\_ No

**ROSELLE PARK SCHOOL DISTRICT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

K-6

**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

*Part 1 - Summary of Auditor's Results (Continued)*

**State Awards**

Dollar threshold used to distinguish between type A and type B programs: \_\_\_\_\_ \$750,000 \_\_\_\_\_

Auditee qualified as low-risk auditee?   x   Yes        No

Type of auditor's report issued on compliance for major programs: \_\_\_\_\_ Unmodified \_\_\_\_\_

Internal Control over major programs:

(1) Material Weakness(es) identified? \_\_\_\_\_ Yes   x   No

(2) Reportable condition(s) identified that are not considered to material weaknesses? \_\_\_\_\_ Yes   x   None Reported

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB's Circular 04-04? \_\_\_\_\_ Yes   x   No

Identification of major programs:

**GMIS Number(s)**

18-495-034-5120-089  
18-495-034-5120-078  
18-495-034-5120-098  
18-495-034-5120-097  
18-495-034-5120-084  
18-495-034-5120-101  
18-495-034-5120-014  
18-495-034-5120-085  
18-495-034-5095-002

**Name of State Program**

Special Education Aid (State Aid Public Cluster)  
Equalization Aid (State Aid Public Cluster)  
PARCC Readiness Aid (State Aid Public Cluster)  
Per Pupil Growth Aid (State Aid Public Cluster)  
Security Aid (State Aid Public Cluster)  
Professional Learning Community Aid (Public Cluster)  
Transportation Aid (Public Cluster)  
Additional Adjustment Aid (Public Cluster)  
TPAF Social Security (Reimbursed)

**ROSELLE PARK SCHOOL DISTRICT****SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

K-6

**FOR THE FISCAL YEAR ENDED JUNE 30, 2018*****Part 2 - Financial Statement Findings***

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the general purpose financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

Finding: None

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Cause: N/A

Recommendation: N/A

Management's Response: N/A

**ROSELLE PARK SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

K-6

*Part 3 - Federal Awards and State Financial Assistance Findings and Questioned Costs*

This section identifies audit findings required to be reported by Title U.S. Code of Federal Regulations Part 200 and New Jersey OMB's Circular 15-08, as amended.

**Federal Awards**

Finding: NONE

Information on the Federal Program: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Cause: N/A

Recommendation: N/A

Management's response: N/A

**State Awards**

Finding: NONE

Information on the State Program: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Cause: N/A

**ROSELLE PARK SCHOOL DISTRICT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

K-6

**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

*Part 3 - Federal Awards and State Financial Assistance Findings and Questioned Costs (Continued)*

**State Awards (Continued)**

Recommendation: N/A

Management's response: N/A

ROSELLE PARK SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

K-7

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Prior Audit Findings:

There were no prior year audit findings.