

SCHOOL DISTRICT
OF
ROCHELLE PARK

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

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2019

Comprehensive Annual
Financial Report

of the

Rochelle Park School District
Board of Education

Rochelle Park, New Jersey

For Fiscal Year Ended June 30, 2019

Prepared by

Rochelle Park School District
Board of Education

ROCHELLE PARK SCHOOL DISTRICT
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INTRODUCTORY SECTION



Rochelle Park School District

Dr. Richard Brockel
INTERIM SUPERINTENDENT

Board of Education

300 Rochelle Avenue
Rochelle Park, NJ 07662
Phone: 201-843-3120
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Cheryl Jiosi
BUSINESS ADMINISTRATOR/BOARD
SECRETARY

Ellen Kobylarz
BOARD RECORDING SECRETARY

November 11, 2019

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

Dear Honorable President and Board Members:

The Comprehensive Annual Financial Report of the Rochelle Park School District (the "District") for the fiscal year ended June 30, 2019 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Rochelle Park School District (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

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

The District completed the 2018/2019 fiscal year with an average daily enrollment of 503 students, which is an increase of 17 students under the previous year's average daily enrollment.

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

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

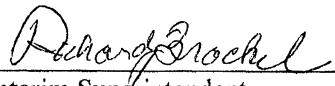
As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control system, including that portion related to major federal and state award programs, as well as to determine that the District has complied with applicable laws, regulations, contracts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

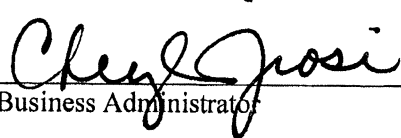
4. BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by a vote of the Board of Education. Annual appropriated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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as restrictions, commitments and assignments of fund balance at June 30, 2019.

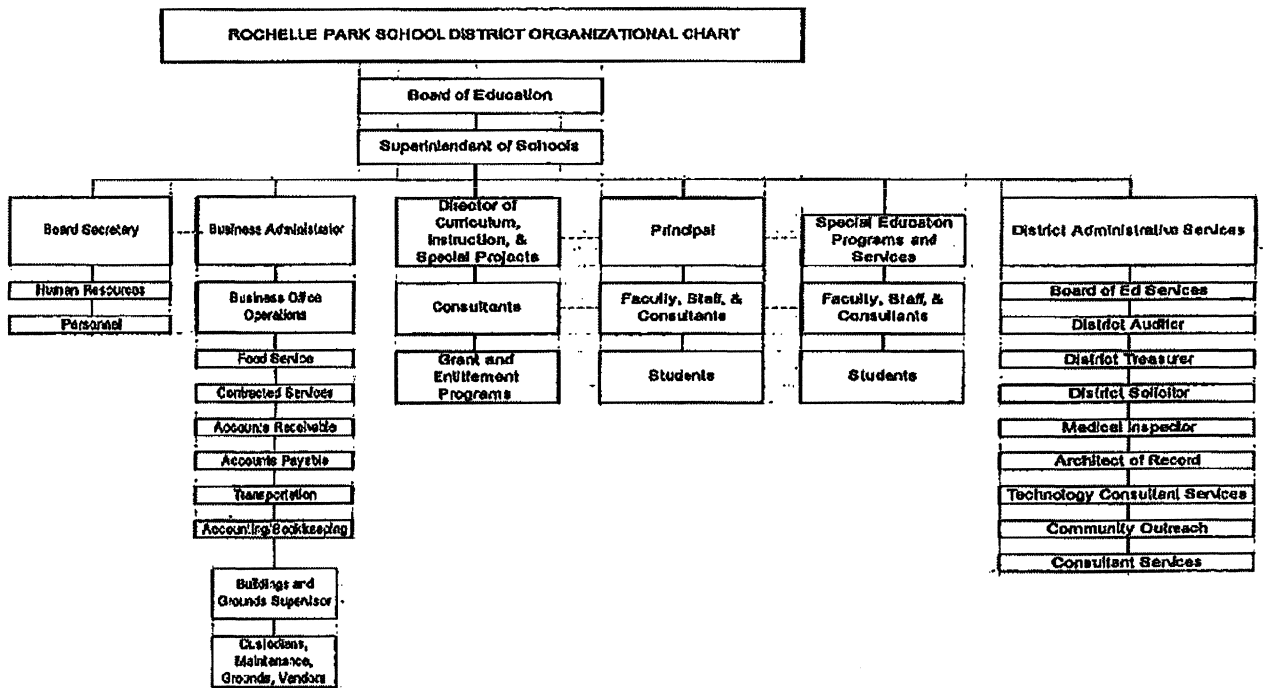
5. ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to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

Respectfully submitted,

Signed: 
Title: Interim Superintendent

Signed: 
Title: Business Administrator

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



ROCHELLE PARK BOARD OF EDUCATION
ROSTER OF OFFICIALS
JUNE 30, 2019

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Theresa Judge-Cravello, President	2021
Matt Trawinski, Vice President	2019
Scott Kral	2020
Gerard Sorrentino	2020
Layla Wuthrick	2020
Adib Abboud	2021
Christina Holz	2019

<u>Other Officials</u>	<u>Title</u>
Dr. Richard J. Brockel	Interim Superintendent of Schools (from 1/1/19)
Cheryl Jiosi	Business Administrator/Board Secretary
Ellen Kobylarz	Recording Secretary
Charles Hangle	Treasurer of School Monies
Michael Alberta	Midland School Principal
Stephen Fogarty	Board Attorney

ROCHELLE PARK BOARD OF EDUCATION

Consultants and Advisors
Fiscal Year Ended June 30, 2019

Audit Firm

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

Attorney

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

Architect

Albert F. Zaccone, AIA
6 Casson Lane
North Haledon, New Jersey 07508

Official Depository

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

FINANCIAL SECTION

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Rochelle Park School District (the "District") in the County of Bergen, as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Rochelle Park School District, in the County of Bergen, as of June 30, 2019 and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which follows this report, the pension and post-employment benefits schedules in Exhibits L-1 through L-5 and the related notes, and the budgetary comparison information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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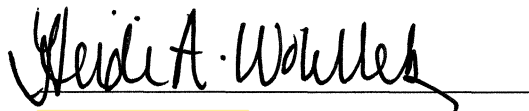
The accompanying other information such as the introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2019 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

November 11, 2019
Mount Arlington, New Jersey

NISIVOCCIA LLP



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

REQUIRED SUPPLEMENTARY INFORMATION -
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Rochelle Park School District
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2019
(Unaudited)**

This section of Rochelle Park School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2019. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Overview of the Financial Statements

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

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

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

**Rochelle Park School District
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2019
(Unaudited)**

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

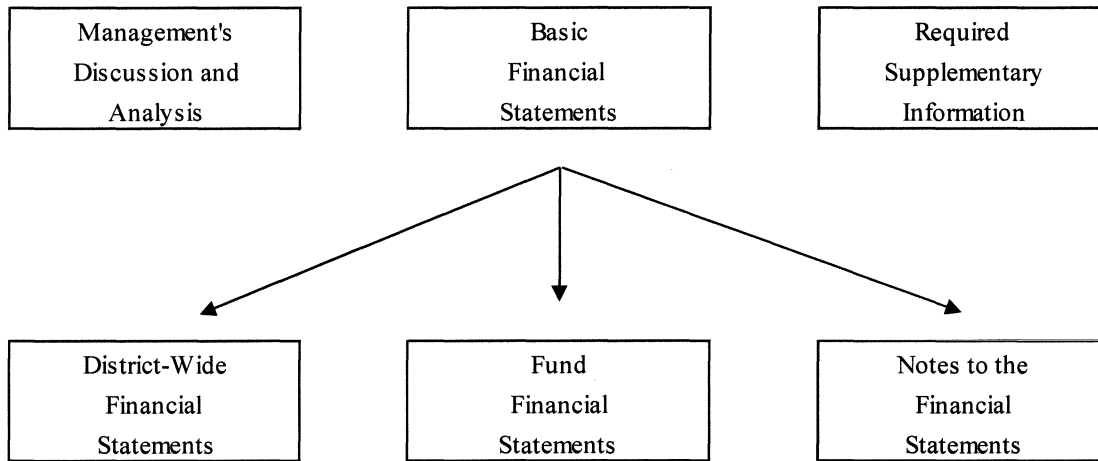


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents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

**Rochelle Park School District
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2019
(Unaudited)**

**Figure A-2
Major Features of the District-Wide and Fund Financial Statements**

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

**Rochelle Park School District
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2019
(Unaudited)**

District-Wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

The District has three kinds of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. The District uses *internal service funds* (the

**Rochelle Park School District
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2019
(Unaudited)**

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

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

Notes to the Basic Financial Statements

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

Financial Analysis of the District as a Whole

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

Figure A-3

Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		Percentage Change 2018-2019
	Restated		Restated		Restated		
	2019	2018	2019	2018	2019	2018	
Current and Other Assets	\$ 2,638,422	\$ 2,348,250	\$ 131,929	\$ 149,841	\$ 2,770,351	\$ 2,498,091	
Capital Assets, Net	8,666,619	8,888,081	10,372	4,007	8,676,991	8,892,088	
Total Assets	11,305,041	11,236,331	142,301	153,848	11,447,342	11,390,179	0.50%
Deferred Outflows of Resources	307,654	491,615			307,654	491,615	-37.42%
Other Liabilities	257,670	278,764	11,595	23,069	269,265	301,833	
Long-Term Liabilities	7,014,684	7,731,619			7,014,684	7,731,619	
Total Liabilities	7,272,354	8,010,383	11,595	23,069	7,283,949	8,033,452	-9.33%
Deferred Inflows of Resources	837,937	703,528			837,937	703,528	19.10%
Net Position:							
Net Investment in Capital							
Assets	3,068,296	2,989,685	10,372	4,007	3,078,668	2,993,692	
Restricted	2,157,188	1,862,381			2,157,188	1,862,381	
Unrestricted/(Deficit)	(1,723,080)	(1,838,031)	120,334	126,772	(1,602,746)	(1,711,259)	
Total Net Position	\$ 3,502,404	\$ 3,014,035	\$ 130,706	\$ 130,779	\$ 3,633,110	\$ 3,144,814	15.53%

**Rochelle Park School District
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2019
(Unaudited)**

Changes in net position. The District's *combined net position* was \$3,633,110 on June 30, 2019, \$488,296 or 15.53% higher than the year before (See Figure A-3). The net position of the governmental activities increased by \$488,369 primarily due to current year bond maturities, the current year capital lease maturities as well as unexpended budget balances, and a decrease in net pension liability and changes in the related deferred inflows and outflows. The net position of the business-type activities decreased by \$73.

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

	Governmental		Business-Type		Total School District		Total
	Activities		Activities				Percentage
	2019	2018	2019	2018	2019	2018	Change
							2018-2019
Revenue:							
Program Revenue:							
Charges for Services	\$ 36,335	\$ 36,881	\$ 359,172	\$ 329,695	\$ 395,507	\$ 366,576	
Operating Grants and Contributions	3,284,750	3,816,205	70,415	63,656	3,355,165	3,879,861	
General Revenue:							
Property Taxes	11,720,049	11,501,565			11,720,049	11,501,565	
Unrestricted Federal and State Aid	203,076	226,872			203,076	226,872	
Other	153,433	173,042			153,433	173,042	
Total Revenue	<u>15,397,643</u>	<u>15,754,565</u>	<u>429,587</u>	<u>393,351</u>	<u>15,827,230</u>	<u>16,147,916</u>	-1.99%
Expenses:							
Instruction	7,618,674	7,967,355			7,618,674	7,967,355	
Tuition	3,115,857	3,064,743			3,115,857	3,064,743	
Pupil & Instruction Services	1,322,481	1,391,307			1,322,481	1,391,307	
Administrative and Business	1,155,803	1,214,867			1,155,803	1,214,867	
Maintenance & Operations	872,176	1,025,721			872,176	1,025,721	
Transportation	369,662	318,140			369,662	318,140	
Other	454,621	286,093	429,660	378,078	884,281	664,171	
Total Expenses	<u>14,909,274</u>	<u>15,268,226</u>	<u>429,660</u>	<u>378,078</u>	<u>15,338,934</u>	<u>15,646,304</u>	-1.96%
Other Items				8,218		8,218	-100%
Increase/(Decrease) in Net Position	<u>\$ 488,369</u>	<u>\$ 486,339</u>	<u>\$ (73)</u>	<u>\$ 23,491</u>	<u>\$ 488,296</u>	<u>\$ 509,830</u>	-4.22%

**Rochelle Park School District
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2019
(Unaudited)**

Governmental Activities

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

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

It is crucial that the District examine its expenses carefully. Increasing parental and student demands for new activities and programs must be evaluated thoroughly.

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

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

	Total		Net	
	Cost of Services		Cost of Services	
	2019	2018	2019	2018
Instruction	\$ 7,618,674	\$ 7,967,355	\$ 4,770,970	\$ 4,845,980
Tuition	3,115,857	3,064,743	3,115,857	3,064,743
Pupil & Instruction Services	1,322,481	1,391,307	1,074,753	1,050,325
Administrative and Business	1,155,803	1,214,867	1,067,604	1,000,566
Maintenance & Operations	872,176	1,025,721	850,844	896,248
Transportation	369,662	318,140	253,540	271,185
Other	454,621	286,093	454,621	286,093
Total	\$ 14,909,274	\$ 15,268,226	\$ 11,588,189	\$ 11,415,140

**Rochelle Park School District
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2019
(Unaudited)**

Business-Type Activities

Net position of the business-type activities decreased by \$73 due an increase in latchkey program fees and federal and state subsidy reimbursements for the food service program offset by an increase in operating expenses for those programs.

Financial Analysis of the District's Funds

Difficult economic times have had a direct impact upon the District's revenue sources. As overall revenue for the District is strained, the amount of funds generated for using surplus to reduce the tax levy likewise decreases. The ratables in the municipality of the District have decreased, thus generating concern for the local tax levy in the future.

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

General Fund Budgetary Highlights

The 2018/2019 budget is reflective of the District's desire to provide its students and staff with the best opportunities, in a safe learning environment while being responsible to its taxpayers. Through careful budgeting, prudent planning and internal controls, the use of cooperative purchasing, shared services with the Township of Rochelle Park and other school districts in areas such as facility services, vehicle maintenance and technology, the District has been successful in maximizing its available resources.

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

Capital Assets

Figure A-6

Capital Assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Total
	Restated		Restated		Restated		Percentage
	2019	2018	2019	2018	2019	2018	2018-2019
Sites (Land)	\$ 15,740	\$ 15,740			\$ 15,740	\$ 15,740	
Construction in Progress	6,706,116	6,701,455			6,706,116	6,701,455	
Site Improvements	22,520	26,065			22,520	26,065	
Buildings & Building Improvements	1,664,055	1,841,188			1,664,055	1,841,188	
Machinery and Equipment	258,188	303,633	\$ 10,372	\$ 4,007	268,560	307,640	
Total	\$ 8,666,619	\$ 8,888,081	\$ 10,372	\$ 4,007	\$ 8,676,991	\$ 8,892,088	-2.42%

During the fiscal year, the District's governmental activities recorded \$4,661 in Construction in Progress, \$10,555 in additions, and depreciated \$236,678 of its capital assets. The District's business-type activities recorded \$7,818 of additions and depreciated \$1,453 of its equipment.

**Rochelle Park School District
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2019
(Unaudited)**

Long-Term Liabilities

At year-end, the District had \$5,438,000 in general obligation bonds, as well as other long-term liabilities outstanding – a total decrease of \$716,935 from last year – as shown in Figure A-7. (More detailed information about the District's long-term liabilities is presented in Note 6 to the financial statements.)

Figure A-7

Outstanding Long-Term Liabilities

	Total School District		Total
	2019	2018	Percentage Change 2018-2019
General Obligation Bonds (Financed with Property Taxes)	\$ 5,438,000	\$ 5,713,000	
Capital Leases Payable	160,323	185,396	
Net Pension Liability	1,258,696	1,676,163	
Compensated Absences Payable	157,665	157,060	
Total	\$ 7,014,684	\$ 7,731,619	-9.27%

Looking Ahead

BUILDING FOR THE FUTURE

As we look to the future, the district will begin to consider the main and Williams Street parking lots as well as traffic safety features and fencing adjacent to these areas. Given the increased electrical capacity, the district is now in a position to consider the possibility of air conditioning systems as well as a modest facilities expansion project to accommodate anticipated student population growth as well as the demands of a dynamic and diverse set of curricular offerings.

PLANNING FOR THE FUTURE

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

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

**Rochelle Park School District
Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2019
(Unaudited)**

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

ROCHELLE PARK SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2019

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 827,735	\$ 124,917	\$ 952,652
Receivables from Federal Government	79,033	3,918	82,951
Receivables from State Government	180,874	162	181,036
Receivables from Other Governments	129,180		129,180
Internal Balances	363	(363)	
Interfund Receivable	5,000		5,000
Other Receivables	5,307	920	6,227
Restricted Cash and Cash Equivalents:			
Capital Reserve Account	1,410,930		1,410,930
Inventory		2,375	2,375
Capital Assets, Net:			
Sites (Land) and Construction in Progress	6,721,856		6,721,856
Depreciable Site Improvements, Buildings and Building Improvements, Machinery and Equipment	1,944,763	10,372	1,955,135
Total Assets	<u>11,305,041</u>	<u>142,301</u>	<u>11,447,342</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows Related to Pensions	<u>307,654</u>		<u>307,654</u>
Total Deferred Outflows of Resources	<u>307,654</u>		<u>307,654</u>
LIABILITIES			
Accounts Payable	207,119	10,637	217,756
Accrued Interest Payable	49,012		49,012
Unearned Revenue	1,539	958	2,497
Noncurrent Liabilities:			
Due Within One Year	330,225		330,225
Due Beyond One Year	6,684,459		6,684,459
Total Liabilities	<u>7,272,354</u>	<u>11,595</u>	<u>7,283,949</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Pensions	<u>837,937</u>		<u>837,937</u>
Total Deferred Inflows of Resources	<u>837,937</u>		<u>837,937</u>

ROCHELLE PARK SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2019

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
NET POSITION			
Net Investment in Capital Assets	\$ 3,068,296	\$ 10,372	\$ 3,078,668
Restricted for:			
Debt Service	1		1
Capital Projects	1,657,187		1,657,187
Excess Surplus	500,000		500,000
Unrestricted/(Deficit)	<u>(1,723,080)</u>	<u>120,334</u>	<u>(1,602,746)</u>
Total Net Position	<u>\$ 3,502,404</u>	<u>\$ 130,706</u>	<u>\$ 3,633,110</u>

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

ROCHELLE PARK SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Functions/Programs	Program Revenue		Net Expense and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 5,115,289	\$ 36,335	\$ 1,508,314	\$ (3,570,640)	\$	\$ (3,570,640)
Special Education	2,079,696		1,179,838	(899,858)		(899,858)
Other Special Instruction	367,371		108,824	(258,547)		(258,547)
School Sponsored/Other Instruction	56,318		14,393	(41,925)		(41,925)
Support Services:						
Tuition	3,115,857			(3,115,857)		(3,115,857)
Student & Instruction Related Services	1,322,481		247,728	(1,074,753)		(1,074,753)
General Administrative Services	528,970		16,561	(512,409)		(512,409)
School Administrative Services	263,758		60,039	(203,719)		(203,719)
Central Services	224,414		5,912	(218,502)		(218,502)
Administration Information Technology	138,661		5,687	(132,974)		(132,974)
Plant Operations and Maintenance	872,176		21,332	(850,844)		(850,844)
Pupil Transportation	369,662		116,122	(253,540)		(253,540)
Unallocated Depreciation	194,118			(194,118)		(194,118)
Capital Outlay	21,573			(21,573)		(21,573)
Transfer of Funds to Charter Schools	64,137			(64,137)		(64,137)
Interest on Long-Term Debt	174,793			(174,793)		(174,793)
Total Governmental Activities	14,909,274	36,335	3,284,750	(11,588,189)		(11,588,189)
Business-Type Activities:						
Latchkey Program	222,883	208,752			\$ (14,131)	(14,131)
Food Service	206,777	150,420	70,415		14,058	14,058
Total Business-Type Activities	429,660	359,172	70,415		(73)	(73)
Total Primary Government	\$ 15,338,934	\$ 395,507	\$ 3,355,165	\$ (11,588,189)	(73)	\$ (11,588,262)

ROCHELLE PARK SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

<u>Functions/Programs</u>	Net Expense and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenues			
Taxes:			
Property Taxes, Levied for General Purposes, Net	\$ 11,421,704		\$ 11,421,704
Taxes Levied for Debt Service	298,345		298,345
Federal and State Aid Not Restricted	203,076		203,076
Miscellaneous Income	153,433		153,433
Total General Revenues	12,076,558		12,076,558
Change in Net Position	488,369	\$ (73)	488,296
Net Position - Beginning - Restated	3,014,035	130,779	3,144,814
Net Position - Ending	\$ 3,502,404	\$ 130,706	\$ 3,633,110

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

FUND FINANCIAL STATEMENTS

ROCHELLE PARK SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 581,162		\$ 246,573		\$ 827,735
Receivables From Federal Government		\$ 79,033			79,033
Receivables From State Government	180,874				180,874
Receivables From Other Governments	129,180				129,180
Interfund Receivable	86,911			\$ 22,802	109,713
Other Receivables	5,307				5,307
Restricted Cash and Cash Equivalents	1,410,930				1,410,930
Total Assets	\$ 2,394,364	\$ 79,033	\$ 246,573	\$ 22,802	\$ 2,742,772
LIABILITIES AND FUND BALANCES					
Liabilities:					
Interfund Payable		\$ 57,912	\$ 23,637	\$ 22,801	\$ 104,350
Accounts Payable	\$ 116,387	19,582			135,969
Unearned Revenue		1,539			1,539
Total Liabilities	116,387	79,033	23,637	22,801	241,858
Fund Balances:					
Restricted:					
Capital Reserve	1,410,930				1,410,930
Excess Surplus	250,000				250,000
Excess Surplus - Subsequent Year's Expenditures	250,000				250,000
Capital Projects Fund			246,257		246,257
Debt Service				1	1
Assigned:					
Year-End Encumbrances	29,030				29,030
Unassigned/(Deficit)	338,017		(23,321)		314,696
Total Fund Balances	2,277,977		222,936	1	2,500,914
Total Liabilities and Fund Balances	\$ 2,394,364	\$ 79,033	\$ 246,573	\$ 22,802	\$ 2,742,772

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

Total Fund Balances from Above \$ 2,500,914

Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the funds. 8,666,619

Interest on long-term debt is not accrued in the Governmental Funds, but rather is recognized as an expenditure when due. (49,012)

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. (5,755,988)

ROCHELLE PARK SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

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

The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	\$ (1,258,696)
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds.	
Deferred Outflows	236,504
Deferred Inflows	<u>(837,937)</u>
Net Position of Governmental Activities	<u>\$ 3,502,404</u>

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

ROCHELLE PARK SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 11,421,704			\$ 298,345	\$ 11,720,049
Tuition from Individuals	36,335				36,335
Interest Earned on Capital Reserve Funds	27,393		\$ 198		27,591
Miscellaneous	125,842	\$ 112			125,954
Total - Local Sources	11,611,274	112	198	298,345	11,909,929
State Sources	2,163,070			153,706	2,316,776
Federal Sources		208,395			208,395
Total Revenue	13,774,344	208,507	198	452,051	14,435,100

EXPENDITURES:					
Current:					
Regular Instruction	2,967,093	79,145			3,046,238
Special Education Instruction	1,197,110	129,362			1,326,472
Other Special Instruction	203,615				203,615
School Sponsored/Other Instruction	35,298				35,298
Support Services and Undistributed Costs:					
Tuition	3,115,857				3,115,857
Student & Instruction Related Services	917,094				917,094
General Administrative Services	424,197				424,197
School Administrative Services	167,916				167,916
Central Services	186,862				186,862
Administration Information Technology	91,444				91,444
Plant Operations and Maintenance	770,152				770,152
Pupil Transportation	369,662				369,662
Unallocated Benefits	2,942,158				2,942,158

ROCHELLE PARK SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
EXPENDITURES (Cont'd):					
Debt Service:					
Principal				\$ 275,000	\$ 275,000
Interest and Other Charges	\$ 32,128		\$ 4,661	177,077	177,077
Capital Outlay	64,137				36,789
Transfer of Funds to Charter Schools					64,137
Total Expenditures	<u>13,484,723</u>	<u>\$ 208,507</u>	<u>4,661</u>	<u>452,077</u>	<u>14,149,968</u>
Excess/(Deficit) of Revenue Over/(Under) Expenditures	289,621		(4,463)	(26)	285,132
Other Financing Sources/(Uses):					
Transfers Out					(198)
Transfers In	198				198
Total Other Financing Sources/(Uses)	<u>198</u>		<u>(198)</u>		
Net Change in Fund Balances	289,819		(4,661)	(26)	285,132
Fund Balance - July 1	1,988,158		227,597	27	2,215,782
Fund Balance - June 30	<u>\$ 2,277,977</u>	<u>\$ -0-</u>	<u>\$ 222,936</u>	<u>\$ 1</u>	<u>\$ 2,500,914</u>

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

ROCHELLE PARK SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Total Net Change in Fund Balances - Governmental Funds (from B-2)	\$	285,132
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation differs from capital outlays in the period.	Depreciation Expense	\$ (236,678)
	Capital Outlays	<u>15,216</u>
		(221,462)
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		(605)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. (+)		275,000
Repayment of capital leases payable is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. (+)		25,073
The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:		
Changes in Net Pension Liability	417,467	
Change in Deferred Outflows	(160,111)	
Change in Deferred Inflows	(134,409)	
In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. When the accrued interest exceeds the interest paid, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition in the reconciliation. (+)		2,284
Change in Net Position of Governmental Activities (from A-2)	\$	<u><u>488,369</u></u>

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

ROCHELLE PARK SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Major Funds</u>	<u>Non-Major Funds</u>	<u>Total Enterprise</u>
<u>ASSETS:</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 99,458	\$ 25,459	\$ 124,917
Accounts Receivable:			
Federal		3,918	3,918
State		162	162
Other Receivables	920		920
Inventory		2,375	2,375
Total Current Assets	<u>100,378</u>	<u>31,914</u>	<u>132,292</u>
Non-Current Assets:			
Capital Assets	9,580	57,283	66,863
Accumulated Depreciation	<u>(9,580)</u>	<u>(46,911)</u>	<u>(56,491)</u>
Total Non-Current Assets		<u>10,372</u>	<u>10,372</u>
Total Assets	<u>100,378</u>	<u>42,286</u>	<u>142,664</u>
<u>LIABILITIES:</u>			
Current Liabilities:			
Interfund Payable - General Fund		363	363
Accounts Payable - Vendors	9,858	779	10,637
Unearned Revenue - Donated Commodities		525	525
Unearned Revenue - Prepaid Sales		433	433
Total Current Liabilities	<u>9,858</u>	<u>2,100</u>	<u>11,958</u>
<u>NET POSITION:</u>			
Investment in Capital Assets		10,372	10,372
Unrestricted	<u>90,520</u>	<u>29,814</u>	<u>120,334</u>
Total Net Position	<u>\$ 90,520</u>	<u>\$ 40,186</u>	<u>\$ 130,706</u>

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

ROCHELLE PARK SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Business-Type Activities - Enterprise Funds		
	Major Funds	Non-Major Funds	Total Enterprise
Operating Revenue:			
Local Sources:			
Daily Sales - Reimbursable Programs		\$ 90,559	\$ 90,559
Daily Sales - Nonreimbursable Meals		55,783	55,783
Special Functions		4,078	4,078
Program Fees	\$ 208,752		208,752
Total Operating Revenue	208,752	150,420	359,172
Operating Expenses:			
Cost of Sales for Reimbursable Programs		58,427	58,427
Cost of Sales for Nonreimbursable Programs		28,778	28,778
Salaries, Benefits & Payroll Taxes	169,135	68,508	237,643
Other Purchased Services	4,250	18,382	22,632
Management Fee		15,340	15,340
Supplies and Materials	9,306	7,570	16,876
Utilities	17,311		17,311
Miscellaneous Expenses	21,683	9,517	31,200
Depreciation	1,198	255	1,453
Total Operating Expenses	222,883	206,777	429,660
Operating Loss	(14,131)	(56,357)	(70,488)
Non-Operating Revenue:			
Federal Sources:			
National School Lunch Program		54,435	54,435
School Breakfast Program		2,283	2,283
U.S.D.A. Commodities		11,411	11,411
State Sources:			
School Lunch Program		2,286	2,286
Total Non-Operating Revenue		70,415	70,415
Change in Net Position	(14,131)	14,058	(73)
Net Position - Beginning of Year - Restated	104,651	26,128	130,779
Net Position - End of Year	\$ 90,520	\$ 40,186	\$ 130,706

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

ROCHELLE PARK SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Major Funds</u>	<u>Non-Major Funds</u>	<u>Total Enterprise</u>
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 208,752	\$ 148,583	\$ 357,335
Payments to/for Employees	(188,496)		(188,496)
Payments to Food Service Contractor		(188,546)	(188,546)
Payments to Suppliers	(39,052)	(9,517)	(48,569)
Net Cash Used for Operating Activities	<u>(18,796)</u>	<u>(49,480)</u>	<u>(68,276)</u>
Cash Flows from Capital Financing Activities:			
Acquisition of Capital Assets		(7,818)	(7,818)
Net Cash Used for Capital Financing Activities		<u>(7,818)</u>	<u>(7,818)</u>
Cash Flows from Noncapital Financing Activities:			
Cash Received from General Fund		12,472	12,472
Cash Received From Federal Reimbursements - Collected in Food Service Fund		56,683	56,683
Cash Received From State Reimbursements - Collected in Food Service Fund		2,286	2,286
Net Cash Provided by Noncapital Financing Activities		<u>71,441</u>	<u>71,441</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(18,796)	14,143	(4,653)
Cash and Cash Equivalents, July 1	<u>118,254</u>	<u>11,316</u>	<u>129,570</u>
Cash and Cash Equivalents, June 30	<u>\$ 99,458</u>	<u>\$ 25,459</u>	<u>\$ 124,917</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:			
Operating Loss	\$ (14,131)	\$ (56,357)	\$ (70,488)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:			
Depreciation	1,198	255	1,453
Food Distribution Program		11,411	11,411
Changes in Assets and Liabilities:			
Decrease/(Increase) in Other Receivables	1,377		1,377
Increase/(Decrease) in Inventory		(555)	(555)
Increase/(Decrease) in Accounts Payable	5,605	(2,922)	2,683
Increase/(Decrease) in Unearned Revenue	(12,845)	(1,312)	(14,157)
Net Cash Used for Operating Activities	<u>\$ (18,796)</u>	<u>\$ (49,480)</u>	<u>\$ (68,276)</u>

Noncash Investing and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A Commodities Through the Food Distribution Program Valued at \$11,738 and utilized \$11,411 for the fiscal year ended June 30, 2019.

ROCHELLE PARK SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2019

	Agency	Unemployment Compensation Trust	Private Purpose Scholarship Trust
<u>ASSETS:</u>			
Cash and Cash Equivalents	\$ 202,694	\$ 25,469	\$ 565
Interfund Receivable - Unemployment Compensation Trust Fund	109		
Total Assets	202,803	25,469	565
<u>LIABILITIES:</u>			
Interfund Payable:			
General Fund	5,000		
Payroll Agency Fund		109	
Accrued Salaries and Wages	177,170		
Due to Student Groups	20,633		
Total Liabilities	202,803	109	
<u>NET POSITION:</u>			
Held in Trust for Unemployment Claims		25,360	
Restricted for Scholarships			565
Total Net Position	\$ -0-	\$ 25,360	\$ 565

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

ROCHELLE PARK SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Trust</u>
ADDITIONS:		
Contributions:		
Board Contribution	\$ 10,000	
Employee Contributions	<u>11,634</u>	
Total Contributions	<u>21,634</u>	
Total Additions	<u>21,634</u>	
DEDUCTIONS:		
Unemployment Contribution Payments	23,860	
Scholarships Awarded		<u>\$ 1,000</u>
Total Deductions	<u>23,860</u>	<u>1,000</u>
Change in Net Position	(2,226)	(1,000)
Net Position - Beginning of the Year	<u>27,586</u>	<u>1,565</u>
Net Position - End of the Year	<u>\$ 25,360</u>	<u>\$ 565</u>

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

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

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

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3) The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation:

District-Wide Financial Statements:

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

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements:

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

The District reports the following governmental funds:

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

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

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

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

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

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

B. Basis of Presentation: (Cont'd)

The District reports the following proprietary funds:

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

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

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

Additionally, the District reports the following fund type:

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

C. Measurement Focus and Basis of Accounting:

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

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

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

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

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

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

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2019 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be made by School Board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

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

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

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

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

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

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

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 13,768,093	\$ 208,507
Differences - Budget to GAAP:		
Prior Year State Aid Payments Recognized for GAAP Statements	24,108	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(17,857)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 13,774,344	\$ 208,507
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 13,484,723	\$ 208,507
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 13,484,723	\$ 208,507
		Capital Projects Fund
		Fund Balance
Summary Schedule of Revenue, Expenditures and Changes in Fund Balance (Budgetary Basis) (per Exhibit F-1)		
Committed Fund Balance		\$ 98,879
Restricted Fund Balance		246,257
Total Revenue/Fund Balance - Budgetary Basis		345,136
Reconciliation to Governmental Funds Statement (GAAP):		
SDA Grants are Recognized as Revenue on the Budgetary Basis when awarded but are not Recognized on the GAAP Basis until Expended and submitted for reimbursement.		(122,200)
Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds (GAAP Basis) (per Exhibit B-2)		\$ 222,936

E. Cash and Cash Equivalents, and Investments:

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

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

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

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

transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

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

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

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

F. Interfund Transactions:

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

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

G. Allowance for Uncollectible Accounts:

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

H. Encumbrances:

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

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

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
 (Continued)

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

H. Encumbrances: (Cont'd)

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

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2019.

K. Capital Assets:

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

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

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

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

L. Long Term Liabilities:

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

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

M. Accrued Salaries and Wages:

The District allows employees who provide services to the District over the ten-month academic year the option to have their salaries evenly disbursed during the entire twelve month year; therefore, there were \$177,170 of accrued salaries and wages as of June 30, 2019.

N. Compensated Absences:

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by GASB. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

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

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

O. Unearned Revenue:

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

P. Fund Balance Appropriated:

General Fund: Of the \$2,277,977 General Fund fund balance at June 30, 2019, \$29,030 is assigned for year-end encumbrances, \$1,410,930 is restricted in the capital reserve account; \$250,000 is prior year excess surplus and has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2020 in accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701); \$250,000 is restricted for excess surplus in accordance with N.J.S.A. 18A:7F-7, as amended and will be included as anticipated revenue for the year ending June 30, 2021 and \$338,017 is unassigned fund balance (which is \$17,857 less than the calculated maximum unassigned fund balance, on a GAAP basis, due to the final state aid payments, which are not recognized until the fiscal year ended June 30, 2020).

Debt Service Fund: The Debt Service Fund fund balance at June 30, 2019 is \$1.

Capital Projects Fund: Of the \$246,573 Capital Projects Fund balance at June 30, 2019, \$246,257 is restricted for capital projects authorized by referendum and there is a deficit of (\$23,321) in unassigned fund balance. The unassigned fund balance is \$122,200 less than the budgetary basis due to SDA grants receivable not recognized on a GAAP basis until the expenditures are submitted for reimbursement.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, c.73 (S1701), the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District had excess surplus at June 30, 2019 as detailed above.

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

(Continued)

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

P. Fund Balance Appropriated: (Cont'd)

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$17,857 as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event state school aid payments are not made until the following school budget year, districts must record the related state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize the last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments.

Q. Deficit Net Position and Fund Balance:

The District has a deficit in unrestricted net position of \$1,723,080 in governmental activities, which is primarily due to compensated absences payable and net pension liability and related deferred inflows and outflows. The District has a deficit in unassigned fund balance of \$23,321 in the Capital Projects Fund, which is due to the SDA grant receivable not being recognized on the GAAP basis until the related reimbursement requests are submitted to the State. These deficits do not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

R. Net Position:

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

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows of resources at June 30, 2019 related to pensions.

The District had deferred inflows of resources at June 30, 2019 related to pensions.

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

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

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

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

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

S. Fund Balance Restrictions, Commitments and Assignments:

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

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

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District had no committed resources at June 30, 2019 on the GAAP basis in the Capital Projects Fund.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for encumbrances in the General Fund at June 30, 2019.

T. Revenue - Exchange and Nonexchange Transactions:

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

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

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

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

U. Operating Revenue and Expenses:

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

V. Management Estimates:

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

W. Pensions:

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

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

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

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

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

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

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

Deposits:

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

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

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

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

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

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

Investments: (Cont'd)

- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.) ;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed; or

- (9) Deposit of funds in accordance with the following conditions:
 - (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
 - (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
 - (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
 - (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
 - (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

Investments: (Cont'd)

As of June 30, 2019, cash and cash equivalents of the District consisted of the following:

	Restricted Cash and Cash Equivalents Capital Reserve	Cash and Cash Equivalents	Total
Checking Accounts	\$ 1,410,930	\$ 1,181,380	\$ 2,592,310

During the period ended June 30, 2019, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2019, was \$2,592,310 and the bank balance was \$3,128,863.

NOTE 4. CAPITAL RESERVE ACCOUNT

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

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

The activity of the capital reserve for the July 1, 2018 to June 30, 2019 fiscal year is as follows:

Balance July 1, 2018	\$ 1,111,437
Deposits:	
Transfer per Board Resolution - June 2019	282,654
Interest	27,393
Return of Unexpended Projects	39,396
	1,460,880
Withdrawals:	
Budgeted Withdrawal as per 2018/2019 Budget	(49,950)
Balance July 1, 2018	\$ 1,410,930

The balance in the capital reserve at June 30, 2019 did not exceed the balance of local support costs of uncompleted capital projects in the District's approved LRFP. The withdrawal from the capital reserve was used for use in DOE approved facilities projects consistent with the District's LRFP.

ROCHELLE PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 5. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2019 were as follows:

	Restated Beginning Balance	Increases	Decreases/ Adjustments	Ending Balance
Governmental Activities:				
Capital Assets not being Depreciated:				
Sites (Land)	\$ 15,740			\$ 15,740
Construction in Progress	6,701,455	\$ 4,661		6,706,116
Total Capital Assets not Being Depreciated	6,717,195	4,661		6,721,856
Capital Assets Being Depreciated:				
Site Improvements	319,765			319,765
Buildings and Building Improvements	3,249,529	10,555		3,260,084
Machinery and Equipment	559,629			559,629
Total Capital Assets Being Depreciated	4,128,923	10,555		4,139,478
Governmental Activities Capital Assets	10,846,118	15,216		10,861,334
Less Accumulated Depreciation for:				
Site Improvements	(293,700)	(3,545)		(297,245)
Buildings and Building Improvements	(1,408,341)	(187,688)		(1,596,029)
Machinery and Equipment	(255,996)	(45,445)		(301,441)
Total Accumulated Depreciation	(1,958,037)	(236,678)		(2,194,715)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	8,888,081	(221,462)		8,666,619
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	59,045	7,818		66,863
Less Accumulated Depreciation	(55,038)	(1,453)		(56,491)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	4,007	6,365		10,372
GRAND TOTAL	\$ 8,892,088	\$ (215,097)	\$ -0-	\$ 8,676,991

ROCHELLE PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 5. CAPITAL ASSETS (Cont'd)

The District expended \$4,661 towards construction projects in progress. As of June 30, 2019, the District has \$345,136 in active construction projects including \$25,686 of encumbrances.

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$	4,028
General Administration		11,859
School Administration		386
Operations and Maintenance of Plant		7,555
Other Services		18,732
Unallocated		194,118
	<u>\$</u>	<u>236,678</u>

NOTE 6. LONG TERM LIABILITIES

During the fiscal year ended June 30, 2019, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2018	Accrued	Retired	Balance 6/30/2019
Compensated Absences Payable	\$ 157,060	\$ 18,723	\$ 18,118	\$ 157,665
Capital Leases Payable	185,396		25,073	160,323
Net Pension Liability	1,676,163		417,467	1,258,696
Bonds Payable	5,713,000		275,000	5,438,000
	<u>\$ 7,731,619</u>	<u>\$ 18,723</u>	<u>\$ 735,658</u>	<u>\$ 7,014,684</u>

A. Bonds Payable:

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

The District had bonds outstanding as of June 30, 2019 as follows:

<u>Serial Bonds</u>			
Purpose	Final Maturity Date	Interest Rates	Amount
School Bonds- Series 2014 - Infrastructure Repairs and Building Security Enhancements	3/15/35	3.00%-3.50%	\$ 5,438,000
			<u>\$ 5,438,000</u>

ROCHELLE PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 6. LONG TERM LIABILITIES (Cont'd)

A. Bonds Payable: (Cont'd)

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

<u>Fiscal</u> <u>Year Ending June 30,</u>	<u>Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2020	\$ 300,000	\$ 168,828	\$ 468,828
2021	300,000	159,828	459,828
2022	325,000	150,828	475,828
2023	325,000	141,078	466,078
2024	338,000	131,328	469,328
2025 - 2029	1,750,000	500,938	2,250,938
2030 - 2034	1,400,000	210,875	1,610,875
2035	700,000	35,875	735,875
	<u>\$ 5,438,000</u>	<u>\$ 1,499,576</u>	<u>\$ 6,937,576</u>

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

<u>Date</u>	<u>Sinking Fund</u> <u>Installment</u>
March 15, 2025	\$ 350,000
March 15, 2026	350,000
March 15, 2027	350,000

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

<u>Date</u>	<u>Sinking Fund</u> <u>Installment</u>
March 15, 2028	\$ 350,000
March 15, 2029	350,000

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

ROCHELLE PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

(Continued)

NOTE 6. LONG TERM LIABILITIES (Cont'd)

A. Bonds Payable: (Cont'd)

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

B. Bonds Authorized But Not Issued:

As of June 30, 2019, the District has no bonds authorized but not issued.

C. Capital Leases Payable:

On May 3, 2016 the District entered into a capital lease for energy conservation measures for \$230,000 which is for a period of 10 years and of which \$69,677 has been liquidated as of June 30, 2019. The schedule of the future minimum lease payments under the District's capital leases and the present value of the net minimum lease payments at June 30, 2019 are detailed below.

Fiscal Year	Amount
2019	\$ 29,416
2020	29,953
2021	30,291
2022	22,191
2023	22,398
2024	22,456
2025	23,600
2026	23,579
	174,468
Less: Amount representing interest	(14,145)
Present value of net minimum lease payments	\$ 160,323

The current portion of capital leases payable at June 30, 2019 is \$26,225 and the long-term portion is \$134,098. The District liquidated \$25,073 of its capital leases in the current year.

D. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities. Of the balance, \$4,000 is the short-term portion and \$153,665 is the long term portion.

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, 2019, no liability existed for compensated absences in the Enterprise Funds.

ROCHELLE PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
 (Continued)

NOTE 6. LONG TERM LIABILITIES (Cont'd)

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

E. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2019 is \$-0- and the long-term portion is \$1,258,696. See Note 7 for further information on the PERS.

NOTE 7. PENSION PLANS

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

A. Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

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

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

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

ROCHELLE PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability is being paid by the employer in level annual payments over a period of 15 years, which began with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$63,587 for 2019.

The employee contribution rate was 7.50% effective July 1, 2018. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

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

At June 30, 2019, the District's liability was \$1,258,696 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017 which was rolled forward to June 30, 2018. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2018, the District's proportion was 0.0064%, which was a decrease of 0.0008% from its proportion measured as of June 30, 2017.

For the fiscal year ended June 30, 2019, the District recognized actual pension expense in the amount of (\$59,367). At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

ROCHELLE PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

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

	Deferral Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	6.44	\$ 9,963	
	2015	5.72	44,965	
	2016	5.57	152,484	
	2017	5.48		\$ (232,032)
	2018	5.63		(170,433)
			<u>207,412</u>	<u>(402,465)</u>
Changes in Proportion	2014	6.44		(8,353)
	2015	5.72	5,089	
	2016	5.57		(191,857)
	2017	5.48		(67,135)
	2018	5.63		(149,830)
			<u>5,089</u>	<u>(417,175)</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investm	2014	5.00		
	2015	5.00		7,606
	2016	5.00		42,521
	2017	5.00		(38,271)
	2018	5.63		(23,663)
				<u>(11,807)</u>
Difference Between Expected and Actual Experience	2015	5.72	12,475	
	2016	5.57	4,627	
	2017	5.48	6,901	
	2018	5.63		(6,490)
			<u>24,003</u>	<u>(6,490)</u>
District Contribution Subsequent to the Measurement Date	2018	1.00	71,150	
			<u>\$ 307,654</u>	<u>\$ (837,937)</u>

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

ROCHELLE PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

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

Fiscal Year Ending June 30,	Total
2019	\$ 8,735
2020	(12,096)
2021	(86,733)
2022	(75,180)
2023	(24,073)
	\$ (189,347)

Actuarial Assumptions

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017 which was rolled forward to June 30, 2018. 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 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 Conduent modified 2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and a generational approach based on the Conduent 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward one year for females).

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries.

The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term

ROCHELLE PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
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 Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Market 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 5.66% as of June 30, 2018. 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 3.87% as of June 30, 2018 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the contribution rate in the most recent fiscal year. The local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through June 30, 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2046, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2018 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

ROCHELLE PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

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

	June 30, 2018		
	1% Decrease (4.66%)	Current Discount Rate (5.66%)	1% Increase (6.66%)
District's proportionate share of the Net Pension Liability	\$ 1,582,666	\$ 1,258,696	\$ 986,907

Pension plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

Benefits Provided

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

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

ROCHELLE PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2018, the State's pension contribution was less than the actuarial determined amount.

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2019, the State of New Jersey contributed \$763,794 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$1,388,727.

The employee contribution rate was 7.50% effective July 1, 2018.

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

At June 30, 2019, the State's proportionate share of the net pension liability associated with the District was \$23,821,784. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017 which was rolled forward to June 30, 2018. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2018, the District's proportion was 0.037%, which was a decrease of 0.001% from its proportion measured as of June 30, 2017.

ROCHELLE PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

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

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>23,821,784</u>
Total	<u>\$ 23,821,784</u>

For the fiscal year ended June 30, 2019, the State recognized pension expense on behalf of the District in the amount of \$1,388,727 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2019 financial statements. The State reported collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions from the following sources:

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	8.5	\$ 1,076,424,469	
	2015	8.3	3,063,649,492	
	2016	8.3	6,913,685,892	
	2017	8.3		\$ 10,084,192,916
	2018	8.29		5,994,557,085
				<u>11,053,759,853</u>
Difference Between Expected and Actual Experience	2014	8.5		\$ 10,252,211
	2015	8.3	189,214,650	
	2016	8.3		85,977,601
	2017	8.3	179,419,108	
	2018	8.29	1,051,605,259	
				<u>1,420,239,017</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2014	5		(192,642,062)
	2015	5		(863,710,381)
	2016	5		678,024,787
	2017	5		384,121,486
	2018	5		
			<u>\$ 12,473,998,870</u>	<u>\$ 16,180,773,643</u>

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

ROCHELLE PARK BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

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

Fiscal Year Ending June 30,	Total
2019	\$ 401,574,312
2020	208,932,249
2021	(222,922,941)
2022	(149,225,008)
2023	(735,040,983)
Thereafter	(3,210,092,402)
	\$ (3,706,774,773)

Actuarial Assumptions

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017 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:	
2011-2026	1.55 – 4.55%
Thereafter	2.00 – 5.45%
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from a base year of 2006 using a 60 year average of improvement rates based on Social Security data from 1953 to 2013. Post-retirement mortality rates were based on the RP-2006 Healthy Annuitant White Collar Mortality Tables, with adjustments as described in the latest experience study, projected on a generational basis from a base year of 2006 using a 60 year average of improvement rates based on Social Security data from 1953 to 2013. Disabled mortality rates were based on the RP-2006 Disabled Retiree Mortality Tables with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation)

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
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 Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Market Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 4.86% as of June 30, 2018. 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 3.87% as of June 30, 2018 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the contribution rate in the most recent fiscal year. The State contributed 50% of the actuarially determined contributions. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on pension 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.

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 7. PENSION PLANS (Cont'd)

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

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

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2018 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2018		
	At 1% Decrease (3.86%)	At Current Discount Rate (4.86%)	At 1% Increase (5.86%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 28,156,897	\$ 23,821,784	\$ 20,228,082

Pension Plan Fiduciary Net Position - TPAF

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

C. Defined Contribution Retirement Program (DCRP)

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

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

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

For DCRP, the District recognized pension expense of \$10,329 for the fiscal year ended June 30, 2019. Employee contributions to DCRP amounted to \$7,652 for the fiscal year ended June 30, 2019.

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 8. DEFERRED COMPENSATION

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

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

AXA/Equitable Life	Metropolitan Life
Valic	Lincoln Life

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

NOTE 9. RISK MANAGEMENT

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

Property, Liability and Health Benefits

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

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

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 9. RISK MANAGEMENT (Cont'd)

Property, Liability and Health Benefits (Cont'd)

The NESBIG can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. These distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

The audit report for the fiscal year ended June 30, 2019 was not available as of the date of this report. Selected, summarized financial information for the NESBIG as of June 30, 2018 is as follows:

	Northeast Bergen County School Board Insurance Group
Total Assets	\$ 30,413,531
Net Position	\$ 18,154,560
Total Revenue	\$ 13,574,729
Total Expenses	\$ 12,086,512
Change in Net Position	\$ 1,488,217
Members Dividends	\$ 1,621,000

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

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

New Jersey Unemployment Compensation Insurance

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

Fiscal Year	District Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2018-2019	\$ 10,000	\$ 11,634	\$ 23,860	\$ 25,360
2017-2018		9,237	25,953	27,586
2016-2017	34,802	9,283	20,089	44,302

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 10. ECONOMIC DEPENDENCY

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

NOTE 11. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 86,911	
Special Revenue Fund		\$ 57,912
Capital Projects Fund		23,637
Debt Service Fund	22,802	22,801
Food Service Fund		363
Agency Fund - Payroll Agency	109	5,000
Unemployment Compensation Trust		109
	\$ 109,822	\$ 109,822

The \$86,911 interfund receivable in the General Fund is comprised of \$835 due from the Capital Projects Fund for expenses paid and interest earned related to the Energy Savings Project, \$57,912 is from the Special Revenue Fund for a deficit in cash due to the time lag between request and reimbursement of grant funds, \$5,000 from due from the Payroll Agency Fund for funds advanced, \$363 is due from the Food Service Fund for an excess amount transferred to the Food Service Fund related to the federal and state subsidy reimbursements, and the remaining \$22,801 is due from the Debt Service Fund to cover a deficit in cash due to the interfund receivable due from the Capital Projects Fund. The \$22,801 interfund receivable in the Debt Service Fund is due from the Capital Projects Fund for interest earned on the referendum project. The interfund receivable in the Payroll Agency Fund of \$109 is due from the Unemployment Compensation Trust Fund for unemployment claims paid by the Payroll Agency Fund.

NOTE 12. TAX CALENDAR

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

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

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 13. COMMITMENTS AND CONTINGENCIES

Grant Programs

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

Litigation

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

Encumbrances

At June 30, 2019, there were encumbrances as detailed below in the governmental funds.

General Fund	Capital Projects Fund	Total Governmental Funds
\$ 29,030	\$ 25,686	\$ 54,716

The \$25,686 of year-end encumbrances in the Capital Projects Fund on a budgetary basis are included in the restricted fund balance on a GAAP basis at June 30, 2019.

NOTE 14. TRANSFERS TO CAPITAL OUTLAY

There were no transfers to the capital outlay accounts during the fiscal year ended June 30, 2019 which required County Superintendent approval.

NOTE 15. ACCOUNTS PAYABLE

Payables as of June 30, 2019 were as detailed below:

	Governmental Funds		District Contribution Subsequent to the	Total Governmental Activities	Business- Type Activities
	General Fund	Special Revenue Fund	Measurement Date		Proprietary Funds
Vendors	\$ 116,387	\$ 5,795		\$ 122,182	\$ 10,637
State of NJ		13,787	\$ 71,150	84,937	
	\$ 116,387	\$ 19,582	\$ 71,150	\$ 207,119	\$ 10,637

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 16. PRIOR PERIOD ADJUSTMENTS

The District made prior year adjustments in the District Wide Financial Statements to adjust capital assets due to an updated appraisal report. As a result, the District Wide Financial Statements as of June 30, 2018 have been restated as follows:

	Balance 6/30/18 as Previously Reported	Retroactive Adjustments	Balance 6/30/18 as Restated
<u>Statement of Net Position - Governmental Activities:</u>			
Capital Assets, Net:			
Depreciable Site Improvements, Buildings and Building Improvements, Machinery and Equipment	\$ 1,916,834	\$ 254,052	\$ 2,170,886
Total Capital Assets, Net	8,634,029	254,052	8,888,081
 Total Assets	 10,982,279	 254,052	 11,236,331
 Net Position:			
Net Investment in Capital Assets	2,735,633	254,052	2,989,685
Total Net Position	2,759,983	254,052	3,014,035
 <u>Statement of Net Position - Business-Type Activities:</u>			
Capital Assets, Net:			
Depreciable Site Improvements, Buildings and Building Improvements, Machinery and Equipment	23,034	(19,027)	4,007
Total Capital Assets, Net	23,034	(19,027)	4,007
 Total Assets	 172,875	 (19,027)	 153,848
 Net Position:			
Investment in Capital Assets	23,034	(19,027)	4,007
Total Net Position	149,806	(19,027)	130,779

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)

General Information about the OPEB Plan

Plan Description and Benefits Provided

The District is in a “special funding situation”, as described in GASB Codification Section P50, in that OPEB contributions and expenses are legally required to be made by and are the sole responsibility of the State of New Jersey, not the District.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the State Health Benefit Local Education Retired Education Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in GASB Codification Section P50. The State Health Benefits Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A. 52:14-17.32f. According to N.J.S.A. 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers’ Pension and Annuity Fund (TPAF), the Public Employees’ Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 years or more of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree’s annual retirement benefit and level of coverage.

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits, if any, is the responsibility of the individual education employers.

For additional information about the State Health Benefit Local Education Retired Education Plan, please refer to the Division’s Comprehensive Annual Financial Report (CAFR) which can be found at <https://state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.

Employees Covered by Benefit Terms

At June 30, 2017, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	145,050
Active Plan Members	<u>217,131</u>
Total	<u><u>362,181</u></u>

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)
(Cont'd)

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. 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.

Actuarial Assumptions and Other Inputs

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%	
	TPAF/ABP	PERS
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

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 - June 30, 2015 and July 1, 2011 – June 30, 2014 for TPAF and PERS, respectively.

100% of all retirees who currently have healthcare coverage are assumed to continue with that coverage. 100% of active members are considered to participate in the Plan upon retirement, having a coverage blend of 85% and 15% in PPO and HMO, respectively.

Mortality Rates

Pre-retirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Post-retirement mortality rates were based on the RP-2006 Headcount-Weighted Health 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-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using MP-2017 scale.

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)
(Cont'd)

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) medical benefits and health maintenance organization (HMO) medical benefits, trend rate is initially 5.8% and decreases to a 5.0% long term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long term rate after seven 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 rates for June 30, 2018 and 2017 were 3.87% and 3.58%, respectively, a change of +.29%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. 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 State's Proportionate Share of the Total OPEB Liability Associated with the District

	Total OPEB Liability
Balance at June 30, 2017	\$ 15,863,681
Changes for Year:	
Service Cost	569,393
Interest on the Total OPEB Liability	581,821
Changes of Assumptions	(1,624,157)
Differences between Expected and Actual Experience	(872,106)
Gross Benefit Payments by the State	(378,453)
Contributions from Members	13,080
Net Changes	(1,710,422)
Balance at June 30, 2018	\$ 14,153,259

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)
(Cont'd)

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Discount Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2018, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2018		
	At 1% Decrease (2.87%)	At Discount Rate (3.87%)	At 1% Increase (4.87%)
Total OPEB Liability Attributable to the District	\$ 16,732,033	\$ 14,153,259	\$ 12,103,400

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Healthcare Trend Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2018, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2018		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 11,698,493	\$ 14,153,259	\$ 17,399,781

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2019 the District recognized OPEB expense of \$691,318 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)
(Cont'd)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
(Cont'd)

In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2018 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

	<u>Year of Deferral</u>	<u>Original Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	2017	9.54		\$(1,719,152)
Changes in Assumptions	2018	9.51		(1,453,373)
			<u>-0-</u>	<u>(3,172,525)</u>
Differences Between Expected and Actual Experience	2018	9.51		(1,373,890)
Changes in Proportion	N/A	N/A	<u>\$ 652,191</u>	
			<u>\$ 652,191</u>	<u>\$(4,546,415)</u>

N/A - Not Available

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2019	\$ (560,233)
2020	(560,233)
2021	(560,233)
2022	(560,233)
2023	(560,233)
Thereafter	<u>(1,745,252)</u>
	<u>\$ (4,546,415)</u>

REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)

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

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
District's proportion of the net pension liability	0.0096909750%	0.0097788635%	0.0076854005%	0.0072005062%	0.0063927290%
District's proportionate share of the net pension liability	\$ 1,814,416	\$ 2,195,159	\$ 2,276,195	\$ 1,676,163	\$ 1,258,696
District's covered employee payroll	\$ 643,899	\$ 529,650	\$ 498,898	\$ 459,288	\$ 445,578
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	281.79%	414.45%	456.24%	364.95%	282.49%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%

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

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

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
Contractually required contribution	\$ 79,891	\$ 84,072	\$ 68,359	\$ 67,386	\$ 63,587
Contributions in relation to the contractually required contribution	<u>(79,891)</u>	<u>(84,072)</u>	<u>(68,359)</u>	<u>(67,386)</u>	<u>(63,587)</u>
Contribution deficiency/(excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
District's covered employee payroll	\$ 631,021	\$ 643,899	\$ 529,650	\$ 498,898	\$ 459,288
Contributions as a percentage of covered employee payroll	12.66%	13.06%	12.91%	13.51%	13.84%

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

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

LAST FIVE FISCAL YEARS

UNAUDITED

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
State's proportion of the net pension liability attributable to the District	0.0333773035%	0.0341445621%	0.0364051605%	0.0389545809%	0.0374451254%
State's proportionate share of the net pension liability attributable to the District	\$ 17,839,082	\$ 21,580,821	\$ 28,638,617	\$ 26,264,583	\$ 23,821,784
District's covered employee payroll	\$ 3,552,551	\$ 3,829,646	\$ 3,934,460	\$ 4,090,352	\$ 4,268,716
District's proportionate share of the net pension liability attributable to the District as a percentage of its covered employee payroll	502.15%	563.52%	727.89%	642.11%	558.06%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.23%	25.41%	26.49%

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

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

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
Contractually required contribution	\$ 959,910	\$ 1,317,703	\$ 2,151,794	\$ 1,819,477	\$ 1,388,727
Contributions in relation to the contractually required contribution	<u>(184,598)</u>	<u>(291,473)</u>	<u>(422,842)</u>	<u>(551,434)</u>	<u>(763,794)</u>
Contribution deficiency/(excess)	<u>\$ 775,312</u>	<u>\$ 1,026,230</u>	<u>\$ 1,728,952</u>	<u>\$ 1,268,043</u>	<u>\$ 624,933</u>
District's covered employee payroll	\$ 3,552,551	\$ 3,829,646	\$ 3,934,460	\$ 4,090,352	\$ 4,268,716
Contributions as a percentage of covered employee payroll	5.20%	7.61%	10.75%	13.48%	17.89%

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

ROCHELLE PARK SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF CHANGES IN THE STATE'S PROPORTIONAL SHARE OF THE TOTAL OPEB LIABILITY
ATTRIBUTABLE TO THE DISTRICT AND RELATED RATIOS
LAST TWO FISCAL YEARS
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>	
	<u>2017</u>	<u>2018</u>
Service Cost	\$ 1,167,833	\$ 569,393
Interest	499,935	581,821
Changes in Assumptions	(1,999,652)	(1,624,157)
Differences between Expected and Actual Experience		(872,106)
Member Contributions	13,530	13,080
Gross Benefit Payments	<u>(367,437)</u>	<u>(378,453)</u>
Net Change in Total OPEB Liability	(685,791)	(1,710,422)
Total OPEB Liability - Beginning	<u>17,029,960</u>	<u>15,863,681</u>
Total OPEB Liability - Ending	<u>\$ 15,863,681</u>	<u>\$ 14,153,259</u>
State's Covered Employee Payroll *	\$ 4,433,358	\$ 4,549,640
Total OPEB Liability as a Percentage of Covered Employee Payroll	358%	311%

* - Covered payroll for the fiscal years ending June 30, 2017 and June 30, 2018 are based on the payroll on the June 30, 2016 and June 30, 2017 census data.

Note: This schedule does not contain ten years of information as GASB No. 75 was implemented during the fiscal year ended June 30, 2018.

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 5.00% as of June 30, 2017 to 5.66% as of June 30, 2018. The municipal bond rate changed from 3.58% to 3.87%.

The mortality rates utilized in the July 1, 2016 valuation were as follows: Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward one year for females).

The mortality rates utilized in the July 1, 2017 valuation were as follows: Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and a generational approach based on the Conduent 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward one year for females).

The inflation rate changed from 3.08% as of June 30, 2016 to 2.25% as of June 30, 2017.

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 4.25% as of June 30, 2017 to 4.86% as of June 30, 2018. The municipal bond rate changed from 3.58 to 3.87%.

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED

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

Changes of Actuarial Assumptions (Cont'd)

The salary increases in the July 1, 2016 valuation were as follows: 2012-2021 and thereafter – varies based on experience. The salary increases in the July 1, 2017 valuation are as follows: 2011-2026 – 1.55% - 4.55% and thereafter – 2% - 5.45%.

The mortality rates utilized in the July 1, 2016 valuation were as follows: Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60-year average of Social Security data from 1953 to 2013.

The mortality rates utilized in the July 1, 2017 valuation were as follows: Pre-retirement mortality rates were based on the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from a base year of 2006 using a 60 year average of improvement rates based on Social Security data from 1953 to 2013. Post-retirement mortality rates were based on the RP-2006 Healthy Annuitant White Collar Mortality Tables, with adjustments as described in the latest experience study, projected on a generational basis from a base year of 2006 using a 60 year average of improvement rates based on Social Security data from 1953 to 2013. Disabled mortality rates were based on the RP-2006 Disabled Retiree Mortality Tables with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality.

State Health Benefit Local Education Retired Employees OPEB Plan

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 3.58% as of June 30, 2017 to 3.87% as of June 30, 2018.

The mortality rates in the valuation as of June 30, 2017 were based on the following:

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 MP-2017 scale. Postretirement mortality rates were based on the RP-2014 Headcount-Weighted Health 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 mortality rates in the valuation as of June 30, 2018 were based on the following:

Pre-retirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using the MP-2017 scale.

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
UNAUDITED

State Health Benefit Local Education Retired Employees OPEB Plan (Cont'd)

Changes of Actuarial Assumptions (Cont'd)

The mortality rates in the valuation as of June 30, 2018 were based on the following: (Cont'd)

Post-retirement mortality rates were based on the RP-2006 Headcount-Weighted Health 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-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using MP-2017 scale.

The health care trend rates in the valuation as of June 30, 2017 were based on the following:

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 rate after eight years. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long term 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.

The health care trend rates in the valuation as of June 30, 2018 were based on the following:

For pre-Medicare preferred provider organization (PPO) medical benefits and health maintenance organization (HMO) medical benefits, trend rate is initially 5.8% and decreases to a 5.0% long term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long term rate after seven 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.

BUDGETARY COMPARISON SCHEDULES

ROCHELLE PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 11,421,704		\$ 11,421,704	\$ 11,421,704	
Tuition from Individuals	15,000		15,000	36,335	\$ 21,335
Interest Earned on Capital Reserve Funds	10		10	27,393	27,383
Miscellaneous	100,000		100,000	125,842	25,842
Total - Local Sources	11,536,714		11,536,714	11,611,274	74,560
State Sources:					
Categorical Special Education Aid	378,613		378,613	378,613	
Extraordinary Aid	75,000		75,000	166,049	91,049
Security Aid	47,531		47,531	47,531	
Transportation Aid	103,197		103,197	103,197	
Nonpublic Transportation				14,825	14,825
On-Behalf TPAF Post Retirement Contributions				353,708	353,708
On-Behalf TPAF Pension Contributions				763,794	763,794
On-Behalf TPAF Non-Contributory Insurance				15,988	15,988
On-Behalf TPAF Long-Term Disability Insurance				695	695
Reimbursed TPAF Social Security Contributions (non-budgeted)				312,419	312,419
Total State Sources	604,341		604,341	2,156,819	1,552,478
TOTAL REVENUES	12,141,055		12,141,055	13,768,093	1,627,038
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	238,522	(46,180)	192,342	191,857	485
Grades 1-5 - Salaries of Teachers	1,697,168	(93,999)	1,603,169	1,562,876	40,293
Grades 6-8 - Salaries of Teachers	758,822	98,881	857,703	854,317	3,386
Regular Programs - Home Instruction:					
Salaries of Teachers	2,500	(810)	1,690	1,184	506
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	9,000	12,063	21,063	18,163	2,900
Purchased Professional -Education Services		3,054	3,054	2,616	438

ROCHELLE PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs - Instruction:					
Purchased Technical Services	3,500		3,500	3,223	277
Other Purchased Services (400-500 series)	73,414	(4,830)	68,584	57,789	10,795
General Supplies	244,279	(43,332)	200,947	182,716	18,231
Textbooks	61,497	35,088	96,585	92,352	4,233
Total Regular Programs - Instruction	3,088,702	(40,065)	3,048,637	2,967,093	81,544
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers		595	595	595	
Total Learning and/or Language Disabilities		595	595	595	
Resource Room/Resource Center:					
Salaries of Teachers	672,260	16,695	688,955	685,021	3,934
Other Salaries for Instruction	146,920	31,606	178,526	178,526	
General Supplies	5,500	1,547	7,047	6,931	116
Total Resource Room/Resource Center	824,680	49,848	874,528	870,478	4,050
Autism					
Salaries of Teachers	121,563	15,597	137,160	137,160	
Other Salaries for Instruction	104,005	(43,530)	60,475	60,424	51
General Supplies	2,000	291	2,291	2,111	180
Total Autism	227,568	(27,642)	199,926	199,695	231
Preschool Disabilities - Part Time:					
Substitutes Preschool	56,663	(55,858)	805		805
Other Salaries for Instruction	29,924	(29,924)			
General Supplies	2,500	(2,500)			
Total Preschool Disabilities - Part Time	89,087	(88,282)	805		805
Preschool Disabilities - Full Time:					
Salaries of Teachers		82,275	82,275	80,547	1,728
Other Salaries for Instruction		24,033	24,033	24,000	33
General Supplies		2,500	2,500	1,454	1,046
Total Preschool Disabilities - Full Time		108,808	108,808	106,001	2,807

ROCHELLE PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Home Instruction	\$ 2,000	\$ 18,341	\$ 20,341	\$ 20,341	
Purchased Professional Ed. Services					
Total Home Instruction	2,000	18,341	20,341	20,341	
Total Special Education Instruction	1,143,335	61,668	1,205,003	1,197,110	\$ 7,893
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	174,690	(47,800)	126,890	126,886	4
General Supplies	1,000	2,699	3,699	3,699	
Total Basic Skills/Remedial - Instruction	175,690	(45,101)	130,589	130,585	4
Bilingual Education - Instruction					
Salaries of Teachers	72,030		72,030	72,030	
General Supplies	1,000		1,000	1,000	
Total Bilingual Education - Instruction	73,030		73,030	73,030	
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	26,000		26,000	18,515	7,485
Purchased Services (300-500 series)		3,698	3,698	1,967	1,731
Supplies and Materials	5,000	(1,220)	3,780	1,753	2,027
Total School-Sponsored Cocurricular Activities - Instruction	31,000	2,478	33,478	22,235	11,243
School-Sponsored Cocurricular Athletics - Instruction:					
Salaries	17,500	(3,078)	14,422	7,793	6,629
Purchased Services (300-500 series)	3,000	1,095	4,095	3,660	435
Supplies and Materials	3,250	(495)	2,755	1,610	1,145
Total School-Sponsored Cocurricular Athletics - Instruction	23,750	(2,478)	21,272	13,063	8,209
Total Instruction	4,535,507	(23,498)	4,512,008	4,403,116	108,893

ROCHELLE PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Regular	\$ 2,105,334	\$ (241,313)	\$ 1,864,021	\$ 1,863,936	\$ 85
Tuition to Other LEAs Within the State - Special	457,199	29,350	486,549	486,549	
Tuition to County Vocational School District - Regular	174,814	(1,876)	174,938	169,238	5,700
Tuition to County Vocational School District - Special	234,432	(49,266)	185,166	172,618	12,548
Tuition to CSSD and Regional Day Schools Within the State	194,970	129,406	324,376	324,376	
Tuition to Private Schools for the Handicapped Within the State	62,424	36,716	99,140	99,140	
Total Undistributed Expenditures - Instruction:	3,231,173	(96,983)	3,134,190	3,115,857	18,333
Attendance & Social Work:					
Salaries	2,060	440	2,500	2,500	
Purchased Professional and Technical Services	14,919	(440)	14,479	12,550	1,929
Total Attendance & Social Work	16,979		16,979	15,050	1,929
Health Services:					
Salaries	81,345	(280)	81,065	80,198	867
Purchased Professional and Technical Services	2,400		2,400	2,310	90
Other Purchased Services (400-500 series)	476	(311)	165	85	80
Supplies and Materials	1,500	4,396	5,896	5,862	34
Total Health Services	85,721	3,805	89,526	88,455	1,071
Speech, OT, PT & Related Services:					
Salaries	64,563	1,332	65,895	65,894	1
Purchased Prof. Ed. Services	207,715	(10,974)	196,741	129,285	67,456
Total Speech, OT, PT & Related Services	272,278	(9,642)	262,636	195,179	67,457
Other Support Services - Students - Extraordinary Services:					
Purchased Professional - Educational Services	72,859	30,237	103,096	98,762	4,334
Total Other Support Services - Students - Extraordinary Services	72,859	30,237	103,096	98,762	4,334

ROCHELLE PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Guidance:					
Salaries of Other Professional Staff	\$ 63,003	\$ 4,458	\$ 67,461	\$ 62,094	\$ 5,367
Purchased Professional Educational Services	3,224	576	3,800	3,800	
Supplies and Materials	6,000	(576)	5,424	4,022	1,402
Total Guidance	72,227	4,458	76,685	69,916	6,769
Child Study Teams:					
Salaries of Other Professional Staff	208,694	15,533	224,227	224,189	38
Purchased Professional - Educational Services	18,668	10,819	29,487	27,942	1,545
Other Purchased Professional and Technical Services	6,500	(5,590)	910		910
Other Purchased Services (400-500 O/than Resid costs)		195	195	195	
Supplies and Materials	7,500	(4,738)	2,762	2,762	
Other Objects	13,000	(1,075)	11,925	10,900	1,025
Total Child Study Teams	254,362	15,144	269,506	265,988	3,518
Improvement of Instruction Services:					
Salaries of Supervisor of Instruction	114,196	(1,212)	112,984	94,080	18,904
Supplies and Materials	1,500	1,012	2,512	2,512	
Other Objects	500	1,020	1,520	1,504	16
Total Improvement of Instruction Services	116,196	820	117,016	98,096	18,920
Educational Media Services/School Library:					
Salaries	62,580		62,580	62,080	500
Other Purchased Services (400-500 series)	2,808	1,439	4,247	4,227	20
Supplies and Materials	2,500	5,038	7,538	7,451	87
Total Educational Media Services/School Library	67,888	6,477	74,365	73,758	607
Instructional Staff Training					
Purchased Professional - Educational Services	26,852	(15,085)	11,767	11,767	
Other Purchased Services (400-500 series)		123	123	123	
Total Instructional Staff Training	26,852	(14,962)	11,890	11,890	

ROCHELLE PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Support Services - General Administration:					
Salaries	\$ 242,490	\$ 21,031	\$ 263,521	\$ 263,521	
Legal Services	55,000	(14,880)	40,120	40,120	
Audit Fees	28,928	(4,552)	24,376	24,375	\$ 1
Architectural/Engineering Services	8,000	35	8,035	8,035	
Purchased Technical Services	6,221	3,286	9,507	9,507	
Communications/Telephone	24,177	6,918	31,095	23,545	7,550
BOE Other Purchased Services		25,000	25,000	25,000	
Miscellaneous Purchased Services	12,000	3,240	15,240	15,240	
Supplies & Materials	3,605	1,220	4,825	4,825	
BOE Membership Dues and Fees	12,340	(2,311)	10,029	10,029	
Total Support Services - General Administration	392,761	38,987	431,748	424,197	7,551
Support Services - School Administration:					
Salaries of Principals/Assistant Principals/Program Directors	115,133	(9,682)	105,451	104,222	1,229
Salaries of Secretarial and Clerical Assistants	53,582	(4,931)	48,651	48,057	594
Unused Vacation Payment to Term/Ret. Staff		8,882	8,882	8,882	
Other Purchased Services		800	800	769	31
Supplies and Materials	1,000	1,250	2,250	1,536	714
Other Objects	2,158	2,432	4,590	4,450	140
Total Support Services - School Administration	171,873	(1,249)	170,624	167,916	2,708
Central Services:					
Salaries		94,074	94,074	94,074	
Purchased Professional Services	117,500	(56,095)	61,405	59,005	2,400
Purchased Technical Services	25,593	(199)	25,394	23,391	2,003
Other Purchased Services (400-500 series)		979	979	979	
Supplies and Materials	2,500	4,699	7,199	7,199	
Miscellaneous Expenditures		2,214	2,214	2,214	
Total Central Services	145,593	45,672	191,265	186,862	4,403
Administration Information Technology:					
Purchased Professional Services	98,545	(8,028)	90,517	90,500	17
Supplies and Materials		944	944	944	
Total Admin. Info. Technology	98,545	(7,084)	91,461	91,444	17

ROCHELLE PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Required Maintenance of School Facilities:					
Salaries	132,143	\$(11,197)	\$ 120,946	\$ 120,946	
Unused Vacation Payment to Term/Ret. Staff		5,773	5,773	5,773	
Cleaning, Repair and Maintenance Services	166,333	7,678	174,011	159,855	\$ 14,156
General Supplies	15,000	5,302	20,302	20,302	
Other Objects	550	(225)	325	325	
Total Required Maintenance of School Facilities	314,026	7,331	321,357	307,201	14,156
Custodial Services:					
Salaries	204,903	(9,425)	195,478	184,246	11,232
Salaries of Non-Instructional Aides	43,728	(7,171)	36,557	34,252	2,305
Insurance	69,105	(630)	68,475	68,397	78
General Supplies	26,190	8,146	34,336	33,045	1,291
Energy (Electricity)	72,450	(4,059)	68,391	68,391	
Interest - Energy Savings Improvement Program Bonds	4,343	(4,343)			
Principal - Energy Savings Improvement Program Bonds	25,073	(25,073)			
Lease Purchase Payments - Energy Savings Improvement Program		29,416	29,416	29,416	
Energy (Natural Gas)	22,050	9,629	31,679	31,679	
Total Custodial Services	467,842	(3,510)	464,332	449,426	14,906
Care and Upkeep of Grounds					
Purchased Prof. & Tech. Svc.	10,500	(1,560)	8,940	8,533	407
General Supplies		3,023	3,023	3,023	
Other Objects	11,877	(10,431)	1,446	558	888
Total Care and Upkeep of Grounds	22,377	(8,968)	13,409	12,114	1,295
Security					
Purchased Prof. & Tech. Svc.		1,400	1,400	200	1,200
General Supplies		1,211	1,211	1,211	
Total Security		2,611	2,611	1,411	1,200

ROCHELLE PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Undistributed Expenditures:					
Student Transportation Services:					
Contracted Services:					
Other Between Home and School - Vendors					
Special Education Students - Joint Agreements					
Regular Students - ESCs and CTSA's					
Special Education Students - ESCs and CTSA's					
Aid in Lieu Payments - Nonpublic School					
Total Student Transportation Services					
Allocated Benefits - Regular Instruction:					
Unused Vacation Payment to Terminated / Retired Staff					
Total Regular Programs - Instruction					
Unallocated Benefits - Employee Benefits:					
Social Security Contributions					
Other Retirement Contributions - PERS					
Other Retirement Contributions - Regular					
Unemployment Compensation					
Workmen's Compensation					
Health Benefits					
Tuition Reimbursement					
Other Employee Benefits					
Unused Sick Payment to Term./ Retired Staff					
Total Unallocated Benefits - Employee Benefits					
TPAF Contributions:					
On-Behalf TPAF Post Retirement Contributions					
On-Behalf TPAF Pension Contributions					
On-Behalf TPAF Non-Contributory Insurance					
On-Behalf TPAF Long-Term Disability Insurance					
Reimbursed TPAF Social Security Contributions (non-budgeted)					
Total TPAF Contributions					
Total Personal Services - Employee Benefits					
Total Undistributed Expenses					
TOTAL GENERAL CURRENT EXPENSE					

ROCHELLE PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CAPITAL OUTLAY					
Equipment:					
Required Maintenance of School Facilities	\$ 7,129	7,129	7,129	\$ 6,970	\$ 159
Total Equipment			7,129	6,970	159
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services		10,555	10,555	10,555	
Construction Services	\$ 49,950	(10,555)	39,395	39,395	39,395
Assessment for Debt Service SDA Funding	14,603		14,603	14,603	
Total Facilities Acquisition and Construction Services	64,553		64,553	25,158	39,395
TOTAL CAPITAL OUTLAY	64,553	7,129	71,682	32,128	39,554
Transfer of Funds to Charter Schools	57,725	6,412	64,137	64,137	
TOTAL EXPENDITURES	12,577,187	1	12,577,187	13,484,723	(907,536)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(436,132)		(436,132)	283,370	719,502
Other Financing Sources:					
Transfer From Capital Projects Fund - Interest Earnings				198	198
Total Other Financing Sources				198	198

ROCHELLE PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ (436,132)	\$ -0-	\$ (436,132)	\$ 283,568	\$ 719,700
Fund Balance, July 1	<u>2,012,266</u>		<u>2,012,266</u>	<u>2,012,266</u>	
Fund Balance, June 30	<u>\$ 1,576,134</u>	<u>\$ -0-</u>	<u>\$ 1,576,134</u>	<u>\$ 2,295,834</u>	<u>\$ 719,700</u>
<u>Recapitulation:</u>					
Restricted Fund Balance:					
Capital Reserve				\$ 1,410,930	
Excess Surplus - Designated for Subsequent Year's Expenditures				250,000	
Excess Surplus				250,000	
Assigned Fund Balance:					
Year-End Encumbrances				29,030	
Unassigned Fund Balance				<u>355,874</u>	
				<u>2,295,834</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payments not Recognized on GAAP Basis				<u>(17,857)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 2,277,977</u>	

ROCHELLE PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
 (UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	\$ 169,984	\$ 112	\$ 112	\$ 112	
Federal Sources		38,411	208,395	208,395	
Total Revenues	169,984	38,523	208,507	208,507	
EXPENDITURES:					
Instruction					
Salaries	46,269	(1,794)	44,475	44,475	
Purchased Professional and Educational Services	8,000	(8,000)			
Other Purchased Services (400-500 Series)	5,297		5,297	5,297	
Tuition	101,145	22,920	124,065	124,065	
General Supplies		4,612	4,612	4,612	
Total Instruction	160,711	17,738	178,449	178,449	
Support Services					
Personal Services - Employee Benefits		13,787	13,787	13,787	
Other Purchased Services	9,273	6,998	16,271	16,271	
Total Support Services	9,273	20,785	30,058	30,058	
Total Expenditures	169,984	38,523	208,507	208,507	
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

ROCHELLE PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 13,768,093	\$ 208,507
Difference - Budget to GAAP:		
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Statements	24,108	
Current Year State Aid Payments Recognized for Budgetary Statements, not Recognized for GAAP Statements	(17,857)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 13,774,344	\$ 208,507
Uses/Outflows of Resources		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 13,484,723	\$ 208,507
Total Expenditures as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 13,484,723	\$ 208,507

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

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

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

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

SCHOOL LEVEL SCHEDULES

(NOT APPLICABLE)

SPECIAL REVENUE FUND

ROCHELLE PARK SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Elementary and Secondary Education Act						Totals June 30, 2019
	IDEA, Part B		Title I	Title II - Part A	Title IV	Local	
	Basic	Preschool					
REVENUES:							
Local Sources						\$ 112	\$ 112
Federal Sources	124,065	5,297	\$ 58,262	\$ 10,771	\$ 10,000		208,395
Total Revenues	124,065	5,297	58,262	10,771	10,000	112	208,507
EXPENDITURES:							
Instruction:							
Salaries			44,475				44,475
Other Purchased Services (400-500 Series)		5,297					5,297
Tuition	124,065				4,500	112	124,065
General Supplies							4,612
Total Instruction	124,065	5,297	44,475		4,500	112	178,449
Support Services:							
Personal Services - Employee Benefits			13,787				13,787
Other Purchased Services				10,771	5,500		16,271
Total Support Services			13,787	10,771	5,500		30,058
Total Expenditures	\$ 124,065	\$ 5,297	\$ 58,262	\$ 10,771	\$ 10,000	\$ 112	\$ 208,507

CAPITAL PROJECTS FUND

ROCHELLE PARK SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Revenue and Other Financing Sources:	
Interest Revenue	\$ 198
	<hr/>
Total Revenues and Other Financing Sources	198
	<hr/>
Expenditures and Other Financing Uses:	
Construction Services	4,661
Transfer to General Fund - Interest Earnings	198
	<hr/>
Total Expenditures and Other Financing Uses	4,859
	<hr/>
Deficit of Revenue and Other Financing Sources Under Expenditures and Other Financing Uses	(4,661)
	<hr/>
Fund Balance - Beginning Balance	349,797
	<hr/>
Fund Balance - Ending Balance	\$ 345,136
	<hr/> <hr/>
Recapitulation of Fund Balance:	
Restricted - Other Purposes	\$ 220,571
Restricted - Year End Encumbrances	25,686
Committed - Other Purposes	98,879
	<hr/>
Fund Balance per Governmental Funds (Budgetary Basis)	345,136
Reconciliation to Governmental Funds Statement (GAAP):	
SDA Grants not Recognized on the GAAP Basis	(122,200)
	<hr/>
Fund Balance per Governmental Funds (GAAP)	\$ 222,936
	<hr/> <hr/>

ROCHELLE PARK SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
INFRASTRUCTURE REPAIRS AND BUILDING SECURITY ENHANCEMENTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Prior Periods	Current Year	Total	Authorized Cost
Revenue and Other Financing Sources:				
Bond Proceeds	\$ 6,513,000		\$ 6,513,000	\$ 6,513,000
Total Revenue and Other Financing Sources	6,513,000		6,513,000	6,513,000
Expenditures:				
Other Purchased Professional and Technical Services	662,915		662,915	715,225
Legal Services	71,533		71,533	86,500
Construction Services	5,172,590	\$ 4,661	5,177,251	5,210,250
General Supplies	145		145	145
Other Objects	354,899		354,899	500,880
Total Expenditures	6,262,082	4,661	6,266,743	6,513,000
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 250,918	\$ (4,661)	\$ 246,257	\$ -0-

Additional Project Information:

State Project Numbers:	4470-050-14-4000;
	4470-050-14-5000
	12/10/2013
Bond Authorization Date	\$ 6,513,000
Bonds Authorized	6,513,000
Bonds Issued	6,513,000
Original Authorized Cost	-0-
Additional Authorized Cost	6,513,000
Revised Authorized Cost	0%
Percentage Increase over Original Authorized Cost	96%
Percentage Completion	8/31/2015
Original Target Completion Date	8/31/2020
Revised Target Completion Date	

ROCHELLE PARK SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
MIDLAND ELEMENTARY SCHOOL - SPRINKLER SYSTEM CONSTRUCTION SERVICES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Prior Periods	Current Year	Total	Authorized Cost
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 122,200		\$ 122,200	\$ 122,200
Transfer from Capital Reserve	183,300		183,300	183,300
Total Revenue and Other Financing Sources	<u>305,500</u>		<u>305,500</u>	<u>305,500</u>
Expenditures:				
Other Purchased Professional and Technical Services	26,361		26,361	40,500
Legal Services				6,500
Construction Services	190,804		190,804	235,000
Other Objects	360		360	23,500
Total Expenditures	<u>217,525</u>		<u>217,525</u>	<u>305,500</u>
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 87,975</u>	<u>\$ -0-</u>	<u>\$ 87,975</u>	<u>\$ -0-</u>

Additional Project Information:

Project Numbers	4470-050-14-1003
Grant Date	1/6/2014
Original Authorized Cost	\$ 305,500
Additional Authorized Cost	-0-
Revised Authorized Cost	305,500
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	71%
Original Target Completion Date	8/31/2014
Revised Target Completion Date	6/30/2020

ROCHELLE PARK SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
ENERGY CONSERVATION MEASURES PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Prior Periods	Current Year	Total	Authorized Cost
Revenue and Other Financing Sources:				
Capital Lease Purchase Agreement Proceeds	\$ 230,000		\$ 230,000	\$ 230,000
Total Revenue and Other Financing Sources	230,000		230,000	230,000
Expenditures:				
Other Purchased Professional and Technical Services	33,640		33,640	33,640
Legal Services	15,000		15,000	15,000
Construction Services	170,456		170,456	181,360
Total Expenditures	219,096		219,096	230,000
Excess of Revenue and Other Financing Sources Over Expenditures	\$ 10,904		\$ 10,904	\$ -0-

Additional Project Information:

State Project Numbers: N/A

Lease Authorization Date	5/3/2016
Lease Authorized	\$ 230,000
Lease Issued	230,000
Original Authorized Cost	230,000
Additional Authorized Cost	-0-
Revised Authorized Cost	230,000
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	95%
Original Target Completion Date	12/31/2016
Revised Target Completion Date	12/31/2019

PROPRIETARY FUNDS

ROCHELLE PARK SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2019

	<u>Major Fund</u> <u>Latchkey</u> <u>Program</u>	<u>Non Major Fund</u> <u>Food</u> <u>Service</u>	<u>Total</u>
<u>ASSETS:</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 99,458	\$ 25,459	\$ 124,917
Accounts Receivable:			
Federal		3,918	3,918
State		162	162
Other Receivables	920		920
Inventory		2,375	2,375
Total Current Assets	<u>100,378</u>	<u>31,914</u>	<u>132,292</u>
Non-Current Assets:			
Capital Assets	9,580	57,283	66,863
Accumulated Depreciation	<u>(9,580)</u>	<u>(46,911)</u>	<u>(56,491)</u>
Total Non-Current Assets		<u>10,372</u>	<u>10,372</u>
Total Assets	<u>100,378</u>	<u>42,286</u>	<u>142,664</u>
<u>LIABILITIES:</u>			
Current Liabilities:			
Interfund Payable - General Fund		363	363
Accounts Payable - Vendors	9,858	779	10,637
Unearned Revenue - Donated Commodities		525	525
Unearned Revenue - Prepaid Sales		433	433
Total Current Liabilities	<u>9,858</u>	<u>2,100</u>	<u>11,958</u>
<u>NET POSITION:</u>			
Investment in Capital Assets		10,372	10,372
Unrestricted	<u>90,520</u>	<u>29,814</u>	<u>120,334</u>
Total Net Position	<u>\$ 90,520</u>	<u>\$ 40,186</u>	<u>\$ 130,706</u>

ROCHELLE PARK SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Major Funds		Total
	Latchkey Program	Food Service	
Operating Revenue:			
Local Sources:			
Daily Sales - Reimbursable Programs		\$ 90,559	\$ 90,559
Daily Sales - Nonreimbursable Meals		55,783	55,783
Special Functions		4,078	4,078
Program Fees	\$ 208,752		208,752
Total Operating Revenue	208,752	150,420	359,172
Operating Expenses:			
Cost of Sales for Reimbursable Programs		58,427	58,427
Cost of Sales for Nonreimbursable Programs		28,778	28,778
Salaries, Benefits & Payroll Taxes	169,135	68,508	237,643
Other Purchased Services	4,250	18,382	22,632
Management Fee		15,340	15,340
Supplies and Materials	9,306	7,570	16,876
Utilities	17,311		17,311
Miscellaneous Expenses	21,683	9,517	31,200
Depreciation	1,198	255	1,453
Total Operating Expenses	222,883	206,777	429,660
Operating Income/(Loss)	(14,131)	(56,357)	(70,488)
Non-Operating Revenue:			
Federal Sources:			
National School Lunch Program		54,435	54,435
School Breakfast Program		2,283	2,283
U.S.D.A. Commodities		11,411	11,411
State Sources:			
School Lunch Program		2,286	2,286
Total Non-Operating Revenue		70,415	70,415
Change in Net Position	(14,131)	14,058	(73)
Net Position - Beginning of Year - Restated	104,651	26,128	130,779
Net Position - End of Year	\$ 90,520	\$ 40,186	\$ 130,706

ROCHELLE PARK SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Major Funds		Total
	Latchkey Program	Food Service	
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 208,752	\$ 148,583	\$ 357,335
Payments to/for Employees	(196,559)		(196,559)
Payments to Food Service Contractor		(188,546)	(188,546)
Payments to Suppliers	(30,989)	(9,517)	(40,506)
Net Cash Provided by/(Used for) Operating Activities	<u>(18,796)</u>	<u>(49,480)</u>	<u>(68,276)</u>
Cash Flows from Capital Financing Activities:			
Acquisition of Capital Assets		(7,818)	(7,818)
Net Cash Used for Capital Financing Activities		<u>(7,818)</u>	<u>(7,818)</u>
Cash Flows from Noncapital Financing Activities:			
Cash Received from General Fund		12,472	12,472
Cash Received From Federal Reimbursements - Collected in Food Service Fund		56,683	56,683
Cash Received From State Reimbursements - Collected in Food Service Fund		2,286	2,286
Net Cash Provided by Noncapital Financing Activities		<u>71,441</u>	<u>71,441</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(18,796)	14,143	(4,653)
Cash and Cash Equivalents, July 1	<u>118,254</u>	<u>11,316</u>	<u>129,570</u>
Cash and Cash Equivalents, June 30	<u>\$ 99,458</u>	<u>\$ 25,459</u>	<u>\$ 124,917</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:			
Operating Income/(Loss)	\$ (14,131)	\$ (56,357)	\$ (70,488)
Adjustment to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:			
Depreciation	1,198	255	1,453
Food Distribution Program		11,411	11,411
Changes in Assets and Liabilities:			
Decrease/(Increase) in Other Receivables	1,377		1,377
Increase/(Decrease) in Inventory		(555)	(555)
Increase/(Decrease) in Accounts Payable	5,605	(2,922)	2,683
Increase/(Decrease) in Unearned Revenue	(12,845)	(1,312)	(14,157)
Net Cash Provided by/(Used for) Operating Activities	<u>\$ (18,796)</u>	<u>\$ (49,480)</u>	<u>\$ (68,276)</u>

Noncash Investing and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A Commodities Through the Food Distribution Program Valued at \$11,738 and utilized \$11,411 for the fiscal year ended June 30, 2019.

FIDUCIARY FUNDS

ROCHELLE PARK SCHOOL DISTRICT
FIDUCIARY FUND
COMBINING STATEMENT OF NET OF POSITION
JUNE 30, 2019

	Student Activity	Agency Payroll	Total Agency	Unemployment Compensation Trust	Private Purpose Scholarship Trust
ASSETS:					
Cash and Cash Equivalents	\$ 20,633	\$ 182,061	\$ 202,694	\$ 25,469	\$ 565
Interfund Receivable - Unemployment Compensation Trust Fund		109	109		
Total Assets	20,633	182,170	202,803	25,469	565
LIABILITIES:					
Interfund Payable:					
General Fund		5,000	5,000	109	
Payroll Agency Fund					
Payroll Deductions and Withholdings		177,170	177,170		
Accounts Payable			20,633		
Accrued Salaries and Wages					
Due to Student Groups	20,633				
Total Liabilities	20,633	182,170	202,803	109	
NET POSITION:					
Held in Trust for Unemployment Claims				25,360	565
Restricted for Scholarships					
Total Net Position	\$ -0-	\$ -0-	\$ -0-	\$ 25,360	\$ 565

ROCHELLE PARK SCHOOL DISTRICT
FIDUCIARY FUND
STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Trust</u>
ADDITIONS:		
Contributions:		
Board Contribution	\$ 10,000	
Employee Contributions	11,634	
Total Contributions	<u>21,634</u>	
Total Additions	<u>21,634</u>	
DEDUCTIONS:		
Unemployment Contribution Payments	23,860	
Scholarships Awarded		\$ 1,000
Total Deductions	<u>23,860</u>	<u>1,000</u>
Change in Net Position	(2,226)	(1,000)
Net Position—Beginning of the Year	<u>27,586</u>	<u>\$ 1,565</u>
Net Position—End of the Year	<u>\$ 25,360</u>	<u>\$ 565</u>

ROCHELLE PARK SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
ASSETS:				
Cash and Cash Equivalents	\$ 21,970	\$ 25,878	\$ 27,215	\$ 20,633
Total Assets	<u>\$ 21,970</u>	<u>\$ 25,878</u>	<u>\$ 27,215</u>	<u>\$ 20,633</u>
 LIABILITIES:				
Liabilities:				
Due to Student Groups	\$ 21,970	\$ 25,878	\$ 27,215	\$ 20,633
Total Liabilities	<u>\$ 21,970</u>	<u>\$ 25,878</u>	<u>\$ 27,215</u>	<u>\$ 20,633</u>

ROCHELLE PARK SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF ACTIVITY

	<u>Balance</u> <u>July 1, 2018</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2019</u>
Student Activities	\$ 21,970	\$ 25,878	\$ 27,215	\$ 20,633

ROCHELLE PARK SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
ASSETS:				
Cash and Cash Equivalents	\$ 129,091	\$ 9,225,837	\$ 9,172,867	\$ 182,061
Interfund Receivable - Unemployment Compensation Trust Fund		109		109
Total Assets	<u>\$ 129,091</u>	<u>\$ 9,225,946</u>	<u>\$ 9,172,867</u>	<u>\$ 182,170</u>
LIABILITIES:				
Interfund Payable - General Fund		\$ 5,000		\$ 5,000
Payroll Deductions and Withholdings		9,044,178	\$ 9,044,178	
Accrued Salaries and Wages	\$ 129,091	176,768	128,689	177,170
Total Liabilities	<u>\$ 129,091</u>	<u>\$ 9,225,946</u>	<u>\$ 9,172,867</u>	<u>\$ 182,170</u>

LONG-TERM DEBT

ROCHELLE PARK SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Matured	Balance July 1, 2018	Balance June 30, 2019
			Date	Amount				
School Bonds- Series 2014 - Infrastructure Repairs and Building Security Enhancements	03/27/14	\$ 6,513,000	3/15/2020	\$ 300,000	3.000 %	\$ 275,000	\$ 5,713,000	\$ 5,438,000
			3/15/2021	300,000	3.000 %			
			3/15/2022	325,000	3.000 %			
			3/15/2023	325,000	3.000 %			
			3/15/2024	338,000	3.000 %			
			3/15/2025	350,000	3.000 %			
			3/15/2026	350,000	3.000 %			
			3/15/2027	350,000	3.000 %			
			3/15/2028	350,000	3.000 %			
			3/15/2029	350,000	3.000 %			
			3/15/2030	350,000	3.000 %			
			3/15/2031	350,000	3.125 %			
			3/15/2032	350,000	3.250 %			
			3/15/2033	350,000	3.250 %			
			3/15/2034	350,000	3.500 %			
		3/15/2035	350,000	3.500 %				
						\$ 275,000	\$ 5,713,000	\$ 5,438,000

ROCHELLE PARK SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

<u>Item</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance July 1, 2018</u>	<u>Retirements</u>	<u>Balance June 30, 2019</u>
Energy Conservation Measures	2.42%	230,000	<u>\$ 185,396</u>	<u>\$ 25,073</u>	<u>\$ 160,323</u>
			<u>\$ 185,396</u>	<u>\$ 25,073</u>	<u>\$ 160,323</u>

ROCHELLE PARK SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 298,345		\$ 298,345	\$ 298,345	
Debt Service Aid	153,706		153,706	153,706	
Total Revenues	<u>452,051</u>		<u>452,051</u>	<u>452,051</u>	
EXPENDITURES:					
Regular Debt Service:					
Interest	177,078		177,078	177,077	\$ 1
Redemption of Principal	275,000		275,000	275,000	
Total Regular Debt Service	<u>452,078</u>		<u>452,078</u>	<u>452,077</u>	<u>1</u>
Total Expenditures	<u>452,078</u>		<u>452,078</u>	<u>452,077</u>	<u>1</u>
Excess/(Deficit) of Revenue Over/(Under) Expenditures	<u>(27)</u>		<u>(27)</u>	<u>(26)</u>	<u>1</u>
Fund Balance, July 1	27		27	27	
Fund Balance, June 30	<u>- 0 -</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>\$ 1</u>	<u>\$ 1</u>

STATISTICAL SECTION
(UNAUDITED)

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

Contents

	<u>Exhibit</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	J-1 thru J-5
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.	J-6 thru J-9
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	J-10 thru J-13
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.	J-14 thru J-15
Operating Information These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	J-16 thru J-20

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

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

	June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	Restated 2018	2019
Governmental Activities										
Net Investment in Capital Assets	\$ 278,303	\$ 433,080	\$ 601,914	\$ 787,894	\$ 967,901	\$ 1,149,409	\$ 1,183,574	\$ 2,250,181	\$ 2,989,685	\$ 3,068,296
Restricted	43,686	48,960	85,696	762,007	776,812	629,046	1,957,283	1,774,495	1,862,381	2,157,188
Unrestricted/(Deficit)	(15,748)	(13,136)	349,264	376,405	(1,481,367)	(1,401,736)	(1,781,180)	(1,751,032)	(1,838,031)	(1,723,080)
Total Governmental Activities Net Position	\$ 306,241	\$ 468,904	\$ 1,036,874	\$ 1,926,306	\$ 263,346	\$ 376,719	\$ 1,359,677	\$ 2,273,644	\$ 3,014,035	\$ 3,502,404
Business-Type Activities										
Investment in Capital Assets	\$ 33,885	\$ 28,089	\$ 22,294	\$ 16,498	\$ 27,429	\$ 26,023	\$ 19,626	\$ 7,656	\$ 4,007	\$ 10,372
Unrestricted	5,501	52,319	133,451	147,174	54,956	56,719	113,269	118,659	126,772	120,334
Total Business-Type Activities Net Position	\$ 39,386	\$ 80,408	\$ 155,745	\$ 163,672	\$ 82,385	\$ 82,742	\$ 132,895	\$ 126,315	\$ 130,779	\$ 130,706
District-Wide										
Net Investment in Capital Assets	\$ 312,188	\$ 461,169	\$ 624,208	\$ 804,392	\$ 995,330	\$ 1,175,432	\$ 1,203,200	\$ 2,257,837	\$ 2,993,692	\$ 3,078,668
Restricted	43,686	48,960	85,696	762,007	776,812	629,046	1,957,283	1,774,495	1,862,381	2,157,188
Unrestricted/(Deficit)	(10,247)	39,183	482,715	523,579	(1,426,411)	(1,345,017)	(1,667,911)	(1,632,373)	(1,711,259)	(1,602,746)
Total District-Wide Net Position	\$ 345,627	\$ 549,312	\$ 1,192,619	\$ 2,089,978	\$ 345,731	\$ 459,461	\$ 1,492,572	\$ 2,399,959	\$ 3,144,814	\$ 3,633,110

Source: School District Financial Reports

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

	Fiscal Year Ended June 30.									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 2,780,590	\$ 3,640,567	\$ 3,812,794	\$ 3,577,736	\$ 3,874,004	\$ 4,599,659	\$ 4,845,825	\$ 5,549,003	\$ 5,535,999	\$ 5,115,289
Special Education	644,947	824,690	878,544	982,242	964,163	1,140,360	1,555,783	1,568,832	2,066,691	2,079,696
Other Special Instruction	225,041	303,915	305,811	369,982	353,283	404,569	228,565	267,561	306,006	367,371
School-Sponsored/Other Instruction	38,296	35,512	40,956	39,986	38,778	60,791	116,304	124,482	58,659	56,318
Support Services:										
Tuition	2,703,222	2,874,295	2,755,948	3,088,795	3,412,474	3,560,980	3,077,760	2,918,034	3,064,743	3,115,857
Student and Instruction Related Services	822,429	942,207	874,633	876,642	814,337	858,857	1,129,648	1,305,598	1,391,307	1,322,481
General Administrative Services	276,574	307,041	294,656	256,588	275,701	349,459	464,101	472,196	633,946	528,970
School Administrative Services	160,766	211,841	283,464	211,090	286,785	287,788	284,485	293,386	292,407	263,758
Central Services	209,796	245,777	195,349	244,219	213,836	269,338	178,759	145,765	138,318	224,414
Administration Information Technology					190,560	173,734	169,222	137,699	150,196	138,661
Plant Operations and Maintenance	538,987	600,775	590,287	664,467	675,858	785,920	819,657	1,033,824	1,025,721	872,176
Pupil Transportation	409,039	339,440	369,318	292,327	318,507	344,778	359,645	322,916	318,140	369,662
Unallocated Employee Benefits	1,662,822									
Unallocated Depreciation		67,713	52,231	52,153	52,149	52,149	50,434	40,639	227	194,118
Transfer of Funds to Charter Schools		32,888	36,826	35,245	73,215	102,716	18,820	51,559	70,831	64,137
Capital Outlay	234,006	18,521	5,213			32,600	71,654	16,238	31,160	21,573
Interest on Long-Term Debt	73,891	86,714	51,830	41,808	83,183	218,786	212,181	188,909	183,875	174,793
Total Governmental Activities Expenses	10,605,182	10,531,896	10,547,860	10,733,280	11,626,833	13,242,484	13,582,843	14,436,641	15,268,226	14,909,274

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

	Fiscal Year Ended June 30.									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses:										
Business-Type Activities:										
Food Service	\$ 184,334	\$ 173,651	\$ 172,029	\$ 193,904	\$ 193,903	\$ 212,045	\$ 180,128	\$ 237,107	\$ 188,640	\$ 206,777
Latchkey and Preschool Programs	126,483	136,999	136,999	280,714	280,714	151,003	123,454	170,513	189,438	222,883
Total Business-Type Activities Expense	<u>160,943</u>	<u>300,134</u>	<u>309,028</u>	<u>474,618</u>	<u>474,617</u>	<u>363,048</u>	<u>303,582</u>	<u>407,620</u>	<u>378,078</u>	<u>429,660</u>
Total District Expenses	<u>\$ 10,766,125</u>	<u>\$ 10,832,030</u>	<u>\$ 10,856,888</u>	<u>\$ 11,207,898</u>	<u>\$ 12,101,450</u>	<u>\$ 13,605,532</u>	<u>\$ 13,886,425</u>	<u>\$ 14,844,261</u>	<u>\$ 15,646,304</u>	<u>\$ 15,338,934</u>
Program Revenues:										
Governmental Activities:										
Charges for Services	\$ 1,204,946	\$ 1,154,183	\$ 1,302,745	\$ 1,474,900	\$ 1,464,573	\$ 2,505,726	\$ 2,726,583	\$ 3,511,367	\$ 3,816,205	\$ 3,284,750
Operating Grants and Contributions	1,480,999	1,154,183	1,302,745	1,474,900	1,464,573	2,505,726	2,726,583	3,539,098	3,853,086	3,321,085
Total Governmental Activities Program Revenues										
Business-Type Activities:										
Charges for Services:										
Food Service	105,486	110,994	121,780	109,088	106,788	110,645	125,725	136,512	190,851	150,420
Latchkey and Preschool Programs	39,739	165,582	196,875	153,206	205,557	160,563	166,387	188,831	138,844	208,752
Operating Grants and Contributions	127,853	43,892	45,682	56,928	59,995	55,281	61,623	75,697	63,656	70,415
Total Business-Type Activities Program Revenues	<u>1,608,852</u>	<u>1,474,651</u>	<u>1,667,082</u>	<u>1,794,122</u>	<u>1,836,913</u>	<u>2,832,215</u>	<u>3,080,318</u>	<u>3,940,138</u>	<u>4,246,437</u>	<u>3,750,672</u>
Net (Expense)/Revenue:										
Governmental Activities	\$ (9,124,183)	\$ (9,377,713)	\$ (9,245,115)	\$ (9,258,380)	\$ (10,162,260)	\$ (10,736,758)	\$ (10,856,260)	\$ (10,897,543)	\$ (11,415,140)	\$ (11,588,189)
Business-Type Activities	(33,090)	20,334	55,309	(155,396)	(102,277)	(36,559)	50,153	(6,580)	15,273	(73)
Total District-Wide Net Expense	<u>\$ (9,157,273)</u>	<u>\$ (9,357,379)</u>	<u>\$ (9,189,806)</u>	<u>\$ (9,413,776)</u>	<u>\$ (10,264,537)</u>	<u>\$ (10,773,317)</u>	<u>\$ (10,806,107)</u>	<u>\$ (10,904,123)</u>	<u>\$ (11,399,867)</u>	<u>\$ (11,588,262)</u>

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

	Fiscal Year Ended June 30.									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 8,699,726	\$ 9,257,385	\$ 9,442,533	\$ 9,691,383	\$ 9,963,292	\$ 10,308,529	\$ 10,747,678	\$ 10,978,185	\$ 11,197,749	\$ 11,421,704
Taxes Levied for Debt Service	276,706	274,262	276,698	275,473	273,797	239,228	524,495	453,337	303,816	298,345
Unrestricted Grants and Contributions	117,162	20,703	41,637	48,325	47,095	58,593	312,161	187,892	226,872	203,076
Investment Earnings		349								
Miscellaneous Income	13,556	8,051	72,217	152,631	124,578	230,166	187,051	192,096	173,042	153,433
Transfers	(77,346)	(20,374)	(20,000)	(20,000)	(20,000)	(36,695)				
Total Governmental Activities	9,029,804	9,540,376	9,813,085	10,147,812	10,388,762	10,799,821	11,771,385	11,811,510	11,901,479	12,076,558
Business-Type Activities:										
Other Items									8,218	
Miscellaneous Income	107	314	28	813	992	221				
Transfers	30,296	20,374	20,000	20,000	20,000	36,695				
Total Business-Type Activities	26,591	20,688	20,028	20,813	20,992	36,916			8,218	
Total District-Wide	\$ 9,308,768	\$ 9,561,064	\$ 9,833,113	\$ 10,168,625	\$ 10,409,754	\$ 10,836,737	\$ 11,771,385	\$ 11,811,510	\$ 11,909,697	\$ 12,076,558
Change in Net Position:										
Governmental Activities	\$ (94,379)	\$ 162,663	\$ 567,970	\$ 889,432	\$ 226,502	\$ 63,063	\$ 915,125	\$ 913,967	\$ 486,339	\$ 488,369
Business-Type Activities	(6,499)	41,022	75,337	(134,583)	(81,285)	357	50,153	(6,580)	23,491	(73)
Total District	\$ (100,878)	\$ 203,685	\$ 643,307	\$ 754,849	\$ 145,217	\$ 63,420	\$ 965,278	\$ 907,387	\$ 509,830	\$ 488,296

Source: School District Financial Reports

ROCHELLE PARK SCHOOL DISTRICT
FUND BALANCES, GOVERNMENT FUNDS
LAST TEN FISCAL YEARS
UNAUDITED
(modified accrual basis of accounting)

	June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved/Restricted	\$ 138,878	\$ 44,035	\$ 84,333	\$ 760,644	\$ 768,971	\$ 606,271	\$ 834,758	\$ 1,308,751	\$ 1,611,437	\$ 1,910,930
Assigned	192	4,925	99,152	175,155	124,000	234,875	139,624	281,674	136,192	29,030
Unassigned		121,838	354,451	300,164	426,277	272,492	235,164	219,030	240,529	338,017
Total General Fund	\$ 139,070	\$ 170,798	\$ 537,936	\$ 1,235,963	\$ 1,319,248	\$ 1,113,638	\$ 1,209,546	\$ 1,809,455	\$ 1,988,158	\$ 2,277,977
All Other Governmental Funds										
Unreserved, Reported in:										
Capital Projects Fund	\$ 194									
Debt Service Fund	511			\$ 1,363						
Unassigned/(Deficit): Capital Projects Fund					\$ (9,793)		\$ (2,674)	\$ (19,324)	\$ (23,320)	\$ (23,321)
Committed:										
Capital Projects Fund						\$ 160,179				
Restricted:										
Capital Projects Fund					6,313,423	4,164,797	1,107,564	465,717	250,917	246,257
Debt Service Fund			\$ 1,363		7,841	22,775	14,961	27	27	1
Total All Other Governmental Funds	\$ 705	\$ -0-	\$ 1,363	\$ 1,363	\$ 6,311,471	\$ 4,347,751	\$ 1,119,851	\$ 446,420	\$ 227,624	\$ 222,937

Source: School District Financial Reports

ROCHELLE PARK SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENT FUNDS
LAST TEN FISCAL YEARS

UNAUDITED
(modified accrual basis of accounting)

	For the Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues:										
Local Tax Levy	\$ 8,976,432	\$ 9,531,647	\$ 9,719,231	\$ 9,966,856	\$ 10,237,089	\$ 10,547,757	\$ 11,272,173	\$ 11,431,522	\$ 11,501,565	\$ 11,720,049
Tuition Charges	348	349	3	70	71	50,310	67,833	27,731	36,881	36,335
Interest Earnings on Capital Reserve						40	27	7,873	11,077	27,591
Miscellaneous	13,556	8,051	72,214	152,561	124,507	230,126	187,024	184,223	161,965	125,954
State Sources	1,095,619	948,173	1,124,970	1,336,787	1,311,532	1,506,104	1,783,397	1,786,054	1,950,303	2,316,776
Federal Sources	226,141	226,713	219,412	186,438	200,136	282,903	229,117	199,577	212,480	208,395
Total Revenue	10,312,096	10,714,933	11,135,830	11,642,712	11,873,335	12,617,240	13,539,571	13,636,980	13,874,271	14,435,100
Expenditures:										
Instruction:										
Regular Instruction	2,780,590	2,650,331	2,725,742	2,473,166	2,724,869	2,957,564	2,991,081	3,152,142	3,197,729	3,046,238
Special Education Instruction	644,947	641,338	674,484	697,602	708,940	766,375	987,208	950,584	1,162,925	1,326,472
Other Special Instruction	225,041	215,139	207,805	244,587	241,962	248,967	106,834	109,436	160,061	203,615
School-Sponsored/Other Instruction	38,296	29,364	33,245	32,291	27,327	40,462	96,322	99,018	35,183	35,298
Support Services:										
Tuition	2,703,222	2,874,295	2,755,948	3,088,795	3,412,474	3,560,980	3,077,760	2,918,034	3,064,743	3,115,857
Student and Instruction Related Services	822,429	757,922	698,392	692,128	676,331	650,421	817,377	840,434	891,607	917,094
General Administrative Services	276,574	259,742	251,301	218,194	236,976	272,544	362,913	340,671	474,488	424,197
School Administrative Services	160,766	161,243	215,287	153,278	211,925	190,796	170,080	168,431	164,940	167,916
Central Services	209,796	203,025	179,769	204,065	183,185	206,688	177,780	145,441	138,318	186,862
Administration Information Technology				96,972	96,972	142,934	126,431	86,105	93,850	91,444
Plant Operations and Maintenance	538,987	544,016	523,226	523,713	597,980	642,511	676,049	896,532	777,500	770,152
Pupil Transportation	409,039	337,639	367,481	290,356	318,507	344,778	359,645	322,916	318,140	369,662
Unallocated Benefits	1,674,952	1,663,300	1,773,386	1,917,896	1,886,337	1,968,464	2,136,477	2,355,436	2,613,024	2,942,158

ROCHELLE PARK SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENT FUNDS,
LAST TEN FISCAL YEARS

UNAUDITED

(modified accrual basis of accounting)

	For the Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenditures: (Cont'd)										
Capital Outlay	\$ 160,637	\$ 18,521	\$ 29,102	\$ 77,896	\$ 300,782	\$ 2,220,072	\$ 3,958,162	\$ 683,235	\$ 290,697	\$ 36,789
Charter Schools		32,888	36,826	35,245	73,215	102,716	71,654	51,559	70,831	64,137
Debt Service:										
Principal	205,000	210,000	220,000	230,000	240,000	215,000	570,000	395,000	275,000	275,000
Interest and Other Charges	73,891	64,773	55,335	45,473	35,160	218,603	215,790	195,528	185,328	177,077
Total Expenditures	10,924,167	10,663,536	10,747,329	10,924,685	11,972,942	14,749,875	16,901,563	13,710,502	13,914,364	14,149,968
Excess (Deficiency) of Revenues Over (Under) Expenditures	(612,071)	51,397	388,501	718,027	(99,607)	(2,132,635)	(3,361,992)	(73,522)	(40,093)	285,132
Other Financing Sources (Uses):										
Bond Proceeds					6,513,000					
Transfers In		196			7,841	392,609	27	44	92	198
Transfers Out	(77,346)	(20,570)	(20,000)	(20,000)	(27,841)	(429,304)	(27)	(44)	(92)	(198)
Capital Leases (Non-Budgeted)							230,000			
Total Other Financing Sources (Uses)	(26,022)	(20,374)	(20,000)	(20,000)	6,493,000	(36,695)	230,000			
Net Change in Fund Balances	\$ (638,093)	\$ 31,023	\$ 368,501	\$ 698,027	\$ 6,393,393	\$ (2,169,330)	\$ (3,131,992)	\$ (73,522)	\$ (40,093)	\$ 285,132
Debt Service as a Percentage of Noncapital Expenditures	2.65 %	2.58 %	2.57 %	2.54 %	2.36 %	3.46 %	6.07 %	4.53 %	3.38 %	3.20 %

Source: School District Financial Reports

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Prior Year</u> <u>Refunds/</u> <u>Reimbursements</u>	<u>Other</u>	<u>Tuition from</u> <u>Individuals</u>	<u>Contribution</u> <u>from Township</u>	<u>Total</u>
2010	\$ 9,381	\$ 3,957				\$ 13,338
2011	7,685		\$ 413			8,098
2012	38	30,457	41,722			72,217
2013	70	36,817	15,744		\$ 100,000	152,631
2014	71	11,061	10,998		94,607	116,737
2015	40	18,870	778	\$ 50,310	195,544	265,542
2016			89,024	67,833	98,000	254,857
2017	7,829	34,757	52,283	27,731	97,183	219,783
2018	10,985		62,323	36,881	99,642	209,831
2019	27,393		26,662	36,335	99,180	189,570

Source: Rochelle Park School District records

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

Year Ended December 31,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2009	\$ 8,998,700	\$ 418,915,200	\$ 192,045,320	\$ 22,993,300	\$ 23,899,100	\$ 666,851,620	\$ 39,259,200	\$ 14,984,048	\$ 681,835,668	1.30	\$ 1,133,648,896
2010	11,715,400	604,811,200	315,071,900	32,392,800	20,821,200	984,812,500	57,172,800	27,395,337	1,012,207,837	0.93	1,089,014,589
2011	5,803,900	604,321,800	315,635,400	32,392,800	20,821,200	978,975,100	60,951,000	24,940,711	1,003,915,811	0.96	1,070,397,320
2012	5,374,000	603,442,100	314,727,200	32,247,600	20,821,200	976,612,100	60,951,000	26,451,640	1,003,063,740	0.98	980,904,991
2013	4,934,400	601,560,500	312,497,200	32,045,600	20,626,700	971,664,400	60,675,500		971,664,400	1.04	896,065,307
2014	5,112,800	600,122,200	305,389,200	31,876,500	20,821,500	963,322,200	62,929,500		963,322,200	1.08	954,162,242
2015	4,733,000	598,696,400	294,709,900	31,388,900	20,821,500	950,349,700	62,929,500		950,349,700	1.18	945,928,214
2016	4,413,700	597,374,700	296,392,800	31,311,400	29,696,600	959,189,200	63,521,500		959,189,200	1.17	947,909,282
2017	4,043,500	596,210,100	283,406,400	31,147,400	30,050,900	944,858,300	60,393,200		944,858,300	1.21	945,993,492
2018	4,068,300	597,064,400	280,698,900	31,147,400	30,050,900	943,029,900	60,097,400		943,029,900	1.23	948,063,146

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

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

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

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

Source: Municipal Tax Assessor

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

Year Ended December 31,	Rochelle Park School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Township of Rochelle Park	Bergen County	
2009	\$ 1.26	\$ 0.04	\$ 1.30	\$ 1.10	\$ 0.30	\$ 2.70
2010	* 0.91	0.03	0.93	0.81	0.21	1.95
2011	0.93	0.03	0.96	0.84	0.22	2.01
2012	0.96	0.03	0.98	0.86	0.21	2.06
2013	1.02	0.03	1.04	0.86	0.21	2.11
2014	1.06	0.02	1.08	0.89	0.24	2.21
2015	1.12	0.05	1.18	0.96	0.24	2.37
2016	1.13	0.05	1.17	0.97	0.24	2.38
2017	1.18	0.03	1.21	0.95	0.24	2.40
2018	1.20	0.03	1.23	0.98	0.24	2.46

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

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

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

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

Source: Municipal Tax Collector and School Business Administrator

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

	2019		2010			
	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
Aerial Realty LLC etal		\$ 26,000,000	2.76 %			
Rochelle Park Holding LLC		16,000,000	1.70 %			
Coolidge Park 17 LLC		14,875,500	1.58 %			
SAC Realty LLC		13,750,000	1.46 %			
216 Route 17 North LLC		13,535,300	1.44 %			
395 Rochelle Park LLC		12,900,000	1.37 %			
Rochelle Pk. Jt. Vent. (c/o Mandelbaum)		11,463,900	1.22 %			
Sims Associates (c/o S. Goldsmith)		11,370,900	1.21 %			
Sherebrooke Holding Company		10,267,700	1.09 %			
Rega Rochelle Park, LLC		10,236,300	1.09 %			
						NOT AVAILABLE
Total		\$ 140,399,600	14.89 %			

ROCHELLE PARK SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS,
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2010	\$ 8,976,432	\$ 8,976,432	100.00 %	-0-
2011	9,531,647	9,531,647	100.00 %	-0-
2012	9,719,231	9,719,231	100.00 %	-0-
2013	9,966,856	9,966,856	100.00 %	-0-
2014	10,237,089	10,237,089	100.00 %	-0-
2015	10,547,757	10,547,757	100.00 %	-0-
2016	11,272,173	11,272,173	100.00 %	-0-
2017	11,431,522	11,431,522	100.00 %	-0-
2018	11,501,565	11,501,565	100.00 %	-0-
2019	11,720,049	11,720,049	100.00 %	-0-

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

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

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

Fiscal Year Ended June 30,	Governmental Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Capital Leases			
2010	\$ 1,555,000	\$ -0-	\$ 1,555,000	0.39 %	\$ 256
2011	1,345,000	-0-	1,345,000	0.37 %	243
2012	1,125,000	-0-	1,125,000	0.29 %	202
2013	895,000	-0-	895,000	0.22 %	160
2014	7,168,000	-0-	7,168,000	1.78 %	1,273
2015	6,953,000	-0-	6,953,000	1.68 %	1,229
2016	6,383,000	230,000	6,613,000	1.52 %	1,164
2017	5,988,000	208,323	6,196,323	1.41 %	1,090
2018	5,713,000	185,396	5,898,396	1.29 %	1,051
2019	5,438,000	160,323	5,598,323	1.23 %	997

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

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

Source: School District Financial Reports

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General		Net General Bonded Debt Outstanding		
	Obiligation Bonds	Deductions			
2010	\$ 1,555,000	\$ -0-	\$ 1,555,000	0.23 %	\$ 256
2011	1,345,000	-0-	1,345,000	0.13 %	243
2012	1,125,000	-0-	1,125,000	0.11 %	202
2013	895,000	-0-	895,000	0.09 %	160
2014	7,168,000	-0-	7,168,000	0.74 %	1,273
2015	6,953,000	-0-	6,953,000	0.72 %	1,229
2016	6,383,000	-0-	6,383,000	0.67 %	1,123
2017	5,988,000	-0-	5,988,000	0.62 %	1,053
2018	5,713,000	-0-	5,713,000	0.60 %	1,018
2019	5,438,000	-0-	5,438,000	0.58 %	969

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

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

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

Source: School District Financial Reports

ROCHELLE PARK SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2018
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid With Property Taxes			
Township of Rochelle Park	\$ 11,447,941	100.00 %	\$ 11,447,941
Bergen County General Obligation Debt	875,747,791	0.54 %	<u>4,707,644</u>
Subtotal, Overlapping Debt			16,155,585
Rochelle Park School District			<u>5,713,000</u>
Total Direct and Overlapping Debt			<u>\$ 21,868,585</u>

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2019

2018	\$ 999,184,043
2017	\$ 945,993,492
2016	947,909,082
	<u>\$ 2,893,086,617</u>
Average Equalized Valuation of Taxable Property	<u>\$ 964,362,205.67</u>
Debt Limit (3% of Average Equalization Value) ^a	\$ 28,930,866
Net Bonded School Debt at June 30, 2019	5,438,000
Legal Debt Margin	<u>\$ 23,492,866</u>

	Fiscal Year				
	2015	2016	2017	2018	2019
Debt Limit	\$ 28,644,291	\$ 28,469,971	\$ 28,487,745	\$ 28,364,293	\$ 28,930,866
Total Net Debt Applicable to Limit	6,953,000	6,383,000	5,988,000	5,713,000	5,438,000
Legal Debt Margin	<u>\$ 21,691,291</u>	<u>\$ 22,086,971</u>	<u>\$ 22,499,745</u>	<u>\$ 22,651,293</u>	<u>\$ 23,492,866</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	24.27 %	22.42 %	21.02 %	20.14 %	18.80 %

	Fiscal Year				
	2010	2011	2012	2013	2014
Debt Limit	\$ 34,025,607	\$ 34,115,608	\$ 30,503,516	\$ 28,943,420	\$ 29,309,875
Total Net Debt Applicable to Limit	1,555,000	1,345,000	1,125,000	895,000	7,168,000
Legal Debt Margin	<u>\$ 32,470,607</u>	<u>\$ 32,770,608</u>	<u>\$ 29,378,516</u>	<u>\$ 28,048,420</u>	<u>\$ 22,141,875</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	4.57 %	3.94 %	3.69 %	3.09 %	24.46 %

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

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

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

<u>Year</u>	<u>Population^a</u>	<u>Personal Income (thousands of dollars)^b</u>	<u>Bergen County Per Capita Personal Income^c</u>	<u>Unemployment Rate^d</u>
2010	5,539	\$ 366,017,120	\$ 66,080	9.30 %
2011	5,573	384,782,212	69,044	9.10 %
2012	5,606	403,368,518	71,953	9.30 %
2013	5,632	402,400,768	71,449	12.10 %
2014	5,657	414,618,501	73,293	5.70 %
2015	5,682	434,036,616	76,388	5.70 %
2016	5,687	438,962,469	77,187	4.30 %
2017	5,614	455,873,642	81,203	4.00 %
2018	5,614	455,873,642 ***	81,203 **	4.30 %
2019	5,705 *	463,263,115 ***	81,203 **	N/A

* - Latest Bergen County per capita personal income available (2017).

** - Latest population data available (2018).

*** - Latest available population data (2018) and latest available Bergen County per capita personal income (2017) was used for calculation purposes.

N/A - Information Unavailable

Source:

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

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

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

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

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

<u>2019</u>		<u>2010</u>	
<u>Employer</u>	<u>Employees</u>	<u>Employer</u>	<u>Employees</u>
		<u>Percentage of</u>	<u>Percentage of</u>
		<u>Total</u>	<u>Total</u>
		<u>Employment</u>	<u>Employment</u>

Information is Not Available

Information is Not Available

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

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

<u>Function/Program</u>	<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>	<u>2019</u>
Instruction:										
Regular	41.0	42.0	42.0	42.0	44.0	45.0	46.0	47.0	47.0	47.0
Support Services:										
Student and Instruction Related Services	13.0	13.0	13.0	13.0	13.0	13.0	19.0	20.0	20.0	21.0
School Administrative Services	2.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0	3.0	3.0
General Administrative Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Plant Operations and Maintenance	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.5	5.5	5.5
Business and Other Support Services	3.0	3.0	3.0	3.0	3.0	3.0		77.5	77.5	2.0
	<u>66.0</u>	<u>67.0</u>	<u>67.0</u>	<u>67.0</u>	<u>69.0</u>	<u>70.0</u>	<u>75.0</u>	<u>77.5</u>	<u>77.5</u>	<u>80.5</u>
Food Service	6.0	6.0	6.0	6.0	6.0	6.0				
Latchkey/After School Program	4.0	4.0	4.0	4.0	4.0	4.0	4.0	6.0	6.0	14.0
	<u>10.0</u>	<u>10.0</u>	<u>10.0</u>	<u>10.0</u>	<u>10.0</u>	<u>10.0</u>	<u>4.0</u>	<u>6.0</u>	<u>6.0</u>	<u>14.0</u>
Total	<u>76.0</u>	<u>77.0</u>	<u>77.0</u>	<u>77.0</u>	<u>79.0</u>	<u>80.0</u>	<u>79.0</u>	<u>83.5</u>	<u>83.5</u>	<u>94.5</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^b	Percentage Change	Teaching Staff ^c	Pupil/Teacher Ratio	Elementary/Middle		% Change in Average Daily Enrollment	Student Attendance Percentage
							Average Daily Enrollment (ADE) ^d	Average Daily Attendance (ADA) ^d		
2010	510	\$ 10,484,639	\$ 20,558	1.51 %	49	10:2	504	483	-0.59 %	95.81 %
2011	452	10,370,242	22,943	11.60 %	47	9:6	452	431	-10.32 %	95.33 %
2012	462	10,442,892	22,604	-1.48 %	47	9:6	462	442	2.21 %	95.67 %
2013	463	10,571,316	22,832	1.01 %	47	9:6	456	435	-1.30 %	95.39 %
2014	458	11,397,000	24,884	8.99 %	48	9:5	458	437	0.44 %	95.41 %
2015	479	12,096,200	25,253	1.48 %	45	9:5	470	448	2.62 %	95.32 %
2016	497	12,157,611	24,462	-3.13 %	45	9:5	497	474	5.74 %	95.37 %
2017	498	12,436,739	24,973	2.09 %	47	9:5	497	474	0.09%	95.37 %
2018	486	13,163,339	27,085	8.46 %	49	9:9	483	460	-2.91%	95.23 %
2019	503	13,661,102	27,159	0.27 %	47	9:9	501	479	3.73%	95.60 %

^a Operating expenditures equal total expenditures less debt service and capital outlay.
^b Cost per pupil is the sum as operating expenditures divided by enrollment. This cost per pupil may be different from the State's per pupil calculations.
^c Teaching staff includes only full-time equivalents of certificated staff.
^d Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

Note: Enrollment based on annual October district count.

Source: Rochelle Park School District records

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

<u>District Building</u>	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Midland School										
Square Feet	33,500	33,500	33,500	33,500	33,500	33,500	33,500	33,500	33,500	33,500
Capacity (Students)	506	506	506	506	506	506	506	506	506	506
Enrollment	510	452	462	463	458	479	497	498	486	503

Number of Schools at June 30, 2019
 Elementary = 1

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

Source: Rochelle Park School District Facilities Office

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

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES ACCOUNT #11-000-261-xxx		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
School Facility	Project #										
Midland School	N/A	\$ 80,275	\$ 71,550	\$ 101,571	\$ 79,657	\$ 77,131	\$ 131,763	\$ 259,403	\$ 295,057	\$ 267,979	\$ 307,201
		\$ 80,275	\$ 71,550	\$ 101,571	\$ 79,657	\$ 77,131	\$ 131,763	\$ 259,403	\$ 295,057	\$ 267,979	\$ 307,201

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

Source: Rochelle Park School District records

ROCHELLE PARK SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2019
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
Northeast Bergen County School Board Insurance Group (NESBIG):		
Package Policy - Great American Insurance Company		
Property	\$ 15,323,399	\$ 5,000
Earthquake/Flood (Outside Zones A & V)	5,000,000	50,000
Flood Zones A & V	1,000,000	500,000
Liability		
Automobile (Comprehensive & Collision)	1,000,000	1,000
Comprehensive General Liability	1,000,000	None
Crime (Non-statutory Bonds)		
Per Employee (Primary)	100,000	5,000
Per Loss (Excess)	400,000	None
Boiler & Machinery	Property Limit	
Environmental - ACE/Chubb	14,000,000	15,000
Fund Aggregate	20,000,000	
Educator's Legal Liability/ Employment Practices - XL	1,000,000	10,000 15,000
Commercial Umbrella - Great American	9,000,000	10,000
Excess Umbrella - Fireman's Fund	50,000,000	
Fund Aggregate (Shared 1/2 Fund)	2,000,000	
Cyber Liability - XL	1,000,000	15,000
Fund Aggregate	6,000,000	
Surety Bond Coverage:		
Treasurer of School Monies	185,000	
Business Administrator	185,000	
Starstone Nat/Markel		
Excess Umbrella	30,000,000	

Source: Rochelle Park School District records

SINGLE AUDIT SECTION



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 200 Valley Road, Suite 300
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 973-298-8500 | 973-298-8501 Fax

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Rochelle Park School District, in the County of Bergen (the "District") as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 11, 2019.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

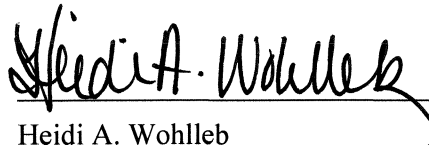
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

Purpose of this Report

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

November 11, 2019
Mount Arlington, New Jersey

NISIVOCCIA LLP



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

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

Independent Auditors' Report

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

Report on Compliance for Each Major State Program

We have audited the Board of Education of the Rochelle Park School District's (the "District's") compliance with the types of compliance requirements described in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major state programs for the fiscal year ended June 30, 2019. The District's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditors' Responsibility

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

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

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

Opinion on Each Major State Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2019.

Report on Internal Control Over Compliance

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

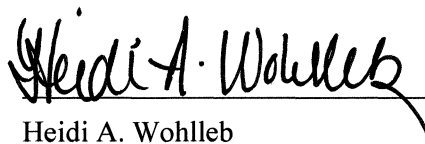
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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

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

November 11, 2019
Mount Arlington, New Jersey

NISIVOCCIA LLP


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

ROCHELLE PARK SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Federal Grantor Pass Through Grantor/ Program/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2018		Cash Received	Budgetary Expenditures	Amounts Provided to Subrecipients	Balance at June 30, 2019		
					Unearned Revenue (Accounts Receivable)	Due to Grantor				(Accounts Receivable)	Unearned Revenue	
U.S. Department of Agriculture												
Passed-through State Department of Agriculture:												
Child Nutrition Cluster:												
National School Lunch Program	10.555	N/A	7/1/17-6/30/18	48,895	\$ (3,707)		\$ 3,707					
National School Lunch Program	10.555	N/A	7/1/18-6/30/19	54,435			50,708	\$ (54,435)		\$ (3,727)		
National School Breakfast Program	10.553	N/A	7/1/17-6/30/18	1,745	(176)		176					
National School Breakfast Program	10.553	N/A	7/1/18-6/30/19	2,283			2,092	(2,283)		(191)		
Federal Food Distribution Program	10.555	N/A	7/1/17-6/30/18	11,025	198			(198)				
Federal Food Distribution Program	10.555	N/A	7/1/18-6/30/19	11,738			11,738	(11,213)		\$ 525		
Total Child Nutrition Cluster					(3,685)		68,421	(68,129)		(3,918)	525	
Total U.S. Department of Agriculture					(3,685)		68,421	(68,129)		(3,918)	525	
Total Enterprise Funds												
U.S. Department of Education												
Passed-through State Department of Education:												
Special Revenue Fund:												
Elementary and Secondary Education Act:												
Title I - Part A	84.010A	ESEA-4470-18	7/1/17-6/30/18	57,837	(2,603)		2,603					
Title IV - Part A	84.424	ESEA-4470-18	7/1/17-6/30/18	10,000	(3,001)		3,001					
Title I - Part A	84.010A	ESEA-4470-19	7/1/18-6/30/19	58,262				(58,262)		(58,262)		
Title II - Part A	84.367A	ESEA-4470-19	7/1/18-6/30/19	10,771				(10,771)		(10,771)		
Title III - English Language Enhancement	84.365	ESEA-4470-19	7/1/18-6/30/19	6,702				(10,000)		(10,000)		
Title IV - Part A	84.424	ESEA-4470-19	7/1/18-6/30/19	10,000	(5,604)		5,604	(79,033)		(79,033)		
Special Education Cluster:												
IDEA Part B, Basic	84.027	IDEA-4470-18	7/1/17-6/30/18	127,805	(24,398)		24,398					
IDEA Part B, Basic	84.027	IDEA-4470-19	7/1/18-6/30/19	124,065			124,065	(124,065)				
IDEA Part B, Preschool	84.173	IDEA-4470-19	7/1/18-6/30/19	5,297			5,297	(5,297)				
Total Special Education Cluster					(24,398)		153,760	(129,362)				
Total Special Revenue Fund					(30,002)		159,364	(208,395)		(79,033)		
Total U.S. Department of Education					(30,002)		159,364	(208,395)		(79,033)		
Total Federal Financial Awards					\$ (33,687)	\$ -0-	\$ 227,785	\$ (276,524)	\$ -0-	\$ (82,951)	\$ 525	
											\$ -0-	
N/A - Not Available/Applicable												

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

ROCHELLE PARK SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance June 30, 2019		Cash Received	Budgetary Expenditures	Balance June 30, 2019		Memo
				(Accounts Receivable)	(Accounts Receivable)			(Accounts Receivable)	(Accounts Receivable)	
State Department of Education:										
General Fund:										
Special Education Categorical Aid	18-495-034-5120-089	7/1/17-6/30/18	\$ 378,613	\$ (19,084)	\$ 19,084					\$ 378,613
Special Education Categorical Aid	19-495-034-5120-089	7/1/18-6/30/19	378,613		365,841	\$ (378,613)		\$ (12,772)		378,613
Security Aid	18-495-034-5120-084	7/1/17-6/30/18	47,531	(2,396)	2,396					47,531
Security Aid	19-495-034-5120-084	7/1/18-6/30/19	47,531		45,927	(47,531)		(1,604)		47,531
Transportation Aid	18-495-034-5120-014	7/1/17-6/30/18	31,373	(1,581)	1,581					31,373
Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	103,197		99,716	(103,197)		(3,481)		103,197
PARCC Readiness Aid	18-495-034-5120-098	7/1/17-6/30/18	6,430	(324)	324					6,430
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17-6/30/18	6,430	(324)	324					6,430
Professional Learning Community Aid	18-495-034-5120-101	7/1/17-6/30/18	6,480	(327)	327					6,480
Host District Aid	18-495-034-5120-102	7/1/17-6/30/18	1,434	(72)	72					1,434
Extraordinary Special Education Aid	18-495-034-5120-044	7/1/17-6/30/18	64,572	(64,572)	64,572					64,572
Extraordinary Special Education Aid	19-495-034-5120-044	7/1/18-6/30/19	166,049			(166,049)		(166,049)		166,049
Nonpublic Transportation	18-495-034-5120-014	7/1/17-6/30/18	14,637	(14,637)	14,637					14,637
Nonpublic Transportation	19-495-034-5120-014	7/1/18-6/30/19	14,825			(14,825)		(14,825)		14,825
Reimbursed TPAF Social Security Contributions	18-495-034-5094-003	7/1/17-6/30/18	292,928	(14,855)	14,855					292,928
Reimbursed TPAF Social Security Contributions	19-495-034-5094-003	7/1/18-6/30/19	312,419		312,419	(312,419)		(14,825)		312,419
On-Behalf TPAF Post Retirement Contributions	19-495-034-5094-001	7/1/18-6/30/19	353,708		353,708	(353,708)				353,708
On-Behalf TPAF Pension Contributions	19-495-034-5094-002	7/1/18-6/30/19	763,794		763,794	(763,794)				763,794
On-Behalf TPAF Non-Contributory Insurance	19-495-034-5094-004	7/1/18-6/30/19	15,988		15,988	(15,988)				15,988
On-Behalf TPAF Long-Term Disability Insurance	19-495-034-5094-004	7/1/18-6/30/19	695		695	(695)				695
Total General Fund State Aid				(118,172)	2,076,260	(2,156,819)		(180,874)	(198,731)	3,007,247
Debt Service Fund:										
Debt Service Aid Type II	19-495-034-5120-125	7/1/18-6/30/19	153,706		153,706	(153,706)				153,706
Total Debt Service Fund					153,706	(153,706)				153,706

ROCHELLE PARK SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance		Memo	
				June 30, 2018 (Accounts Receivable)	Cash Received	June 30, 2019 GAAP (Accounts Receivable)	Budgetary (Accounts Receivable)
Enterprise Fund:							
State School Lunch Program	18-100-010-3350-023	7/1/17-6/30/18	\$ 2,084	\$ (162)	\$ 162		\$ 2,084
State School Lunch Program	19-100-010-3350-023	7/1/18-6/30/19	2,286	(162)	2,124		2,286
Total Enterprise Fund					2,286		4,370
Capital Projects Fund:							
Schools Development Authority:							
Educational Facilities Construction & Financing Act:							
Midland Elementary School#1- Sprinkler System Construction Services	4470-050-14-1003	7/1/13-12/31/19	122,200	(122,200)			
Total Capital Projects Fund							
Total State Awards Subject to Single Audit Determination							
				\$ (240,534)	\$ 2,232,252	\$ (2,312,811)	\$ (321,093)
							\$ 3,165,323
Less: State Awards Not Subject to Single Audit Major Program Determination							
On-Behalf TPAF Pension System Contributions:							
On-Behalf TPAF Post Retirement Contributions	19-495-034-5094-001	7/1/18-6/30/19	(353,708)				\$ 353,708
On-Behalf TPAF Pension Contributions	19-495-034-5094-002	7/1/18-6/30/19	(763,794)				763,794
On-Behalf TPAF Non-Contributory Insurance	19-495-034-5094-004	7/1/18-6/30/19	(15,988)				15,988
On-Behalf TPAF Long-Term Disability Insurance	19-495-034-5094-004	7/1/18-6/30/19	(695)				695
Subtotal - On-Behalf TPAF Pension System Contribution					1,134,185		
Total State Awards Subject to Single Audit Major Program Determination							\$ (1,178,626)

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

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards (the "Schedules") include the federal and state grant activity of the Rochelle Park School District under programs of the federal and state governments for the fiscal year ended June 30, 2019. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. Summary of Significant Accounting Policies

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

NOTE 3. Indirect Cost Rate

The District has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 4. Relationship to Basic Financial Statements

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$6,251 for the general fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

ROCHELLE PARK SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 2,163,070	\$ 2,163,070
Special Revenue Fund	\$ 208,395		208,395
Debt Service Fund		153,706	153,706
Food Service Fund	<u>68,129</u>	<u>2,286</u>	<u>70,415</u>
Total Awards	<u>\$ 276,524</u>	<u>\$ 2,319,062</u>	<u>\$ 2,595,586</u>

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6. FEDERAL AND STATE LOANS OUTSTANDING

Rochelle Park School District had no outstanding federal or state loan balances at June 30, 2019.

NOTE 7. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2019. Revenue and expenditures reported under the Federal Food Distribution Program represent current year value received and current year distributions, respectively.

NOTE 8. NJ SCHOOLS DEVELOPMENT AUTHORITY (SDA) GRANTS

The District has an active grant awarded in the amount of \$122,200 from the Schools Development Authority (SDA) under the Educational Facilities Construction and Financing Act. As of June 30, 2019, the grant funds have not been expended, or drawn down or received. The District realizes grant revenue in the Capital Projects Fund on the GAAP basis as it is expended and submitted for reimbursement.

ROCHELLE PARK SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major State Program; Report on Internal Control Over Compliance*.
- The auditor's report on compliance for the major state programs for the District expresses an unmodified opinion on all major state programs.
- The District was not subject to the single audit provisions of the Uniform Guidance for the fiscal year ended June 30, 2019 as federal grant expenditures were less than the single audit threshold of \$750,000 identified in the Uniform Guidance.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District's programs tested as major state programs for the current fiscal year consisted of the following state aid:

	State Grant Number	Grant Period	Award Amount	Budgetary Expenditures
State Aid - Public:				
Special Education Categorical Aid	19-495-034-5120-089	7/1/18-6/30/19	\$ 378,613	\$ 378,613
Security Aid	19-495-034-5120-084	7/1/18-6/30/19	47,531	47,531

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

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

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

ROCHELLE PARK SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Findings and Questioned Costs for Federal Awards:

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

Findings and Questioned Costs for State Awards:

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

ROCHELLE PARK SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Status of Prior Year Findings:

There were no prior year audit findings.