

SCHOOL DISTRICT

OF

ROSELLE PARK

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

ROSELLE PARK BOARD OF EDUCATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

PREPARED BY

**ROSELLE PARK BOARD OF EDUCATION
FINANCE DEPARTMENT**

ROSELLE PARK SCHOOL DISTRICT

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*Private citizens should be listed as Individual Taxpayer 1, Individual Taxpayer 2, etc.

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INTRODUCTORY SECTION

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

"A High Performing District"

Pedro Garrido
Superintendent of Schools
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Michelle Calas
School Business Administrator/
Board Secretary
(908) 245-2103

December 5, 2019

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

Dear Board Members:

The Comprehensive Annual Financial Report of the Roselle Park School District for the fiscal year ended June 30, 2019, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rest with the management of the board of education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the district. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

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

1. **REPORTING ENTITY AND ITS SERVICES:** The Roselle Park School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No.3. All funds and account groups of the district are included in this report. The Roselle Park Board of Education and all its schools constitute the district's reporting entity.

The district provides a full range of educational services appropriate to grade levels pre-school handicapped, and grades kindergarten through 12 (K-12). These include regular and special education for handicapped youngsters. The district also provides after-school care (extended day) for elementary and middle school children, and a summer camp for parents who need or desire care for their children beyond the traditional school year.

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

The district completed the 2018-2019 school year with an enrollment of 2081 students, which represents an increase of 22 students over the previous June 30 enrollment.

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

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

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

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

Diverse opportunities for job embedded support have been established throughout the district, such as weekly Professional Learning Community (PLC) meetings, monthly articulation meetings, optional after hours learning opportunities, release time for assessment review, data analysis, and small group coaching/lesson rehearsal. Our teaching and administrative staff led

formal and informal staff development experiences as often as possible, with 3. expert consultants used to lead professional learning opportunities when necessary.

A new structure was put in place for the 2018-19 school year for District Articulation Meetings. Instead of ten building based articulation meetings, this year principals have their full staff for five meetings. The other five meeting dates will be used for K-12 content/subject to meet, comprised of teachers ranging from preschool to High School level, led by an administrator. The goal is to build collegial relationships across buildings based on the focus content of the group. Despite the scheduling challenges due to staggered start/dismissal times between elementary and secondary buildings, the new relationships established on content/subject areas taught made this initiative a success. Special projects such as Holocaust, Amistad, and Financial Literacy curricula were refined and strengthened during these meetings.

Curriculum continues to be updated and digitized using eDoctrina. This program is accessible online and offers many features to enable curriculum to evolve into "living documents" and resource warehouses for staff to foster collaboration and consistency across buildings and grade levels. In-service time was used to begin to conduct an audit of district curriculum, with an emphasis on utilizing the software more consistently to ensure all curriculum units are structured similarly throughout the district. This work will continue into the 2019-2020 school year.

The district invested in LinkIt to support our teachers' ability to provide data driven instruction to meet individual student needs. After a successful pilot, LinkIt was adopted for use in grades K-8, with research based formative assessments administered online in Math and English Language Arts three times per year to students in grades 2-8. The ongoing curriculum work noted above considered key points and trends identified in the data, as well as program updates and resource investments were prioritized to meet the identified needs of students. LinkIt benchmark assessments will be extended into grades 9 and 10 at the High School in 2019-2020, following a similar implementation and support plan used to introduce these new tools in grades 2-8 in 2018-2019. Following the direction of NJDOE, emphasis will be placed on facilitating academic growth in subgroup populations, which is also a district goal for 2019-20.

We continue to support technology integration throughout the district and foster digital communication with parents and our community. We piloted digital registration with preschool students and established digital registration procedures for incoming Kindergarten students. We continued our successful 1:1 laptop initiative in grades 6-12, now in its fourth year. Based on our experience in the first four-year purchase cycle of 1:1 devices, the district will purchase Chromebooks for Middle School students for the next cycle of our 1:1 initiative. With technology access now consistent across the district, our attention shifted to effective implementation of technology to improve teaching and learning experiences. We continue to find innovative ways to maintain district technology equipment to minimize down time when the inevitable technology glitches occur. Our technology department added full time staff to meet the growing support needs of our staff and students during the 18-19 school year. A priority of the expanded Technology

Department is to clearly outline the technology resources available to staff, 4. the expectations for use of resources and online programs, and guidance to procure access, technical assistance, and/or coaching to improve teaching and learning through the effective use of technology.

Once again, a summer program was offered to Title 1 and ESL students who completed grades K-8, funded by the ESEA grant. Approximately 100 students attended this valuable learning experience over the course of six weeks, including 8 High School mentors who facilitated learning experiences under the guidance of our summer program teachers. We intend to continue to formalize the structure and expectations for student mentors, with the intention of increasing the number of mentors to 10-15 for the summer of 2020.

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

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

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

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

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

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

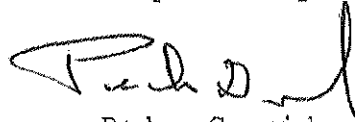
7. **CASH MANAGEMENT:** The investment policy of the district is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

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

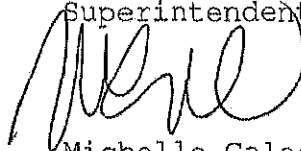
9. **OTHER INFORMATION:** **Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Robert A. Hulsart and Company, CPA's, conducted the audit for the board of education. In addition to meeting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

10. ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Roselle Park Board of Education for their desire to provide fiscal accountability to the citizens and taxpayers of the school district, and thereby contributing their full support to the development and maintenance of our financial operations. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,



Pedro Garrido
Superintendent of Schools



Michelle Calas
School Business Administrator/Board Secretary

"Where Children Come First"

ROSELLE PARK BOARD OF EDUCATION**ROSELLE PARK, NEW JERSEY****ROSTER OF OFFICIALS****JUNE 30, 2019**

<u>Members of the Board of Education</u>	<u>Term</u>
Loren Harms, President	2019
Joseph Signorello, Jr., Vice President	2019
Susan Carlstrom	2021
Marissa Falcon	2021
Chad Hemenway	2020
Matthew Leingang	2020
Christopher Miller	2020
Kimberly Powers	2019
Khamele McLeod-Cato	2021

Other Officials

Pedro Garrido, Superintendent

Susan M. Guercio, Board Secretary/School Business Administrator

Gregory Meyer, Treasurer

Anthony Sciarrillo, Esq., Board Attorney

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

Audit Firm

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

Attorney

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

Official Depository

TD Bank, N.A.
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Roselle, New Jersey 07203

Architect

Di Cara Rubino Architects
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Wayne, New Jersey 07470

Health and Dental

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

Property and Casualty

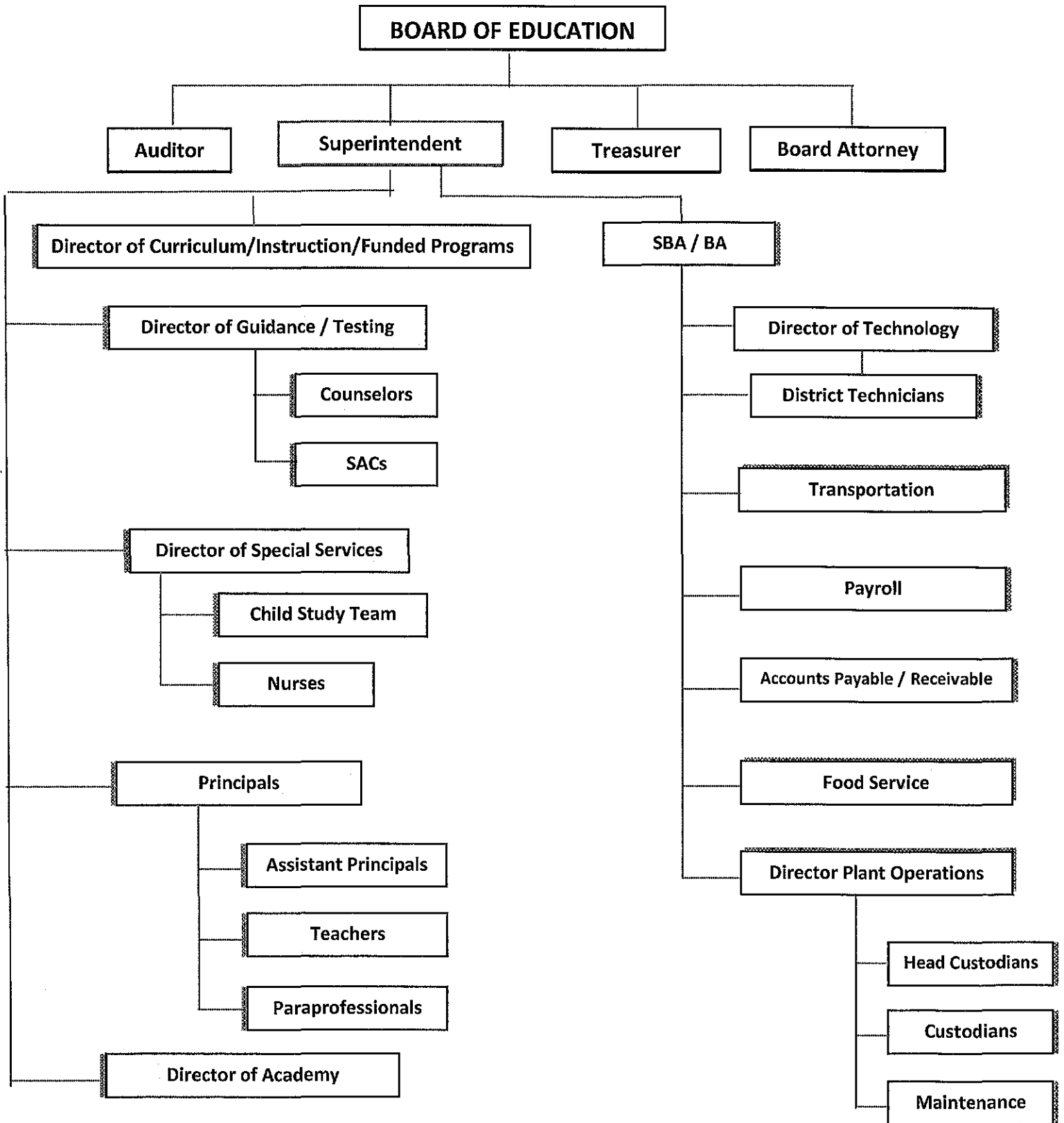
Davies & Associates, Inc.
80 Floral Avenue
Murray Hill Square
Murray Hill, New Jersey 07974

Bond Counsel

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

ROSELLE PARK SCHOOL DISTRICT ORGANIZATIONAL CHART

June 30, 2019



FINANCIAL SECTION

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

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Roselle Park School District, in the County of Union, State of New Jersey, as of and for the year ended June 30, 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 an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

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

Other Matters

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

The accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, and statistical information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standard generally accepted in the United States of America. In our opinion, the accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, and statistical information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, and statistical information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

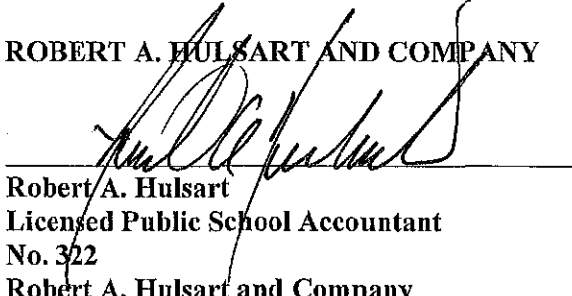
The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid respectively, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2019 on our consideration of the Roselle Park's Board of Education internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Roselle Park Board of Education's internal control over financial reporting and compliance.

Respectfully submitted,

ROBERT A. HULSART AND COMPANY



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

December 5, 2019

REQUIRED SUPPLEMENTARY INFORMATION
PART I

ROSELLE PARK PUBLIC SCHOOL DISTRICT
BOROUGH OF ROSELLE PARK
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

The discussion and analysis of Roselle Park School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2019. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; it should be read in conjunction with the Comprehensive Annual Financial Report's (CAFR) Letter of Transmittal which is found in the Introductory Section, and the School Board's financial statements found in the Financial Section and the notes thereto.

Financial Highlights

Key Financial highlights for the 2018-2019 fiscal year are as follows:

- Total assets as of June 30, 2019 were \$47,677,290 which included \$857,751 for Proprietary funds.
- The total Governmental net position included \$37,927,609 of capital assets and \$3,918,988 of restricted assets designated capital reserve, maintenance reserve and designations for subsequent years.
- Total revenues for the year were \$43,287,617 which included \$41,720,424 in Governmental Funds, and \$1,567,193 for Proprietary Funds.
- There was state aid payments of \$1,143,164 that was not made in 2018-19 as a result of the New Jersey Legislature's Appropriations Act. This amount will be received in 2019-20.
- Proprietary Fund revenues included \$938,374 for food service and \$628,819 for Summer Camp programs.
- Total District expenditures were \$41,135,014 of which \$39,659,834 were for Governmental Funds and \$1,475,180 for Proprietary Funds.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

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

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

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

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

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Proprietary Funds

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

The School District as a Whole

Table 1 provides a summary of the School District's net position for the fiscal year 2017-2018 and 2018-2019.

Table 1
Net Position

	<u>2018-2019</u>	<u>2017-2018</u>
<u>Assets</u>		
Current and Other Assets	\$ 4,753,697	3,119,377
Capital Assets, Net	<u>42,923,593</u>	<u>42,298,285</u>
Total Assets	<u>\$ 47,677,290</u>	<u>45,417,662</u>
<u>Deferred Outflows of Resources</u>		
Contribution to Pension Plans	<u>\$ 1,892,467</u>	<u>2,700,154</u>
<u>Deferred Inflows of Resources</u>		
Pension Deferrals	<u>\$ 3,084,709</u>	<u>2,320,919</u>
<u>Liabilities</u>		
Long-Term Liabilities	\$ 12,143,725	13,979,814
Other Liabilities	<u>1,612,934</u>	<u>1,241,297</u>
Total Liabilities	<u>\$ 13,756,659</u>	<u>15,221,111</u>
<u>Net Position</u>		
Invested in Capital Assets, Net of Debt	\$ 37,927,609	37,599,631
Restricted	3,918,988	2,623,463
Unrestricted	<u>(9,118,208)</u>	<u>(9,647,308)</u>
Total Net Position	<u>\$ 32,728,389</u>	<u>30,575,786</u>

Table 2 shows the changes in net position for fiscal year 2018-2019 and 2017-2018.

Table 2
Changes in Net Position

	<u>2018-2019</u>	<u>2017-2018</u>
<u>Revenues</u>		
Program Revenues		
Charges for Services	\$ 1,338,393	1,300,719
Operating Grants and Contributions	1,765,776	1,287,263
General Revenues		
Property Taxes	22,446,878	22,240,947
Grants and Entitlements	17,534,978	16,230,573
Other	<u>93,068</u>	<u>82,056</u>
Total Revenues	<u>43,179,093</u>	<u>41,141,558</u>
<u>Program Expenses</u>		
Instruction	15,669,531	15,811,534
Tuition	1,865,979	1,688,553
Depreciation	227,910	225,588
Support Services		
Pupils/Instructional Services	3,994,649	3,889,398
Administrative-General, School, Business	2,451,514	2,528,470
Operations and Maintenance of Facilities	2,784,577	2,952,007
Pupil Transportation	439,710	502,134
Employee Benefits	11,220,581	11,531,414
Debt Service	151,011	156,379
Capital Outlay	844,574	673,818
Charter Schools	9,798	9,273
Enterprise	<u>1,475,180</u>	<u>1,297,508</u>
Total	<u>41,135,014</u>	<u>41,266,076</u>
Adjustment for Transfers	<u>108,524</u>	<u>(117,747)</u>
Increase (Decrease) in Net Position	<u>\$ 2,152,603</u>	<u>(242,265)</u>

Governmental Activities

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

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

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

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

Governmental Activities (Continued)

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

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

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

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

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

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

Business-Type Activities

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

- Food service revenues exceeded expenses by \$56,346.
- Charges for services represent \$493,581 of revenue. This represents amount paid by patrons for daily food services.
- Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities was \$444,793.
- The Summer Camp program, which has a fee for service program, had total revenues of \$628,819.

The School Board's Funds

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

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

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

The School Board's Funds (Continued)

On June 30, 2019 the district's General Fund balance was \$4,806,895. This amount will be reduced by encumbrances of \$1,308,913, \$1,214,874 for Capital Reserve, and \$543,705 of excess surplus which is mandated for tax relief in 2019-2020; and \$861,609 for tax relief in 2020-2021, \$37,519 in maintenance reserve leaving an unrestricted balance of \$840,275. The unrestricted balance represents 2% of the current year's budget. This relatively low surplus is primarily the result of utilizing surplus funds in previous years for tax relief, and the reduction of state aid.

Capital Assets

At June 30, 2019, the School Board had approximately \$42,923,593 million invested in a broad range of capital assets, including land, buildings, furniture, vehicles, computers, instructional equipment and other equipment. This amount is net of accumulated depreciation to date. Table 3 below shows the net book value of capital assets at the end of the 2019 fiscal year.

Table 3

	<u>Governmental Activities</u>	<u>Business Type Activities</u>
Capital Assets at June 30, 2019		
Land and Improvements	\$ 29,266,834	
Buildings and Sites	13,448,385	
Machinery, Equipment and Vehicles	<u>208,374</u>	<u>0</u>
Total	<u>\$ 42,923,593</u>	<u>0</u>

Debt Administration

At June 30, 2019, the School District had \$13,387,494 as outstanding debt. Of this amount \$952,894 is for compensated absences, and \$3,345,000 for bonds for school improvement, \$1,650,984 in capital leases; and \$7,438,616 for pension liability.

Economic Factors and Next Year's Budget

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

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

Contacting the School District's Financial Management

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS – A

STATEMENT OF NET POSITION

Exhibit A-1

JUNE 30, 2019

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ 566,994	824,045	1,391,039
Receivables, Net	671,245	25,519	696,764
Inventory		8,187	8,187
Restricted Assets:			
Cash and Cash Equivalents	2,657,707		2,657,707
Capital Assets - (Non-Depreciable)	29,266,834		29,266,834
Capital Assets, Net (Note 1)	13,656,759		13,656,759
Total Assets	<u>46,819,539</u>	<u>857,751</u>	<u>47,677,290</u>
<u>Deferred Outflow of Resources</u>			
Contribution to Pension Plan	<u>1,892,467</u>		<u>1,892,467</u>
<u>Deferred Inflow of Resources</u>			
Pension Deferrals	<u>3,084,709</u>		<u>3,084,709</u>
<u>Liabilities</u>			
Accounts Payable and Accrued Interest	133,566	10,509	144,075
Deferred Revenue	225,090		225,090
Noncurrent Liabilities: (Note 3)			
Due Within One Year	1,243,769		1,243,769
Due Beyond One Year	12,143,725		12,143,725
Total Liabilities	<u>13,746,150</u>	<u>10,509</u>	<u>13,756,659</u>
<u>Net Position</u>			
Invested in Capital Assets, Net of Related Debt	37,927,609		37,927,609
Restricted For:			
Other Purposes	3,918,988		3,918,988
Unrestricted	<u>(9,965,450)</u>	<u>847,242</u>	<u>(9,118,208)</u>
Total Net Position	<u>\$ 31,881,147</u>	<u>847,242</u>	<u>32,728,389</u>

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

ROSELLE PARK SCHOOL DISTRICT

Exhibit A-2

Sheet 1 of 2

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2019

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<u>Functions/Programs</u>						
Governmental Activities:						
Instruction:						
Regular	\$10,300,928			(10,300,928)		(10,300,928)
Special Education	3,438,364		1,004,713	(2,433,651)		(2,433,651)
Other Special Instruction	849,147			(849,147)		(849,147)
Other Instruction	1,081,092			(1,081,092)		(1,081,092)
Support Services:						
Tuition	1,865,979	215,993		(1,649,986)		(1,649,986)
Student & Instruction Related Services	3,994,649		302,229	(3,692,420)		(3,692,420)
School Administrative Services	1,312,664			(1,312,664)		(1,312,664)
General and Business Administrative Services	1,138,850			(1,138,850)		(1,138,850)
Plant Operations and Maintenance	2,784,577			(2,784,577)		(2,784,577)
Pupil Transportation	439,710			(439,710)		(439,710)
Employee Benefits	11,220,581			(11,220,581)		(11,220,581)
Charter Schools	9,798			(9,798)		(9,798)
Capital Outlay	844,574		14,041	(830,533)		(830,533)
Interest on Long-Term Debt	151,011			(151,011)		(151,011)
Depreciation	227,910			(227,910)		(227,910)
Total Government Activities	<u>39,659,834</u>	<u>215,993</u>	<u>1,320,983</u>	<u>(38,122,858)</u>	<u>-</u>	<u>(38,122,858)</u>
Business-Type Activities:						
Food Service and Miscellaneous	1,475,180	1,122,400	444,793		92,013	92,013
Total Business-Type Activities	<u>1,475,180</u>	<u>1,122,400</u>	<u>444,793</u>	<u>-</u>	<u>92,013</u>	<u>92,013</u>
Total Primary Government	<u>41,135,014</u>	<u>1,338,393</u>	<u>1,765,776</u>	<u>(38,122,858)</u>	<u>92,013</u>	<u>(38,030,845)</u>

ROSELLE PARK SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

Exhibit A-2

Sheet 2 of 2

FOR THE YEAR ENDED JUNE 30, 2019

	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities
General Revenues:					
Taxes					
Property Taxes, Levied for General Purpose, Net			21,754,978		21,754,978
Taxes Levied for Debt Service			691,900		691,900
Federal and State Aid Not Restricted			17,534,978		17,534,978
Miscellaneous Income			93,068		93,068
Adjustment for Transfers Net			108,524		108,524
Total General Revenues and Transfers			<u>40,183,448</u>	<u>-</u>	<u>40,183,448</u>
Change in Net Position			2,060,590	92,013	2,152,603
Net Position - Beginning			<u>29,820,557</u>	<u>755,229</u>	<u>30,575,786</u>
Net Position - Ending			<u>\$ 31,881,147</u>	<u>847,242</u>	<u>32,728,389</u>

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

FUND FINANCIAL STATEMENTS – B

BALANCE SHEETGOVERNMENTAL FUNDSJUNE 30, 2019

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ 3,224,701		3,224,701
Receivables, Net	386,446	284,799	671,245
Interfund Receivable	107,341		107,341
Total Assets	<u>\$ 3,718,488</u>	<u>284,799</u>	<u>4,003,287</u>
<u>Liabilities and Fund Balance</u>			
Liabilities:			
Interfund Payable	\$ -	107,341	107,341
Accounts Payable	54,757		54,757
Deferred Revenue		225,090	225,090
Total Liabilities	<u>54,757</u>	<u>332,431</u>	<u>387,188</u>
Fund Balance:			
Restricted for:			
Excess Surplus	861,609		861,609
Committed To:			
Capital Reserve Account	1,214,874		1,214,874
Maintenance Reserve	37,519		37,519
Assigned To:			
Designated for Subsequent Year's Expenditures			
Excess Surplus	543,705		543,705
Other Purposes	1,308,913		1,308,913
Unassigned:			
Special Revenue		(47,632)	(47,632)
General Fund	(302,889)		(302,889)
Total Fund Balances	<u>3,663,731</u>	<u>(47,632)</u>	<u>3,616,099</u>
Total Liabilities and Fund Balance	<u>\$ 3,718,488</u>	<u>284,799</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$55,353,150 and the accumulated depreciation is \$12,429,557.

42,923,593

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.

(13,387,494)

Deferred outflow of resources - contributions to the pension plan

1,892,467

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

(3,084,709)

Accrued Interest

(78,809)

Net Position of Governmental Activities

\$ 31,881,147

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

ROSELLE PARK SCHOOL DISTRICT

Exhibit B-2
Sheet 1 of 2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2019

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>Revenues</u>				
Local Sources:				
Local Tax Levy	\$ 21,754,978		691,900	22,446,878
Tuition Charges	215,993			215,993
Restricted Miscellaneous Funds	72,000			72,000
Miscellaneous	21,068	15,006		36,074
Total Local Sources	<u>22,064,039</u>	<u>15,006</u>	<u>691,900</u>	<u>22,770,945</u>
State Sources	17,473,748	378,128		17,851,876
Federal Sources	61,230	927,849		989,079
Total Revenues	<u>39,599,017</u>	<u>1,320,983</u>	<u>691,900</u>	<u>41,611,900</u>
<u>Expenditures</u>				
Current:				
Regular Instruction	10,549,523			10,549,523
Special Education Instruction	2,386,019	1,052,345		3,438,364
Other Special Instruction	849,147			849,147
Other Instruction	1,081,092			1,081,092
Support Services and Undistributed Costs:				
Tuition	1,865,979			1,865,979
Student and Instruction Related Services	3,692,420	302,229		3,994,649
School Administrative Services	1,312,664			1,312,664
Other Administrative Services	1,138,850			1,138,850
Plant Operations and Maintenance	2,784,577			2,784,577
Pupil Transportation	439,710			439,710
Unallocated Benefits	11,310,892			11,310,892
Debt Service:				
Principal			540,000	540,000
Interest and Other Charges			151,900	151,900
Capital Outlay	846,778	14,041		860,819
Charter Schools	9,798			9,798
Total Expenditures	<u>38,267,449</u>	<u>1,368,615</u>	<u>691,900</u>	<u>40,327,964</u>

ROSELLE PARK SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

Exhibit B-2
Sheet 2 of 2

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2019

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,331,568</u>	<u>(47,632)</u>	<u>-</u>	<u>1,283,936</u>
Other Financing Sources/(Uses):				
Adjustment for Accounts Payable	(54,757)			(54,757)
Adjustment for Transfers (Net)	<u>163,281</u>			<u>163,281</u>
Net Change in Fund Balances	<u>108,524</u>	<u>-</u>	<u>-</u>	<u>108,524</u>
Total Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources/(Uses)	1,440,092	(47,632)	-	1,392,460
Fund Balance - July 1	<u>2,223,639</u>			<u>2,223,639</u>
Fund Balance - June 30	<u>\$ 3,663,731</u>	<u>(47,632)</u>	<u>-</u>	<u>3,616,099</u>

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

ROSELLE PARK SCHOOL DISTRICT

Exhibit B-3

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURESAND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDSTO THE STATEMENT OF ACTIVITIESJUNE 30, 2019

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$ 1,392,460
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:	
Capital Outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.	
Depreciation Expense	(227,910)
Capital Outlays	<u>16,245</u>
	(211,665)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.	540,000
Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.	889
Accrued Interest	
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position	(807,687)
Net Pension Liability	1,661,788
Pension Related Deferrals	(763,790)
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).	<u>248,595</u>
Change in Net Position of Governmental Activities	<u>\$ 2,060,590</u>

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

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

Exhibit B-4

PROPRIETARY FUNDS**JUNE 30, 2019**

	<u>Business-Type Activities Enterprise Funds</u>
<u>Assets</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 824,045
Accounts Receivable:	
State	579
Federal	21,823
Other	3,117
Inventory	8,187
Total Current Assets	<u>857,751</u>
Noncurrent Assets:	
Equipment	303,698
Accumulated Depreciation	<u>(303,698)</u>
Total Fixed Assets	<u>-</u>
Total Assets	<u>\$ 857,751</u>
<u>Liabilities</u>	
Current Liabilities:	
Accounts Payable	<u>\$ 10,509</u>
Total Current Liabilities	<u>\$ 10,509</u>
<u>Net Position</u>	
Unrestricted	<u>\$ 847,242</u>
Total Net Position	<u>\$ 847,242</u>

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

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

Exhibit B-5

PROPRIETARY FUNDSJUNE 30, 2019

	<u>Business-Type Activities Enterprise Funds</u>
Operating Revenues:	
Daily Sales - Reimbursable	\$ 294,662
Daily Sales - Non Reimbursable	198,919
Fees Charged	628,819
Total Operating Revenues	<u>1,122,400</u>
Operating Expenses:	
Salaries	735,851
Other Employee Benefits	97,732
Cost of Goods Sold - Reimbursable	264,660
Cost of Goods Sold - Non Reimbursable	153,149
Contracted Services	63,729
Supplies and Materials	45,073
Utilities	28,596
Depreciation	357
Miscellaneous	86,033
Operating Expenses	<u>1,475,180</u>
Operating Gain/(Loss)	(352,780)
Non-Operating Revenues:	
State Sources:	
State School Lunch Program	9,702
Federal Sources:	
National School Lunch Program	318,425
PB Lunch Program	11,103
Breakfast Program	29,384
Food Distribution Program	76,179
Total Non-Operating Revenues	<u>444,793</u>
Change in Net Position	92,013
Total Net Position - Beginning	<u>755,229</u>
Total Net Position - Ending	<u>\$ 847,242</u>

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

ROSELLE PARK SCHOOL DISTRICTSTATEMENT OF CASH FLOWSPROPRIETARY FUNDSJUNE 30, 2019

Exhibit B-6

	<u>Business-Type Activities Enterprise Funds</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 1,122,400
Payments for Salaries	(735,851)
Payments to Suppliers	(679,378)
Net Provided (Used) by Operating Activities	<u>(292,829)</u>
Cash Flows from Noncapital Financing Activities	
Federal & State Sources	<u>368,614</u>
Net Cash Provided by Noncapital Financing Activities	<u>368,614</u>
Net Increase (Decrease) in Cash and Cash Equivalents	75,785
Balances - Beginning of Year	<u>748,260</u>
Balances - End of Year	<u>\$ 824,045</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ (352,780)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities	
Federal Commodities Consumed	76,179
Depreciation	357
Decrease/(Increase) in Inventory	143
(Decrease)/Increase in Accounts Payable	(16,743)
Decrease/(Increase) in Accounts Receivable	15
Net Provided (Used) by Operating Activities	<u>\$ (292,829)</u>

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

ROSELLE PARK SCHOOL DISTRICTSTATEMENT OF FIDUCIARY NET POSITION

Exhibit B-7

FIDUCIARY FUNDSJUNE 30, 2019

	<u>Unemployment Compensation Trust</u>	<u>Scholarship Fund</u>
Assets:		
Cash and Cash Equivalents	\$ 40,868	1,871
Total Assets	<u>\$ 40,868</u>	<u>1,871</u>
Net Position:		
Reserved - Scholarship	\$ -	1,871
Reserved - Unemployment Benefits	40,868	
Total Net Position	<u>\$ 40,868</u>	<u>1,871</u>

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

ROSELLE PARK SCHOOL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Exhibit B-8

FIDUCIARY FUNDS

JUNE 30, 2019

	<u>Unemployment Compensation Trust</u>	<u>Scholarship Fund</u>
<u>Additions</u>		
Contributions	\$ 37,237	1,200
Total Contributions	<u>37,237</u>	<u>1,200</u>
Investment Earnings:		
Interest		20
Net Investments Earnings		<u>20</u>
Total Additions	<u>37,237</u>	<u>1,220</u>
<u>Deductions</u>		
Unemployment Claims	52,616	
Scholarship Payments		1,450
Total Deductions	<u>52,616</u>	<u>1,450</u>
Change in Net Position	(15,379)	(230)
Net Position - Beginning of Year	<u>56,247</u>	<u>2,101</u>
Net Position - End of Year	<u>\$ 40,868</u>	<u>1,871</u>

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

NOTES TO FINANCIAL STATEMENTS

BOARD OF EDUCATION
ROSELLE PARK SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

NOTE 1: Summary of Significant Accounting Policies

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

A. Reporting Entity:

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

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

B. Government-wide and Fund Financial Statements

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

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

D. Fund Accounting:

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

Governmental Fund Types

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

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

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

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

Proprietary Fund Type

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued):

Fiduciary Fund Types

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

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

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

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

E. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the County office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting; the legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(g). All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2019 were insignificant.

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

E. Budgets/Budgetary Control (Continued):

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

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

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

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

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

F. Encumbrances:

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

F. Encumbrances (Continued):

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

G. Short-Term Interfund Receivables/Payables:

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

H. Inventories and Prepaid Expenses

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

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

I. Capital Assets and Depreciation

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

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

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

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

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

Capital asset activity for the year ended June 30, 2019 was as follows:

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Adj.</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
Governmental Activities:					
Capital Assets That are Not Being Depreciated:					
Land	\$ 27,615,850				27,615,850
Capital Leases	<u>813,654</u>	<u>1,500,000</u>		<u>662,670</u>	<u>1,650,984</u>
Total Capital Assets Not Being Depreciated	<u>28,429,504</u>	<u>1,500,000</u>		<u>662,670</u>	<u>29,266,834</u>
Depreciable Assets:					
Site Improvements	957,203				957,203
Buildings & Sites	19,345,286				19,345,286
Equipment	<u>5,772,992</u>	<u>16,245</u>		<u>(5,410)</u>	<u>5,783,827</u>
Total	<u>26,075,481</u>	<u>16,245</u>		<u>(5,410)</u>	<u>26,086,316</u>
Less: Accumulated Depreciation:					
Sites	(914,929)	(4,509)			(919,438)
Buildings	(5,761,227)	(173,439)			(5,934,666)
Equipment	<u>(5,530,901)</u>	<u>(49,962)</u>		<u>5,410</u>	<u>(5,575,453)</u>
Total Accumulated Depreciation	<u>(12,207,057)</u>	<u>(227,910)</u>		<u>5,410</u>	<u>(12,429,557)</u>
Net Depreciable Assets	<u>13,868,424</u>	<u>(211,665)</u>			<u>13,656,759</u>
Governmental Activities Capital Assets (Net)	<u>\$ 42,297,928</u>	<u>1,288,335</u>		<u>(662,670)</u>	<u>42,923,593</u>
Business-Type Activities:					
Equipment	\$ 303,698				303,698
Less Accumulated Depreciation for:					
Equipment	<u>(303,341)</u>	<u>(357)</u>			<u>(303,698)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 357</u>	<u>(357)</u>			

Depreciation expense was charged to governmental functions as follows:

Unallocated	<u>\$ 227,910</u>
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NOTE 1: Summary of Significant Accounting Policies (Continued)

J. Compensated Absences

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

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

K. Deferred Revenue

Deferred revenue in the general and special revenue funds represent cash which has been received but not yet earned. See Note 1(F) regarding the special revenue fund.

L. Fund Equity

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

M. Net Position

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

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

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

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

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

NOTE 1: Summary of Significant Accounting Policies (Continued)

Fund Balance

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

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

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

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

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

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

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

NOTE 2: Cash and Cash Equivalents and Investments

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

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

Deposits

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

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

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

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

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

Investments

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

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

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

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

	Cash and Cash Equivalents
Checking and Money Market Accounts	<u>\$ 4,431,392</u>

The carrying amount of the District's cash and cash equivalents at June 30, 2019 was \$4,431,392 and the bank balance was \$4,890,134. Of the bank balance, \$250,144 was covered by federal depository insurance and \$4,548,036 was covered by a collateral pool maintained by the banks as required by New Jersey statutes; and \$91,954 was uninsured.

Credit Risk Categories

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

GUDPA	\$ 4,548,036
FDIC	250,144
Uninsured	91,954

As of June 30, 2019, the District did not hold any long-term investments.

Custodial Credit Risk -- Deposits

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

NOTE 3: General Long-Term Debt

During the fiscal year ended June 30, 2019, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2019</u>	<u>Long-Term Portion</u>	<u>Amount Due in One Year</u>
Pension Liability	\$ 9,100,404		(1,661,788)	7,438,616	7,438,616	
Compensated Absences Payable	1,201,489		(248,595)	952,894	952,894	
Capital Leases Payable	813,654	1,500,000	(662,670)	1,650,984	952,215	698,769
Bonds Payable	<u>3,885,000</u>		<u>(540,000)</u>	<u>3,345,000</u>	<u>2,800,000</u>	<u>545,000</u>
	<u>\$ 15,000,547</u>	<u>1,500,000</u>	<u>(3,113,053)</u>	<u>13,387,494</u>	<u>12,143,725</u>	<u>1,243,769</u>

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

Capital lease for equipment for \$500,000 dated July 15, 2015 for five years at 1.819% interest maturing July 15, 2019 with a balance of \$103,070 at June 30, 2019.

Capital lease for equipment for \$500,000 dated July 15, 2015 for four years at 1.741% interest maturing July 15, 2019 with a balance of \$127,525 at June 30, 2019.

Capital lease for equipment for \$400,000 dated July 15, 2016 for four years at 1.85% interest maturing July 15, 2019 with a balance of \$102,326 at June 30, 2019.

Capital lease for equipment for \$700,000 dated June 22, 2018 for four years at 3.0414% interest maturing July 15, 2021 with a balance of \$518,063 at June 30, 2019.

Capital lease for equipment for \$800,000 dated June 14, 2019 for four years at 2.4569% interest maturing July 15, 2022 with a balance of \$800,000 at June 30, 2019.

Schedule of Capital Leases

<u>2015 Lease</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019-2020	<u>\$ 103,070</u>	<u>1,875</u>	<u>104,945</u>
<u>2016 Lease</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019-2020	<u>\$ 127,524</u>	<u>2,220</u>	<u>129,744</u>
<u>2017 Lease</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019-2020	<u>\$ 102,327</u>	<u>2,122</u>	<u>104,449</u>
<u>2018 Lease</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019-2020	<u>\$ 167,541</u>	<u>15,756</u>	<u>183,297</u>
2020-2021	<u>172,636</u>	<u>10,661</u>	<u>183,297</u>
2021-2022	<u>177,886</u>	<u>5,410</u>	<u>183,296</u>
	<u>\$ 518,063</u>	<u>31,827</u>	<u>549,890</u>
<u>2019 Lease</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019-2020	<u>\$ 198,308</u>	<u>1,693</u>	<u>200,001</u>
2020-2021	<u>195,716</u>	<u>14,783</u>	<u>210,499</u>
2021-2022	<u>200,525</u>	<u>9,974</u>	<u>210,499</u>
2022-2023	<u>205,451</u>	<u>5,048</u>	<u>210,499</u>
	<u>\$ 800,000</u>	<u>31,498</u>	<u>831,498</u>

Bonds Payable

Bonds sold 8/15/2004 for \$9,219,000 at interest from 3.50% to 4.50% maturing 2/15/2025 with a balance of \$3,345,000 at June 30, 2019.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 545,000	130,300	675,300
2021	555,000	108,500	663,500
2022	560,000	86,300	646,300
2023	560,000	67,400	627,400
2024	560,000	45,000	605,000
2025	<u>565,000</u>	<u>22,600</u>	<u>587,600</u>
	<u>\$ 3,345,000</u>	<u>460,100</u>	<u>3,805,100</u>

NOTE 4: Pension Plans

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

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

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

NOTE 4: Pension Plans (Continued)

Vesting and Benefit Provisions – The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provide for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provision of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contribution. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

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

Funding Policy – The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 7.06% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

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

NOTE 4: Pension Plans (Continued)

The District's contributions to PERS for the year ended June 30, 2019 was \$396,982 for 2018 and \$402,485 for 2019, respectively, equal to the required contributions for each year.

During the year ended June 30, 2019, the State of New Jersey contributed \$4,450,988 to the TPAF pension benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$1,188,274 during the year ended June 30, 2019 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditure in accordance with GASB 24.

Three-Year Trend Information for TPAF

Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
<u>Funding</u>			
6/30/19	\$ 4,450,988	100%	0
6/30/18	3,723,726	100%	0
6/30/17	3,128,650	100%	0

Three-Year Trend Information for PERS

Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
<u>Funding</u>			
6/30/19	\$ 402,485	100%	0
6/30/18	396,982	100%	0
6/30/17	362,869	100%	0

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

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.

NOTE 4: Pension Plans (Continued)

The following represents the membership tiers for PERS:

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

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

Basis of Presentation

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

Allocation Methodology and Reconciliation to Financial Statements

GASB Statement No. 68, *Accounting and Financial Reporting for Pension*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented in the schedule of employer allocations and applied to amounts presented in the schedule of pension amounts by employer based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2017 through June 30, 2018. Employer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of pension amounts by employer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

NOTE 4: Pension Plans (Continued)

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedule of pension amount by employer. The allocation percentages for each group of June 30, 2018 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2018.

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2018, the State's pension contribution was less than the actuarial determined amount.

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

For the year ended June 30, 2019, the District recognized pension expense of \$402,485. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 141,856	38,356
Changes of Assumptions	1,225,761	2,378,474
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		69,775
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	122,365	598,104
District Contributions Subsequent to the Measurement Date	<u>402,485</u>	<u> </u>
Total	<u>\$ 1,892,467</u>	<u>3,084,709</u>

NOTE 4: Pension Plans (Continued)

\$402,485 reported as deferred outflows of resources related to pensions resulting from school district, project contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2019, the plan measurement date is June 30, 2018) will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending**June 30,**

2019	\$ 51,628
2020	(71,480)
2021	(512,571)
2022	(444,305)
2023	<u>(142,272)</u>
	<u>\$ (1,119,000)</u>

Additional Information

Collective balances at December 31, 2018 and 2017 are as follows:

	<u>Dec. 31, 2018</u>	<u>Dec. 31, 2017</u>
Collective Deferred Outflows of Resources	\$ 1,892,467	2,700,154
Collective Deferred Inflows of Resources	3,084,709	2,320,919
Collective Net Pension Liability	7,438,616	9,100,404
District's Proportion	.03778%	.03909%

Components of Net Pension Liability

The components of the collective net pension liability of the participating employers as of June 30, 2018 were as follows:

	<u>2018</u>		
	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 30,434,600,657	42,431,573,511	72,866,174,168
Plan Fiduciary Net Position	<u>6,730,302,564</u>	<u>22,742,071,972</u>	<u>29,472,374,536</u>
Net Pension Liability	<u>\$ 23,704,298,093</u>	<u>19,689,501,539</u>	<u>43,393,799,632</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	22.11%	53.60%	40.45%

NOTE 4: Pension Plans (Continued)

The collective 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 State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 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 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. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2018 are summarized in the following table:

NOTE 4: Pension Plans (Continued)

<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 Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

Discount Rate

The discount rate used to measure the total pension liability was 5.66% 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 on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2046, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

NOTE 4: Pension Plans (Continued)**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate**

The following presents the collective net pension liability of the participating employers as of June 30, 2018, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>2018</u>		
	<u>At 1% Decrease (4.66%)</u>	<u>At Current Discount Rate (5.66%)</u>	<u>At 1% Increase (6.66%)</u>
School District's Proportionate Share Of the Net Pension Liability	<u>\$ 9,353,203</u>	<u>7,438,616</u>	<u>5,832,400</u>

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

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

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

The following represents the membership tiers for TPAF:

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

NOTE 4: Pension Plans (Continued)

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

Basis of Presentation

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

Allocation Methodology

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense. The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocation and applied to, presented in the schedule of pension amount by employer and nonemployer are based on the ratio of the State's actual contributions made as an employer and nonemployer adjusted for unpaid early retirement incentives to total contributions to TPAF during the year ended June 30, 2018. Employer and nonemployer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the schedule of pension amounts by employer and nonemployer may result in immaterial differences.

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

NOTE 4: Pension Plans (Continued)**Special Funding Situation**

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

Components of Net Pension Liability

The components of the net pension liability of the State as of June 30, 2018 and 2017 are as follows:

	<u>2018</u>	<u>2017</u>
Total Pension Liability	\$ 86,797,467,286	90,726,371,000
Plan Fiduciary Net Position	<u>22,991,116,840</u>	<u>23,056,161,829</u>
Net Pension Liability	<u>\$ 63,806,350,446</u>	<u>67,670,209,171</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.49%	25.41%

State Proportionate Share of Net Pension Liability Attributable to District

	<u>2018</u>	<u>2017</u>
District's Liability	<u>\$ 95,337,173</u>	<u>102,167,459</u>
District's Proportion	.14942%	.15098%

NOTE 4: Pension Plans (Continued)

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

The actuarial assumptions used in the July 1, 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 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. 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 Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

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

The discount rate used to measure the total pension liability was 4.86% 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 on the contribution rate in the most recent fiscal year. The State contributed 40% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

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

	<u>2018</u>		
	<u>At 1% Decrease (3.86%)</u>	<u>At Current Discount Rate (4.86%)</u>	<u>At 1% Increase (5.86%)</u>
School District's Proportionate Share Of the Net Pension Liability	\$ 0	0	0
State of New Jersey's Proportionate Share Of the Net Pension Liability	<u>112,686,728</u>	<u>95,337,173</u>	<u>80,954,815</u>
	<u>\$ 112,686,728</u>	<u>95,337,173</u>	<u>80,954,815</u>

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

The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2018, the State paid PRM benefits for 148,401 State and local retirees.

The State funds post-retirement medical benefits on a “pay-as-you-go” basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2018, the State contributed \$1.909 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The increase in the State’s pay-as-you-go contribution between Fiscal Year 2017 and Fiscal Year 2018 is attributed to rising health care costs, an increase in the number of participants qualifying for State-paid PRM benefits at retirement and larger fund balance utilization in Fiscal Year 2017 than in Fiscal Year 2018. The Fiscal Year 2019 Appropriations Act includes \$1.921 billion as the State’s contribution to fund pay-as-you-go PRM costs.

In accordance with the provision of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. As such, the Fiscal Year 2017 total State OPEB liability to provide these benefits has been re-measured to \$97.1 billion, an increase of \$60.6 billion or 166 percent from the previous year’s \$36.5 billion liability booked in accordance with GASB Statement No. 45. For Fiscal Year 2018, the total OPEB liability for the State is \$90.5 billion, a decrease of \$6.6 billion or 7 percent from the re-measured total OPEB liability in Fiscal Year 2017.

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

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

Total OPEB Liability

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

NOTE 5: Post-Retirement Benefits (Continued)

Actuarial assumptions and other imputes. The total OPEB liability in the June 30, 2018 actuarial valuation reported by the State in the State's most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation rate	2.50%		
	<u>TPAF/ABP</u>	<u>TPAF</u>	<u>PERS</u>
Salary Increases:			
Through 2026	1.55 – 4.55%	2.15% - 4.15% based on age	2.10% - 8.98% based on age
Thereafter	2.00 – 5.45%	3.15% - 5.15% based on age	3.10% - 9.98% based on age

Preretirement 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. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 – June 30, 2015, July 1, 2011 – June 30, 2014, and July 1, 2010 – June 30, 2013 for TPAF, PERS and PFRS, 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.

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the 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 trend 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 rate for June 30, 2018 was 3.87%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

NOTE 5: Post-Retirement Benefits (Continued)

Changes in the State of New Jersey's proportionate share of the total Non-Employer OPEB Liability associated with the School District:

	Total OPEB Liability
Balances at June 30, 2017	\$ 78,797,308
Changes for the Year:	
Service Cost	2,842,686
Interest	2,892,165
Difference Between Expected and Actual Experience	(8,466,542)
Changes in Assumptions or Other Inputs	(7,653,109)
Benefit Payments	(1,783,290)
Member Contributions	<u>61,633</u>
Balance at June 30, 2018	<u>\$ 66,690,851</u>

There were no changes in benefit terms between the June 30, 2017 measurement date and the June 30, 2018 measurement date.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.58% percent in 2017 to 3.87% percent in 2018.

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

	1% Decrease (2.87%)	Discount Rate (3.87%)	1% Increase (4.87%)
State of New Jersey's Proportionate Share Of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 78,842,162</u>	<u>66,690,851</u>	<u>57,031,814</u>

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State of New Jersey's Proportionate Share Of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 55,123,873</u>	<u>66,690,851</u>	<u>81,988,623</u>

NOTE 5: Post-Retirement Benefits (Continued)

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

For the year ended June 30, 2018, the Board of Education recognized OPEB expense of \$2,889,361 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

In accordance with GASBS No. 75, the Roselle Park Board of Education proportionate share of school retirees OPEB is zero; there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows or resources. At June 30, 2018, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$	6,473,837
Changes in Proportion		1,368,349
Changes of Assumptions or Other Inputs	_____	<u>14,949,095</u>
Total	<u>\$</u>	<u>22,791,281</u>

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

Year Ended June 30:	
2020	\$ (2,681,327)
2021	(2,681,327)
2022	(2,681,327)
2023	(2,681,327)
2024	(2,681,327)
Thereafter	<u>(9,384,646)</u>
	<u>\$ (22,791,281)</u>

NOTE 6: Interfund Receivables and Payables

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

NOTE 6: Interfund Receivables and Payables (Continued)

There were interfunds as of June 30, 2019 as follows:

	<u>From</u>	<u>To</u>
Special Revenue Fund	\$ 107,341	
General Fund	_____	<u>107,341</u>
	<u>\$ 107,341</u>	<u>107,341</u>

The interfund loan is due to the Special Revenue Fund awaiting Federal reimbursements. Once received, the interfund will be eliminated, which is expected to be within one year.

NOTE 7: Compensated Absences

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

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

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2019, no liability existed for compensated absences in the Food Service Fund.

NOTE 8: Economic Dependency

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

NOTE 9: Capital Reserve Account

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

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

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

Beginning Balance, July 1, 2018	\$ 614,874
Deposit by Board Resolution	<u>600,000</u>
Ending Balance, June 30, 2019	<u>\$ 1,214,874</u>

NOTE 10: Risk Management

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

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Reimbursed</u>	<u>Balance</u>
2018-2019	\$ 0	37,237	52,616	40,868
2017-2018	0	33,668	38,022	56,247
2016-2017	0	32,348	40,918	60,601

NOTE 11: Contingent Liabilities

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

NOTE 12: Equity Balance

At June 30, 2019, the General Fund equity balance was as follows:

Maintenance Reserve	\$ 37,519
Capital Reserve	1,214,874
Excess Surplus	861,609
Designated for Subsequent Years Expenditures – Excess Surplus	543,705
Committed Fund Balance:	
Year-End Encumbrances	1,308,913
Unassigned Fund Balance	<u>840,275</u>
	<u>\$ 4,806,895</u>
 <u>2% Calculation of Excess Surplus</u>	
2018-19 Total General Fund Expenditures Per the CAFR	\$ 38,267,449
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>(5,639,262)</u>
Adjusted 2018-19 General Fund Expenditures	<u>\$ 32,628,187</u>
2% of Adjusted 2018-19 General Fund Expenditures	\$ 652,564
Increased by Allowable Adjustments	<u>187,711</u>
Maximum Unassigned Fund Balance	<u>\$ 840,275</u>
 <u>Section 2</u>	
Total General Fund – Fund Balance @ 6-30-19	\$ 4,806,895
Decreased by:	
Reserved for Encumbrances	(1,308,913)
Designated for Subsequent Years Expenditures – Excess Surplus	(543,705)
Other Reserves	<u>(1,252,393)</u>
Total Unassigned Fund Balance	<u>\$ 1,701,884</u>
Excess Surplus	<u>\$ 861,609</u>
 <u>Section 3</u>	
Reserved Fund Balance – Excess Surplus	\$ 861,609
Designated for Subsequent Years Expenditures - Excess Surplus	<u>543,705</u>
	<u>\$ 1,405,314</u>

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

Extraordinary Aid	<u>\$ 187,711</u>
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Detail of Other Reserved Fund Balance

Capital Reserve	\$ 1,214,874
Maintenance Reserve	<u>37,519</u>

\$ 1,252,393

Reserved excess surplus represents a calculation under N.J.S.A. 18A:7F-7 which identifies an amount of surplus under the statute which must be restricted for use in the next succeeding budget. Designated for subsequent year's represents the amount appropriated in the 2019-2020, budget.

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

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES – C

ROSELLE PARK SCHOOL DISTRICT

Exhibit C-1
Sheet 1 of 12

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

JUNE 30, 2019

	<u>Original Budget</u>	<u>Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 21,754,978		21,754,978	21,754,978	-
Tuition From Individuals	119,000		119,000	55,053	(63,947)
Tuition From Other LEA's Within The State	121,549		121,549	160,940	39,391
Restricted Miscellaneous Revenues	72,000		72,000	72,000	-
Unrestricted Miscellaneous Revenues	11,800		11,800	21,068	9,268
Total Local Sources	<u>22,079,327</u>	<u>-</u>	<u>22,079,327</u>	<u>22,064,039</u>	<u>(15,288)</u>
State Sources:					
Equalization Aid	9,619,107		9,619,107	9,619,107	-
Special Education Aid	1,320,686		1,320,686	1,320,686	-
Extraordinary Aid	200,000		200,000	386,446	186,446
Security Aid	443,400		443,400	443,400	-
Transportation Aid	128,375		128,375	128,375	-
On-Behalf TPAF Pension Contribution (Non-Budgeted)			-	4,450,988	4,450,988
Reimbursed TPAF Social Security Contribution (Non-Budgeted)			-	1,188,274	1,188,274
Total State Sources	<u>11,711,568</u>	<u>-</u>	<u>11,711,568</u>	<u>17,537,276</u>	<u>5,825,708</u>
Federal Sources:					
Medicaid Reimbursement	37,329		37,329	61,230	23,901
Total Federal Sources	<u>37,329</u>	<u>-</u>	<u>37,329</u>	<u>61,230</u>	<u>23,901</u>
Total Revenues	<u>33,828,224</u>	<u>-</u>	<u>33,828,224</u>	<u>39,662,545</u>	<u>5,834,321</u>

ROSELLE PARK SCHOOL DISTRICT

Exhibit C-1
Sheet 2 of 12

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

JUNE 30, 2019

	<u>Original Budget</u>	<u>Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Expenditures:					
Current Expense:					
Instruction - Regular Programs:					
Salaries of Teachers:					
Kindergarten	439,366	(7,419)	431,947	431,946	1
Grades 1-5	3,728,489	(94,670)	3,633,819	3,633,115	704
Grades 6-8	2,218,019	107,574	2,325,593	2,325,593	-
Grades 9-12	3,606,190	(206,000)	3,400,190	3,400,530	(340)
Home Instruction:					
Salaries of Teachers	12,000	(4,400)	7,600	7,593	7
Purchased Professional Educational Services	8,500	9,257	17,757	14,273	3,484
Undistributed:					
Purchased Professional/Educational Services	3,000		3,000	375	2,625
Purchased Technical Services	4,000		4,000	3,630	370
Other Purchased Services	169,449	389,144	558,593	358,592	200,001
General Supplies	195,765	498,898	694,663	369,248	325,415
Textbooks	4,500	(1,253)	3,247	3,128	119
Other Objects	3,500		3,500	1,500	2,000
Total Regular Programs	<u>10,392,778</u>	<u>691,131</u>	<u>11,083,909</u>	<u>10,549,523</u>	<u>534,386</u>
Learning and/or Language Disabilities:					
Specific Learning Disabled:					
Salaries of Teachers	191,947		191,947	134,670	57,277
Other Salaries for Instruction	56,831		56,831	53,953	2,878
General Supplies	2,100		2,100	1,444	656
Total Specific Learning Disabled	<u>250,878</u>	<u>-</u>	<u>250,878</u>	<u>190,067</u>	<u>60,811</u>
Behavioral Disabilities					
Salaries of Teachers		<u>61,359</u>	<u>61,359</u>	<u>61,359</u>	

ROSELLE PARK SCHOOL DISTRICT

Exhibit C-1
Sheet 3 of 12

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

JUNE 30, 2019

	<u>Original Budget</u>	<u>Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Multiple Disabilities					
Salaries of Teachers	136,834		136,834	135,223	1,611
Other Salaries for Instruction	20,488	26	20,514	20,514	-
General Supplies	2,000		2,000	107	1,893
Other Objects	100	880	980	903	77
Total Multiple Disabilities	<u>159,422</u>	<u>906</u>	<u>160,328</u>	<u>156,747</u>	<u>3,581</u>
Resource Room:					
Salaries of Teachers	1,632,803	(6,000)	1,626,803	1,626,306	497
General Supplies	3,000	831	3,831	3,367	464
Total Resource Room	<u>1,635,803</u>	<u>(5,169)</u>	<u>1,630,634</u>	<u>1,629,673</u>	<u>961</u>
Autism					
Salaries-Teachers	130,429	55,985	186,414	186,413	1
Other Salaries for Instruction	45,073	9,327	54,400	54,399	1
General Supplies	8,150	15	8,165	7,400	765
Total-Autism	<u>183,652</u>	<u>65,327</u>	<u>248,979</u>	<u>248,212</u>	<u>767</u>
Preschool Disabilities Part-Time:					
Salaries of Teachers	130,511	(61,000)	69,511	69,176	335
Other Salaries for Instruction	18,458		18,458	10,679	7,779
General Supplies	2,100	759	2,859	1,767	1,092
Total Preschool Disabilities Part-Time	<u>151,069</u>	<u>(60,241)</u>	<u>90,828</u>	<u>81,622</u>	<u>9,206</u>

ROSELLE PARK SCHOOL DISTRICT

Exhibit C-1
Sheet 4 of 12

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

JUNE 30, 2019

	<u>Original Budget</u>	<u>Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Preschool Disabilities Full-Time:					
Salaries of Teachers	156,527	(137,000)	19,527	18,339	1,188
Total Preschool Handicapped	<u>156,527</u>	<u>(137,000)</u>	<u>19,527</u>	<u>18,339</u>	<u>1,188</u>
Total Special Programs	<u>2,537,351</u>	<u>(74,818)</u>	<u>2,462,533</u>	<u>2,386,019</u>	<u>76,514</u>
Basic Skills/Remedial:					
Salaries of Teachers	298,408		298,408	287,900	10,508
General Supplies	1,500	240	1,740	1,739	1
Total Basic Skills/Remedial	<u>299,908</u>	<u>240</u>	<u>300,148</u>	<u>289,639</u>	<u>10,509</u>
Bilingual Education:					
Salaries of Teachers	547,935	7,195	555,130	555,130	-
Other Salaries for Instruction		470	470	469	1
General Supplies	3,500	1,517	5,017	3,909	1,108
Total Bilingual Education	<u>551,435</u>	<u>9,182</u>	<u>560,617</u>	<u>559,508</u>	<u>1,109</u>
School Sponsored Co-Curricular & Extra-Curricular Activities:					
Salaries	175,000	6,550	181,550	181,549	1
Supplies	1,800		1,800	385	1,415
Miscellaneous	1,000		1,000		1,000
Total Co-Curricular & Extra-Curricular Activities	<u>177,800</u>	<u>6,550</u>	<u>184,350</u>	<u>181,934</u>	<u>2,416</u>
School Sponsored Athletics:					
Salaries	300,250	3,931	304,181	304,180	1
Repairs - Other Purchased Services	22,650	11,821	34,471	19,105	15,366
Rentals & Leases - Other Purchased Services	21,000	-	21,000	16,017	4,983
Other Purchased Services	17,020	436	17,456	14,508	2,948
Supplies and Materials	62,900	31,399	94,299	54,716	39,583
Other Objects	20,900	4,258	25,158	19,489	5,669
Transfers to Cover Deficit	64,500	1,769	66,269	61,769	4,500
Total School Sponsored Athletics	<u>509,220</u>	<u>53,614</u>	<u>562,834</u>	<u>489,784</u>	<u>73,050</u>

ROSELLE PARK SCHOOL DISTRICT

**Exhibit C-1
Sheet 5 of 12**

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

JUNE 30, 2019

	<u>Original Budget</u>	<u>Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Academy Program					
Salaries	203,662	1,632	205,294	205,293	1
Salaries of Other Professional Staff	34,355	26,770	61,125	61,125	
Other Professional Salaries	15,881	48	15,929	15,929	-
Supplies and Materials	3,000	2,115	5,115	4,363	752
Total Academy Program	<u>256,898</u>	<u>30,565</u>	<u>287,463</u>	<u>286,710</u>	<u>753</u>
Community Services:					
Salaries	140,880		140,880	122,664	18,216
Supplies	2,000		2,000	-	2,000
Total Community Services	<u>142,880</u>	<u>-</u>	<u>142,880</u>	<u>122,664</u>	<u>20,216</u>
Total Instruction	<u>14,868,270</u>	<u>716,464</u>	<u>15,584,734</u>	<u>14,865,781</u>	<u>718,953</u>
Undistributed Expenditures:					
Instruction:					
Tuition to County Vocational School	660,000		660,000	596,400	63,600
Tuition to County Vocational School - Special	36,000	2,000	38,000	35,000	3,000
Tuition To CSSD & Regular Day Schools	700,000	89,706	789,706	692,617	97,089
Tuition to Private Schools - Handicapped Within State	600,000	(45,366)	554,634	505,715	48,919
Tuition - State Facilities	36,247		36,247	36,247	-
Tuition-Other	18,000	(7,000)	11,000		11,000
Total Undistributed Expenditures - Instruction	<u>2,050,247</u>	<u>39,340</u>	<u>2,089,587</u>	<u>1,865,979</u>	<u>223,608</u>

ROSELLE PARK SCHOOL DISTRICT

Exhibit C-1
Sheet 6 of 12

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

JUNE 30, 2019

	<u>Original Budget</u>	<u>Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Attendance and Social Work Services:					
Salaries	22,685	87	22,772	22,771	1
Other Purchased Services	13,000	2,350	15,350	15,350	-
Total Attendance and Social Work Services	<u>35,685</u>	<u>2,437</u>	<u>38,122</u>	<u>38,121</u>	<u>1</u>
Health Services:					
Salaries	330,697	11,824	342,521	342,521	-
Purchased Professional and Technical Services	12,000	(316)	11,684	11,114	570
Supplies and Materials	7,360	3,412	10,772	7,250	3,522
Total Health Services	<u>350,057</u>	<u>14,920</u>	<u>364,977</u>	<u>360,885</u>	<u>4,092</u>
Other Support Services - Students - Related Services:					
Salaries of Teachers	357,004		357,004	349,833	7,171
Other Professional Salaries	36,861	1,724	38,585	38,584	1
Purchased Professional-Educational Services	42,000	6,303	48,303	46,268	2,035
Supplies and Materials	1,000		1,000	1,000	-
Total Other Support Services - Students - Related Services	<u>436,865</u>	<u>8,027</u>	<u>444,892</u>	<u>435,685</u>	<u>9,207</u>
Other Support Services - Students - Extraordinary Services:					
Salaries	69,114		69,114	69,091	23
Other Salaries for Instruction	424,225	50,259	474,484	474,484	-
Total Other Support Services - Students - Extraordinary Services	<u>493,339</u>	<u>50,259</u>	<u>543,598</u>	<u>543,575</u>	<u>23</u>

ROSELLE PARK SCHOOL DISTRICT

Exhibit C-1
Sheet 7 of 12

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

JUNE 30, 2019

	<u>Original Budget</u>	<u>Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Guidance Services:					
Salaries of Other Professional Staff	895,535	(30,000)	865,535	865,460	75
Salaries of Secretarial Assistants	122,582	995	123,577	123,576	1
Other Purchased Professional Services	5,075	(202)	4,873	4,000	873
Supplies and Materials	1,400	2,481	3,881	3,678	203
Total Guidance Services	<u>1,024,592</u>	<u>(26,726)</u>	<u>997,866</u>	<u>996,714</u>	<u>1,152</u>
Child Study Team Services:					
Salaries of Other Professional Staff	647,057	1,651	648,708	648,707	1
Salaries of Secretarial/Clerical Assistants	69,837	3,186	73,023	73,022	1
Other Purchased Professional Services	32,500	5,585	38,085	37,105	980
Miscellaneous Purchased Services	1,000		1,000	61	939
Supplies and Materials	5,000	3,358	8,358	4,050	4,308
Other Objects	1,000		1,000	70	930
Total Child Study Team Services	<u>756,394</u>	<u>13,780</u>	<u>770,174</u>	<u>763,015</u>	<u>7,159</u>
Improvement of Instruction:					
Salaries of Supervisors of Instruction	64,964		64,964	64,251	713
Salaries of Other Professional Staff	6,300		6,300	5,297	1,003
Salaries of Secretarial Assistants	60,167	397	60,564	60,563	1
Other Purchased Services	10,000	(10,000)	-	-	-
Supplies and Materials	50,800	15,536	66,336	55,815	10,521
Other Objects	1,050	325	1,375	600	775
Total Improvement of Instruction	<u>193,281</u>	<u>6,258</u>	<u>199,539</u>	<u>186,526</u>	<u>13,013</u>
Library/Media Services:					
Salaries	204,971	76	205,047	205,046	1
Other Purchased Services	32,200	39,124	71,324	67,198	4,126
Supplies and Materials	16,640	1,174	17,814	17,191	623
Total Educational Media Services	<u>253,811</u>	<u>40,374</u>	<u>294,185</u>	<u>289,435</u>	<u>4,750</u>

ROSELLE PARK SCHOOL DISTRICT

Exhibit C-1
Sheet 8 of 12

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

JUNE 30, 2019

	<u>Original Budget</u>	<u>Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Staff Development:					
Salaries - Supervisors of Instruction	64,965		64,965	64,251	714
Salaries of Other Professional Staff	3,500		3,500	918	2,582
Purchased Professional-Educational Services	15,000	(9,254)	5,746	1,125	4,621
Other Purchased Services	15,050	1,566	16,616	9,040	7,576
Supplies and Materials	3,300		3,300	3,130	170
Total Staff Development	101,815	(7,688)	94,127	78,464	15,663
General Administration:					
Salaries	261,826	13,301	275,127	275,127	-
Legal Services	150,000	(11,911)	138,089	115,731	22,358
Audit Fees	18,500		18,500	18,500	-
Other Purchased Professional Services	9,500	11,976	21,476	20,586	890
Communications/Telephone	64,500	3,419	67,919	60,905	7,014
BOE Other Purchased Services	500		500	300	200
Miscellaneous Purchased Services	145,000	30,825	175,825	125,103	50,722
General Supplies	5,600	341	5,941	5,940	1
Miscellaneous Expenditures	16,000	(2,404)	13,596	11,632	1,964
BOE Membership Dues and Fees	23,000	990	23,990	14,990	9,000
Total General Administration	694,426	46,537	740,963	648,814	92,149
School Administration:					
Salaries of Principals/Assistants	915,839	(26,000)	889,839	889,297	542
Salaries of Secretarial and Clerical Assistants	412,043		412,043	403,195	8,848
Unused Vacation Payment to Terminated/Retired Staff	-	12,623	12,623	12,623	-
Other Purchased Services	2,900	2,429	5,329	3,090	2,239
Supplies and Materials	7,800	18	7,818	2,122	5,696
Other Objects	2,632		2,632	2,337	295
Total School Administration	1,341,214	(10,930)	1,330,284	1,312,664	17,620

ROSELLE PARK SCHOOL DISTRICT

Exhibit C-1
Sheet 9 of 12

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

JUNE 30, 2019

	<u>Original Budget</u>	<u>Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Business/Central Services:					
Salaries	327,141	13,669	340,810	340,809	1
Miscellaneous Purchased Services	3,000	83	3,083	2,955	128
Other Purchased Services	3,000		3,000	3,000	
Supplies and Materials	6,000	(1,900)	4,100	3,966	134
Miscellaneous Expenditures	2,000		2,000	1,265	735
Total Business/Central Services	341,141	11,852	352,993	351,995	998
Technology Services:					
Salaries	65,101	4,070	69,171	69,170	1
Purchased Technical Services	49,250	(12,514)	36,736	33,075	3,661
Other Purchased Services	6,000	(5,900)	100	-	100
Supplies and Materials	36,000	415	36,415	35,437	978
Other Objects	6,000	(5,565)	435	359	76
Total Technology Services	162,351	(19,494)	142,857	138,041	4,816
Required Maintenance of School Facilities:					
Salaries	254,044	(9,531)	244,513	244,513	-
Cleaning, Repair & Maintenance Services	524,398	456,095	980,493	516,298	464,195
General Supplies	123,000	16,245	139,245	118,101	21,144
Total Required Maintenance of School Facilities	901,442	462,809	1,364,251	878,912	485,339

ROSELLE PARK SCHOOL DISTRICT

Exhibit C-1
Sheet 10 of 12

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

JUNE 30, 2019

	<u>Original Budget</u>	<u>Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Operation of Plant:					
Salaries	1,089,710	(21,800)	1,067,910	1,067,027	883
Unused Vacation Pay		3,270	3,270	3,270	
Purchased Professional Services	30,000	24,946	54,946	50,020	4,926
Cleaning, Repair, Maintenance Services	99,600	29	99,629	99,199	430
Rent Settlement	100,000		100,000	100,000	-
Other Purchased Property Services	46,100	485	46,585	43,117	3,468
Insurance	135,000	(42,751)	92,249	91,613	636
Miscellaneous Purchased Services	2,000	4,481	6,481	6,481	-
General Supplies	75,000	2,272	77,272	42,849	34,423
Energy (Electricity)	311,000	(32,747)	278,253	241,839	36,414
Other Objects	1,000	100	1,100	1,004	96
Energy(Natural Gas)	194,500	(15,471)	179,029	159,246	19,783
Total Operations and Maintenance of Plant	<u>2,083,910</u>	<u>(77,186)</u>	<u>2,006,724</u>	<u>1,905,665</u>	<u>101,059</u>
 Total Operations and Maintenance of Plant Services	 <u>2,985,352</u>	 <u>385,623</u>	 <u>3,370,975</u>	 <u>2,784,577</u>	 <u>586,398</u>
 Student Transportation Services:					
Salaries of Non-Instructional Aides	30,000		30,000	26,340	3,660
Salaries Pupil Transportation-Special Education	25,000	3,048	28,048	28,048	-
Salaries Pupil Transportation-Other Bet. Home & School	120,000	17,422	137,422	137,422	-
Cleaning, Repair & Maint.	15,000	18,066	33,066	31,977	1,089
Contracted Services - Other than Bet. Home & School - Vendor	34,800	(1,880)	32,920	17,668	15,252
Contracted Services - Regular-ESCs & CTSAs	10,000	5,960	15,960	15,960	-
Transportation - Special Ed- ESC & CTSAs	250,000	(6,659)	243,341	177,579	65,762
Supplies	1,000	2,658	3,658	2,720	938
Miscellaneous Expenditures	4,000		4,000	1,996	2,004
Total Student Transportation Services	<u>489,800</u>	<u>38,615</u>	<u>528,415</u>	<u>439,710</u>	<u>88,705</u>

ROSELLE PARK SCHOOL DISTRICT

Exhibit C-1
Sheet 11 of 12

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

JUNE 30, 2019

	<u>Original Budget</u>	<u>Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Employee Benefits:					
Social Security Contributions	400,000	494	400,494	388,475	12,019
Other Retirement Contributions-PERS	400,000	4,189	404,189	402,485	1,704
Workmen's Compensation	195,000	43,513	238,513	238,512	1
Health Benefits	5,801,708	(621,370)	5,180,338	4,492,578	687,760
Tuition Reimbursement	60,000	4,020	64,020	51,118	12,902
Unused Sick Payment to Terminated/Retired Staff	45,045	40,260	85,305	85,305	-
Other Employee Benefits	14,000		14,000	13,157	843
Total Personal Services Employee Benefits	<u>6,915,753</u>	<u>(528,894)</u>	<u>6,386,859</u>	<u>5,671,630</u>	<u>715,229</u>
On-Behalf TPAF Pension Contribution (Non-Budgeted)		-		4,450,988	(4,450,988)
Reimbursed TPAF Social Security Contribution (Non-Budgeted)				1,188,274	(1,188,274)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,639,262</u>	<u>(5,639,262)</u>
Total Undistributed Expenditures	<u>18,626,123</u>	<u>64,290</u>	<u>18,690,413</u>	<u>22,545,092</u>	<u>(3,854,679)</u>
Total Expenditures - Current Expense	<u>33,494,393</u>	<u>780,754</u>	<u>34,275,147</u>	<u>37,410,873</u>	<u>(3,135,726)</u>
Capital Outlay:					
Facilities Improvements:					
Construction Services	813,500	742	814,242	814,242	-
Debt Service Assessment	32,536		32,536	32,536	-
Total Facilities Improvements	<u>846,036</u>	<u>742</u>	<u>846,778</u>	<u>846,778</u>	<u>-</u>
Total Capital Outlay	<u>846,036</u>	<u>742</u>	<u>846,778</u>	<u>846,778</u>	<u>-</u>
Transfer of Funds to Charter Schools	<u>9,798</u>	<u>7,418</u>	<u>17,216</u>	<u>9,798</u>	<u>7,418</u>

ROSELLE PARK SCHOOL DISTRICT

Exhibit C-1
Sheet 12 of 12

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

JUNE 30, 2019

	<u>Original Budget</u>	<u>Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Total Expenditures	34,350,227	788,914	35,139,141	38,267,449	(3,128,308)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(522,003)	(788,914)	(1,310,917)	1,395,096	2,706,013
Other Financing Sources/Uses:					
Adjustment for Additional Accounts Payable			-	(54,757)	(54,757)
Adjustment for Transfers (Net)			-	163,281	163,281
Total Other Financing Sources/Uses	-	-	-	108,524	108,524
Total Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources/Uses	(522,003)	(788,914)	(1,310,917)	1,503,620	2,814,537
Fund Balance July 1	3,303,275		3,303,275	3,303,275	-
Fund Balance June 30	\$ 2,781,272	(788,914)	1,992,358	4,806,895	2,814,537
Recapitulation:					
Restricted Fund Balance:					
Excess Surplus				\$ 861,609	
Maintenance Reserve				37,519	
Excess Surplus - Designated for Subsequent Year's Expenditures				543,705	
Committed Fund Balance:					
Capital Reserve				1,214,874	
Assigned Fund Balance:					
Year-End Encumbrances				1,308,913	
Unassigned Fund Balance				840,275	
				<u>4,806,895</u>	
Reconciliation to Governmental Fund Statement (GAAP):					
Final State Aid Payments Not Recognized on GAAP Basis				<u>(1,143,164)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 3,663,731</u>	

ROSELLE PARK SCHOOL DISTRICT

Exhibit C-2

BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Local Sources	\$ -	15,361	15,361	15,006	355
State Sources		515,463	515,463	470,696	44,767
Federal Sources	754,422	200,669	955,091	955,091	
Total Revenues	<u>\$ 754,422</u>	<u>731,493</u>	<u>1,485,915</u>	<u>1,440,793</u>	<u>45,122</u>
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 367,482	120,299	487,781	467,571	20,210
Other Salaries for Instruction	386,940	(25,267)	361,673	337,117	24,556
Tuition		149,029	149,029	149,029	
General Supplies		104,484	104,484	104,129	355
Other Objects		66,678	66,678	66,677	1
Total Instruction	<u>754,422</u>	<u>415,223</u>	<u>1,169,645</u>	<u>1,124,523</u>	<u>45,122</u>
Salaries of Teachers:		7,634	7,634	7,634	
Other Salaries for Instruction		46,242	46,242	46,242	
Personal Services - Employee Benefits		185,670	185,670	185,670	
Purchased Professional and Technical Services		58,732	58,732	58,732	
Other Purchased Services		3,000	3,000	3,000	
Supplies and Materials		951	951	951	
Total Support Services	<u>-</u>	<u>302,229</u>	<u>302,229</u>	<u>302,229</u>	<u>-</u>
Facilities Acquisition and Construction Services:					
Construction Services		14,041	14,041	14,041	
Total Expenditures	<u>\$ 754,422</u>	<u>731,493</u>	<u>1,485,915</u>	<u>1,440,793</u>	<u>45,122</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION – PART III

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

ROSELLE PARK SCHOOL DISTRICT

Exhibit L-1

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE

NET PENSION LIABILITY - PERS

LAST SIX FISCAL YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability (Asset)	100.000%	100.000%	100.000%	100.000%	100.000%	100.000%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 7,438,616	9,100,404	11,770,332	9,480,161	7,511,141	7,830,293
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	-	-	-	-	-	-
Total	<u>\$ 7,438,616</u>	<u>9,100,404</u>	<u>11,770,332</u>	<u>9,480,161</u>	<u>7,511,141</u>	<u>7,830,293</u>
District's Covered-Employee Payroll	\$ 2,623,136	2,605,613	2,680,103	2,785,044	2,794,257	2,792,623
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	35.26%	28.63%	22.77%	29.38%	37.20%	35.66%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.45%	36.78%	31.20%	38.21%	42.74%	40.71%

SCHEDULE OF DISTRICT CONTRIBUTIONS - PERS

LAST SIX FISCAL YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 396,982	362,869	363,606	331,725	317,033	305,256
Contributions in Relation to the Contractually Required Contribution	<u>396,982</u>	<u>362,869</u>	<u>363,606</u>	<u>331,725</u>	<u>317,033</u>	<u>305,256</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's Covered-Employee Payroll	\$ 2,623,136	2,605,613	2,680,103	2,785,044	2,794,257	2,792,623
Contributions as a Percentage of Covered-Employee Payroll	15.13%	13.93%	13.57%	11.91%	11.35%	10.93%

ROSELLE PARK SCHOOL DISTRICT

Exhibit L-3

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE

NET PENSION LIABILITY - TPAF

LAST SIX FISCAL YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability (Asset)	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ -	-	-	-	-	-
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>95,337,173</u>	<u>102,167,459</u>	<u>112,184,007</u>	<u>87,401,052</u>	<u>76,806,770</u>	<u>70,057,721</u>
Total	<u>\$ 95,337,173</u>	<u>102,167,459</u>	<u>112,184,007</u>	<u>87,401,052</u>	<u>76,806,770</u>	<u>70,057,721</u>
District's Covered-Employee Payroll	\$ 16,337,703	15,810,551	15,530,736	15,153,132	14,266,577	13,741,586
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	17.14%	15.48%	13.84%	17.34%	18.57%	19.61%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

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

Exhibit M-1

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>State's OPEB Liability Attributable to the District</u>			
Service Cost	\$ 2,842,686	3,438,149	*
Interest	2,892,165	2,500,483	*
Benefit Payments	(1,783,290)	(1,825,113)	*
Member Contributions	61,633	67,205	*
Difference between Expected and Actual Experience	(8,466,542)		*
Change of Assumptions	(7,653,109)	(10,554,292)	*
Net Change in Total OPEB Liability	<u>(12,106,457)</u>	<u>(6,373,568)</u>	*
Total Attributable OPEB Liability - Beginning	<u>78,797,308</u>	<u>85,170,876</u>	*
Total Attributable OPEB Liability - Ending	<u>\$ 66,690,851</u>	<u>78,797,308</u>	<u>85,170,876</u>
District's Covered Payroll	\$ 18,960,839	18,416,164	18,210,839
District's Contribution	None	None	None
State's Proportionate Share of OPEB Liability as a Percentage of the District's Covered-Employee Payroll	351.73%	427.87%	467.69%

* - Information not available

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

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

ROSELLE PARK SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Exhibit M-2

Change of Benefit Terms

None

Changes of Assumptions

The Discount Rate changed from 3.58% as of June 30, 2017 to 3.87% as of June 30, 2018.

OTHER SUPPLEMENTARY INFORMATION

SCHOOL LEVEL SCHEDULES – D

N/A

SPECIAL REVENUE FUND – E

ROSELLE PARK SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES EXPENDITURES - BUDGETARY BASIS

JUNE 30, 2019

	Title I	Title II A	Title III	IDEA Basic	IDEA Preschool	Preschool Expansion Aid	Muscle Milk	Future Fisherman	Covey Foundation	PSEG Grant	Safety Grant	Totals 2019
Revenues:												
Federal Sources	\$ 368,415	61,374	41,000	468,488	15,814							955,091
State Sources						470,696						470,696
Local Sources							3	3	14	945	14,041	15,006
Total Revenue	\$ 368,415	61,374	41,000	468,488	15,814	470,696	3	3	14	945	14,041	1,440,793
Expenditures:												
Instruction:												
Salaries of Teachers	\$ 269,618	20,027	18,136			159,790						467,571
Other Salaries for Instruction			14,017	254,128	14,316	54,656						337,117
Tuition				149,029								149,029
General Supplies	2,728		532	13,000		87,869						104,129
Other Objects						65,712	3	3	14	945		66,677
Total Instruction	272,346	20,027	32,685	416,157	14,316	368,027	3	3	14	945	-	1,124,523
Support Services:												
Salaries of Teachers		7,634										7,634
Salaries of Other Professional Staff						46,242						46,242
Personal Services - Employee Benefits	93,409	7,531	7,364	19,441	1,498	56,427						185,670
Purchased Professional and Technical Services	2,660	26,182		29,890								58,732
Other Purchased Services				3,000								3,000
Supplies and Materials			951									951
Total Support Services	96,069	41,347	8,315	52,331	1,498	102,669	-	-	-	-	-	302,229
Facilities Acquisition and Construction Services:												
Construction Services											14,041	14,041
Total Expenditures	\$ 368,415	61,374	41,000	468,488	15,814	470,696	3	3	14	945	14,041	1,440,793

ROSELLE PARK SCHOOL DISTRICTSPECIAL REVENUE FUND

Exhibit E-2

PRESCHOOL EDUCATION AIDSCHEDULE OF EXPENDITURESBUDGETARY BASISFOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures:			
Instruction:			
Salaries of Teachers	\$ 180,000	159,790	20,210
Other Salaries for Instruction	79,212	54,656	24,556
Instructional Supplies	87,869	87,869	-
Other Objects	65,713	65,712	1
Total Instruction	<u>412,794</u>	<u>368,027</u>	<u>44,767</u>
Support Services:			
Salaries of Other Professional Staff	46,242	46,242	-
Personal Services - Employee Benefits	56,427	56,427	-
Total Support Services	<u>102,669</u>	<u>102,669</u>	<u>-</u>
Total Expenditures	<u>\$ 515,463</u>	<u>470,696</u>	<u>44,767</u>
 <u>Calculation of Budget and Carryover</u>			
Total 2018-2019 Preschool Education Aid Allocation			\$ 515,463
Actual ECPA Carryover (June 30, 2018)			-
Total Funds available for 2018-2019 Budget			<u>515,463</u>
Less: Budgeted 2018-2019 Preschool Education Aid			<u>515,463</u>
Available and Unbudgeted at June 30, 2019 Preschool Education Aid			\$ -
Add: 2018-2019 Unexpended Preschool Education Aid			<u>44,767</u>
2018-2019 Actual Carryover Preschool Education Aid			<u>\$ 44,767</u>
2018-2019 Carryover Budgeted in 2019-2020 Preschool Education Aid			<u>\$ 44,767</u>

CAPITAL PROJECTS FUND – F

N/A

PROPRIETARY FUNDS – G

ROSELLE PARK SCHOOL DISTRICT
COMBINING SCHEDULE OF NET POSITION

Exhibit G-1

ENTERPRISE FUNDS

JUNE 30, 2019

	Business-Type Activities - Enterprise Funds								
	Food Service	Cable 34	Adult School	Staff Computers	Coke Fund	Extended Day Care	Preschool	Summer Camp	Totals
Assets									
Current Assets:									
Cash and Cash Equivalents	\$ (6,109)	2,469	(8,325)	1,500	8,581	26,235	1,950	797,744	824,045
Accounts Receivable:									
State	579								579
Federal	21,823								21,823
Other	3,117								3,117
Inventory	8,187								8,187
Total Current Assets	27,597	2,469	(8,325)	1,500	8,581	26,235	1,950	797,744	857,751
Noncurrent Assets									
Equipment	303,698								303,698
Accumulated Depreciation	(303,698)								(303,698)
Total Fixed Assets	-	-	-	-	-	-	-	-	-
Total Assets	\$ 27,597	2,469	(8,325)	1,500	8,581	26,235	1,950	797,744	857,751
Liabilities									
Current Liabilities:									
Accounts Payable	\$ 10,509	-	-	-	-	-	-	-	10,509
Total Current Liabilities	\$ 10,509	-	-	-	-	-	-	-	10,509
Net Position									
Unrestricted	\$ 17,088	2,469	(8,325)	1,500	8,581	26,235	1,950	797,744	847,242
Total Net Position	\$ 17,088	2,469	(8,325)	1,500	8,581	26,235	1,950	797,744	847,242

ROSELLE PARK SCHOOL DISTRICT

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

Exhibit G-2

ENTERPRISE FUNDS

FOR THE YEAR ENDED JUNE 30, 2019

Business-Type Activities - Enterprise Funds

	<u>Food Service</u>	<u>Cable 34</u>	<u>Adult School</u>	<u>Staff Computers</u>	<u>Coke Fund</u>	<u>Extended Day Care</u>	<u>Preschool</u>	<u>Summer Camp</u>	<u>Totals</u>
Operating Revenues:									
Daily Sales - Reimbursable	\$ 294,662								294,662
Daily Sales - Non Reimbursable	198,919								198,919
Fees Charged								628,819	628,819
Total Operating Revenues	<u>493,581</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>628,819</u>	<u>1,122,400</u>
Operating Expenses:									
Salaries	284,854							450,997	735,851
Other Employee Benefits	63,208							34,524	97,732
Cost of Goods Sold - Reimbursable	264,660								264,660
Cost of Goods Sold - Non-Reimbursable	153,149								153,149
Contracted Services	10,494							53,235	63,729
Supplies and Materials	28,103							16,970	45,073
Utilities								28,596	28,596
Depreciation	357								357
Miscellaneous	77,203							8,830	86,033
Operating Expenses	<u>882,028</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>593,152</u>	<u>1,475,180</u>
Operating Gain/(Loss)	(388,447)	-	-	-	-	-	-	35,667	(352,780)
Non-Operating Revenues:									
State Sources:									
State School Lunch Program	9,702								9,702
Federal Sources:									
National School Lunch Program	318,425								318,425
PB Lunch Program	11,103								11,103
Breakfast Program	29,384								29,384
Food Distribution Program	76,179								76,179
Total Non-Operating Revenues	<u>444,793</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>444,793</u>
Change in Net Position	56,346	-	-	-	-	-	-	35,667	92,013
Total Net Position - Beginning	(39,258)	2,469	(8,325)	1,500	8,581	26,235	1,950	762,077	755,229
Total Net Position - Ending	<u>\$ 17,088</u>	<u>2,469</u>	<u>(8,325)</u>	<u>1,500</u>	<u>8,581</u>	<u>26,235</u>	<u>1,950</u>	<u>797,744</u>	<u>847,242</u>

ROSELLE PARK SCHOOL DISTRICT
COMBINING SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

Exhibit G-3

	Business-Type Activities - Enterprise Funds							Totals	
	Food Service	Cable 34	Adult School	Staff Computers	Coke Fund	Extended Day Care	Preschool		Summer Camp
Cash Flows from Operating Activities:									
Receipts from Customers	\$ 493,581							628,819	1,122,400
Payments for Salaries	(284,854)							(450,997)	(735,851)
Payments to Suppliers	(537,223)							(142,155)	(679,378)
Net Provided (Used) by Operating Activities	(328,496)	-	-	-	-	-	-	35,667	(292,829)
Cash Flows from Noncapital Financing Activities									
Federal & State Sources	368,614								368,614
Net Cash Provided by Noncapital Financing Activities	368,614							-	368,614
Net Increase (Decrease) in Cash and Cash Equivalents	40,118	-	-	-	-	-	-	35,667	75,785
Balances - Beginning of Year	(46,227)	2,469	(8,325)	1,500	8,581	26,235	1,950	762,077	748,260
Balances - End of Year	\$ (6,109)	2,469	(8,325)	1,500	8,581	26,235	1,950	797,744	824,045
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:									
Operating Income (Loss)	\$ (388,447)							35,667	(352,780)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities									
Federal Commodities Consumed	76,179								76,179
Depreciation	357								357
Decrease/(Increase) in Inventory	143								143
(Decrease)/Increase in Accounts Payable	(16,743)								(16,743)
Decrease/(Increase) in Accounts Receivable	15								15
Net Provided (Used) by Operating Activities	\$ (328,496)	-	-	-	-	-	-	35,667	(292,829)

FIDUCIARY FUND – H

ROSELLE PARK SCHOOL DISTRICT

Exhibit H-1

TRUST AND AGENCY FUND

COMBINING STATEMENT OF FIDUCIARY NET POSITION

AS OF JUNE 30, 2019

	Scholarship Fund Non-Expendable Trust Fund	Student Activity	Payroll Agency	Unemployment Compensation Expendable Trust	Total 2019
Assets:					
Cash and Cash Equivalents	\$ 1,871	164,970	174,937	40,868	382,646
Total Assets	<u>\$ 1,871</u>	<u>164,970</u>	<u>174,937</u>	<u>40,868</u>	<u>382,646</u>
Liabilities and Fund Balances:					
Liabilities:					
Payroll Deductions and Withholdings Due to Student Groups	\$		174,937		174,937
		164,970			164,970
Total Liabilities	<u>-</u>	<u>164,970</u>	<u>174,937</u>	<u>-</u>	<u>339,907</u>
Net Position:					
Reserved - Scholarships	1,871				1,871
Reserved - Unemployment Benefits				40,868	40,868
Total Net Position	<u>\$ 1,871</u>			<u>40,868</u>	<u>42,739</u>

ROSELLE PARK SCHOOL DISTRICT

EXPENDABLE TRUST FUND

Exhibit H-2

COMBINING STATEMENT OF CHANGES

IN FIDUCIARY NET POSITION

JUNE 30, 2019

	<u>Scholarships</u>	<u>Unemployment Compensation Insurance Trust Fund</u>	<u>Totals</u>
Additions:			
Local Sources:			
Contributions	\$ 1,200	37,237	38,437
Interest on Investments	20		20
Total Additions	<u>1,220</u>	<u>37,237</u>	<u>38,457</u>
Deductions:			
Scholarship Payments	1,450		1,450
Unemployment Claims		52,616	52,616
Total Deductions	<u>1,450</u>	<u>52,616</u>	<u>54,066</u>
Change in Net Position	(230)	(15,379)	(15,609)
Net Position, July 1	<u>2,101</u>	<u>56,247</u>	<u>58,348</u>
Net Position, June 30	<u>\$ 1,871</u>	<u>40,868</u>	<u>42,739</u>

ROSELLE PARK SCHOOL DISTRICT

Exhibit H-3

STUDENT ACTIVITY AGENCY FUND

SCHEDULE OF RECEIPTS AND DISBURSEMENTS

JUNE 30, 2019

	<u>Balance July 1, 2018</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2019</u>
Elementary Schools:				
Sherman	\$ 4,296	12,295	11,922	4,669
Aldene	4,081	8,525	9,163	3,443
Robert Gordon	4,455	6,943	7,994	3,404
Total Elementary Schools	<u>12,832</u>	<u>27,763</u>	<u>29,079</u>	<u>11,516</u>
Junior High School	<u>9,079</u>	<u>27,315</u>	<u>33,154</u>	<u>3,240</u>
Senior High School	<u>115,431</u>	<u>297,662</u>	<u>262,879</u>	<u>150,214</u>
Total All Schools	<u>\$ 137,342</u>	<u>352,740</u>	<u>325,112</u>	<u>164,970</u>

ROSELLE PARK SCHOOL DISTRICT**PAYROLL AGENCY FUND**

Exhibit H-4

SCHEDULE OF RECEIPTS AND DISBURSEMENTS**JUNE 30, 2019**

	<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	<u>\$ 333,684</u>	<u>12,115,533</u>	<u>12,274,280</u>	<u>174,937</u>
Total Assets	<u><u>\$ 333,684</u></u>	<u><u>12,115,533</u></u>	<u><u>12,274,280</u></u>	<u><u>174,937</u></u>
Liabilities:				
Payroll Deductions, Withholdings	<u>\$ 333,684</u>	<u>12,115,533</u>	<u>12,274,280</u>	<u>174,937</u>
Total Liabilities	<u><u>\$ 333,684</u></u>	<u><u>12,115,533</u></u>	<u><u>12,274,280</u></u>	<u><u>174,937</u></u>

LONG-TERM DEBT – I

ROSELLE PARK SCHOOL DISTRICT

LONG-TERM DEBT

SCHEDULE OF SERIAL BONDS

JUNE 30, 2019

Exhibit I-1

	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Beginning Balance July 1, 2018</u>	<u>Retired</u>	<u>Ending Balance June 30, 2019</u>
			<u>Date</u>	<u>Amount</u>				
Refunding Issue	3/20/2012	\$ 5,955,000	2/15/2020	\$ 545,000	4.000%	\$ 3,885,000	540,000	3,345,000
			2/15/2021	555,000				
			2/15/2022	560,000	3.380%			
			2/15/2023	560,000	4.000%			
			2/15/2024	560,000				
			2/15/2025	565,000				
					<u>\$ 3,885,000</u>	<u>540,000</u>	<u>3,345,000</u>	

ROSELLE PARK SCHOOL DISTRICT

LONG-TERM LIABILITIES

Exhibit I-2

SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES

JUNE 30, 2019

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount Of Original Issue</u>	<u>Interest Rate</u>	<u>Balance July 1, 2018</u>	<u>Issued Current Year</u>	<u>Paid Current Year</u>	<u>Amount Outstanding June 30, 2019</u>
Equipment Lease	5/20/2014	\$ 751,000	1.42%	\$ 153,914		153,914	-
Equipment Lease	7/15/2015	500,000	1.82%	204,299		101,229	103,070
Equipment Lease	7/15/2015	500,000	1.74%	252,867		125,343	127,524
Equipment Lease	7/15/2016	400,000	1.85%	202,574		100,247	102,327
Equipment Lease	7/15/2018	700,000	3.04%		700,000	181,937	518,063
Equipment Lease	6/14/2019	800,000	2.46%		800,000		800,000
				<u>\$ 813,654</u>	<u>1,500,000</u>	<u>662,670</u>	<u>1,650,984</u>

ROSELLE PARK SCHOOL DISTRICT

DEBT SERVICE FUND

Exhibit I-3

BUDGETARY COMPARISON SCHEDULE

JUNE 30, 2019

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 691,900		691,900	691,900	-
Total Revenues	<u>691,900</u>	<u>-</u>	<u>691,900</u>	<u>691,900</u>	<u>-</u>
Expenditures:					
Regular Debt Service:					
Redemption of Principal	540,000		540,000	540,000	-
Interest	151,900		151,900	151,900	-
Total Expenditures	<u>691,900</u>	<u>-</u>	<u>691,900</u>	<u>691,900</u>	<u>-</u>
Excess of Revenues over Expenditures	-	-	-	-	-
Fund Balance July 1					
Fund Balance June 30	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

STATISTICAL SECTION

(Unaudited)

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

Exhibit J-1

	<u>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>
Governmental Activities										
Invested in capital assets, net of related debt	\$ 34,914,985	\$ 35,270,764	\$ 34,310,044	\$ 35,477,757	\$ 36,242,402	\$ 36,744,847	\$ 38,156,767	\$ 37,302,177	\$ 37,599,274	\$ 37,927,609
Restricted	\$ 1,384,139	\$ 1,734,712	\$ 1,836,282	\$ 2,013,661	\$ 2,218,329	\$ 1,710,733	\$ 2,182,920	\$ 1,933,932	\$ 2,623,463	\$ 3,918,988
Unrestricted	\$ (1,480,668)	\$ (1,440,849)	\$ (1,193,657)	\$ (1,397,130)	\$ (1,520,374)	\$ (9,060,032)	\$ (10,827,838)	\$ (8,960,260)	\$ (10,402,180)	\$ (9,965,450)
Total governmental activities net position	\$ 34,818,456	\$ 35,564,627	\$ 34,952,669	\$ 36,094,288	\$ 36,940,357	\$ 29,395,548	\$ 29,511,849	\$ 30,275,849	\$ 29,820,557	\$ 31,881,147
Business-type activities										
Invested in capital assets, net of related debt	\$ 17,525	\$ 10,900	\$ 4,678	\$ 2,875	\$ 1,783	\$ 1,427	\$ 1,070	\$ 714	\$ 357	\$ -
Restricted										
Unrestricted	\$ 119,276	\$ 20,983	\$ 57,396	\$ 49,629	\$ 141,962	\$ 210,913	\$ 355,357	\$ 541,488	\$ 754,872	\$ 847,242
Total business-type activities net position	\$ 136,801	\$ 31,883	\$ 62,074	\$ 52,504	\$ 143,745	\$ 212,340	\$ 356,427	\$ 542,202	\$ 755,229	\$ 847,242
District-wide										
Invested in capital assets, net of related debt	\$ 34,932,510	\$ 35,281,664	\$ 34,314,722	\$ 35,480,632	\$ 36,244,185	\$ 36,746,274	\$ 38,157,837	\$ 37,302,891	\$ 37,599,631	\$ 37,927,609
Restricted	\$ 1,384,139	\$ 1,734,712	\$ 1,836,282	\$ 2,013,661	\$ 2,218,329	\$ 1,710,733	\$ 2,182,920	\$ 1,933,932	\$ 2,623,463	\$ 3,918,988
Unrestricted	\$ (1,361,392)	\$ (1,419,869)	\$ (1,136,261)	\$ (1,347,501)	\$ (1,378,412)	\$ (8,849,119)	\$ (10,472,481)	\$ (8,418,772)	\$ (9,647,308)	\$ (9,118,208)
Total district net position	\$ 34,955,257	\$ 35,596,510	\$ 35,014,743	\$ 36,146,792	\$ 37,084,102	\$ 29,607,888	\$ 29,868,276	\$ 30,818,051	\$ 30,575,786	\$ 32,728,389

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

Exhibit J-2
Sheet 1 of 2

	Fiscal Year Ending June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 7,044,348	\$ 9,152,917	\$ 9,139,762	\$ 9,144,089	\$ 9,010,447	\$ 9,615,148	\$ 10,203,588	\$ 10,265,057	\$ 10,857,554	\$ 10,300,928
Special Education	\$ 2,893,071	\$ 2,231,732	\$ 3,215,878	\$ 3,456,920	\$ 3,068,534	\$ 2,212,047	\$ 3,146,352	\$ 2,407,622	\$ 3,103,179	\$ 3,438,364
Other special education	\$ 955,683	\$ 776,620	\$ 889,953	\$ 832,895	\$ 896,697	\$ 1,726,901	\$ 892,872	\$ 1,604,743	\$ 844,534	\$ 849,147
Other instruction	\$ 542,264	\$ 610,664	\$ 588,038	\$ 566,618	\$ 899,310	\$ 900,810	\$ 930,205	\$ 1,010,212	\$ 1,006,267	\$ 1,081,092
Support Services:										
Tuition	\$ 821,919	\$ 1,184,976	\$ 1,220,452	\$ 1,139,384	\$ 1,466,080	\$ 1,494,344	\$ 1,496,054	\$ 1,688,356	\$ 1,688,553	\$ 1,865,979
Student & instruction related services	\$ 3,454,142	\$ 3,032,352	\$ 3,249,222	\$ 3,466,558	\$ 3,464,665	\$ 3,555,438	\$ 3,613,193	\$ 3,725,000	\$ 3,889,398	\$ 3,994,649
School administrative services	\$ 704,284	\$ 622,517	\$ 614,682	\$ 660,436	\$ 578,053	\$ 602,195	\$ 657,075	\$ 1,324,308	\$ 1,363,766	\$ 1,312,664
General & business administrative services	\$ 2,528,748	\$ 1,745,464	\$ 1,792,069	\$ 1,816,992	\$ 1,738,066	\$ 1,758,214	\$ 1,792,736	\$ 1,181,224	\$ 1,164,704	\$ 1,138,850
Plant operations and maintenance	\$ 2,939,394	\$ 2,486,350	\$ 2,367,844	\$ 2,485,960	\$ 2,535,398	\$ 2,650,796	\$ 2,846,302	\$ 2,866,329	\$ 2,952,007	\$ 2,784,577
Pupil transportation	\$ 366,144	\$ 313,355	\$ 293,762	\$ 333,364	\$ 378,044	\$ 480,418	\$ 465,699	\$ 467,281	\$ 502,134	\$ 439,710
Employee Benefits	\$ 7,084,238	\$ 8,303,438	\$ 8,110,462	\$ 8,902,413	\$ 8,411,378	\$ 9,812,810	\$ 10,095,232	\$ 10,421,694	\$ 11,531,414	\$ 11,220,581
ARRA	\$ 1,665,793							\$ -	\$ -	
Interest on long-term debt	\$ 305,667	\$ 290,151	\$ 221,476	\$ 237,366	\$ 222,769	\$ 215,354	\$ 200,807	\$ 200,988	\$ 156,379	\$ 151,011
Education Jobs \ capital outlay \ charter schools			\$ 353,652	\$ 11,989			\$ 304,285	\$ 9,273	\$ 683,091	\$ 854,372
Unallocated depreciation	\$ 266,580	\$ 289,817	\$ 290,431	\$ 231,012	\$ 222,822	\$ 213,294	\$ 211,732	\$ 189,047	\$ 225,588	\$ 227,910
Total governmental activities expenses	\$ 31,572,276	\$ 31,040,363	\$ 32,347,683	\$ 33,285,996	\$ 32,892,263	\$ 35,237,769	\$ 36,856,112	\$ 37,361,134	\$ 39,966,568	\$ 39,659,834
Business-type activities										
Food Service	\$ 677,463	\$ 640,947	\$ 665,172	\$ 663,885	\$ -	\$ -	\$ 805,393	\$ 895,587	\$ 890,229	\$ 882,028
Summer Camp	\$ 356,939	\$ 348,641	\$ 346,463	\$ 352,467	\$ 999,738	\$ 1,172,687	\$ 463,753	\$ 428,085	\$ 407,279	\$ 593,152
Total business-type activities expense	\$ 1,034,402	\$ 989,588	\$ 1,011,635	\$ 1,016,352	\$ 999,738	\$ 1,172,687	\$ 1,269,146	\$ 1,323,672	\$ 1,297,508	\$ 1,475,180
Total district expenses	\$ 32,606,677	\$ 32,029,941	\$ 33,359,318	\$ 34,302,348	\$ 33,892,001	\$ 36,410,456	\$ 38,125,258	\$ 38,684,806	\$ 41,266,076	\$ 41,135,014
Program Revenues										
Governmental activities:										
Charges for services:										
Operating grants and contributions	\$ 2,720,592	\$ 937,429	\$ 1,345,133	\$ 962,388	\$ 926,877	\$ 941,842	\$ 966,595	\$ 935,166	\$ 845,044	\$ 1,320,983
Capital grants and contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total governmental activities program revenues	\$ 2,720,592	\$ 937,429	\$ 2,051,811	\$ 1,402,448	\$ 1,273,604	\$ 1,225,403	\$ 1,303,548	\$ 1,232,866	\$ 1,077,447	\$ 1,536,976

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

Exhibit J-2
Sheet 2 of 2

	Fiscal Year Ending June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Program Revenues - Continued										
Business-type activities										
Charges for services										
Food Service	\$ 363,098	\$ 344,664	\$ 341,124	\$ 322,801	\$ 769,817	\$ 851,034	\$ 408,989	\$ 446,757	\$ 490,966	\$ 493,581
Child Care	\$ 363,916	\$ 356,493	\$ 382,122	\$ 409,649	\$ -	\$ -	\$ -	\$ 601,638	\$ 577,350	\$ 628,819
Operating grants and contributions	\$ 268,439	\$ 283,513	\$ 318,580	\$ 324,512	\$ 321,162	\$ 390,248	\$ 568,356	\$ 461,052	\$ 442,219	\$ 444,793
Total business type activities program revenues	\$ 995,453	\$ 984,670	\$ 1,041,826	\$ 1,056,962	\$ 1,090,979	\$ 1,241,282	\$ 977,345	\$ 1,509,447	\$ 1,510,535	\$ 1,567,193
Total district program revenues	\$ 3,716,045	\$ 1,922,099	\$ 3,093,637	\$ 2,459,410	\$ 2,364,583	\$ 2,466,685	\$ 2,280,893	\$ 2,742,313	\$ 2,587,982	\$ 3,104,169
Net(Expense)/Revenue										
Governmental activities	\$ (28,851,683)	\$ (30,102,924)	\$ (30,295,872)	\$ (31,883,548)	\$ (31,618,659)	\$ (34,012,366)	\$ (35,552,564)	\$ (36,128,268)	\$ (38,891,121)	\$ (38,122,858)
Business-type activities	\$ (38,949)	\$ (4,918)	\$ 30,191	\$ 40,430	\$ 91,241	\$ 68,595	\$ 144,087	\$ 185,775	\$ 213,027	\$ 92,013
Total district-wide net expense	\$ (28,890,632)	\$ (30,107,842)	\$ (30,265,681)	\$ (31,843,118)	\$ (31,527,418)	\$ (33,943,771)	\$ (35,408,477)	\$ (35,942,493)	\$ (38,678,094)	\$ (38,030,845)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 17,003,024	\$ 17,505,170	\$ 17,505,170	\$ 17,505,170	\$ 17,885,273	\$ 19,183,851	\$ 20,454,668	\$ 21,055,914	\$ 21,537,847	\$ 21,754,978
Taxes levied for debt service	\$ 690,530	\$ 697,676	\$ 693,999	\$ 699,973	\$ 684,513	\$ 652,036	\$ 688,100	\$ 703,550	\$ 703,100	\$ 691,900
Unrestricted grants and contributions	\$ 10,808,534	\$ 11,734,108	\$ 11,718,748	\$ 13,799,615	\$ 13,385,247	\$ 13,882,321	\$ 14,425,901	\$ 15,199,326	\$ 16,230,573	\$ 17,534,978
Tuition	\$ 339,869	\$ 468,059	\$ 706,678	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous income	\$ 86,658	\$ 137,597	\$ 130,437	\$ 152,804	\$ 92,931	\$ 104,039	\$ 100,196	\$ 100,426	\$ 82,056	\$ 93,068
Transfers	\$ -	\$ 100,000	\$ -	\$ -	\$ 2,147	\$ -	\$ -	\$ 68,150	\$ (117,747)	\$ 108,524
Total governmental activities	\$ 28,928,615	\$ 30,642,610	\$ 30,755,032	\$ 32,157,562	\$ 32,050,111	\$ 33,822,247	\$ 35,668,865	\$ 37,127,366	\$ 38,435,829	\$ 40,183,448
Business-type activities:										
Investment earnings										\$ -
Transfers	\$ (50,000)	\$ (100,000)	\$ -	\$ (50,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total business-type activities	\$ (50,000)	\$ (100,000)	\$ -	\$ (50,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total district-wide	\$ 28,878,615	\$ 30,542,610	\$ 30,755,032	\$ 32,107,562	\$ 32,050,111	\$ 33,822,247	\$ 35,668,865	\$ 37,127,366	\$ 38,435,829	\$ 40,183,448
Change in Net Position										
Governmental activities	\$ 76,932	\$ 539,686	\$ 459,160	\$ 274,014	\$ 401,452	\$ (190,119)	\$ 116,301	\$ 862,798	\$ (455,292)	\$ 2,060,590
Business-type activities	\$ (88,949)	\$ (104,918)	\$ 31,883	\$ (9,570)	\$ 91,241	\$ 68,595	\$ 144,087	\$ 185,775	\$ 213,027	\$ 92,013
Total district	\$ (12,017)	\$ 434,768	\$ 491,043	\$ 264,444	\$ 492,693	\$ (121,524)	\$ 260,388	\$ 1,048,573	\$ (242,265)	\$ 2,152,603

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

Exhibit J-3

	For the Fiscal Year Ending June 30,									
	<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>
General Fund										
Reserved	\$ 1,384,135	\$ 1,734,708	\$ 1,836,278	\$ 1,978,496	\$ 2,183,165	\$ 1,710,733	\$ 2,182,920	\$ 3,047,952	\$ 2,623,463	\$ 3,966,620
Unreserved	\$ (423,332)	\$ (403,134)	\$ (231,447)	\$ (293,263)	\$ (408,196)	\$ (322,640)	\$ (359,147)	\$ (289,370)	\$ (399,824)	\$ (302,889)
Total General Fund	\$ 960,803	\$ 1,331,574	\$ 1,604,831	\$ 1,685,233	\$ 1,774,969	\$ 1,388,093	\$ 1,823,773	\$ 2,758,582	\$ 2,223,639	\$ 3,663,731
All Other Governmental Funds										
Reserved										
Unreserved, reported in:										
Special Revenue Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Projects Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service Fund	\$ 4	\$ 4	\$ 4	\$ 35,165	\$ 35,164	\$ -	\$ -	\$ -	\$ -	\$ -
Permanent Fund										
Designated for Subsequent										
Year Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total all other Governmental Funds	\$ 4	\$ 4	\$ 4	\$ 35,165	\$ 35,164	\$ -	\$ -	\$ -	\$ -	\$ -

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

Exhibit J-4

	For the Fiscal Year Ending June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Local Sources	\$ 18,132,074	\$ 18,927,935	\$ 19,053,757	\$ 18,775,621	\$ 18,988,759	\$ 20,227,591	\$ 21,588,010	\$ 22,157,590	\$ 22,564,366	\$ 22,770,945
State Sources	\$ 10,781,776	\$ 11,702,426	\$ 12,425,426	\$ 13,732,602	\$ 13,328,689	\$ 13,798,706	\$ 14,352,725	\$ 15,148,303	\$ 16,153,428	\$ 17,851,876
Federal Sources	\$ 2,735,357	\$ 949,678	\$ 1,327,660	\$ 1,013,185	\$ 974,120	\$ 1,021,353	\$ 1,031,678	\$ 986,189	\$ 913,229	\$ 989,079
Total Revenue	\$ 31,649,207	\$ 31,580,039	\$ 32,806,843	\$ 33,521,408	\$ 33,291,568	\$ 35,047,650	\$ 36,972,413	\$ 38,292,082	\$ 39,631,023	\$ 41,611,900
Expenditures										
Instruction	\$ 11,552,692	\$ 12,775,696	\$ 13,838,287	\$ 13,899,075	\$ 13,856,645	\$ 14,454,906	\$ 15,068,839	\$ 15,287,634	\$ 15,768,751	\$ 15,918,126
Support Services	\$ 17,898,869	\$ 17,688,452	\$ 17,600,795	\$ 18,805,107	\$ 18,571,784	\$ 20,238,296	\$ 20,693,512	\$ 21,124,460	\$ 22,900,592	\$ 22,857,119
Capital Outlay	\$ 89,666	\$ 46,765	\$ 446,183	\$ 48,792	\$ 90,488	\$ 89,288	\$ 77,009	\$ 74,681	\$ 666,503	\$ 860,819
ARRA-ESF	\$ 1,603,711									
ARRA-GSF	\$ 62,082									
Education Jobs \ charter schools			\$ 353,652	\$ 11,989			\$ 9,273	\$ -	\$ 9,273	
Debt service:										
Principal	\$ 372,345	\$ 392,346	\$ 402,345	\$ 482,345	\$ 452,245	\$ 470,000	\$ 485,000	\$ 515,000	\$ 530,000	\$ 540,000
Interest and other charges	\$ 318,995	\$ 306,009	\$ 292,325	\$ 197,139	\$ 232,818	\$ 217,200	\$ 203,100	\$ 188,550	\$ 173,100	\$ 151,900
Total expenditures	\$ 31,898,360	\$ 31,209,268	\$ 32,933,587	\$ 33,444,447	\$ 33,203,980	\$ 35,469,690	\$ 36,536,733	\$ 37,190,325	\$ 40,048,219	\$ 40,327,964
Excess (Deficiency) of revenues over (under) expenditures	\$ (249,153)	\$ 370,771	\$ (126,744)	\$ 76,961	\$ 87,588	\$ (422,040)	\$ 435,680	\$ 1,101,757	\$ (417,196)	\$ 1,283,936
Other Financing sources (uses)										
Transfers in	\$ -	\$ 50,000	\$ 400,000	\$ 50,000	\$ 2,147	\$ -	\$ -	\$ -	\$ -	\$ 163,281
Transfers out	\$ -	\$ -	\$ -	\$ (11,398)	\$ -	\$ -	\$ -	\$ (68,150)	\$ (117,747)	\$ (54,757)
Total other financing sources (uses)	\$ -	\$ 50,000	\$ 400,000	\$ 38,602	\$ 2,147	\$ -	\$ -	\$ (68,150)	\$ (117,747)	\$ 108,524
Net changes in fund balances	\$ (249,153)	\$ 420,771	\$ 273,256	\$ 115,563	\$ 89,735	\$ (422,040)	\$ 435,680	\$ 1,033,607	\$ (534,943)	\$ 1,392,460

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

Exhibit J-5

<u>Fiscal Year Ending June 30</u>	<u>Interest on Investments</u>	<u>Tuition</u>	<u>Rentals-Use Of Facilities</u>	<u>Prior Year Refunds</u>	<u>Transportation Fees</u>	<u>Other</u>	<u>Total</u>
2010	\$ 4,468	\$ 339,869	\$ 50,000			\$ 32,190	\$ 426,527
2011	\$ 4,544	\$ 468,059	\$ 52,486			\$ 100,000	\$ 625,089
2012	\$ 1,947	\$ 706,678	\$ 28,038			\$ 100,000	\$ 836,663
2013	\$ 6,331	\$ 440,060	\$ 21,859			\$ 72,000	\$ 540,250
2014	\$ 4,480	\$ 346,727				\$ 88,451	\$ 439,658
2015	\$ -	\$ 283,561				\$ 108,143	\$ 391,704
2016	\$ -	\$ 336,953				\$ 100,196	\$ 437,149
2017	\$ -	\$ 297,700				\$ 100,426	\$ 398,126
2018	\$ -	\$ 232,403				\$ 82,056	\$ 314,459
2019	\$ -	\$ 215,993	\$ 72,000			\$ 36,074	\$ 324,067

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

Exhibit J-6

<u>Year Ended December 31.</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Public Utilities</u>	<u>Net Valuation Taxable</u>	<u>Estimated Actual</u>
2010	\$ 389,300	\$ 234,506,500	\$ 26,131,300	\$ 4,999,300	\$ 21,977,800	\$ 149,050	\$ 288,153,250	\$ 1,292,167,040
2011	\$ 363,800	\$ 234,458,800	\$ 26,168,300	\$ 4,900,500	\$ 21,788,600	\$ 125,187	\$ 287,805,187	\$ 1,226,791,078
2012	\$ 343,800	\$ 233,733,160	\$ 25,607,200	\$ 4,870,500	\$ 21,759,000	\$ 210,488	\$ 286,524,148	\$ 1,063,564,024
2013	\$ 336,100	\$ 233,116,860	\$ 25,292,300	\$ 4,870,500	\$ 21,607,400	\$ 227,314	\$ 285,450,474	\$ 1,020,559,435
2014	\$ 291,700	\$ 232,264,660	\$ 25,143,400	\$ 4,870,500	\$ 21,077,700	\$ 181,168	\$ 283,829,128	\$ 1,032,105,920
2015	\$ 291,700	\$ 231,921,710	\$ 25,075,300	\$ 4,872,000	\$ 21,077,700	\$ 188,400	\$ 283,426,810	\$ 1,030,642,945
2016*	\$ 1,242,200	\$ 837,525,900	\$ 90,718,800	\$ 19,767,500	\$ 104,252,300	\$ 670,901	\$ 1,054,177,601	\$ 1,101,418,400
2017	\$ 1,242,200	\$ 836,003,400	\$ 88,880,700	\$ 19,772,500	\$ 104,252,300	\$ 652,679	\$ 1,050,803,779	\$ 1,097,910,193
2018	\$ 1,240,200	\$ 835,145,700	\$ 91,475,600	\$ 18,964,300	\$ 104,298,700	\$ 651,557	\$ 1,051,778,057	\$ 1,106,798,463
2019	\$ 1,242,200	\$ 835,075,700	\$ 92,213,500	\$ 17,951,300	\$ 104,075,300	\$ 622,050	\$ 1,051,180,050	\$ 1,184,127,592

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

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

Exhibit J-7

<u>Year Ended December 31,</u>	<u>Roselle Park School District Direct Rate</u>		<u>Overlapping Rates</u>		<u>Total Direct and Overlapping Tax Rate</u>	
	<u>Basic Rate</u>	<u>General Obligation Debt Service</u>	<u>Total Direct</u>	<u>Borough of Roselle Park</u>		<u>Union County</u>
2010			6.229	3.684	1.713	11.626
2011			6.324	3.836	1.823	11.983
2012			6.353	3.986	1.845	12.184
2013			6.436	4.119	1.851	12.406
2014			6.755	4.273	1.879	12.907
2015			7.210	4.427	1.950	13.587
2016			2.034	1.227	0.550	3.811
2017			2.093	1.276	0.565	3.934
2018			2.124	1.296	0.559	3.979
2019			2.135	1.312	0.587	4.034

Borough of Roselle Park School District
Principal Property Tax Payers

Exhibit J-8

2019

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

Borough of Roselle Park School District
Property Tax Levies and Collections

Exhibit J-9

<u>Year Ended December 31,</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Percentage of Levy</u>
	<u>Taxes Levied for the Fiscal Year</u>	<u>Amount</u>	
2009	\$ 32,620,843	\$ 31,925,961	97.86%
2010	\$ 33,535,571	\$ 32,804,581	97.82%
2011	\$ 34,518,458	\$ 33,582,766	97.28%
2012	\$ 34,921,899	\$ 34,202,404	98.33%
2013	\$ 35,291,892	\$ 34,622,625	98.12%
2014	\$ 36,662,116	\$ 36,008,661	98.21%
2015	\$ 38,536,330	\$ 37,839,386	98.19%
2016	\$ 40,187,999	\$ 39,447,876	98.16%
2017	\$ 41,486,671	\$ 40,791,826	98.33%
2018	\$ 41,869,930	\$ 41,248,227	98.52%

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

Exhibit J-10

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>General</u> <u>Obligation</u> <u>Bonds</u>	<u>Certificates</u> <u>of</u> <u>Participation</u>	<u>Capital</u> <u>Leases</u>	<u>Bond</u> <u>Anticipation</u> <u>Notes</u>	<u>Total</u> <u>Direct</u>	<u>Percentage of</u> <u>Personal</u> <u>Income</u>	<u>Per</u> <u>Capita</u>
2010	\$7,569,000		\$715,146				
2011	\$7,179,000		\$434,463				
2012	\$6,779,000		\$400,000				
2013	\$6,335,000		\$300,000				
2014	\$5,885,000		\$850,000				
2015	\$5,415,000		\$888,099				
2016	\$4,930,000		\$755,230				
2017	\$4,415,000		\$677,780				
2018	\$3,885,000		\$888,532				
2019	\$3,345,000		\$695,123				

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

Exhibit J-11

General Bonded Debt Outstanding

<u>Fiscal Year Ended June 30.</u>	<u>General Obligation Bonds</u>	<u>Deductions</u>	<u>Net General Bonded Debt Outstanding</u>	<u>Percentage Actual Taxable Value of Property</u>	<u>Per Capita</u>
2010	\$ 7,569,000.00		\$ 7,569,000.00		
2011	\$ 7,179,000.00		\$ 7,179,000.00		
2012	\$ 6,779,000.00		\$ 6,779,000.00		
2013	\$ 6,335,000.00		\$ 6,335,000.00		
2014	\$ 5,885,000.00		\$ 5,885,000.00		
2015	\$ 5,415,000.00		\$ 5,415,000.00		
2016	\$ 4,930,000.00		\$ 4,930,000.00		
2017	\$ 4,415,000.00		\$ 4,415,000.00		
2018	\$ 3,885,000.00		\$ 3,885,000.00		
2019	\$ 3,345,000.00		\$ 3,345,000.00		

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

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Borough of Roselle Park	\$ 18,048,757	100%	\$ 18,048,757
Union County			
General Obligation Debt	\$ 587,410,876	1.58%	\$ 9,306,523
Rahway Valley Sewerage Authority	\$ 145,983,784	1.58%	\$ 2,306,544
Subtotal, overlapping debt			<u>\$ 29,661,824</u>
Roselle Park School District Direct Debt			<u>\$ 3,885,000</u>
Total direct and overlapping debt			\$ 33,546,824

Borough of Roselle Park School District
 Legal Debt Margin Information

Exhibit J-13

Legal Debt Margin Calculated for Fiscal Year 2018

	Equalized valuation basis	
	2018	\$ 1,051,778,057
	2019	\$ 1,051,180,050
		\$ 2,102,958,107
Average equalized valuation of taxable property		\$ 1,051,479,054
Debt limit (4% of average equalization value)		\$ 42,059,162
Net bonded school debt		\$ 3,885,000
Legal debt margin		\$ 38,174,162

	<u>Fiscal Year</u>							
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Debt Limit	\$ 42,059,162	\$ 42,051,637	\$ 42,099,628	\$ 42,167,104	\$ 11,345,119	\$ 11,385,592	\$ 11,439,492	\$ 11,486,587
Total net debt applicable to limit	\$ <u>3,345,000</u>	\$ <u>3,885,000</u>	\$ <u>4,415,000</u>	\$ <u>4,930,000</u>	\$ <u>5,415,000</u>	\$ <u>5,885,000</u>	\$ <u>6,335,000</u>	\$ <u>6,779,000</u>
Legal debt margin	\$ 38,714,162	\$ 38,166,637	\$ 37,684,628	\$ 37,237,104	\$ 5,930,119	\$ 5,500,592	\$ 5,104,492	\$ 4,707,587
Total net debt applicable to the limit as a percentage of debt limit								

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

Exhibit J-14

<u>Year</u>	<u>Population</u>	Personal Income (thousands of dollars)	Union County Per Capita Personal Income	Unemployment Rate
2009	12,861		\$ 49,213	9.8
2010	13,321		\$ 49,932	9.9
2011	13,372		\$ 52,281	9.9
2012	13,512		\$ 53,816	9.9
2013	13,525		\$ 54,382	10.3
2014	13,595		\$ 57,306	6.8
2015	13,670		\$ 60,089	5.8
2016	13,774		\$ 60,406	5.1
2017	13,821		\$ 61,808	4.7
2018	13,650		\$ 64,413	4.1

Borough of Roselle Park School District
Principal Employers,
2019

Exhibit J-15

<u>Employer</u>	<u>Employees</u>
Roselle Park School District	323
Borough of Roselle Park	162

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

<u>Function/Program</u>	<u>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	146	138	146	141	143	145	145	145	145	142
Special Education	32	30	35	41	38	37	35	38	42	41
Other special education	54	40	49	54	57	49	48	50	52	49
Vocational										
Other instruction										
Nonpublic school programs										
Adult/continuing education										
Support Services:										
Student & instruction related services	52	44	37	33	34	30	31	30	30	30
School administrative services	14	11	11	11	11	11	13	13	13	13
General & Business Adm. services	1	1	1	1	1	1	1	1	1	1
Plant operations and maintenance	23	21	21	22	22	23	24	24	24	24
Pupil transportation	0	1	1	1	1	1	0	0	0	0
Business and other support services	20	15	14	17	17	20	21	23	23	23
Special Schools										
Food Service										
Child Care										
Total	342	301	315	321	324	317	318	324	330	323

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

Exhibit J-17

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Elementary</u>	<u>Middle School</u>	<u>High School</u>	<u>Avg. Daily Enrollment</u>	<u>Avg. Daily Attendance</u>	<u>% Change ADE</u>	<u>Student Attendance %</u>
2010	2,019	\$ 28,131,990.00	\$ 13,516.00		220	1:17	1:21	1:19	1992	1902		95.5%
2011	2,000	\$ 27,583,542.00	\$ 13,145.00		209	1:19	1:22	1:20	1981	1887		95.2%
2012	2,005	\$ 28,474,200.00	\$ 13,592.00		214	1:20	1:21	1:19	1981	1891		95.4%
2013	1,970	\$ 28,809,678.00	\$ 14,740.00		215	1:20	1:21	1:19	1852	1756		94.8%
2014	1,958	\$ 28,926,316.00	\$ 14,579.00		215	1:20	1:21	1:18	1851	1764		95.3%
2015	2,009	\$ 30,773,491.00	\$ 14,492.00		215	1:21	1:22	1:19	1982	1889		95.3%
2016	2,037	\$ 31,336,369.00	\$ 14,509.00		220	1:21	1:22	1:20	2019	1932		95.7%
2017	2,059	\$ 31,263,331.00	\$ 15,009.00		223	1:20	1:21	1:20	2032	1940		95.50%
2018	2,081	\$ 33,594,014.00	\$ 15,256.00		227	1:22	1:22	1:21	2054	1961		95.50%
2019	2,067	\$ 32,627,556.26	\$ 16,013.00		183	1:22	1:22	1:21	2032	1938		95.36%

Roselle Park Board of Education
 School Building Information
 Last Ten Fiscal Years

Exhibit J-18

<u>District Building</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>
Aldene										
Square Feet	32801	32801	32801	32801	32801	32801	32801	32801	32801	32801
Capacity										
Enrollment	285	279	313	304	300	327	320	329	308	288
Robert Gordon										
Square Feet	34342	34342	34342	34342	34342	34342	34342	34342	34342	34342
Capacity										
Enrollment	272	261	263	271	260	273	273	278	277	290
Sherman										
Square Feet	33560	33560	33560	33560	33560	33560	33560	33560	33560	33560
Capacity										
Enrollment	331	338	323	310	312	331	348	357	386	357
Middle School										
Square Feet	64420	64420	64420	64420	64420	64420	64420	64420	64420	64420
Capacity										
Enrollment	483	485	488	493	490	473	471	466	503	529
High School										
Square Feet	119968	119968	119968	119968	119968	119968	119968	119968	119968	119968
Capacity										
Enrollment	648	637	618	592	596	605	625	629	607	603
Board Office										
Square Feet	3124	3124	3124	3124	3124	3124	3124	3124	3124	3124

Number of Schools as of June 30, 2018

Elementary = 3

Middle School = 1

High School = 1

Borough of Roselle Park School District
Schedule of Required Maintenance

Exhibit J-19

Fiscal Year Ending June 30	<u>Aldene</u>	<u>Robert Gordon</u>	<u>Sherman</u>	<u>Middle School</u>	<u>High School</u>	<u>Cental Office</u>	<u>Total</u>
2010	\$ 81,861.00	\$ 75,728.00	\$ 73,058.00	\$ 162,640.00	\$ 419,853.00	\$ 27,212.00	\$ 840,352.00
2011	\$ 65,056.00	\$ 60,041.00	\$ 44,119.00	\$ 130,477.00	\$ 190,895.00	\$ 8,149.00	\$ 498,737.00
2012	\$ 76,505.00	\$ 73,148.00	\$ 66,517.00	\$ 178,920.00	\$ 214,582.00	\$ 6,747.00	\$ 616,419.00
2013	\$ 76,795.00	\$ 105,073.00	\$ 89,992.00	\$ 159,959.00	\$ 334,145.00	\$ 6,014.00	\$ 771,978.00
2014	\$ 108,984.00	\$ 96,005.00	\$ 65,900.00	\$ 238,573.00	\$ 252,904.00	\$ 9,055.00	\$ 771,421.00
2015	\$ 97,294.00	\$ 67,797.00	\$ 75,967.00	\$ 154,339.00	\$ 213,492.00	\$ 8,821.00	\$ 617,710.00
2016	\$ 131,030.00	\$ 92,218.00	\$ 69,079.00	\$ 169,488.00	\$ 327,732.00	\$ 6,453.00	\$ 796,000.00
2017	\$ 111,849.00	\$ 102,482.00	\$ 59,569.00	\$ 188,107.00	\$ 298,795.00	\$ 7,554.00	\$ 768,356.00
2018	\$ 95,355.00	\$ 129,544.00	\$ 158,838.00	\$ 181,234.00	\$ 325,915.00	\$ 9,030.00	\$ 899,916.00
2019	\$ 114,961.00	\$ 95,298.00	\$ 197,742.00	\$ 325,509.00	\$ 537,141.00	\$ 21,069.00	\$ 1,291,720.00

Borough of Roselle Park School District Insurance Schedule

Exhibit J-20

<u>School Package Policy</u>	<u>Coverage</u>	<u>Deductible</u>
Property	\$ 500,000,000.00	\$ 5,000.00
Comprehensive General Liability	\$ 16,000,000.00	n/a
Automobile Liability	\$ 16,000,000.00	n/a
Crime Coverage	\$ 5,000.00	\$ 500.00
Forgery & Alteration	\$ 25,000.00	\$ 500.00
Extra Expense	\$ 50,000,000.00	\$ 5,000.00
Valuable Papers	\$ 10,000,000.00	\$ 5,000.00
Demolition and Increased Cost of Construction	\$ 25,000,000.00	n/a
Equipment Breakdown	\$ 100,000,000.00	\$ 5,000.00
Electronic Data	\$ 900,000.00	\$ 1,000.00
Workers Compensation	Each Accident Disease Policy Limit Disease Each Employee	\$ 2,000,000.00 \$ 2,000,000.00 \$ 2,000,000.00
School Leaders Errors & Omissions Liability	\$ 16,000,000.00 \$100,000/\$300,000	\$ 5,000.00
Administrator - Bond	\$ 25,000.00	\$ 500.00
Treasurer - Bond	\$ 300,000.00	\$ 1,000.00
Crisis Management	Expenses Judgement/Defense Death/Dismemberment Disappearance Treat	\$ 1,000,000.00 \$ 1,000,000.00 \$ 250,000.00 \$ 100,000.00 \$ 150,000.00
Student Accident	\$ 1,000,000.00	
Pollutant Cleanup and Removal	\$ 250,000.00	\$ 5,000.00
Automobile Physical Damage	Actual Cash Basis	\$ 1,000.00
Flood Deductible	All Zones Except A&V	\$ 10,000.00
Robert Gordon Flood Deductible		\$ 1,000.00
Earthquake	\$ 50,000,000.00	\$ 5,000.00
Environmental Liability	\$ 1,000,000.00	\$ 50,000.00
First Party Microbial Clean Up	\$ 100,000.00	\$ 50,000.00
Tuition	\$ 268,825.00	\$ 5,000.00
Employee Benefits Liability	\$ 16,000,000.00	\$ 1,000.00
Sexual Abuse	\$ 16,000,000.00	n/a
Terrorism	\$ 1,000,000.00	n/a

SINGLE AUDIT SECTION

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.
ROBERT A. HULSART, JR., C.P.A., P.S.A.
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

K-1

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Roselle Park Board of Education, County of Union, State of New Jersey as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Roselle Park Board of Education, County of Union, State of New Jersey's basic financial statements, and have issued our report thereon dated December 5, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart

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

December 5, 2019

ARMOUR S. HULSART, C.P.A., F.M.A., P.S.A. (1959-1992)
ROBERT A. HULSART, C.P.A., F.M.A., P.S.A.
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY THE UNIFORM GUIDANCE AND SCHEDULE OF EXPENDITURES OF STATE
FINANCIAL ASSISTANCE AS REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

K-2

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

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Roselle Park School District, County of Union, State of New Jersey's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Board of Education of the Roselle Park School District, County of Union, State of New Jersey's major state programs for the year ended June 30, 2019. The Board of Education of the Roselle Park School District, County of Union, State of New Jersey's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal and State Program

In our opinion, the Board of Education of the Roselle Park School District, County of Union, State of New Jersey's, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

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

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

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

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

Respectfully submitted,

ROBERT A. HULSART AND COMPANY

Robert A. Hulsart

Licensed Public School Accountant

No. 322

Robert A. Hulsart and Company

Wall Township, New Jersey

December 5, 2019

ROSELLE PARK SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Schedule A
K-3

Department of Education Project/Title	CFDA Number	Federal Fain Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2018	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year Balances	Balance at June 30, 2019				
					From	To							(Accounts Receivable)	Deferred Revenue	Due to Grantor		
U.S. Department of Agriculture																	
Passed Through State Department of Education:																	
National School Lunch Program	10.555	1816NJ304N1099		\$ 325,114	07/01/2017	06/30/2018	\$ (18,359)		18,359								
National School Lunch Program	10.555	191NJ304N1099		318,425	07/01/2018	06/30/2019			299,727	(318,425)				(18,698)			
HHFKA Program	10.555	191NJ304N1099		11,103	07/01/2018	06/30/2019			10,440	(11,103)				(663)			
HHFKA Program	10.555	1816NJ304N1099		11,387	07/01/2017	06/30/2018	(656)		656								
School Breakfast Program	10.553	1816NJ304N1099		25,564	07/01/2017	06/30/2018	(1,611)		1,611								
School Breakfast Program	10.553	191NJ304N1099		29,384	07/01/2018	06/30/2019			26,922	(29,384)				(2,462)			
Food Distribution	10.550	191NJ304N1099		76,179	07/01/2018	06/30/2019			76,179	(76,179)							
Total Department of Agriculture							(20,626)	-	433,894	(435,091)	-	-		(21,823)	-	-	
General Fund:																	
Medicaid	93.778	1605NJ5MAP		61,230	07/01/2018	06/30/2019			61,230	(61,230)							
U.S. Department of Education																	
Passed Through State Department of Education:																	
Special Revenue Fund:																	
Title I	84.010	S010A160030		368,415	07/01/2018	06/30/2019			233,167	(368,415)				(135,248)			
Title I	84.010	S010A150030		365,819	07/01/2017	06/30/2018	(108,855)		108,855								
Title IIA	84.367A	S367A150029		54,881	07/01/2017	06/30/2018	(11,704)		11,704								
Title IIA	84.367A	S367A160029		61,374	07/01/2018	06/30/2019			33,143	(61,374)				(28,231)			
Title III	84.365A	S365A150030		24,849	07/01/2017	06/30/2018	(9,602)		9,602								
Title III	84.365A	S365A160030		41,000	07/01/2018	06/30/2019			30,080	(41,000)				(10,920)			
I.D.E.A.:																	
Part B	84.027	H027A150100		468,266	07/01/2017	06/30/2018	(91,958)		91,958								
Part B	84.027	H027A160100		468,488	07/01/2018	06/30/2019			362,042	(468,488)				(106,446)			
Preschool	84.173	H173A150114		15,411	07/01/2017	06/30/2018	(3,398)		3,398								
Preschool	84.173	H173A160114		15,814	07/01/2018	06/30/2019			11,860	(15,814)				(3,954)			
Total U.S. Department of Education							(225,517)	-	895,809	(955,091)	-	-		(284,799)	-	-	
Total Federal Financial Assistance							\$ (246,143)	-	1,390,933	(1,451,412)	-	-		(306,622)	-	-	

See Accompanying Notes to Schedules of Financial Assistance.

ROSELLE PARK SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Schedule B
K-4

Department of Education Project/Title	State Grant Number	Program or Award Amount	Grant Period		Balance at June 30, 2018		Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year Balances	Balance at June 30, 2019		MEMO		
			From	To	Deferred Revenue (Accounts Receivable)	Due To Grantor						Deferred Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable	Total Cumulative Expenditures	
State Department of Education:																
General Fund:																
Special Education Aid	19-495-034-5120-089	\$ 1,320,686	07/01/2018	06/30/2019	\$ -			1,189,698	(1,320,686)						(130,988)	1,320,686
Equalization Aid	19-495-034-5120-078	9,619,107	07/01/2018	06/30/2019				8,666,471	(9,619,107)						(952,636)	9,619,107
Security Aid	19-495-034-5120-084	443,400	07/01/2018	06/30/2019				395,768	(443,400)						(47,632)	443,400
Extraordinary Aid	19-495-034-5120-044	386,446	07/01/2018	06/30/2019					(386,446)			(386,446)				386,446
Extraordinary Aid	18-495-034-5120-044	325,679	07/01/2017	06/30/2018	(325,679)			325,679								
Transportation Aid	19-495-034-5120-014	128,375	07/01/2018	06/30/2019				116,467	(128,375)						(11,908)	128,375
On-Behalf TPAF Pension Fund	19-495-034-5094-002	4,450,988	07/01/2018	06/30/2019				4,450,988	(4,450,988)							4,450,988
Reimbursed TPAF Social Security Contribution (Non-Budgeted)	18-100-034-5095-003	1,182,335	07/01/2017	6/3-2018	(741)			741								
Reimbursed TPAF Social Security Contribution (Non-Budgeted)	19-100-034-5095-002	1,188,274	07/01/2018	06/30/2019				1,188,274	(1,188,274)							1,188,274
Total General Fund					<u>(326,420)</u>	<u>-</u>	<u>-</u>	<u>16,334,086</u>	<u>(17,537,276)</u>	<u>-</u>	<u>-</u>	<u>(386,446)</u>	<u>-</u>	<u>-</u>	<u>(1,143,164)</u>	<u>17,537,276</u>
Special Revenue Fund:																
Preschool Expansion Aid	19-495-034-5120-086	515,463	07/01/2018	06/30/2019				467,831	(470,696)						(47,632)	470,696
State Department of Agriculture:																
Enterprise Fund:																
State School Lunch Program (State Share)	18-100-010-3350-023	9,962	07/01/2017	06/30/2018	(573)			573								9,702
State School Lunch Program (State Share)	19-100-010-3350-023	9,702	07/01/2018	06/30/2019				9,123	(9,702)						(579)	9,702
Total Enterprise Fund					<u>(573)</u>	<u>-</u>	<u>-</u>	<u>9,696</u>	<u>(9,702)</u>	<u>-</u>	<u>-</u>	<u>(579)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,702</u>
Total State Financial Assistance					<u>\$ (326,993)</u>	<u>-</u>	<u>-</u>	<u>16,811,613</u>	<u>(18,017,674)</u>	<u>-</u>	<u>-</u>	<u>(387,025)</u>	<u>44,767</u>	<u>-</u>	<u>(1,190,796)</u>	<u>18,017,674</u>
Less On Behalf TPAF Pension Fund Contributions									<u>(4,450,988)</u>							
Total for State Financial Assistance-Major Program Determination									<u>\$ (13,566,686)</u>							

See Accompanying Notes to Schedules of Financial Assistance.

BOARD OF EDUCATION

K-5

ROSELLE PARK SCHOOL DISTRICT**NOTES TO SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE****JUNE 30, 2019****NOTE 1: General**

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

NOTE 2: Basis of Accounting

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

NOTE 3: Relationship to General Purpose Financial Statements

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

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

NOTE 3: Relationship to General Purpose Financial Statements

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Food Service</u>	<u>Total</u>
<u>State Assistance</u>					
Actual Amounts (Budgetary)					
“Revenues” from the Schedule					
of Expenditures of State					
Financial Assistance	\$ 17,537,276	470,696		9,702	18,017,674
Difference – Budget to “GAAP”					
Grant Accounting Budgetary					
Basis Differs from GAAP					
in that Encumbrances are					
Recognized as Expenditures					
and the Related Revenue					
is Recognized					
		(44,936)			(44,936)
The Last State Aid Payment					
Is Recognized as Revenue					
for Budgetary Purposes,					
and Differs from GAAP					
Which does not Recognize					
This Revenue Until the					
Subsequent Year When the					
State Recognizes the Related					
Expense (GASB 33)	____(63,528)	(47,632)	_____	_____	____(111,160)
Total State Revenue as Reported					
on the Statement of Revenues,					
Expenditures and Changes in					
Fund Balances	<u>\$ 17,473,748</u>	<u>378,128</u>	<u>_____</u>	<u>9,702</u>	<u>17,861,578</u>

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Food Service</u>	<u>Total</u>
<u>Federal Assistance</u>					
Actual Amounts (Budgetary) "Revenues" from the Schedule of Expenditures of Federal Awards	\$ 61,230	955,091		435,091	1,451,412
Difference – Budget to "GAAP" Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures and the Related Revenue is Recognized	_____	(27,242)	_____	_____	_(27,242)
Total Federal Revenue as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances	<u>\$ 61,230</u>	<u>927,849</u>	_____	<u>435,091</u>	<u>1,424,170</u>

NOTE 4: Relationship to Federal and State Financial Reports

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

NOTE 5: Other

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state of behalf of the District for the year ended June 30, 2019. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2019.

ROSELLE PARK SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Part 1 - Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified?

_____ Yes x No

2) Reportable condition(s) identified that are not considered to be material weaknesses?

_____ Yes x None Reported

Noncompliance material to general purpose financial statements noted?

_____ Yes x No

Federal Awards

Internal control over compliance:

1) Material weakness(es) identified?

_____ Yes x No

2) Reportable condition(s) identified that are not considered to be material weaknesses?

_____ Yes x None Reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133?

_____ Yes x No

Identification of major programs:

CFDA Number(s)

84.027
84.173

Name of Federal Program or Cluster

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

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

\$750,000

Auditee qualified as low-risk auditee?

 x Yes _____ No

ROSELLE PARK SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Part 2 - Financial Statement Findings

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

Finding: None

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Cause: N/A

Recommendation: N/A

Management's Response: N/A

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

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2019*Part 3 - Federal Awards and State Financial Assistance Findings and Questioned Costs*

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

Federal Awards

Finding: NONE

Information on the Federal Program: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Cause: N/A

Recommendation: N/A

Management's response: N/A

State Awards

Finding: NONE

Information on the State Program: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Cause: N/A

ROSELLE PARK SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

State Awards (Continued)

Recommendation: N/A

Management's response: N/A

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

K-7

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

This section identifies the status of prior year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of Government Auditing Standards, Title 2 U.S. Code of Federal Regulations Part 200 and New Jersey OMB's Circular 15-08.

Prior Audit Findings:

There were no prior year audit findings.