

SCHOOL DISTRICT  
OF  
Roseland Borough

Roseland Borough School District  
Board of Education  
Roseland Borough, New Jersey

Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2020

Comprehensive Annual  
Financial Report

of the

Roseland Borough  
Board of Education

Roseland Borough, New Jersey

For the Fiscal Year Ended June 30, 2020

Prepared by

Roseland Borough  
Board of Education

ROSELAND BOARD OF EDUCATION  
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INTRODUCTORY SECTION  
(UNAUDITED)

# Lester C. Noecker School

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## Roseland School District

100 Passaic Ave.  
Roseland, New Jersey 07068  
973.226.1296

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September 30, 2020

The Honorable President and Members of  
the Board of Education  
Roseland Board of Education  
County of Essex, New Jersey

Dear Honorable President and Board Members:

The Comprehensive Annual Financial Report of the Roseland Board of Education (the "District") for the fiscal year ended June 30, 2020 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Roseland Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

1. **REPORTING ENTITY AND ITS SERVICES:** The Roseland Board of Education is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board ("GASB") in codification section 2100. All funds of the District are included in this report. The Roseland Board of Education's elementary school constitutes the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 6. These include regular, as well as special education, for handicapped youngsters. The District completed the 2019-2020 fiscal year with an average daily enrollment of 468 students, which is nine more students than the prior year's average daily enrollment.

2. ECONOMIC CONDITION AND OUTLOOK: Roseland is a mature suburban community within Essex County. In recent years, there has been a steady loss of ratables, resulting in a significant shift in the tax burden from commercial entities to residential owners. This trend is likely to continue with the introduction of two PILOT programs, discussed *infra*.

Within the past few years, the Borough of Roseland has seen an increase in the rental housing market, including an entirely new rental community (Avalon Roseland), and the school system has seen an associated increase in enrollment (e.g., 24 new students have enrolled as of the date of this letter). Surges in enrollment are expected in the next three (3) to five (5) years, as Payment In Lieu of Taxes ("PILOT") agreements have been entered into by the municipality. A PILOT agreement is an agreement between a municipal entity and a developer, and is used as a tax incentive for the developer to develop land. The PILOT agreement comes with a long life span and, rather than being assessed taxes on the property being developed, a PILOT revenue is paid directly to the municipality. With no taxes being levied on those properties, no new taxes will flow through to the School District.

The PILOT agreements currently underway in the Borough will create approximately 440 new rental housing units. According to initial studies of the project, there will be an influx of 87 to 89 K-12 students, with approximately 65 expected to be low-income students. A proportionate amount of those students will fall within the Pre-K through 6<sup>th</sup> Grade, and become students enrolled in the Roseland School District. The result will be an increased demand upon school resources, classrooms, teachers, administrators, transportation, etc. without an associated increase in financial resources. The Roseland Board of Education is actively collaborating with the Roseland Borough Council to identify ways to diminish the expected financial burden of PILOT programs upon the School District.

3. MAJOR INITIATIVES: As in years past, the District's annual financial plan provides a balance between building maintenance projects and program needs. In general, the buildings are well maintained with preventative maintenance a regular part of the day-to-day operation. The comprehensive maintenance plan (CMP), which is approved by the Board each year, identifies priority facility projects. Funding for a number of these projects is included in the annual budget with larger and more costly projects addressed through allocations from the Capital Reserve Account.

In the 2019-20 budget, the Board allocated \$400,000 from the Capital Reserve for Capital Projects, including: remediation and replacement of asbestos tiles in two classrooms, new back stop for the baseball field, new electrical breaker panels, LED lighting upgrades, various plumbing projects, and security upgrades (painting and color-coding of hallways). The purpose of our Capital Projects is to enhance student experience, increase safety and security, and continue to update our facility. Similarly, the Board has several Capital Projects planned for the 2020-2021 school year.

Regarding program enhancements, the District continues to purchase the necessary hardware to enhance instruction. Classrooms are equipped with computers, Promethean Boards, document cameras, and printers. We continue to improve our technology equipment through maintenance of our equipment, replacing out-of-date computers, increasing our bandwidth, and continuing a 1: 1 Chromebook initiative in grades 3-6. Technology equipment is continually upgraded and maintained to ensure ease of use, including the ability to use or print wirelessly.

Instructional programming is also supported through a variety of programs available for student use and management (RazPlus, Achieve 3000, IXL, Zoom, Screencastify, Seesaw, Clever).



Technology continues to be a focus in a changing world. We continually monitor the effectiveness of our systems, equipment, and programs and their use for our staff and students.

Major initiatives in the area of teaching and learning continue to be a focus in the Roseland School District with many opportunities for teachers to develop their instructional practice and expertise. Through the use of District and Title funds, teachers participate in literacy professional development and have access to resources to support struggling students. A focus on the Inclusion Special Education instructional model was implemented and teachers and students actively benefited from their training and support throughout the school year.

Additional professional development includes the use of GCN Training modules (such as Affirmative Action, Dyslexia, Bloodborne Pathogens, etc.), workshops related to Suicide Awareness, Mindfulness, the Anti-Bullying Bill of Rights/HIB, AchieveNJ, Stronge Teacher Evaluation, revised I & RS and 504 programs, and Inclusion models and instruction. Teachers were also offered the opportunity to self-select professional development opportunities and take advantage of many local options.

Major initiatives for the Roseland School District are designed to support and develop our community of learners, maximize student achievement, ensure the safety and security of our staff and students, and proactively plan for the future.

Public school districts are required to seek cost savings through shared services programs. Current shared services include:

- ✓ Professional Development (West Essex Consortium)
- ✓ Transportation (Sussex County Regional Co-Op and Essex Regional Educational Services Commission)
- ✓ Telecommunications (E-Rate Federal Universal Services Program for Schools and ACT)
- ✓ Ed-Data Services, Inc. (Purchasing Co-Op)
- ✓ Middlesex Regional Educational Services (Purchasing Group)
- ✓ Essex Regional Educational Services Commission (Purchasing Group)
- ✓ Snow Plowing - Sewer - Water - Waste Disposal - Field Maintenance (Borough of Roseland)
- ✓ Alliance for Competitive Energy Services (ACES)
- ✓ Insurance Fund for Property and Liability (NJSIG/NJEIF)
- ✓ Insurance Fund for Worker's Compensation (MEIG)

4. INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should

not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

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 a vote of the Board of Education. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as restrictions, commitments and assignments of fund balance at June 30, 2020.

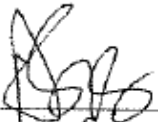
6. ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic 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 Basic Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
8. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property, contents, and fidelity bonds. The Board oversees Risk Management for the District. A schedule of insurance coverage is found in J-20.
9. OTHER INFORMATION: **Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200,

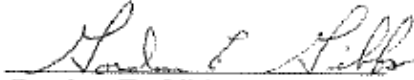
The Honorable President and Members of  
the Board of Education  
Roseland Board of Education  
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September 30, 2020

*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; and New Jersey's OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.* The auditors' report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The auditors' reports related specifically to the single audit and *Government Auditing Standards* are included in the single audit section of this report.

10. ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Roseland School Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

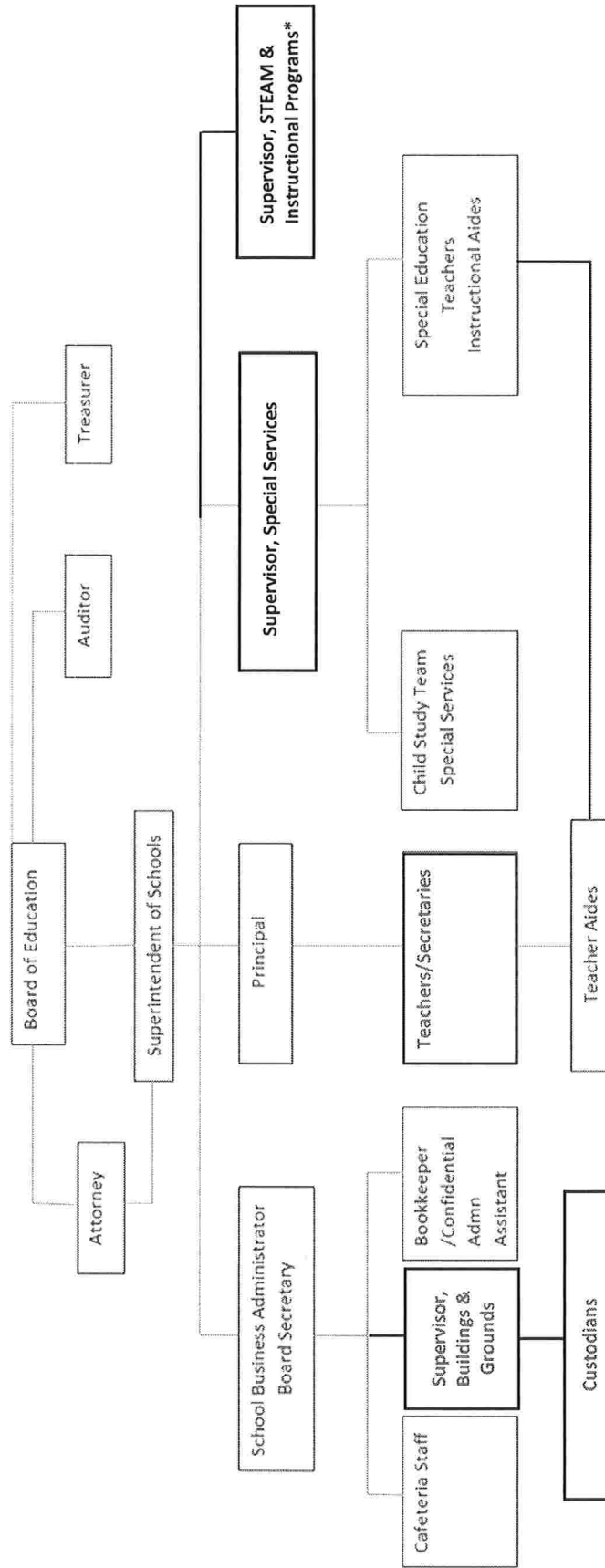
Respectfully submitted,

  
\_\_\_\_\_  
Deanne Somers  
Superintendent of Schools

  
\_\_\_\_\_  
Gordon E. Gibbs  
Business Administrator/Board Secretary

ROSELAND BOARD OF EDUCATION

# 1110 ORGANIZATIONAL CHART



\*Position eliminated December 2018

ROSELAND SCHOOL DISTRICT  
ROSTER OF OFFICIALS  
JUNE 30, 2020

| <u>Members of the Board of Education</u> | <u>Term Expires</u> |
|--|---------------------|
| Mr. Scott Gorman, President              | 2022                |
| Mrs. Laura Savarese, Vice President      | 2021                |
| Mr. Corby Murano                         | 2022                |
| Mr. Michael Gesario                      | 2023                |
| Mrs. Allison Scaraggi                    | 2021                |

| <u>Other Officials</u> | <u>Title</u>                            |
|------------------------|---|
| Ms. Deanne Somers      | Superintendent                          |
| Mr. Gordon Gibbs       | Business Administrator/ Board Secretary |
| Mr. Raul Sandoval      | Principal                               |
| Mr. Michael Halik      | Treasurer of School Monies              |
| Ms. Lisa Barcia        | Assistant to the Business Administrator |

# **ROSELAND SCHOOL DISTRICT**

Consultants and Advisors  
Year Ended June 30, 2020

## **Audit Firm**

John J. Mooney  
Nisivoccia LLP, CPAs  
200 Valley Road Suite 300  
Mount Arlington, NJ 07856

## **Attorney**

Anthony Sciarrillo  
Sciarrillo, Cornell, Merlino, McKeever & Osborne, LLC  
238 St. Paul Street  
Westfield, NJ 07090

## **Official Depository**

Kelly Ballistreri  
Lakeland Bank  
995 Bloomfield Avenue  
Caldwell, NJ 07006

## **Bond Attorney**

Andrea Kahn, Esq.  
McManimon & Scotland, L.L.C.  
One River Front Plaza, Fourth Floor  
Newark, NJ 07102-5408

## **Architect**

Anthony Gianforcaro  
Gianforcaro Architects, Engineers & Planners.  
555 East Main Street  
Chester, NJ 07930

## **Health Benefits Broker**

Anthony Ciardella, Jr., Senior Vice President  
Brown & Brown Benefits Advisors  
56 Livingston Avenue, Suite 220  
Roseland, NJ 07068

## **Property & Casualty Broker**

Lee G. Nestel, President  
CBIZ Insurance Service, Inc.  
219 South Street  
New Providence NJ 07974

FINANCIAL SECTION

## Independent Auditors' Report

The Honorable President and Members  
of the Board of Education  
Roseland Board of Education  
County of Essex, 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 Roseland Borough School District (the "District") in the County of Essex, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

### ***Auditors' Responsibility***

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

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

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



### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Roseland Borough School District, in the County of Essex, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

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

#### ***Other Information***

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

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

The Honorable President and Members  
of the Board of Education  
Roseland Board of Education  
Page 3

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2020 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

September 30, 2020  
Mount Arlington, New Jersey

*Nisiroccia LLP*  
NISIVOCCIA LLP

*John J. Mooney*  
\_\_\_\_\_  
John J. Mooney  
Licensed Public School Accountant #2602  
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION -  
MANAGEMENT'S DISCUSSION AND ANALYSIS

## **Management's Discussion and Analysis For Fiscal Year Ended June 30, 2020**

This section of Roseland Borough School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2020. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

### **Overview of the Financial Statements**

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

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

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

**Figure A-1**  
**Organization of Roseland Borough School District's Financial Report**

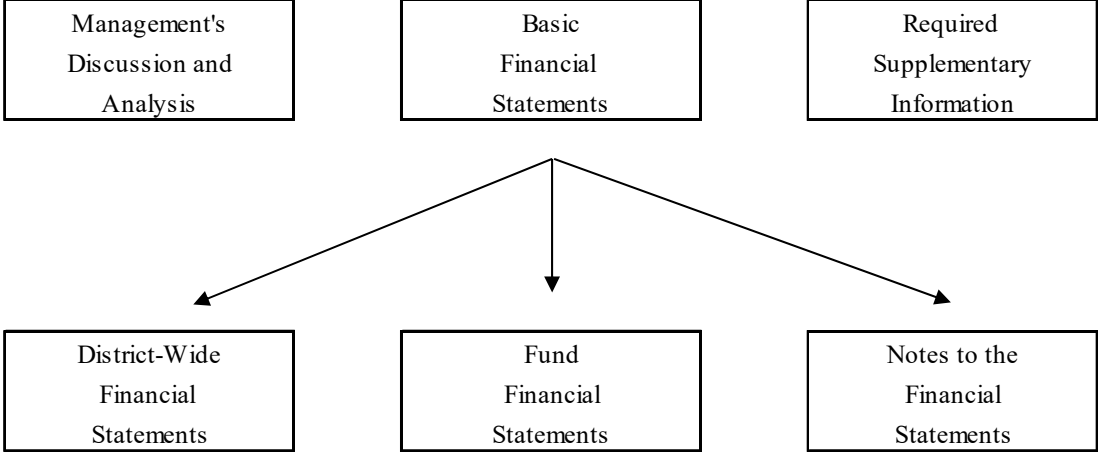


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents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

**Figure A-2**

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

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

## District-Wide Statements

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

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

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

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

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

## Fund Financial Statements

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

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

The District has three kinds of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.

- *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows.
- *Fiduciary funds*: The District is the trustee, or *fiduciary*, for assets that belong to others, such as scholarship funds and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations.

### Notes to the Basic Financial Statements

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

### Financial Analysis of the District as a Whole

Net Position. The District's net position is shown in Figure A-3. It is important to note here that depreciation of the District's capital assets is computed into the total. The depreciation factored into the District's net position for 2019/20 is \$445,811. This same amount is also factored in as an expense in this report.

Figure A-3

|                                   | Condensed Statement of Net Position |                     |                          |                  |                       |                     | Total      |
|-----------------------------------|-------------------------------------|---------------------|--------------------------|------------------|-----------------------|---------------------|------------|
|                                   | Governmental Activities             |                     | Business-Type Activities |                  | Total School District |                     | Percentage |
|                                   | 2019/20                             | 2018/19             | 2019/20                  | 2018/19          | 2019/20               | 2018/19             | Change     |
| Current and Other Assets          | \$ 12,665,712                       | \$ 3,107,251        | \$ 40,545                | \$ 14,577        | \$ 12,706,257         | \$ 3,121,828        |            |
| Capital Assets, Net               | 1,131,805                           | 10,639,334          | 12,941                   | 15,371           | 1,144,746             | 10,654,705          |            |
| Total Assets                      | <u>13,797,517</u>                   | <u>13,746,585</u>   | <u>53,486</u>            | <u>29,948</u>    | <u>13,851,003</u>     | <u>13,776,533</u>   | 0.54%      |
| Deferred Outflows<br>of Resources | 970,231                             | 947,259             |                          |                  | 970,231               | 947,259             | 2.43%      |
| Other Liabilities                 | 281,050                             | 347,089             | 17,665                   | 7,806            | 298,715               | 354,895             |            |
| Long-Term Liabilities Outstanding | 7,046,451                           | 7,698,995           |                          |                  | 7,046,451             | 7,698,995           |            |
| Total Liabilities                 | <u>7,327,501</u>                    | <u>8,046,084</u>    | <u>17,665</u>            | <u>7,806</u>     | <u>7,345,166</u>      | <u>8,053,890</u>    | -8.80%     |
| Deferred Inflows<br>of Resources  | 958,262                             | 978,936             |                          |                  | 958,262               | 978,936             | -2.11%     |
| Net Position:                     |                                     |                     |                          |                  |                       |                     |            |
| Net Investment in Capital         |                                     |                     |                          |                  |                       |                     |            |
| Assets                            | 6,120,168                           | 5,790,757           | 12,941                   | 15,371           | 6,133,109             | 5,806,128           |            |
| Restricted                        | 2,419,011                           | 2,246,057           |                          |                  | 2,419,011             | 2,246,057           |            |
| Unrestricted / (Deficit)          | (2,057,194)                         | (2,367,990)         | 22,880                   | 6,771            | (2,034,314)           | (2,361,219)         |            |
| Total Net Position                | <u>\$ 6,481,985</u>                 | <u>\$ 5,668,824</u> | <u>\$ 35,821</u>         | <u>\$ 22,142</u> | <u>\$ 6,517,806</u>   | <u>\$ 5,690,966</u> | 14.53%     |



*Changes in net position.* The District's *combined* net position was \$6,517,806 on June 30, 2020, \$826,840 or 103.68% more than it was the year before. (See Figure A-3). The reduction of District long-term liabilities associated with capital assets, the unspent budget appropriations, and the decrease in the net pension liability were the primary reasons for the increase in the year end governmental activities net position. The net position of the business-type activities increased \$13,679 (see Figure A-4).

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

|                                    | Governmental |              | Business-Type |             | Total           |            | Total      |
|------------------------------------|--------------|--------------|---------------|-------------|-----------------|------------|------------|
|                                    | Activities   |              | Activities    |             | School District |            | Percentage |
|                                    | 2019/20      | 2018/19      | 2019/20       | 2018/19     | 2019/20         | 2018/19    | 2019/20    |
| Revenue:                           |              |              |               |             |                 |            |            |
| Program Revenue:                   |              |              |               |             |                 |            |            |
| Charges for Services               |              |              | \$ 122,178    | \$ 167,016  | \$ 122,178      | \$ 167,016 |            |
| Operating Grants and Contributions | \$ 2,551,011 | \$ 2,514,414 | 22,964        | 27,243      | 2,573,975       | 2,541,657  |            |
| General Revenue:                   |              |              |               |             |                 |            |            |
| Property Taxes                     | 8,993,200    | 8,769,841    |               |             | 8,993,200       | 8,769,841  |            |
| Unrestricted Federal and State Aid | 12,133       | 17,719       |               |             | 12,133          | 17,719     |            |
| Other                              | 173,788      | 198,478      | 640           | 1,112       | 174,428         | 199,590    |            |
| Total Revenue                      | 11,730,132   | 11,500,452   | 145,782       | 195,371     | 11,875,914      | 11,695,823 | 1.54%      |
| Expenses:                          |              |              |               |             |                 |            |            |
| Instruction                        | 6,485,106    | 6,837,691    |               |             | 6,485,106       | 6,837,691  |            |
| Pupil & Instruction Services       | 1,711,749    | 1,626,134    |               |             | 1,711,749       | 1,626,134  |            |
| Administrative and Business        | 963,640      | 952,925      |               |             | 963,640         | 952,925    |            |
| Maintenance & Operations           | 754,600      | 628,682      |               |             | 754,600         | 628,682    |            |
| Transportation                     | 362,427      | 479,246      |               |             | 362,427         | 479,246    |            |
| Other                              | 639,449      | 541,963      | 132,103       | 192,065     | 771,552         | 734,028    |            |
| Total Expenses                     | 10,916,971   | 11,066,641   | 132,103       | 192,065     | 11,049,074      | 11,258,706 | -1.86%     |
| Special Items                      |              |              |               | (31,169)    |                 | (31,169)   |            |
| Change in Net Position             | \$ 813,161   | \$ 433,811   | \$ 13,679     | \$ (27,863) | \$ 826,840      | \$ 405,948 | 103.68%    |

## Governmental Activities

As discussed elsewhere in this commentary, the financial position of the District has increased in 2019-20. Maintaining current levels of regular and special programs and services for special needs pupils place great demands on the District's resources. Careful management of expenses generated from declining revenues is essential for the District's financial stability.

Financial resources are at their tightest level in a decade, while demands for new educational activities and programs continue. It has never been more challenging to balance the needs of the District with the financial resources available to the District. Thus, it is critical that the District remains steadfast to thoroughly examine its budget choices carefully.

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

**Figure A-5**

### Net Cost of Governmental Activities

|                              | Total                |                      | Net                 |                     |
|------------------------------|----------------------|----------------------|---------------------|---------------------|
|                              | Cost of Services     |                      | Cost of Services    |                     |
|                              | 2019/20              | 2018/19              | 2019/20             | 2018/19             |
| Instruction                  | \$ 6,485,106         | \$ 6,837,691         | \$ 4,271,245        | \$ 4,649,783        |
| Pupil & Instruction Services | 1,711,749            | 1,626,134            | 1,599,186           | 1,515,092           |
| Administrative and Business  | 963,640              | 952,925              | 830,035             | 821,468             |
| Maintenance & Operations     | 754,600              | 628,682              | 735,642             | 612,298             |
| Transportation               | 362,427              | 479,246              | 290,403             | 411,623             |
| Other                        | 639,449              | 541,963              | 639,449             | 541,963             |
| <b>Total</b>                 | <b>\$ 10,916,971</b> | <b>\$ 11,066,641</b> | <b>\$ 8,365,960</b> | <b>\$ 8,552,227</b> |

### Business-Type Activities

Net position from the District's business-type activity increased by \$13,679, which is due primarily to a reduction in expenses (refer to Figure A-4).

### Financial Analysis of the District's Funds

The District's financial position is relatively sound. Fund balance increased approximately \$425,000 or 14%, despite a difficult economic environment. The reduction in State aid has had a direct impact upon the District's revenues and will directly increase pressure on the local tax burden. The District had the luxury in past years of using excess fund balance to reduce the taxes for the ensuing school year. Accordingly, the Roseland District has taken measures to reduce expenditures and not be dependent on excess fund balance going forward which has been a challenge during 2019/20 and will continue to be a larger challenge going forward.

To maintain a stable financial position, the District must continue to practice sound fiscal management.

## General Fund Budgetary Highlights

Over the course of the year, the District revised its annual operating budget several times due to the following category:

- Changes made within budgetary line items for changes in school-based needs for programs, supplies and maintenance activities.

## Capital Asset and Long-Term Liabilities

Figure A-6

### Capital Assets (net of depreciation)

|                         | Governmental Activities |                      | Business-Type Activities |                  | Total School District |                      | Total<br>Percentage<br>Change |
|-------------------------|-------------------------|----------------------|--------------------------|------------------|-----------------------|----------------------|-------------------------------|
|                         | 2019/20                 | 2018/19              | 2019/20                  | 2018/19          | 2019/20               | 2018/19              | 2019/20                       |
|                         | Land                    | \$ 107,904           | \$ 107,904               |                  |                       | \$ 107,904           | \$ 107,904                    |
| Buildings & Building    |                         |                      |                          |                  |                       |                      |                               |
| Improvements            | 9,991,054               | 10,356,282           |                          |                  | 9,991,054             | 10,356,282           |                               |
| Machinery and Equipment | 272,847                 | 175,148              | \$ 12,941                | \$ 15,371        | 285,788               | 190,519              |                               |
| <b>Total</b>            | <b>\$10,371,805</b>     | <b>\$ 10,639,334</b> | <b>\$ 12,941</b>         | <b>\$ 15,371</b> | <b>\$ 10,384,746</b>  | <b>\$ 10,654,705</b> | <b>-2.53%</b>                 |

### Long-Term Liabilities

At year-end, the District had \$4,570,000 in general obligation bonds, \$1,918,725 of net pension liability, \$380,729 of unamortized bond premiums and \$176,997 in other long-term liabilities outstanding – a decrease of \$652,545 from last year – as shown in Figure A-7. (More detailed information about the District’s long-term liabilities is presented in Note 7 to the financial statements.)

Figure A-7

### Outstanding Long-Term Liabilities

|                             | Total School District   |                     | Total<br>Percentage<br>Change |
|-----------------------------|---|---------------------|-------------------------------|
|                             | 2019/20   | 2018/19             | 2019/20                       |
|                             | General Obligation Bonds and Notes (Financed with Property Taxes) | \$ 4,570,000        | \$ 5,220,000                  |
| Net Pension Liability       | 1,918,725   | 1,852,048           |                               |
| Unamortized Bond Premiums   | 380,729   | 444,183             |                               |
| Other Long Term Liabilities | 176,997   | 182,764             |                               |
| <b>Total</b>                | <b>\$ 7,046,451</b>   | <b>\$ 7,698,995</b> | <b>-8.48%</b>                 |

### **Factors Bearing on the District's Economic Future**

The Roseland Board of Education and the administration have had discussions on how existing circumstances could affect the future financial health of the school district. The following are examples of factors that may have an impact upon future financial operations:

- The District's contract with the teacher and custodial units expires on June 30, 2021. The results of the impending settlement will have a significant impact on future budgets.
- A major concern of the District is the ability to maintain optimum class sizes and excellent services in the face of continued student enrollment growth.
- Payment in Lieu of Taxes (PILOT) programs underway in the Borough will bring a significant increase in enrollment in the next 3 to 5 years. This rising enrollment will not be accompanied by additional tax revenue which is heavily relied upon to support the escalating burden on the school district's limited resources.

The District is proud and grateful for the community support it receives and is committed to striking a fair balance between the local taxpayer and the educational necessities of its pupils. The Roseland Board of Education has committed itself to sound financial practices and plans to continue to improve its fiscal management to meet the challenges of the future.

### **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide the District's citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board of Education Office, Lester C. Noecker School, 100 Passaic Avenue, Roseland, New Jersey 07068.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

ROSELAND BOARD OF EDUCATION  
STATEMENT OF NET POSITION  
JUNE 30, 2020

|   | Governmental<br>Activities | Business-Type<br>Activities | Total               |
|---|----------------------------|-----------------------------|---------------------|
| <b>ASSETS:</b>  |                            |                             |                     |
| Cash and Cash Equivalents   | \$ 1,208,356               | \$ 28,872                   | \$ 1,237,228        |
| Receivables:  |                            |                             |                     |
| Other Governments   | 131,221                    | 2,495                       | 133,716             |
| Inventory   |                            | 9,178                       | 9,178               |
| Restricted Assets:  |                            |                             |                     |
| Capital Reserve Account - Cash and Cash Equivalents                                       | 1,641,931                  |                             | 1,641,931           |
| Maintenance Reserve Account - Cash and Cash Equivalents                                   | 444,204                    |                             | 444,204             |
| Capital Assets:   |                            |                             |                     |
| Sites (Land)  | 107,904                    |                             | 107,904             |
| Depreciable Buildings and Building Improvements<br>and Furniture, Machinery and Equipment | 10,263,901                 | 12,941                      | 10,276,842          |
| Total Assets  | <u>13,797,517</u>          | <u>53,486</u>               | <u>13,851,003</u>   |
| <b>DEFERRED OUTFLOWS OF RESOURCES:</b>  |                            |                             |                     |
| Deferred Amount of Refunding  | 318,363                    |                             | 318,363             |
| Deferred Outflows Related to Pensions   | 651,868                    |                             | 651,868             |
| Total Deferred Outflows of Resources  | <u>970,231</u>             |                             | <u>970,231</u>      |
| <b>LIABILITIES:</b>   |                            |                             |                     |
| Accounts Payable  | 221,423                    | 3,507                       | 224,930             |
| Unearned Revenue  | 5,510                      | 14,158                      | 19,668              |
| Accrued Interest Payable  | 54,117                     |                             | 54,117              |
| Noncurrent Liabilities:   |                            |                             |                     |
| Due Within One Year   | 748,455                    |                             | 748,455             |
| Due Beyond One Year   | 6,297,996                  |                             | 6,297,996           |
| Total Liabilities   | <u>7,327,501</u>           | <u>17,665</u>               | <u>7,345,166</u>    |
| <b>DEFERRED INFLOWS OF RESOURCES:</b>   |                            |                             |                     |
| Deferred Inflows Related to Pensions  | 958,262                    |                             | 958,262             |
| Total Deferred Inflows of Resources   | <u>958,262</u>             |                             | <u>958,262</u>      |
| <b>NET POSITION:</b>  |                            |                             |                     |
| Net Investment in Capital Assets  | 6,120,168                  | 12,941                      | 6,133,109           |
| Restricted for:   |                            |                             |                     |
| Capital Projects  | 1,641,931                  |                             | 1,641,931           |
| Maintenance Reserve   | 444,204                    |                             | 444,204             |
| Excess Surplus  | 332,876                    |                             | 332,876             |
| Unrestricted / (Deficit)  | (2,057,194)                | 22,880                      | (2,034,314)         |
| Total Net Position  | <u>\$ 6,481,985</u>        | <u>\$ 35,821</u>            | <u>\$ 6,517,806</u> |

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

ROSELAND BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

| Functions/Programs                     | Program Revenue |                         |  | Net (Expense) Revenue and<br>Changes in Net Position |                            |                             |                |
|--|-----------------|-------------------------|--|--|----------------------------|-----------------------------|----------------|
|  | Expenses        | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions               | Governmental<br>Activities | Business-type<br>Activities | Total          |
| Governmental Activities:               |                 |                         |  |  |                            |                             |                |
| Instruction:                           |                 |                         |  |  |                            |                             |                |
| Regular                                | \$ 4,308,959    |                         | \$ 1,161,339                             |  | \$ (3,147,620)             |                             | \$ (3,147,620) |
| Special Education                      | 1,788,844       |                         | 956,052                                  |  | (832,792)                  |                             | (832,792)      |
| Other Special Instruction              | 387,303         |                         | 96,470                                   |  | (290,833)                  |                             | (290,833)      |
| Support Services:                      |                 |                         |  |  |                            |                             |                |
| Tuition                                | 206,427         |                         |  |  | (206,427)                  |                             | (206,427)      |
| Student & Instruction Related Services | 1,505,322       |                         | 112,563                                  |  | (1,392,759)                |                             | (1,392,759)    |
| General Administrative Services        | 392,019         |                         | 102,245                                  |  | (289,774)                  |                             | (289,774)      |
| School Administrative Services         | 293,044         |                         | 23,888                                   |  | (269,156)                  |                             | (269,156)      |
| Central Services                       | 278,577         |                         | 7,472                                    |  | (271,105)                  |                             | (271,105)      |
| Plant Operations and Maintenance       | 754,600         |                         | 18,958                                   |  | (735,642)                  |                             | (735,642)      |
| Pupil Transportation                   | 362,427         |                         | 72,024                                   |  | (290,403)                  |                             | (290,403)      |
| Interest on Long-Term Debt             | 155,206         |                         |  |  | (155,206)                  |                             | (155,206)      |
| Capital Outlay                         | 151,211         |                         |  |  | (151,211)                  |                             | (151,211)      |
| Special Schools                        | 56,629          |                         |  |  | (56,629)                   |                             | (56,629)       |
| Unallocated Depreciation               | 276,403         |                         |  |  | (276,403)                  |                             | (276,403)      |
| Total Governmental Activities          | 10,916,971      |                         | 2,551,011                                |  | (8,365,960)                |                             | (8,365,960)    |



ROSELAND BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

| Functions/Programs                               | Program Revenue |                         |  | Net (Expense) Revenue and<br>Changes in Net Position |                            |                             |                |
|--|-----------------|-------------------------|--|--|----------------------------|-----------------------------|----------------|
|  | Expenses        | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions               | Governmental<br>Activities | Business-type<br>Activities | Total          |
| Business-Type Activities:                        |                 |                         |  |  |                            |                             |                |
| Food Service                                     | \$ 132,103      | \$ 122,178              | \$ 22,964                                |  |                            | \$ 13,039                   | \$ 13,039      |
| Total Business-Type Activities                   | 132,103         | 122,178                 | 22,964                                   |  |                            | 13,039                      | 13,039         |
| Total Primary Government                         | \$ 11,049,074   | \$ 122,178              | \$ 2,573,975                             | \$ -0-   | \$ (8,365,960)             | \$ 13,039                   | \$ (8,352,921) |
| General Revenue:                                 |                 |                         |  |  |                            |                             |                |
| Taxes:   |                 |                         |  |  |                            |                             |                |
| Property Taxes, Levied for General Purposes, Net |                 |                         |  |  | 8,171,100                  |                             | 8,171,100      |
| Taxes Levied for Debt Service                    |                 |                         |  |  | 822,100                    |                             | 822,100        |
| Federal and State Aid not Restricted             |                 |                         |  |  | 12,133                     |                             | 12,133         |
| Interest and Unrestricted Miscellaneous Revenue  |                 |                         |  |  | 100                        | 640                         | 740            |
| Miscellaneous Income                             |                 |                         |  |  | 173,688                    |                             | 173,688        |
| Total General Revenue                            |                 |                         |  |  | 9,179,121                  | 640                         | 9,179,761      |
| Change in Net Position                           |                 |                         |  |  | 813,161                    | 13,679                      | 826,840        |
| Net Position - Beginning                         |                 |                         |  |  | 5,668,824                  | 22,142                      | 5,690,966      |
| Net Position - Ending                            |                 |                         |  |  | \$ 6,481,985               | \$ 35,821                   | \$ 6,517,806   |

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

FUND FINANCIAL STATEMENTS

ROSELAND BOARD OF EDUCATION  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2020

|  | General<br>Fund     | Special<br>Revenue<br>Fund | Total<br>Governmental<br>Funds |
|--|---------------------|----------------------------|--------------------------------|
| <b>ASSETS:</b>   |                     |                            |                                |
| Cash and Cash Equivalents  | \$ 1,208,356        |                            | \$ 1,208,356                   |
| Interfund Receivable   | 2,741               |                            | 2,741                          |
| Receivables From State Government  | 121,993             |                            | 121,993                        |
| Receivables From Federal Government  |                     | \$ 9,228                   | 9,228                          |
| Restricted Cash and Cash Equivalents   | <u>2,086,135</u>    |                            | <u>2,086,135</u>               |
| Total Assets   | <u>\$ 3,419,225</u> | <u>\$ 9,228</u>            | <u>\$ 3,428,453</u>            |
| <b>LIABILITIES AND FUND BALANCES:</b>  |                     |                            |                                |
| <b>Liabilities:</b>  |                     |                            |                                |
| Accounts Payable - Vendors   | \$ 73,435           | \$ 977                     | \$ 74,412                      |
| Interfund Payable  |                     | 2,741                      | 2,741                          |
| Unearned Revenue   |                     | <u>5,510</u>               | <u>5,510</u>                   |
| Total Liabilities  | <u>73,435</u>       | <u>9,228</u>               | <u>82,663</u>                  |
| <b>Fund Balances:</b>  |                     |                            |                                |
| <b>Restricted:</b>   |                     |                            |                                |
| Capital Reserve Account  | 1,641,931           |                            | 1,641,931                      |
| Maintenance Reserve Account  | 444,204             |                            | 444,204                        |
| Excess Surplus 2021-22   | 330,945             |                            | 330,945                        |
| Excess Surplus 2020-21   | 1,931               |                            | 1,931                          |
| <b>Assigned:</b>   |                     |                            |                                |
| Year-end Encumbrances  | 518,289             |                            | 518,289                        |
| For Subsequent Year's Expenditures   | 65,712              |                            | 65,712                         |
| Additional Designated for Subsequent<br>Years' Expenditures - Reduction in 20-21 State Aid | 40,851              |                            | 40,851                         |
| Unassigned   | <u>301,927</u>      |                            | <u>301,927</u>                 |
| Total Fund Balances  | <u>3,345,790</u>    |                            | <u>3,345,790</u>               |
| Total Liabilities and Fund Balances  | <u>\$ 3,419,225</u> | <u>\$ 9,228</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.   | 10,371,805          |
| Bond issuance premiums are reported as revenue in the Governmental Funds in the year the bonds are sold.<br>The amount is \$824,912 and the accumulated amortization is \$444,183.                | (380,729)           |
| The deferred amount of refunding is not reported as an expenditure in the Governmental Funds in the year of expenditure<br>The amount is \$689,786 and the accumulated amortization is \$371,423. | 318,363             |
| Accrued liability for interest on long-term debt is not due and payable<br>in the current period and is not reported as a liability in the funds.   | (54,117)            |
| The Net Pension Liability for PERS is not due and payable in the current period and is not<br>reported in the Governmental Funds.   | (1,918,725)         |
| Certain amounts related to the Net Pension Liability are deferred and amortized in the Statement<br>of Activities and are not reported in the Governmental Funds:                                 |                     |
| Change in Deferred Outflows   | 504,857             |
| Change in Deferred Inflows  | (958,262)           |
| Long-term liabilities, including bonds payable and other long-term liabilities, are not due and payable in<br>the current period and therefore are not reported as liabilities in the funds.      | <u>(4,746,997)</u>  |
| Net Position of Governmental Activities   | <u>\$ 6,481,985</u> |

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

ROSELAND BOARD OF EDUCATION  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

|   | General<br>Fund   | Special<br>Revenue<br>Fund | Debt<br>Service<br>Fund | Total<br>Governmental<br>Funds |
|---|-------------------|----------------------------|-------------------------|--------------------------------|
| <b>REVENUES</b>                           |                   |                            |                         |                                |
| Local Sources:                            |                   |                            |                         |                                |
| Local Tax Levy                            | \$ 8,171,100      |                            | \$ 822,100              | \$ 8,993,200                   |
| Interest Earned on Capital Reserve        | 100               |                            |                         | 100                            |
| Tuition                                   | 66,555            |                            |                         | 66,555                         |
| Miscellaneous                             | 107,133           | \$ 12,133                  |                         | 119,266                        |
| Total - Local Sources                     | 8,344,888         | 12,133                     | 822,100                 | 9,179,121                      |
| State Sources                             | 1,687,319         |                            |                         | 1,687,319                      |
| Federal Sources                           | 149,154           |                            |                         | 149,154                        |
| Total Revenues                            | <u>10,032,207</u> | <u>161,287</u>             | <u>822,100</u>          | <u>11,015,594</u>              |
| <b>EXPENDITURES:</b>                      |                   |                            |                         |                                |
| Current:                                  |                   |                            |                         |                                |
| Regular Instruction                       | 2,310,386         | 61,509                     |                         | 2,371,895                      |
| Special Education Instruction             | 941,886           | 99,778                     |                         | 1,041,664                      |
| Other Special Instruction                 | 228,871           |                            |                         | 228,871                        |
| Support Services and Undistributed Costs: |                   |                            |                         |                                |
| Tuition                                   | 206,427           |                            |                         | 206,427                        |
| Student & Instruction Related Services    | 1,086,461         |                            |                         | 1,086,461                      |
| General Administrative Services           | 272,057           |                            |                         | 272,057                        |
| School Administrative Services            | 175,424           |                            |                         | 175,424                        |
| Central Services                          | 213,311           |                            |                         | 213,311                        |
| Plant Operations and Maintenance          | 658,789           |                            |                         | 658,789                        |
| Pupil Transportation                      | 362,427           |                            |                         | 362,427                        |
| Unallocated Benefits                      | 2,766,936         |                            |                         | 2,766,936                      |
| Debt Service:                             |                   |                            |                         |                                |
| Principal                                 |                   |                            | 650,000                 | 650,000                        |
| Interest and Other Charges                |                   |                            | 172,100                 | 172,100                        |

ROSELAND BOARD OF EDUCATION  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

|   | General<br>Fund      | Special<br>Revenue<br>Fund | Debt<br>Service<br>Fund | Total<br>Governmental<br>Funds |
|---|----------------------|----------------------------|-------------------------|--------------------------------|
| Capital Outlay<br>Special Schools                             | \$ 331,781<br>56,629 |                            |                         | \$ 331,781<br>56,629           |
| Total Expenditures  | 9,611,385            | \$ 161,287                 | \$ 822,100              | 10,594,772                     |
| Excess/(Deficiency) of Revenue<br>over / (under) Expenditures | 420,822              |                            |                         | 420,822                        |
| Net Change in Fund Balances                                   | 420,822              |                            |                         | 420,822                        |
| Fund Balance - July 1   | 2,924,968            |                            |                         | 2,924,968                      |
| Fund Balance - June 30  | \$ 3,345,790         | \$ -0-                     | \$ -0-                  | \$ 3,345,790                   |

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

ROSELAND BOARD OF EDUCATION  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2) \$ 420,822

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

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

|  |  |                |
|--|--|----------------|
|  | Depreciation Expense                           | \$ (445,811)   |
|  | Capital Outlays                                | 180,570        |
|  | Disposal of Capital Assets with Carrying Value | <u>(2,288)</u> |

(267,529)

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

6,500

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

5,767

ROSELAND BOARD OF EDUCATION  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

Change in Net Pension Liability  
Change in Deferred Outflows  
Change in Deferred Inflows

\$ (66,677)  
33,210  
20,674

The governmental funds report the effect of bond premium when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. (+)

63,454

The governmental funds report the effect of the deferred amount on the refunding when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. (-)

(53,060)

Repayment of serial bonds is an expenditure in the Governmental Funds, but the repayment reduces

Long-Term Liabilities in the Statement of Net Position and is not reported in the Statement of Activities.

650,000

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

\$ 813,161

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

ROSELAND BOARD OF EDUCATION  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2020

|  | <u>Business-Type<br/>Activities<br/>Enterprise<br/>Fund</u> |
|--|---|
| <u>ASSETS:</u>                         |   |
| Current Assets:                        |   |
| Cash and Cash Equivalents              | \$ 28,872   |
| Accounts Receivable:                   |   |
| State                                  | 508   |
| Federal                                | 1,987   |
| Inventories                            | <u>9,178</u>  |
| Total Current Assets                   | <u>40,545</u>   |
| Non-Current Assets:                    |   |
| Capital Assets                         | 64,976  |
| Less: Accumulated Depreciation         | <u>(52,035)</u>   |
| Total Non-Current Assets               | <u>12,941</u>   |
| Total Assets                           | <u>53,486</u>   |
| <u>LIABILITIES:</u>                    |   |
| Current Liabilities:                   |   |
| Accounts Payable                       | 3,507   |
| Unearned Revenue - Donated Commodities | 2,325   |
| Unearned Revenue - Prepaid Sales       | <u>11,833</u>   |
| Total Current Liabilities              | <u>17,665</u>   |
| <u>NET POSITION:</u>                   |   |
| Investment in Capital Assets           | 12,941  |
| Unrestricted                           | <u>22,880</u>   |
| Total Net Position                     | <u>\$ 35,821</u>  |

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



ROSELAND BOARD OF EDUCATION  
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

|   | <u>Business-Type<br/>Activities -<br/>Enterprise<br/>Fund</u> |
|---|---|
| Operating Revenue:                            |   |
| Local Sources:                                |   |
| Daily Sales - Reimbursable Programs           | \$ 80,350   |
| Daily Sales - Non-Reimbursable Programs       | 41,828  |
|   | <hr/>   |
| Total Operating Revenue                       | 122,178   |
|   | <hr/>   |
| Operating Expenses:                           |   |
| Cost of Goods Sold - Reimbursable Programs    | 44,586  |
| Cost of Goods Sold - Nonreimbursable Programs | 21,300  |
| Salaries and Payroll Taxes                    | 45,016  |
| Employee Benefits                             | 5,593   |
| Supplies and Materials                        | 2,813   |
| Miscellaneous Expense                         | 1,018   |
| Management Fee                                | 9,347   |
| Depreciation Expense                          | 2,430   |
|   | <hr/>   |
| Total Operating Expenses                      | 132,103   |
|   | <hr/>   |
| Operating Loss                                | (9,925)   |
| Non-Operating Revenue:                        |   |
| Local Sources:                                |   |
| Interest Income                               | 640   |
| State Sources:                                |   |
| State School Lunch Program                    | 1,826   |
| COVID19 - Seamless Summer Option              | 49  |
| Federal Sources:                              |   |
| National School Lunch Program                 | 13,409  |
| COVID19 - Seamless Summer Option              | 3,101   |
| Food Distribution Program                     | 4,579   |
|   | <hr/>   |
| Total Non-Operating Revenue                   | 23,604  |
|   | <hr/>   |
| Change in Net Position                        | 13,679  |
| Net Position - Beginning of Year              | 22,142  |
|   | <hr/>   |
| Net Position - End of Year                    | <u>\$ 35,821</u>  |

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

ROSELAND BOARD OF EDUCATION  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

|   | <u>Business-Type<br/>Activities -<br/>Enterprise<br/>Fund</u> |
|---|---|
| Cash Flows from Operating Activities:   |   |
| Receipts from Customers   | \$ 129,387  |
| Payments to Employees   | (45,016)  |
| Payments for Benefits   | (5,593)   |
| Payments to Suppliers   | (75,838)  |
|   | 2,940   |
| Net Cash Provided by Operating Activities   | 2,940   |
| Cash Flows from Investing Activities:   |   |
| Interest Revenue  | 640   |
|   | 640   |
| Net Cash Provided by Investing Activities   | 640   |
| Cash Flows from Noncapital Financing Activities:  |   |
| Cash Received from Federal and State Sources  | 17,415  |
|   | 17,415  |
| Net Cash Provided by Noncapital Financing Activities                                    | 17,415  |
| Net Increase in Cash and Cash Equivalents   | 20,995  |
| Cash and Cash Equivalents, July 1   | 7,877   |
| Cash and Cash Equivalents, June 30  | \$ 28,872   |
| Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:          |   |
| Operating (Loss)  | \$ (9,925)  |
| Adjustment to Reconcile Operating Loss to Net Cash<br>Provided by Operating Activities: |   |
| Federal Food Distribution Program   | 4,579   |
| Depreciation Expense  | 2,430   |
| Changes in Assets and Liabilities:  |   |
| (Increase)/Decrease in Inventories  | (4,003)   |
| Increase/(Decrease) in Accounts Payable   | 3,217   |
| Increase/(Decrease) in Unearned Revenue - Donated Commodities                           | (567)   |
| Increase/(Decrease) in Unearned Revenue - Prepaid Sales                                 | 7,209   |
|   | 7,209   |
| Net Cash Provided by Operating Activities   | \$ 2,940  |

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. donated commodities through the Food Distribution Program valued at \$4,012 and utilized commodities valued at \$4,579.

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

ROSELAND BOARD OF EDUCATION  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUND  
JUNE 30, 2020

|                           | Agency<br>Funds | Unemployment<br>Compensation<br>Trust | Flexible<br>Spending<br>Trust | Total     |
|---------------------------|-----------------|---------------------------------------|-------------------------------|-----------|
| <u>ASSETS:</u>            |                 |                                       |                               |           |
| Cash and Cash Equivalents | \$ 8,623        | \$ 74,842                             | \$ 3,407                      | \$ 86,872 |
| Total Assets              | 8,623           | 74,842                                | 3,407                         | 86,872    |
| <u>LIABILITIES:</u>       |                 |                                       |                               |           |
| Due to Student Groups     | 8,623           |                                       |                               | 8,623     |
| Total Liabilities         | 8,623           |                                       |                               | 8,623     |
| <u>NET POSITION:</u>      |                 |                                       |                               |           |
| Held in Trust for:        |                 |                                       |                               |           |
| Unemployment Claims       |                 | 74,842                                |                               | 74,842    |
| Flexible Spending Claims  |                 |                                       | 3,407                         | 3,407     |
| Total Net Position        | \$ -0-          | \$ 74,842                             | \$ 3,407                      | \$ 78,249 |

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

ROSELAND BOARD OF EDUCATION  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

|                                      | <u>Unemployment<br/>Compensation<br/>Trust</u> | <u>Flexible<br/>Spending<br/>Trust</u> |
|--------------------------------------|--|--|
| ADDITIONS:                           |  |  |
| Contributions:                       |  |  |
| Plan Member                          |  | \$ 6,100                               |
| Board Contribution                   | \$ 25,000                                      |  |
| Total Contributions                  | <u>25,000</u>                                  | <u>6,100</u>                           |
| Investment Earnings:                 |  |  |
| Interest                             | 654  |  |
| Net Investment Earnings              | <u>654</u>                                     |  |
| Total Additions                      | <u>25,654</u>                                  | <u>6,100</u>                           |
| DEDUCTIONS:                          |  |  |
| Flexible Spending Claims             |  | 6,376                                  |
| Unemployment Claims                  | 654  |  |
| Total Deductions                     | <u>654</u>                                     | <u>6,376</u>                           |
| Change in Net Position               | 25,000   | (276)                                  |
| Net Position - Beginning of the Year | <u>49,842</u>                                  | <u>3,683</u>                           |
| Net Position - End of the Year       | <u>\$ 74,842</u>                               | <u>\$ 3,407</u>                        |

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

ROSELAND BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

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

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

B. Basis of Presentation:

District-Wide Financial Statements:

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

ROSELAND BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

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

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

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

The District reports the following governmental funds:

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

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

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

ROSELAND BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

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

B. Basis of Presentation: (Cont'd)

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

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

The District reports the following proprietary fund:

Enterprise Fund: The Enterprise Fund accounts for all revenue and expenses pertaining to the Board's cafeteria operations. The Food Service Fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Additionally, the District reports the following fund type:

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

C. Measurement Focus and Basis of Accounting:

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

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

ROSELAND BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

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

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

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

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

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2020 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget Amendments/Transfers must be made by School Board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

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

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

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



ROSELAND BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

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

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

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

|   | General<br>Fund | Special<br>Revenue<br>Fund |
|---|-----------------|----------------------------|
| Sources/Inflows of Resources:   |                 |                            |
| Actual Amounts (Budgetary Basis) "Revenue"  |                 |                            |
| from the Budgetary Comparison Schedule  | \$ 10,035,909   | \$ 190,234                 |
| Differences - Budget to GAAP:   |                 |                            |
| Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue while the GAAP Basis does not.   |                 | (28,947)                   |
| Prior Year State Aid Payments Recognized for GAAP Statements not Recognized for Budgetary Purposes  | 30,499          |                            |
| Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements   | (34,201)        |                            |
| Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds   | \$ 10,032,207   | \$ 161,287                 |
|   | General<br>Fund | Special<br>Revenue<br>Fund |
| Uses/Outflows of Resources:   |                 |                            |
| Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule  | \$ 9,611,385    | \$ 190,234                 |
| Differences - Budget to GAAP:   |                 |                            |
| Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes. |                 | (28,947)                   |
| Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds   | \$ 9,611,385    | \$ 161,287                 |

ROSELAND BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

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

E. Cash and Cash Equivalents, and Investments:

Cash and cash equivalents include petty cash and cash in banks. Certificates of deposit with maturities of one year or less when purchased are stated at cost.

The District generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of an asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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

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

F. Interfund Transactions:

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

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

G. Allowance for Uncollectible Accounts:

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

ROSELAND BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

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

H. Encumbrances:

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

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

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

I. Short-term Interfund Receivables/Payables:

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

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2020.

J. Capital Assets:

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

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

|                                     | <u>Estimated Useful Life</u> |
|-------------------------------------|------------------------------|
| Buildings and Building Improvements | 50 Years                     |
| Furniture, Machinery and Equipment  | 10 to 15 Years               |
| Computer and Related Technology     | 5 Years                      |
| Vehicles                            | 8 Years                      |

ROSELAND BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

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

J. Capital Assets: (Cont'd)

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

K. Long Term Liabilities:

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

L. Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year, therefore, there are no accrued salaries and wages as of June 30, 2020.

M. Compensated Absences:

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after fifteen years of service. Upon retirement, employees shall be paid by the District for unused sick leave in accordance with the District's agreements with the various employee unions.

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

N. Unearned Revenue:

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

ROSELAND BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

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

O. Fund Balance Appropriated:

General Fund: Of the \$3,345,790 General Fund fund balance at June 30, 2020, \$1,641,931 is restricted in the capital reserve account; \$444,204 is restricted in the maintenance reserve account; \$330,945 is current year excess surplus in accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, C.73 (S1701) and will be appropriated and included as anticipated revenue for the fiscal year ending June 30, 2022; \$106,563 is assigned for subsequent years' expenditures; \$1,931 is prior year excess surplus and was appropriated and included as anticipated revenue for the fiscal year ended June 30, 2021 \$518,289 is assigned for year end encumbrances; and \$301,927 is unassigned which is \$34,201 less than the calculated maximum unassigned fund balance, on a GAAP basis, due to the final state aid payments, which are not recognized until the fiscal year ended June 30, 2021.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2003, c.73 (S1701), the designation for Restricted Fund Balance-Excess Surplus is a required pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996(CEIFA). New Jersey school districts are required to restrict General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District had excess surplus at June 30, 2020 as detailed above.

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$34,201 as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event a state school aid payments are not made until the following school budget year, districts must record the state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize the last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final two state aid payments and not the fund balance reported on the fund statement which excludes the last state aid payments.

P. Deficit Net Position:

The District has a \$2,057,194 deficit in its governmental activities Unrestricted Net Position at June 30, 2020. This deficit is primarily a result of a bond issuance premium, compensated absences payable, accrued bond interest payable, net pension liability and the related deferred inflows and outflows. This deficit does not indicate that the District is having financial difficulties and is a permitted practice under generally accepted accounting principles.

Q. Net Position:

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

ROSELAND BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

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

Q. Net Position: (Cont'd)

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows of resources at June 30, 2020 due to the deferred amount on refunding of debt related to the District's refunding bond and pensions. The District had deferred inflows of resources for pensions.

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

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

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

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

R. Fund Balance Restrictions, Commitments and Assignments:

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

Fund balance restrictions have been established for a capital reserve, a maintenance reserve, and excess surplus.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District had no committed resources at June 30, 2020.

ROSELAND BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

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

R. Fund Balance Restrictions, Commitments and Assignments: (Cont'd)

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances and amounts designated for subsequent years' expenditures in the General Fund at June 30, 2020.

S. Revenue - Exchange and Nonexchange Transactions:

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

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

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

T. Operating Revenue and Expenses:

Operating revenue is revenue that is generated directly from the primary activity of the Enterprise Funds. For the School District, this revenue represents sales for food service. Operating expenses are necessary costs incurred to provide the services that are the primary activities of the Enterprise Funds.

U. Management Estimates:

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

ROSELAND BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

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

V. Pensions

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

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

Credit Risk - The District limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed on the following page.

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

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.



ROSELAND BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

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

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 Board to purchase the following types of securities:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.). ;
  - (b) the custody of collateral is transferred to a third party;
  - (c) the maturity of the agreement is not more than 30 days;

ROSELAND BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

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

Investments: (Cont'd)

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

As of June 30, 2020, cash and cash equivalents of the District consisted of the following:

|                               | Cash and<br>Cash<br>Equivalents | Restricted Cash and<br>Cash Equivalents |                        |              |
|-------------------------------|---------------------------------|---|------------------------|--------------|
|                               |                                 | Capital<br>Reserve                      | Maintenance<br>Reserve | Total        |
| Checking and Savings Accounts | \$ 1,324,100                    | \$ 1,641,931                            | \$ 444,204             | \$ 3,410,235 |
|                               | \$ 1,324,100                    | \$ 1,641,931                            | \$ 444,204             | \$ 3,410,235 |

The carrying amount of the Board's cash and cash equivalents at June 30, 2020, was \$3,410,235 and the bank balance was \$3,492,359. The District did not hold any investments during the fiscal year ended June 30, 2020.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Roseland Board of Education 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.

ROSELAND BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

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

The activity of the capital reserve for the July 1, 2019 to June 30, 2020 fiscal year is as follows:

|                                    |                            |
|------------------------------------|----------------------------|
| Balance at June 30, 2019           | \$ 1,549,922               |
| Increased by:                      |                            |
| Transfer by Board Resolution       | 397,465                    |
| Interest Earned on Capital Reserve | 100                        |
| Capital Reserve Budgeted Lapsed    | <u>94,444</u>              |
|                                    | 2,041,931                  |
| Decreased by:                      |                            |
| Budgeted Withdrawal                | <u>400,000</u>             |
| Balance at June 30, 2020           | <u><u>\$ 1,641,931</u></u> |

The June 30, 2020 LRFP balance of local support costs of uncompleted capital projects exceeds the balance in the capital reserve account at June 30, 2020. The withdrawals from the capital reserve account were for use in DOE approved facilities projects, consistent with the District's Long Range Facilities Plan.

NOTE 5: TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2020, transfers were made requiring County approval to the Capital Outlay account.

ROSELAND BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 6. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2020 were as follows:

|   | Beginning<br>Balance | Additions           | Deletions         | Ending<br>Balance    |
|---|----------------------|---------------------|-------------------|----------------------|
| Governmental Activities:  |                      |                     |                   |                      |
| Capital Assets not being Depreciated:                                       |                      |                     |                   |                      |
| Sites (Land)  | \$ 107,904           |                     |                   | \$ 107,904           |
| Total Capital Assets not Being Depreciated                                  | <u>107,904</u>       |                     |                   | <u>107,904</u>       |
| Capital Assets Being Depreciated  |                      |                     |                   |                      |
| Buildings and Building Improvements   | 17,331,150           | \$ 37,906           |                   | 17,369,056           |
| Machinery and Equipment   | 997,226              | 142,664             | \$ (67,127)       | 1,072,763            |
| Total Capital Assets Being Depreciated                                      | <u>18,328,376</u>    | <u>180,570</u>      | <u>(67,127)</u>   | <u>18,441,819</u>    |
| Governmental Activities Capital Assets                                      | <u>18,436,280</u>    | <u>180,570</u>      | <u>(67,127)</u>   | <u>18,549,723</u>    |
| Less Accumulated Depreciation for:  |                      |                     |                   |                      |
| Buildings and Building Improvements   | (6,974,868)          | (403,134)           |                   | (7,378,002)          |
| Machinery and Equipment   | (822,078)            | (42,677)            | 64,839            | (799,916)            |
| Total Accumulated Depreciation  | <u>(7,796,946)</u>   | <u>(445,811)</u>    | <u>64,839</u>     | <u>(8,177,918)</u>   |
| Governmental Activities Capital Assets, Net of<br>Accumulated Depreciation  | <u>\$ 10,639,334</u> | <u>\$ (265,241)</u> | <u>\$ (2,288)</u> | <u>\$ 10,371,805</u> |
| Business Type Activities:   |                      |                     |                   |                      |
| Capital Assets Being Depreciated:   |                      |                     |                   |                      |
| Furniture and Equipment   | \$ 64,976            |                     |                   | \$ 64,976            |
| Less Accumulated Depreciation   | (49,605)             | \$ (2,430)          |                   | (52,035)             |
| Business Type Activities Capital Assets, Net of<br>Accumulated Depreciation | <u>\$ 15,371</u>     | <u>\$ (2,430)</u>   | <u>\$ -0-</u>     | <u>\$ 12,941</u>     |

Depreciation expense was charged to governmental functions as follows:

|                        |                   |
|------------------------|-------------------|
| Regular Instruction    | \$ 120,369        |
| General Administration | 49,039            |
| Unallocated            | 276,403           |
|                        | <u>\$ 445,811</u> |

ROSELAND BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

NOTE 7. LONG-TERM DEBT LIABILITIES

During the fiscal year ended June 30, 2020, the following changes occurred in liabilities reported in the district-wide financial statements:

|                              | Balance<br>6/30/2019 | Issued/<br>Accrued | Retired           | Balance<br>6/30/2020 | Amounts<br>Due in<br>a Year |
|------------------------------|----------------------|--------------------|-------------------|----------------------|-----------------------------|
| Compensated Absences Payable | \$ 182,764           |                    | \$ 5,767          | \$ 176,997           |                             |
| Serial Bonds Payable         | 5,220,000            |                    | 650,000           | 4,570,000            | \$ 685,000                  |
| Net Pension Liability        | 1,852,048            | \$ 66,677          |                   | 1,918,725            |                             |
| Unamortized Bond Premium     | 444,183              |                    | 63,454            | 380,729              | 63,455                      |
|                              | <u>\$ 7,698,995</u>  | <u>\$ 66,677</u>   | <u>\$ 719,221</u> | <u>\$ 7,046,451</u>  | <u>\$ 748,455</u>           |

A. Unamortized Bond Issuance Premium

The unamortized bond issuance premium of the governmental fund types is recorded in the noncurrent liabilities. The current portion of the unamortized bond issuance premium balance of the governmental funds is \$63,455 and is separated from the long-term liabilities balance of \$317,274K-6.

B. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds. The Debt Service Fund will be used to liquidate the serial bonds.

On May 23, 2013 the District issued \$7,135,000 refunding bonding with an interest rate of 2.00% to 4.00% to refund \$7,167,000 of the \$10,917,000 school bonds dated February 15, 2005 with rates ranging from 4.00% to 4.25%. The refunding bonds will mature on September 1, 2013 through September 1, 2025 and constitute an advanced refunding. The net proceeds from the issuance of the general obligation bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent who paid the debt service requirements of the refunded bonds on May 23, 2013 and redeemed the refunded bonds, at a redemption price equal to 100% of par, on September 1, 2013, which was the first optional redemption date. The refunding met the requirements on an in-substance debt defeasance and the school bonds were removed from the District's government-wide financial statements.

As a result of the advance refunding, the District reduced its total debt service requirements by \$484,545, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt).

The District had bonds outstanding as of June 30, 2020 as follows:

| <u>Purpose</u>        | <u>Maturity Date</u> | <u>Interest Rate</u> | <u>Amount</u> |
|-----------------------|----------------------|----------------------|---------------|
| Refunding Bond - 2013 | 9/1/2025             | 3.00% - 4.00%        | \$4,570,000   |

ROSELAND BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 7. GENERAL LONG-TERM DEBT (Cont'd)

B. Bonds Payable (Cont'd):

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

| Year Ending June 30, | Serial Bonds |            | Total        |
|----------------------|--------------|------------|--------------|
|                      | Principal    | Interest   |              |
| 2021                 | \$ 685,000   | \$ 150,650 | \$ 835,650   |
| 2022                 | 715,000      | 124,650    | 839,650      |
| 2023                 | 750,000      | 95,350     | 845,350      |
| 2024                 | 775,000      | 64,850     | 839,850      |
| 2025                 | 805,000      | 37,275     | 842,275      |
| 2026                 | 840,000      | 12,600     | 852,600      |
|                      | \$ 4,570,000 | \$ 485,375 | \$ 5,055,375 |

C. Bonds Authorized But Not Issued:

As of June 30, 2020, the Board has no bonds authorized but not issued.

D. Capital Leases Payable:

As of June 30, 2020, the Board has no capital leases.

E. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded as a long-term liability. There is no current portion of the compensated absences balance of the governmental funds in the current year. The long-term liability balance of compensated absences is \$176,997. The General Fund will be used to liquidate compensated absences payable.

The liability for vested compensated balances of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2020, no liability existed for compensated absences in the proprietary fund.

F. Net Pension Liability

The Public Employee's Retirement System (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2020 is \$-0- and the long term portion is \$1,918,725. See Note 8 for further information on the PERS.

ROSELAND BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 8. PENSION PLANS

Substantially all of the Board’s employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers’ Pension and Annuity Fund (TPAF) or the Public Employee’s Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP), a tax qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

A. Public Employees’ Retirement System (PERS)

Plan Description

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

Benefits Provided

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

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

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

ROSELAND BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$104,189 for 2020.

The employee contribution rate was 7.20% effective July 1, 2018.

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

At June 30, 2020, the District's liability was \$1,918,725 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2019, the District's proportion was 0.01%, which was a decrease of 0.001% from its proportion measured as of June 30, 2018.

For the fiscal year ended June 30, 2020, the District recognized actual pension expense in the amount of \$116,374. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:



ROSELAND BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

|  | <u>Year of<br/>Deferral</u> | <u>Amortization<br/>Period<br/>in Years</u> | <u>Deferred<br/>Outflows of<br/>Resources</u> | <u>Deferred<br/>Inflows of<br/>Resources</u> |
|--|-----------------------------|---|---|--|
| Changes in Assumptions   | 2014                        | 6.44  | \$ 5,071                                      |  |
|  | 2015                        | 5.72  | 31,354  |  |
|  | 2016                        | 5.57  | 155,167                                       |  |
|  | 2017                        | 5.48  |   | \$ (275,440)                                 |
|  | 2018                        | 5.63  |   | (222,580)                                    |
|  | 2019                        | 5.21  |   | (167,963)                                    |
|  |                             |   | <u>191,592</u>                                | <u>(665,983)</u>                             |
| Difference Between Expected and Actual Experience  | 2015                        | 5.72  | 8,699   |  |
|  | 2016                        | 5.57  | 4,709   |  |
|  | 2017                        | 5.48  | 8,192   |  |
|  | 2018                        | 5.63  |   | (8,476)                                      |
|  | 2019                        | 5.21  |   |  |
|  |                             |   | <u>12,839</u>                                 |  |
|  |                             |   | <u>34,439</u>                                 | <u>(8,476)</u>                               |
| Net Difference Between Projected and Actual<br>Investment Earnings on Pension Plan Investments | 2016                        | 5.00  |   | 35,414                                       |
|  | 2017                        | 5.00  |   | (42,499)                                     |
|  | 2018                        | 5.00  |   | (29,562)                                     |
|  | 2019                        | 5.00  |   | 6,359  |
|  |                             |   |   | <u>(30,288)</u>                              |
| Changes in Proportion  | 2014                        | 6.44  | 9,383   |  |
|  | 2015                        | 5.72  | 42,043  |  |
|  | 2016                        | 5.57  |   | (68,401)                                     |
|  | 2017                        | 5.48  |   | (91,963)                                     |
|  | 2018                        | 5.63  |   | (93,151)                                     |
|  | 2019                        | 5.21  |   |  |
|  |                             |   | <u>227,400</u>                                |  |
|  |                             |   | <u>278,826</u>                                | <u>(253,515)</u>                             |
| District Contribution Subsequent to the Measurement Date                                       | 2019                        | 1.00  | 147,011                                       |  |
|  |                             |   | <u>\$ 651,868</u>                             | <u>\$ (958,262)</u>                          |

ROSELAND BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

| Fiscal Year<br>Ending June 30, | Total        |
|--------------------------------|--------------|
| 2020                           | \$ (55,404)  |
| 2021                           | (179,730)    |
| 2022                           | (160,487)    |
| 2023                           | (75,357)     |
| 2024                           | (7,738)      |
|                                | \$ (478,716) |

Actuarial Assumptions

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions:

|                           |  |
|---------------------------|--|
| Inflation Rate:           |  |
| Price                     | 2.75%                                  |
| Wage                      | 3.25%                                  |
| Salary Increases:         |  |
| Through 2026              | 2.00 – 6.00% based on years of service |
| Thereafter                | 3.00 – 7.00% based on years of service |
| Investment Rate of Return | 7.00%                                  |

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

ROSELAND BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
 (Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2019 are summarized in the following table:

| Asset Class                      | Target<br>Allocation | Long-Term<br>Expected Real<br>Rate of<br>Return |
|----------------------------------|----------------------|---|
| Risk Management Strategies       | 3.00%                | 4.67%   |
| Cash Equivalents                 | 5.00%                | 2.00%   |
| U.S. Treasuries                  | 5.00%                | 2.68%   |
| Investment Grade Credit          | 10.00%               | 4.25%   |
| High Yield                       | 2.00%                | 5.37%   |
| Private Credit                   | 6.00%                | 7.92%   |
| Real Assets                      | 2.50%                | 9.31%   |
| Real Estate                      | 7.50%                | 8.33%   |
| U.S. Equity                      | 28.00%               | 8.26%   |
| Non-U.S. Developed Market Equity | 12.50%               | 9.00%   |
| Emerging Markets Equity          | 6.50%                | 11.37%  |
| Private Equity                   | 12.00%               | 10.85%  |

Discount Rate

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. 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 3.50% as of June 30, 2019 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 100% of actuarially determined contributions for the local employers. 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 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

ROSELAND BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2019 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

|   | June 30, 2019                |  |                              |
|---|------------------------------|--|------------------------------|
|   | At 1%<br>Decrease<br>(5.28%) | At Current<br>Discount Rate<br>(6.28%) | At 1%<br>Increase<br>(7.28%) |
| District's proportionate share of the Net Pension Liability | \$ 2,440,522                 | \$ 1,918,725                           | \$ 1,503,633                 |

Pension plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

Benefits Provided

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

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

ROSELAND BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2020, the State of New Jersey contributed \$668,397 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$1,187,085.

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

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

At June 30, 2020, the State's proportionate share of the net pension liability associated with the District was \$20,125,995. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2019, the District's proportion was 0.033%, which was a decrease of 0.002% from its proportion measured as of June 30, 2018.

ROSELAND BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

|   |    |                   |
|---|----|-------------------|
| District's Proportionate Share of the Net Pension Liability                           | \$ | -0-               |
| State's Proportionate Share of the Net Pension Liability Associated with the District |    | 20,125,995        |
| Total   | \$ | <u>20,125,995</u> |

For the fiscal year ended June 30, 2020, the State recognized pension expense on behalf of the District in the amount of \$1,187,085 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2020 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions from the following sources:

|   | Year of<br>Deferral | Amortization<br>Period<br>in Years | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|---------------------|------------------------------------|--------------------------------------|-------------------------------------|
| Changes in Assumptions  | 2014                | 8.5                                | \$ 768,874,621                       |                                     |
|   | 2015                | 8.3                                | 2,351,172,865                        |                                     |
|   | 2016                | 8.3                                | 5,609,216,856                        |                                     |
|   | 2017                | 8.3                                |                                      | \$ 8,483,527,374                    |
|   | 2018                | 8.29                               |                                      | 5,172,258,445                       |
|   | 2019                | 8.04                               |                                      | 3,507,345,617                       |
|   |                     |                                    | <u>8,729,264,342</u>                 | <u>17,163,131,436</u>               |
| Difference Between Expected and Actual Experience   | 2014                | 8.5                                |                                      | 7,323,009                           |
|   | 2015                | 8.3                                | 145,211,243                          |                                     |
|   | 2016                | 8.3                                |                                      | 69,755,412                          |
|   | 2017                | 8.3                                | 150,939,884                          |                                     |
|   | 2018                | 8.29                               | 907,352,137                          |                                     |
|   | 2019                | 8.04                               |                                      | 136,265,890                         |
|   |                     |                                    | <u>1,203,503,264</u>                 | <u>213,344,311</u>                  |
| Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments | 2016                | 5                                  |                                      | (431,855,192)                       |
|   | 2017                | 5                                  |                                      | 452,016,524                         |
|   | 2018                | 5                                  |                                      | 288,091,115                         |
|   | 2019                | 5                                  |                                      | (144,882,771)                       |
|   |                     |                                    |                                      | <u>163,369,676</u>                  |
|   |                     |                                    | <u>\$ 9,932,767,606</u>              | <u>\$ 17,539,845,423</u>            |

ROSELAND BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

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

| Fiscal Year<br>Ending June 30, | Total              |
|--------------------------------|--------------------|
| 2020                           | \$ (272,405,510)   |
| 2021                           | (704,260,700)      |
| 2022                           | (630,562,767)      |
| 2023                           | (1,216,378,743)    |
| 2024                           | (2,381,316,232)    |
| Thereafter                     | (2,402,153,865)    |
|                                | \$ (7,607,077,817) |

Actuarial Assumptions

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

|                           |  |
|---------------------------|--|
| Inflation Rate:           |  |
| Price                     | 2.75%                                  |
| Wage                      | 3.25%                                  |
| Salary Increases:         |  |
| Through 2026              | 1.55 – 4.45% based on years of service |
| Thereafter                | 2.75 – 5.65% based on years of service |
| Investment Rate of Return | 7.00%                                  |

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and a 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2019 are summarized in the following table:

| <u>Asset Class</u>               | <u>Target Allocation</u> | <u>Long-Term<br/>Expected Real<br/>Rate of<br/>Return</u> |
|----------------------------------|--------------------------|---|
| Risk Mitigation Strategies       | 3.00%                    | 4.67%   |
| Cash Equivalents                 | 5.00%                    | 2.00%   |
| U.S. Treasuries                  | 5.00%                    | 2.68%   |
| Investment Grade Credit          | 10.00%                   | 4.25%   |
| High Yield                       | 2.00%                    | 5.37%   |
| Private Credit                   | 6.00%                    | 7.92%   |
| Real Assets                      | 2.50%                    | 9.31%   |
| Real Estate                      | 7.50%                    | 8.33%   |
| U.S. Equity                      | 28.00%                   | 8.26%   |
| Non-U.S. Developed Market Equity | 12.50%                   | 9.00%   |
| Emerging Markets Equity          | 6.50%                    | 11.37%  |
| Private Equity                   | 12.00%                   | 10.85%  |

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 5.60% as of June 30, 2019. 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 3.50% as of June 30, 2019 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 70% of the actuarially determined contributions for the State. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2054. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2054, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.



ROSELAND BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2019 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

|  | June 30, 2019                |  |                              |
|--|------------------------------|--|------------------------------|
|  | At 1%<br>Decrease<br>(4.60%) | At Current<br>Discount Rate<br>(5.60%) | At 1%<br>Increase<br>(6.60%) |
| State's Proportionate Share of the Net<br>Pension Liability Associated with the District | \$ 23,733,003                | \$ 20,125,995                          | \$ 17,133,318                |

Pension Plan Fiduciary Net Position - TPAF

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

C. Defined Contribution Retirement Program (DCRP)

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

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

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

For DCRP, the District recognized pension expense of \$10,341 for the fiscal year ended June 30, 2020. Employee contributions to DCRP amounted to \$19,734 for the year ended June 30, 2020.

ROSELAND BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 9. DEFERRED COMPENSATION

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

The plan administrators are as follows:

|                                     |           |
|-------------------------------------|-----------|
| Commerce Bank/Legend                | Equitable |
| Metropolitan Life Insurance Company | Valic     |

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. Health Benefits are provided to the employees through the State of New Jersey Health Benefits Plan.

Property and Liability

The Roseland Board of Education is currently a member of the Morris Essex Insurance Group and the New Jersey Schools Insurance Group (the "Groups"). The Morris Essex Insurance Group provides its members with Workers' Compensation Insurance. New Jersey School Insurance Group provides its members with property Building and Contents, General Liability, Automotive Liability, and Employer Liability Insurance. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. The Groups are risk-sharing public entity risk pools that are both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage for their members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective district for the purpose of creating a governing body from which officers for the Groups are elected. As members of the Groups, the Board of Education could be subject to supplemental assessments in the event of deficiencies. If the assets of the Groups were to be exhausted, members would become responsible for their respective shares of the Group's liabilities.

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

ROSELAND BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 10. RISK MANAGEMENT (Cont'd)

The June 30, 2020 financial information was not available as of the date of the audit. Selected financial information for the Groups as of June 30, 2019 is as follows:

|                        | <u>New Jersey Schools<br/>Insurance Group<br/>June 30, 2019</u> | <u>Morris Essex<br/>Insurance Group<br/>June 30, 2019</u> |
|------------------------|---|---|
| Total Assets           | \$ 359,852,548  | \$ 11,171,182   |
| Net Position           | \$ 107,824,596  | \$ 7,785,886  |
| Total Revenue          | \$ 140,293,549  | \$ 3,977,325  |
| Total Expenses         | \$ 115,049,808  | \$ 2,961,545  |
| Change in Net Position | \$ 25,243,741   | \$ 1,015,780  |
| Members Dividends      | \$ -0-  | \$ 1,026,731  |

Financial statements for the Groups are available at the respective Group's Executive Director's Office:

Morris Essex Insurance Group

Burton Agency  
44 Bergen Street  
PO Box 270  
Westwood, NJ 07675  
(201)664-0310

New Jersey Schools Insurance Group (NJSIG)

600 Midlantic Drive  
Mount Laurel, NJ 08054  
(609) 386-6060  
www.njsig.org

New Jersey Unemployment Compensation Insurance

The Board of Education has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Board is required to remit the New Jersey Unemployment Trust Fund employee withholdings and employer share of contributions for future benefits to be paid to its former employees charged to its account with the State. The following is a summary of the Unemployment account for the current year.

| <u>Fiscal Year</u> | <u>District<br/>Contributions</u> | <u>Interest</u> | <u>Amount<br/>Reimbursed</u> | <u>Ending<br/>Balance</u> |
|--------------------|-----------------------------------|-----------------|------------------------------|---------------------------|
| 2020               | \$ 25,000                         | \$ 654          | \$ 654                       | \$ 74,842                 |
| 2019               | 25,000                            | 527             | 527                          | 49,842                    |
| 2018               | 24,838                            | 4               |                              | 24,842                    |

NOTE 11. ECONOMIC DEPENDENCY

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

ROSELAND BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 12. TAX CALENDAR

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

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

NOTE 13. COMMITMENTS AND CONTINGENCIES

Grant Programs

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

Encumbrances

As of June 30, 2020, there were encumbrances as detailed below in the governmental funds.

| General<br>Fund             | Special<br>Revenue<br>Fund  | Total<br>Governmental<br>Funds |
|-----------------------------|-----------------------------|--------------------------------|
| <u>                    </u> | <u>                    </u> | <u>                    </u>    |
| \$ 518,289                  | \$ 31,203                   | \$ 549,492                     |
| <u>                    </u> | <u>                    </u> | <u>                    </u>    |

On the District's Governmental Funds Balance Sheet as of June 30, 2020, \$0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$31,203 less than the actual year-end encumbrances on a budgetary basis. Encumbrances are not recognized on a GAAP basis and are reflected as either a reduction in grants receivables or an increase in unearned revenue.

Litigation

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

ROSELAND BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 14. ACCOUNTS PAYABLE

At year end June 30, 2020, the Board has the following accounts payable in the governmental funds:

|                     | General<br>Fund  | Special<br>Revenue<br>Fund | Total<br>Governmental<br>Funds | District Contri-<br>bution Subsequent<br>to the Measure-<br>ment Date | Total<br>Governmental<br>Activities | Business-Type<br>Activities<br>Food Service<br>Fund |
|---------------------|------------------|----------------------------|--------------------------------|---|-------------------------------------|---|
| Vendors             | \$ 73,435        | \$ 977                     | \$ 74,412                      |   | \$ 74,412                           | \$ 3,507  |
| State of New Jersey |                  |                            |                                | \$ 147,011  | 147,011                             |   |
|                     | <u>\$ 73,435</u> | <u>\$ 977</u>              | <u>\$ 74,412</u>               | <u>\$ 147,011</u>   | <u>\$ 221,423</u>                   | <u>\$ 3,507</u>                                     |

NOTE 15. INTERFUND RECEIVABLES AND PAYABLES

The District had the following interfunds payables or receivables on their various balance sheets as of June 30, 2020:

| Fund                 | Interfund<br>Receivable | Interfund<br>Payable |
|----------------------|-------------------------|----------------------|
| General Fund         | \$ 2,741                |                      |
| Special Revenue Fund |                         | \$ 2,741             |
|                      | <u>\$ 2,741</u>         | <u>\$ 2,741</u>      |

The special revenue fund owes \$2,741 to the general fund due to a cash deficit resulting from the Federal receivable in the special revenue fund.

NOTE 16. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account in the amount of \$300,000 was established by Board resolution on June 21, 2018. These funds may be used for specific activities necessary for the purpose of keeping a school facility open and safe for use or in its original condition, and for keeping its constituent buildings systems fully and efficiently functional and for keeping their warranties valid but cannot be used for routine or capital maintenance. The purpose of the reserve is to provide funds for anticipated expenditures required to maintain a building.

Pursuant to N.J.A.C. 6A:26A-4.2 funds may be deposited into the maintenance reserve account at any time by board resolution to meet the required maintenance of the District by transferring unassigned general fund balance or by transferring excess unassigned general fund balance that is anticipated to be deposited during the current fiscal year in the advertised recapitulation of balances of the subsequent fiscal year's budget that is certified for taxes. Funds may be withdrawn from the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the fiscal year by Board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan.

ROSELAND BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

NOTE 16. MAINTENANCE RESERVE ACCOUNT (Cont'd)

Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line-item account. In any fiscal year that maintenance reserve account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at fiscal year-end. At no time, shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current fiscal year of the District's school facilities. If the account exceeds this maximum amount at June 30, the excess shall be restricted and designated in the subsequent fiscal year's budget. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The activity of the maintenance reserve for the July 1, 2019 to June 30, 2020 fiscal year is as follows:

|                          |                   |
|--------------------------|-------------------|
| Balance at June 30, 2019 | \$ 444,204        |
| Balance at June 30, 2020 | <u>\$ 444,204</u> |

NOTE 17. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

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

General Information about the OPEB Plan

Plan Description and Benefits Provided

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

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

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

ROSELAND BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

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

Plan Description and Benefits Provided (Cont'd)

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

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

Employees Covered by Benefit Terms

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

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

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. The total nonemployer OPEB liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016 which was rolled forward to June 30, 2017.

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

|                   |  |                              |
|-------------------|--|------------------------------|
| Inflation Rate    | 2.50%  |                              |
|                   | <u>TPAF/ABP</u>                              | <u>PERS</u>                  |
| Salary Increases: |  |                              |
| Through 2026      | 1.55 - 4.55%<br>based on years<br>of service | 2.15 - 4.15%<br>based on age |
| Thereafter        | 2.00 - 5.45%<br>based on years<br>of service | 3.15 - 5.15%<br>based on age |

ROSELAND BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

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

Actuarial Assumptions and Other Inputs (Cont'd)

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

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

Mortality Rates

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

Health Care Trend Assumptions

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

Discount Rate

The discount rates for June 30, 2018 and 2017 were 3.87% and 3.58%, respectively, a change of +.29%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.



ROSELAND BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

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

Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District

|  | Total OPEB<br>Liability |
|--|-------------------------|
| Balance at June 30, 2017                           | \$ 16,025,062           |
| Changes for Year:                                  |                         |
| Service Cost                                       | 596,672                 |
| Interest on the Total OPEB Liability               | 589,360                 |
| Changes of Assumptions                             | (1,427,582)             |
| Differences between Expected and Actual Experience | (3,022,102)             |
| Gross Benefit Payments by the State                | (332,648)               |
| Contributions from Members                         | 11,497                  |
| Net Changes  | (3,584,803)             |
| Balance at June 30, 2018                           | \$ 12,440,259           |

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

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

|   | June 30, 2018                |                                |                              |
|---|------------------------------|--------------------------------|------------------------------|
|   | At 1%<br>Decrease<br>(2.87%) | At<br>Discount Rate<br>(3.87%) | At 1%<br>Increase<br>(4.87%) |
| Total OPEB Liability Attributable to the District | \$ 14,706,919                | \$ 12,440,259                  | \$ 10,638,499                |

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

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

ROSELAND BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

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

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Healthcare Trend Rate (Cont'd)

|   | June 30, 2018  |                               |                |
|---|----------------|-------------------------------|----------------|
|   | 1%<br>Decrease | Healthcare<br>Cost Trend Rate | 1%<br>Increase |
| Total OPEB Liability Attributable to the District | \$ 10,282,599  | \$ 12,440,259                 | \$ 15,293,847  |

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

For the fiscal year ended June 30, 2020 the District recognized OPEB expense of \$460,237 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

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

|  | Deferral<br>Year | Original<br>Amortization<br>Period<br>in Years | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|--|------------------|--|--------------------------------------|-------------------------------------|
| Changes in Assumptions                             | 2017             | 9.54   |                                      | \$ (1,511,079)                      |
| Changes in Assumptions                             | 2018             | 9.51   |                                      | (1,277,468)                         |
|  |                  |  |                                      | \$ (2,788,548)                      |
| Differences Between Expected and Actual Experience | 2018             | 9.51   |                                      | \$ (1,207,605)                      |
| Changes in Proportion                              | N/A              | N/A  | \$ 53,683                            | (1,554,601)                         |
|  |                  |  | \$ 53,683                            | \$ (5,550,754)                      |

N/A - Not Available

ROSELAND BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

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

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

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

| Fiscal Year<br>Ending June 30, | Total          |
|--------------------------------|----------------|
| 2019                           | \$ (492,426)   |
| 2020                           | (492,426)      |
| 2021                           | (492,426)      |
| 2022                           | (492,426)      |
| 2023                           | (492,426)      |
| Thereafter                     | (1,534,021)    |
|                                | \$ (3,996,153) |

NOTE 18. SUBSEQUENT EVENT

The COVID-19 outbreak in the United States and specifically in New Jersey has caused disruption of the District's normal financial operations. Though the impact on the District's operations cannot be reasonably estimated at this date, it is likely that there will be an impact on certain revenue in the General Fund other than state aid and the local tax levy. The District's state aid in the General Fund was reduced after their budget was adopted due to the reduction of state aid provided to certain school districts by the State of New Jersey. Also, there have been additional operating expenses in the General Fund not planned for or expected at the time of the adoption of the District's 2020-21 budget related to COVID-19.

Additionally, the District's cash flow in the Governmental Funds may be affected by the timing of the collection of the District's tax levy as well as certain State aid payments.

The District's Food Service Enterprise Fund has been impacted by COVID-19 for the fiscal year ending June 30, 2021.

REQUIRED SUPPLEMENTARY  
INFORMATION SCHEDULES

ROSELAND BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST SIX FISCAL YEARS

|   | Fiscal Year Ending June 30, |               |               |               |               |               |
|---|-----------------------------|---------------|---------------|---------------|---------------|---------------|
|   | 2015                        | 2016          | 2017          | 2018          | 2019          | 2020          |
| District's proportion of the net pension liability  | 0.0097470459%               | 0.0104656125% | 0.0122006653% | 0.0100468138% | 0.0094062702% | 0.0106486503% |
| District's proportionate share of the net pension liability   | \$ 1,959,449                | \$ 2,738,805  | \$ 3,251,636  | \$ 2,338,738  | \$ 1,852,048  | \$ 1,918,725  |
| District's covered employee payroll   | \$ 802,752                  | \$ 744,538    | \$ 662,251    | \$ 696,762    | \$ 753,357    | \$ 639,472    |
| District's proportionate share of the net pension liability as a percentage of its covered employee payroll | 244.09%                     | 367.85%       | 491.00%       | 335.66%       | 245.84%       | 300.05%       |
| Plan fiduciary net position as a percentage of the total pension liability                                  | 52.08%                      | 47.93%        | 40.14%        | 48.10%        | 53.60%        | 56.27%        |

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

ROSELAND BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF DISTRICT CONTRIBUTIONS  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST SIX FISCAL YEARS

|  | Fiscal Year Ending June 30, |            |            |            |            |            |
|--|-----------------------------|------------|------------|------------|------------|------------|
|  | 2015                        | 2016       | 2017       | 2018       | 2019       | 2020       |
| Contractually required contribution                                  | \$ 86,277                   | \$ 104,893 | \$ 97,535  | \$ 95,057  | \$ 94,140  | \$ 104,189 |
| Contributions in relation to the contractually required contribution | (86,277)                    | (104,893)  | (97,535)   | (95,057)   | (94,140)   | (104,189)  |
| Contribution deficiency/(excess)                                     | \$ -0-                      | \$ -0-     | \$ -0-     | \$ -0-     | \$ -0-     | \$ -0-     |
| District's covered employee payroll                                  | \$ 801,526                  | \$ 802,752 | \$ 744,538 | \$ 662,251 | \$ 696,762 | \$ 753,357 |
| Contributions as a percentage of covered employee payroll            | 10.76%                      | 13.07%     | 13.10%     | 14.35%     | 13.51%     | 13.83%     |

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

ROSELAND BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY ATTRIBUTABLE TO THE DISTRICT  
TEACHERS' PENSION AND ANNUITY FUND  
LAST SIX FISCAL YEARS

|   | Fiscal Year Ending June 30, |               |               |               |               |               |
|---|-----------------------------|---------------|---------------|---------------|---------------|---------------|
|   | 2015                        | 2016          | 2017          | 2018          | 2019          | 2020          |
| State's proportion of the net pension liability attributable to the District  | 0.0367027219%               | 0.0373472679% | 0.0348823435% | 0.0357215194% | 0.0329824642% | 0.0327939977% |
| State's proportionate share of the net pension liability attributable to the District   | \$ 19,616,410               | \$ 23,605,068 | \$ 27,440,672 | \$ 24,084,736 | \$ 20,982,735 | \$ 20,125,986 |
| District's covered employee payroll   | \$ 3,462,859                | \$ 3,452,595  | \$ 3,416,603  | \$ 3,478,965  | \$ 3,266,790  | \$ 3,518,033  |
| State's proportionate share of the net pension liability attributable to the District as a percentage of its covered employee payroll | 566.48%                     | 683.69%       | 803.16%       | 692.30%       | 642.30%       | 572.08%       |
| Plan fiduciary net position as a percentage of the total pension liability  | 33.64%                      | 28.71%        | 22.33%        | 25.41%        | 26.49%        | 26.95%        |

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

ROSELAND BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF STATE CONTRIBUTIONS  
TEACHERS' PENSION AND ANNUITY FUND  
LAST SIX FISCAL YEARS

|  | Fiscal Year Ending June 30, |              |              |              |              |              |
|--|-----------------------------|--------------|--------------|--------------|--------------|--------------|
|  | 2015                        | 2016         | 2017         | 2018         | 2019         | 2020         |
| Contractually required contribution                                  | \$ 1,055,547                | \$ 1,441,302 | \$ 2,061,785 | \$ 1,668,469 | \$ 1,223,220 | \$ 1,187,085 |
| Contributions in relation to the contractually required contribution | (201,913)                   | (279,282)    | (387,748)    | (485,715)    | (644,979)    | (668,397)    |
| Contribution deficiency/(excess)                                     | \$ 853,634                  | \$ 1,162,020 | \$ 1,674,037 | \$ 1,182,754 | \$ 578,241   | \$ 518,688   |
| District's covered employee payroll                                  | \$ 3,452,595                | \$ 3,416,603 | \$ 3,478,965 | \$ 3,266,790 | \$ 3,518,033 | \$ 3,918,214 |
| Contributions as a percentage of covered employee payroll            | 5.85%                       | 8.17%        | 11.15%       | 14.87%       | 18.33%       | 17.06%       |

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



ROSELAND BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF CHANGES IN THE STATE'S PROPORTIONATE SHARE OF THE TOTAL OPEB LIABILITY  
ASSOCIATED WITH THE DISTRICT AND RELATED RATIOS  
LAST TWO FISCAL YEARS

|  | Fiscal Year Ending June 30, |                      |
|--|-----------------------------|----------------------|
|  | 2017                        | 2018                 |
| Service Cost   | \$ 715,438                  | \$ 596,672           |
| Interest Cost  | 505,545                     | 589,360              |
| Changes in Assumptions   | (2,038,884)                 | (1,427,582)          |
| Differences between Expected and Actual Experience               | 13,668                      | (3,022,102)          |
| Member Contributions   | (371,174)                   | 11,497               |
| Gross Benefit Payments   | (1,175,407)                 | (332,648)            |
| Net Change in Total OPEB Liability                               | (1,175,407)                 | (3,584,803)          |
| Total OPEB Liability - Beginning                                 | 17,200,469                  | 16,025,062           |
| Total OPEB Liability - Ending                                    | <u>\$ 16,025,062</u>        | <u>\$ 12,440,259</u> |
| District's Covered Employee Payroll *                            | \$ 4,078,854                | \$ 4,175,727         |
| Total OPEB Liability as a Percentage of Covered Employee Payroll | 393%                        | 298%                 |

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

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

ROSELAND BOARD OF EDUCATION  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 5.66% as of June 30, 2018 to 6.28% as of June 30, 2019. The municipal bond rate changed from 3.87% to 3.50%.

The inflation rate was 2.25% as of June 30, 2018. As of June 30, 2019, the inflation rate was as follows – Price – 2.75% and Wage – 3.25%. The salary increases as of June 30, 2018 were as follows: Through 2026 – 1.65% - 4.15% based on age and Thereafter – 2.65% - 5.15% based on age. The salary increases as of June 30, 2019 are as follows: Through 2026 – 2.00% - 6.00% based on years of service and Thereafter – 3.00% - 7.00% based on years of service.

The July 1, 2017 actuarial valuation utilized the following mortality rate assumptions:

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

The July 1, 2018 actuarial valuation utilized the following mortality rate assumptions:

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

ROSELAND BOARD OF EDUCATION  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

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

Changes of Actuarial Assumptions

The discount rate changed from 4.86% as of June 30, 2018 to 5.60% as of June 30, 2019. The municipal bond rate changed from 3.87% to 3.50%. The inflation rate as of June 30, 2018 was 2.25%. The inflation rate as of June 30, 2019 was as follows: Price – 2.75% and Wage – 3.25%.

The salary increases in the July 1, 2018 valuation were as follows: Through 2026 - 1.55 – 4.45% based on years of service and thereafter - 2.75 – 5.65% based on years of service. The salary increases in the July 1, 2017 valuation were as follows: 2011-2026 – 1.55% - 4.55% and thereafter – 2% - 5.45%.

The mortality rates utilized in the July 1, 2018 valuation were as follows: Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and a 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

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

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

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

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

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

ROSELAND BOARD OF EDUCATION  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN (Cont'd)

Changes of Actuarial Assumptions (Cont'd)

Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

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

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

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

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

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

For pre-Medicare preferred provider organization (PPO) medical benefits and health maintenance organization (HMO) medical benefits, trend rate is initially 5.9% and decreases to a 5.0% long term trend rate after nine years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

BUDGETARY COMPARISON SCHEDULES

ROSELAND BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2020

|  | Original<br>Budget | Budget<br>Transfers | Final<br>Budget | Actual       | Variance<br>Final to Actual |
|--|--------------------|---------------------|-----------------|--------------|-----------------------------|
| <b>REVENUES:</b>   |                    |                     |                 |              |                             |
| Local Sources:   |                    |                     |                 |              |                             |
| Local Tax Levy   | \$ 8,171,100       |                     | \$ 8,171,100    | \$ 8,171,100 |                             |
| Interest Earned on Capital Reserve                             | 100                |                     | 100             | 100          |                             |
| Tuition - From other LEAs within the State                     |                    |                     |                 | 66,555       | \$ 66,555                   |
| Miscellaneous  | 85,100             |                     | 85,100          | 107,133      | 22,033                      |
| Total - Local Sources  | 8,256,300          |                     | 8,256,300       | 8,344,888    | 88,588                      |
| State Sources:   |                    |                     |                 |              |                             |
| Special Education Aid  | 288,092            |                     | 288,092         | 288,092      |                             |
| Transportation Aid   | 72,082             |                     | 72,082          | 72,082       |                             |
| Security Aid   | 8,056              |                     | 8,056           | 8,056        |                             |
| Extraordinary Aid  | 22,966             |                     | 22,966          | 109,094      | 86,128                      |
| TPAF Pension Contributions (On-Behalf - Non-Budgeted)          |                    |                     |                 | 668,397      | 668,397                     |
| TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)  |                    |                     |                 | 252,407      | 252,407                     |
| TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)     |                    |                     |                 | 11,980       | 11,980                      |
| TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted) |                    |                     |                 | 842          | 842                         |
| Reimbursed TPAF Social Security Contributions (Non-Budgeted)   |                    |                     |                 | 280,071      | 280,071                     |
| Total State Sources  | 391,196            |                     | 391,196         | 1,691,021    | 1,299,825                   |
| <b>TOTAL REVENUES</b>  | 8,647,496          |                     | 8,647,496       | 10,035,909   | 1,388,413                   |

ROSELAND BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

| EXPENDITURES:                                 | Original<br>Budget | Budget<br>Transfers | Final<br>Budget | Actual    | Variance<br>Final to Actual |
|---|--------------------|---------------------|-----------------|-----------|-----------------------------|
| Current Expense:                              |                    |                     |                 |           |                             |
| Regular Programs - Instruction:               |                    |                     |                 |           |                             |
| Salaries of Teachers:                         |                    |                     |                 |           |                             |
| Preschool                                     | \$ 72,400          | \$ (271)            | \$ 72,129       | \$ 71,679 | \$ 450                      |
| Kindergarten                                  | 252,100            | (11,647)            | 240,453         | 234,900   | 5,553                       |
| Grades 1-5                                    | 1,765,100          | (27,200)            | 1,737,900       | 1,708,730 | 29,170                      |
| Grades 6-8                                    | 248,400            | (1,947)             | 246,453         | 241,763   | 4,690                       |
| Regular Programs - Home Instruction:          |                    |                     |                 |           |                             |
| Salaries of Teachers                          | 6,000              |                     | 6,000           | 1,866     | 4,134                       |
| Regular Programs - Undistributed Instruction: |                    |                     |                 |           |                             |
| Other Salaries for Instruction                | 22,500             | (22,500)            |                 |           |                             |
| Other Purchased Services (400-500 series)     | 6,950              | 2,545               | 9,495           | 5,350     | 4,145                       |
| General Supplies                              | 54,200             | 48,603              | 102,803         | 41,276    | 61,527                      |
| Textbooks                                     | 8,000              | (2,000)             | 6,000           | 4,822     | 1,178                       |
| Other Objects                                 | 750                |                     | 750             |           | 750                         |
| Total Regular Programs                        | 2,436,400          | (14,417)            | 2,421,983       | 2,310,386 | 111,597                     |
| Special Education:                            |                    |                     |                 |           |                             |
| Learning and/or Language Disabilities         |                    |                     |                 |           |                             |
| Salaries of Teachers                          | 66,200             | (1,764)             | 64,436          | 64,236    | 200                         |
| General Supplies                              | 600                | 500                 | 1,100           | 600       | 500                         |
| Total Language and/or Learning Disabilities   | 66,800             | (1,264)             | 65,536          | 64,836    | 700                         |

ROSELAND BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

|   | Original<br>Budget | Budget<br>Transfers | Final<br>Budget | Actual     | Variance<br>Final to Actual |
|---|--------------------|---------------------|-----------------|------------|-----------------------------|
| <b>EXPENDITURES:</b>                              |                    |                     |                 |            |                             |
| Current Expense:                                  |                    |                     |                 |            |                             |
| Resource Room/Resource Center:                    |                    |                     |                 |            |                             |
| Salaries of Teachers                              | \$ 440,300         | \$ 35,389           | \$ 475,689      | \$ 473,499 | \$ 2,190                    |
| Other Salaries for Instruction                    | 333,650            | 18,253              | 351,903         | 311,703    | 40,200                      |
| General Supplies                                  | 700                | (32)                | 668             | 668        |                             |
| Total Resource Room/Resource Center               | 774,650            | 53,610              | 828,260         | 785,870    | 42,390                      |
| Autism:   |                    |                     |                 |            |                             |
| Salaries of Teachers                              | 60,800             | 631                 | 61,431          | 60,031     | 1,400                       |
| Other Salaries for Instruction                    | 31,500             | (544)               | 30,956          | 30,556     | 400                         |
| General Supplies                                  | 600                | (7)                 | 593             | 593        |                             |
| Total Autism                                      | 92,900             | 80                  | 92,980          | 91,180     | 1,800                       |
| Total Special Education                           | 934,350            | 52,426              | 986,776         | 941,886    | 44,890                      |
| Basic Skills/Remedial:                            |                    |                     |                 |            |                             |
| Salaries of Teachers                              | 208,500            | (9,524)             | 198,976         | 195,976    | 3,000                       |
| General Supplies                                  | 1,000              | (518)               | 482             | 482        |                             |
| Total Basic Skills/Remedial                       | 209,500            | (10,042)            | 199,458         | 196,458    | 3,000                       |
| Other Instructional Programs - Instruction:       |                    |                     |                 |            |                             |
| Other Objects                                     | 25,000             | 7,413               | 32,413          | 32,413     |                             |
| Total Other Instructional Programs - Instruction: | 25,000             | 7,413               | 32,413          | 32,413     |                             |
| Total Instruction                                 | 3,605,250          | 35,380              | 3,640,630       | 3,481,143  | 159,487                     |



ROSELAND BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

|  | Original<br>Budget | Budget<br>Transfers | Final<br>Budget | Actual     | Variance<br>Final to Actual |
|--|--------------------|---------------------|-----------------|------------|-----------------------------|
| <b>EXPENDITURES:</b>   |                    |                     |                 |            |                             |
| Current Expense:   |                    |                     |                 |            |                             |
| Undistributed Expenditures:  |                    |                     |                 |            |                             |
| Instruction:   |                    |                     |                 |            |                             |
| Tuition to Private Schools for the Disabled - Within State         | \$ 303,676         |                     | \$ 303,676      | \$ 206,427 | \$ 97,249                   |
| Total Instruction  | 303,676            |                     | 303,676         | 206,427    | 97,249                      |
| Attendance and Social Work:  |                    |                     |                 |            |                             |
| Salaries   | 27,530             |                     | 27,530          | 26,780     | 750                         |
| Total Attendance and Social Work                                   | 27,530             |                     | 27,530          | 26,780     | 750                         |
| Health Services:   |                    |                     |                 |            |                             |
| Salaries   | 76,950             | \$ 1,329            | 78,279          | 76,383     | 1,896                       |
| Purchased Professional and Technical Services                      | 3,795              | (1,500)             | 2,295           | 450        | 1,845                       |
| Other Purchased Services (400-500 series)                          |                    | 190                 | 190             | 190        |                             |
| Supplies and Materials   | 1,685              | 4,354               | 6,039           | 2,195      | 3,844                       |
| Total Health Services  | 82,430             | 4,373               | 86,803          | 79,218     | 7,585                       |
| Other Support Services - Speech, OT, PT and Related Services:      |                    |                     |                 |            |                             |
| Salaries   | 151,700            | 4,937               | 156,637         | 156,637    |                             |
| Purchased Professional - Educational Services                      | 139,000            | (23,000)            | 116,000         | 80,897     | 35,103                      |
| Supplies and Materials   | 800                |                     | 800             | 500        | 300                         |
| Total Other Support Services - Speech, OT, PT and Related Services | 291,500            | (18,063)            | 273,437         | 238,034    | 35,403                      |

ROSELAND BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

|   | Original<br>Budget | Budget<br>Transfers | Final<br>Budget | Actual    | Variance<br>Final to Actual |
|---|--------------------|---------------------|-----------------|-----------|-----------------------------|
| <b>EXPENDITURES:</b>                                  |                    |                     |                 |           |                             |
| Current Expense:                                      |                    |                     |                 |           |                             |
| Undistributed Expenditures:                           |                    |                     |                 |           |                             |
| Other Support Services - Guidance:                    |                    |                     |                 |           |                             |
| Salaries of Other Professional Staff                  | \$ 65,550          | \$ 286              | \$ 65,836       | \$ 65,836 |                             |
| Supplies and Materials                                | 1,056              | 500                 | 1,556           | 1,492     | \$ 64                       |
| Other Objects   | 4,000              |                     | 4,000           | 2,130     | 1,870                       |
| Total Other Support Services - Guidance               | 70,606             | 786                 | 71,392          | 69,458    | 1,934                       |
| Other Support Services - Child Study Team:            |                    |                     |                 |           |                             |
| Salaries of Other Professional Staff                  | 274,700            | 4,561               | 279,261         | 279,261   |                             |
| Salaries of Secretarial and Other Clerical Assistants | 37,950             | 1,650               | 39,600          | 39,600    |                             |
| Miscellaneous Purchased Services (400-500 series)     | 500                |                     | 500             | 500       | 500                         |
| Supplies and Materials                                | 1,500              | 3,000               | 4,500           | 2,179     | 2,321                       |
| Other Objects   | 6,620              | (5,482)             | 1,138           | 1,064     | 74                          |
| Total Other Support Services - Child Study Team       | 321,270            | 3,729               | 324,999         | 322,104   | 2,895                       |
| Improvement of Instructional Services:                |                    |                     |                 |           |                             |
| Other Salaries  | 6,000              | 6,000               | 12,000          | 11,055    | 945                         |
| Purchased Professional and Educational Services       | 20,000             | (750)               | 19,250          | 8,783     | 10,467                      |
| Other Purchased Professional and Technical Services   | 5,000              | (4,750)             | 250             | 250       |                             |
| Other Purchased Services (400-500 Services)           | 1,000              |                     | 1,000           | 915       | 85                          |
| Total Improvement of Instructional Services           | 32,000             | 500                 | 32,500          | 20,753    | 11,747                      |
| Educational Media Services/School Library:            |                    |                     |                 |           |                             |
| Salaries  | 68,200             | 5,839               | 74,039          | 74,039    |                             |
| Salaries of Technology Coordinators                   | 60,400             | 5,535               | 65,935          | 65,305    | 630                         |
| Purchased Professional - Technical Services           | 168,078            | 11,390              | 179,468         | 173,541   | 5,927                       |
| Other Purchased Services (400-500 series)             | 250                | 600                 | 850             | 525       | 325                         |
| Supplies and Materials                                | 18,850             | 67,000              | 85,850          | 16,704    | 69,146                      |
| Other Objects   | 820                |                     | 820             | 820       |                             |
| Total Educational Media Services/School Library       | 316,598            | 90,364              | 406,962         | 330,114   | 76,848                      |

ROSELAND BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

|  | Original<br>Budget | Budget<br>Transfers | Final<br>Budget | Actual         | Variance<br>Final to Actual |
|--|--------------------|---------------------|-----------------|----------------|-----------------------------|
| <b>EXPENDITURES:</b>                                   |                    |                     |                 |                |                             |
| Current Expense:                                       |                    |                     |                 |                |                             |
| Undistributed Expenditures:                            |                    |                     |                 |                |                             |
| Support Services - General Administration:             |                    |                     |                 |                |                             |
| Salaries   | \$ 189,994         | \$ 5,828            | \$ 195,822      | \$ 195,822     |                             |
| Legal Services   | 40,000             | 45                  | 40,045          | 26,296         | \$ 13,749                   |
| Other Purchased Professional Services                  | 25,000             | (22,154)            | 2,846           |                | 2,846                       |
| Audit Fees   | 55,000             | (16,000)            | 39,000          | 19,000         | 20,000                      |
| Communications/Telephone                               | 10,000             | 5,000               | 15,000          | 10,007         | 4,993                       |
| BOE Other Purchased Services                           | 3,000              | 3,334               | 6,334           | 2,838          | 3,496                       |
| Miscellaneous Purchased Services (400-500 series)      | 14,000             | (3,600)             | 10,400          | 8,296          | 2,104                       |
| General Supplies                                       | 2,500              | 15,000              | 17,500          | 2,724          | 14,776                      |
| Miscellaneous Expenditures                             | 3,000              |                     | 3,000           | 2,378          | 622                         |
| BOE Membership Dues and Fees                           | 7,500              |                     | 7,500           | 4,696          | 2,804                       |
| <b>Total Support Services - General Administration</b> | <b>349,994</b>     | <b>(12,547)</b>     | <b>337,447</b>  | <b>272,057</b> | <b>65,390</b>               |
| Support Services - School Administration:              |                    |                     |                 |                |                             |
| Salaries of Principals/Assistant Principals            | 126,600            | (85)                | 126,515         | 126,515        |                             |
| Salaries of Secretarial and Clerical Assistants        | 45,100             | 1,000               | 46,100          | 44,132         | 1,968                       |
| Other Purchased Service (400-500 series)               | 2,000              |                     | 2,000           | 986            | 1,014                       |
| Supplies and Materials                                 | 3,500              | 15,361              | 18,861          | 3,709          | 15,152                      |
| Other Objects  | 2,451              | 549                 | 3,000           | 82             | 2,918                       |
| <b>Total Support Services - School Administration</b>  | <b>179,651</b>     | <b>16,825</b>       | <b>196,476</b>  | <b>175,424</b> | <b>21,052</b>               |

ROSELAND BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

|   | Original<br>Budget | Budget<br>Transfers | Final<br>Budget | Actual     | Variance<br>Final to Actual |
|---|--------------------|---------------------|-----------------|------------|-----------------------------|
| <b>EXPENDITURES:</b>                              |                    |                     |                 |            |                             |
| Current Expense:                                  |                    |                     |                 |            |                             |
| Undistributed Expenditures:                       |                    |                     |                 |            |                             |
| Central Services:                                 |                    |                     |                 |            |                             |
| Salaries  | \$ 183,900         | \$ (3,785)          | \$ 180,115      | \$ 179,715 | \$ 400                      |
| Miscellaneous Purchased Services (400-500 series) | 21,800             | 7,945               | 29,745          | 21,334     | 8,411                       |
| General Supplies                                  | 3,000              | 8,155               | 11,155          | 11,072     | 83                          |
| Other Objects                                     | 1,500              |                     | 1,500           | 1,190      | 310                         |
| Total Central Services                            | 210,200            | 12,315              | 222,515         | 213,311    | 9,204                       |
| Required Maintenance for School Facilities:       |                    |                     |                 |            |                             |
| Cleaning, Repair and Maintenance Services         | 80,272             | 26,338              | 106,610         | 106,305    | 305                         |
| Travel  |                    | 2,200               | 2,200           | 1,891      | 309                         |
| General Supplies                                  | 16,320             | 7,010               | 23,330          | 18,079     | 5,251                       |
| Other Objects                                     | 3,264              | (1,840)             | 1,424           | 1,424      |                             |
| Total Required Maintenance for School Facilities  | 99,856             | 33,708              | 133,564         | 127,699    | 5,865                       |
| Custodial Services:                               |                    |                     |                 |            |                             |
| Salaries  | 290,100            | (12,639)            | 277,461         | 239,237    | 38,224                      |
| Salaries of Non-Instructional Aids                | -                  | 23,100              | 23,100          | 23,100     |                             |
| Cleaning, Repair, and Maintenance Services        | 20,400             | (2,403)             | 17,997          | 12,212     | 5,785                       |
| Insurance   | 65,000             | (13,091)            | 51,909          | 51,604     | 305                         |
| General Supplies                                  | 25,500             | 13,551              | 39,051          | 29,037     | 10,014                      |
| Energy (Gasoline)                                 | 1,900              | 2,000               | 3,900           | 1,224      | 2,676                       |
| Energy (Natural Gas)                              | 70,563             | (9,350)             | 61,213          | 21,055     | 40,158                      |
| Energy (Electricity)                              | 167,601            | 10,286              | 177,887         | 132,754    | 45,133                      |
| Total Custodial Services                          | 641,064            | 11,454              | 652,518         | 510,223    | 142,295                     |

ROSELAND BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

|  | Original<br>Budget | Budget<br>Transfers | Final<br>Budget | Actual    | Variance<br>Final to Actual |
|--|--------------------|---------------------|-----------------|-----------|-----------------------------|
| <b>EXPENDITURES:</b>   |                    |                     |                 |           |                             |
| Current Expense:   |                    |                     |                 |           |                             |
| Undistributed Expenditures:  |                    |                     |                 |           |                             |
| Care and Upkeep of Grounds   | \$ 24,900          | \$ (4,166)          | \$ 20,734       | \$ 11,756 | \$ 8,978                    |
| Cleaning, Repair, and Maintenance Services                           | 8,700              | (5,441)             | 3,259           | 2,127     | 1,132                       |
| General Supplies   |                    |                     |                 |           |                             |
| Total Care and Upkeep of Grounds                                     | 33,600             | (9,607)             | 23,993          | 13,883    | 10,110                      |
| Security:  |                    |                     |                 |           |                             |
| Cleaning, Repair, and Maintenance Services                           | 8,000              | 10,504              | 18,504          | 6,184     | 12,320                      |
| General Supplies   | 2,550              | 3,198               | 5,748           | 800       | 4,948                       |
| Total Security   | 10,550             | 13,702              | 24,252          | 6,984     | 17,268                      |
| Student Transportation Services:                                     |                    |                     |                 |           |                             |
| Contracted Services - (Other than Between Home and School) - Vendors | 10,000             |                     | 10,000          |           | 10,000                      |
| Contracted Services - (Regular Students) - Esc's & CTSA's            | 381,000            | 1,500               | 382,500         | 186,576   | 195,924                     |
| Contracted Services - (Special Ed Students) - Esc's & CTSA's         | 175,000            | 5,000               | 180,000         | 175,851   | 4,149                       |
| Contracted Services - Aid in Lieu Payments- Non-public Schools       | 20,000             |                     | 20,000          |           | 20,000                      |
| Total Student Transportation Services                                | 586,000            | 6,500               | 592,500         | 362,427   | 230,073                     |
| Unallocated Benefits:  |                    |                     |                 |           |                             |
| Unemployment Compensation  | 25,000             | 10,000              | 35,000          | 25,000    | 10,000                      |
| Workmen's Compensation   | 67,893             | 10,000              | 77,893          | 48,501    | 29,392                      |
| Health Benefits  | 1,537,100          | (236,438)           | 1,300,662       | 1,242,905 | 57,757                      |
| Tuition Reimbursement  | 23,000             |                     | 23,000          | 11,215    | 11,785                      |
| Unused Sick Payout to Terminated/Retired Staff                       | 35,000             | (8,981)             | 26,019          | 23,405    | 26,019                      |
| Other Employee Benefits  | 55,000             | 10,000              | 65,000          | 87,683    | 41,595                      |
| Social Security Contributions  | 105,000            |                     | 105,000         | 10,341    | 17,317                      |
| Other Retirement Contributions - Regular                             |                    | 10,341              | 10,341          | 10,341    |                             |
| Other Retirement Contributions - PERS                                | 192,000            | 15,659              | 207,659         | 104,189   | 103,470                     |
| Total Unallocated Benefits   | 2,039,993          | (189,419)           | 1,850,574       | 1,553,239 | 297,335                     |

ROSELAND BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

GENERAL FUND

FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

|  | Original<br>Budget | Budget<br>Transfers | Final<br>Budget | Actual     | Variance<br>Final to Actual |
|--|--------------------|---------------------|-----------------|------------|-----------------------------|
| <b>EXPENDITURES:</b>   |                    |                     |                 |            |                             |
| Current Expense:   |                    |                     |                 |            |                             |
| On-Behalf Contributions:                                       |                    |                     |                 |            |                             |
| TPAF Pension Contributions (On-Behalf - Non-Budgeted)          |                    |                     |                 | \$ 668,397 | \$ (668,397)                |
| TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)  |                    |                     |                 | 252,407    | (252,407)                   |
| TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)     |                    |                     |                 | 11,980     | (11,980)                    |
| TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted) |                    |                     |                 | 842        | (842)                       |
| Reimbursed TPAF Social Security Contributions (Non-Budgeted)   |                    |                     |                 | 280,071    | (280,071)                   |
| Total On-Behalf Contributions                                  |                    |                     |                 | 1,213,697  | (1,213,697)                 |
| Total Undistributed Expenditures                               | \$ 5,596,518       | \$ (35,380)         | \$ 5,561,138    | 5,741,832  | (180,694)                   |
| Total Expenditures - Current Expense                           | 9,201,768          | 9,201,768           | 9,222,975       | 9,222,975  | (21,207)                    |
| <b>Capital Outlay:</b>   |                    |                     |                 |            |                             |
| Facilities Acquisition and Construction:                       |                    |                     |                 |            |                             |
| Other Purchased Services (400-500 Services)                    |                    | 20,707              | 20,707          | 20,707     |                             |
| Construction Services  | 25,000             | 111,386             | 136,386         | 43,630     | 92,756                      |
| Supplies and Materials   | 375,000            | (132,093)           | 242,907         | 241,219    | 1,688                       |
| Assessment for Debt Service- SDA Funding                       | 26,225             |                     | 26,225          | 26,225     |                             |
| Total Facilities Acquisition and Construction                  | 426,225            |                     | 426,225         | 331,781    | 94,444                      |
| Total Capital Outlay   | 426,225            |                     | 426,225         | 331,781    | 94,444                      |

ROSELAND BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

| EXPENDITURES:   | Original<br>Budget  | Budget<br>Transfers | Final<br>Budget     | Actual              | Variance<br>Final to Actual |
|---|---------------------|---------------------|---------------------|---------------------|-----------------------------|
| Special Schools:  |                     |                     |                     |                     |                             |
| Summer School Instruction:  |                     |                     |                     |                     |                             |
| Salaries of Teachers  | \$ 52,000           | \$ (250)            | \$ 51,750           | \$ 46,880           | \$ 4,870                    |
| Other Salaries for Instruction  | 10,000              |                     | 10,000              | 9,600               | 400                         |
| General Supplies  | 1,000               | 250                 | 1,250               | 149                 | 1,101                       |
| Total Summer School Instruction/ Total Special Schools                                  | <u>63,000</u>       |                     | <u>63,000</u>       | <u>56,629</u>       | <u>6,371</u>                |
| Total Expenditures  | 9,690,993           |                     | 9,690,993           | 9,611,385           | 79,608                      |
| Excess (Deficiency) of Revenues Over (Under) Expenditures                               | <u>(1,043,497)</u>  |                     | <u>(1,043,497)</u>  | <u>424,524</u>      | <u>1,468,021</u>            |
| Fund Balance, July 1  | 2,955,467           |                     | 2,955,467           | 2,955,467           |                             |
| Fund Balance, June 30   | <u>\$ 1,911,970</u> | <u>\$ -0-</u>       | <u>\$ 1,911,970</u> | <u>\$ 3,379,991</u> | <u>\$ 1,468,021</u>         |
| <u>Recapitulation:</u>  |                     |                     |                     |                     |                             |
| Restricted Fund Balance:  |                     |                     |                     | \$ 1,641,931        |                             |
| Capital Reserve   |                     |                     |                     | 444,204             |                             |
| Maintenance Reserve   |                     |                     |                     | 330,945             |                             |
| Excess Surplus - 2021-22  |                     |                     |                     | 1,931               |                             |
| Excess Surplus - 2020-21  |                     |                     |                     |                     |                             |
| Assigned Fund Balance:  |                     |                     |                     |                     |                             |
| Year End Encumbrances   |                     |                     |                     | 518,289             |                             |
| Designated for Subsequent Year's Expenditures   |                     |                     |                     | 65,712              |                             |
| Additional Designated for Subsequent Year's Expenditures - Reduction in 20-21 State Aid |                     |                     |                     | 40,851              |                             |
| Unassigned Fund Balance   |                     |                     |                     | 336,128             |                             |
|   |                     |                     |                     | <u>3,379,991</u>    |                             |
| Reconciliation to Governmental Funds Statements (GAAP):                                 |                     |                     |                     |                     |                             |
| Last Two State Aid Payments not recognized on GAAP Basis                                |                     |                     |                     | (34,201)            |                             |
| Fund Balance per Governmental Funds (GAAP)  |                     |                     |                     | <u>\$ 3,345,790</u> |                             |

ROSELAND BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

|  | Original<br>Budget | Budget<br>Transfers | Final<br>Budget | Actual     | Variance<br>Final to Actual |
|--|--------------------|---------------------|-----------------|------------|-----------------------------|
| REVENUES:  |                    |                     |                 |            |                             |
| Federal Sources  | \$ 118,300         | \$ 64,372           | \$ 182,672      | \$ 178,101 | \$ (4,571)                  |
| Local Sources  |                    | 17,135              | 17,135          | 12,133     | (5,002)                     |
| Total Revenues   | 118,300            | 81,507              | 199,807         | 190,234    | (9,573)                     |
| EXPENDITURES:  |                    |                     |                 |            |                             |
| Instruction  |                    |                     |                 |            |                             |
| Tuition  | 50,000             | 16,910              | 66,910          | 66,910     |                             |
| General Supplies   | 15,300             | 37,196              | 52,496          | 46,193     | 6,303                       |
| Total Instruction  | 65,300             | 54,106              | 119,406         | 113,103    | 6,303                       |
| Support Services   |                    |                     |                 |            |                             |
| Purchased Professional - Educational Services                | 53,000             | 27,401              | 80,401          | 77,131     | 3,270                       |
| Total Support Services                                       | 53,000             | 27,401              | 80,401          | 77,131     | 3,270                       |
| Total Expenditures   | 118,300            | 81,507              | 199,807         | 190,234    | 9,573                       |
| Excess (Deficiency) of Revenues Over (Under)<br>Expenditures | \$ -0-             | \$ -0-              | \$ -0-          | \$ -0-     | \$ -0-                      |



ROSELAND BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

|  | General<br>Fund | Special<br>Revenue<br>Fund |
|--|-----------------|----------------------------|
| Sources/Inflows of Resources:  |                 |                            |
| Actual Amounts (Budgetary Basis) "Revenue"<br>from the Budgetary Comparison Schedule   | \$ 10,035,909   | \$ 190,234                 |
| Difference - Budget to GAAP:   |                 |                            |
| Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis<br>Recognizes Encumbrances as Expenditures and Revenue while the<br>GAAP Basis does not.  |                 | (28,947)                   |
| Prior year State Aid Payments Recognized for GAAP Statements, not<br>Recognized for Budgetary Purposes   | 30,499          |                            |
| Current Year State Aid Payments Recognized for Budgetary Purposes, not<br>Recognized for GAAP Statements   | (34,201)        |                            |
|  | \$ 10,032,207   | \$ 161,287                 |
| Total Revenues as Reported on the Statement of Revenues, Expenditures<br>and Changes in Fund Balances - Governmental Funds   |                 |                            |
| Uses/Outflows of Resources:  |                 |                            |
| Actual Amounts (Budgetary Basis) "Total Outflows" from the<br>Budgetary Comparison Schedule  | \$ 9,611,385    | \$ 190,234                 |
| Differences - Budget to GAAP   |                 |                            |
| Encumbrances for Supplies and Equipment Ordered but<br>Not Received are Reported in the Year the Order is Placed for<br>Budgetary Purposes, but in the Year the Supplies are Received<br>for Financial Reporting Purposes. |                 | (28,947)                   |
|  | \$ 9,611,385    | \$ 161,287                 |
| Total Expenditures as Reported on the Statement of Revenue,<br>Expenditures, and Changes in Fund Balances - Governmental Funds   |                 |                            |

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2020 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

ROSELAND BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are not substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

SCHOOL LEVEL SCHEDULES

(NOT APPLICABLE)

SPECIAL REVENUE FUND

ROSELAND BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

|  | Elementary and Secondary<br>Education Act |                           |           |           |          |                           | Totals<br>June 30, 2020 |
|--|---|---------------------------|-----------|-----------|----------|---------------------------|-------------------------|
|  | IDEA Part B,<br>Basic                     | IDEA Part B,<br>Preschool | Title IA  | Title IIA | Title IV | Emergency<br>Relief Cares |                         |
| REVENUE:   |   |                           |           |           |          |                           |                         |
| Federal Sources                                  | \$ 94,639                                 | \$ 5,139                  | \$ 33,749 | \$ 8,250  | \$ 7,963 | \$ 28,361                 | \$ 178,101              |
| Local Sources                                    |   |                           |           |           |          | \$ 12,133                 | 12,133                  |
| Total Revenue                                    | 94,639                                    | 5,139                     | 33,749    | 8,250     | 7,963    | 28,361                    | 190,234                 |
| EXPENDITURES:                                    |   |                           |           |           |          |                           |                         |
| Instruction:                                     |   |                           |           |           |          |                           |                         |
| Tuition  | 66,910                                    |                           |           |           |          |                           | 66,910                  |
| General Supplies                                 |   |                           | 5,699     |           |          | 28,361                    | 46,193                  |
| Total Instruction                                | 66,910                                    |                           | 5,699     |           |          | 28,361                    | 113,103                 |
| Support Services:                                |   |                           |           |           |          |                           |                         |
| Purchased Professional -<br>Educational Services | 27,729                                    | 5,139                     | 28,050    | 8,250     | 7,963    |                           | 77,131                  |
| Total Support Services                           | 27,729                                    | 5,139                     | 28,050    | 8,250     | 7,963    |                           | 77,131                  |
| Total Expenditures                               | \$ 94,639                                 | \$ 5,139                  | \$ 33,749 | \$ 8,250  | \$ 7,963 | \$ 28,361                 | \$ 190,234              |

CAPITAL PROJECTS FUND  
(NOT APPLICABLE)

PROPRIETARY FUNDS

ROSELAND BOARD OF EDUCATION  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF NET POSITION  
JUNE 30, 2020

## ASSETS:

## Current Assets:

|                           |               |
|---------------------------|---------------|
| Cash and Cash Equivalents | \$ 28,872     |
| Accounts Receivable:      |               |
| State                     | 508           |
| Federal                   | 1,987         |
| Inventories               | 9,178         |
| Total Current Assets      | <u>40,545</u> |

## Non-Current Assets:

|                                |                 |
|--------------------------------|-----------------|
| Capital Assets                 | 64,976          |
| Less: Accumulated Depreciation | <u>(52,035)</u> |
| Total Non-Current Assets       | <u>12,941</u>   |

|              |               |
|--------------|---------------|
| Total Assets | <u>53,486</u> |
|--------------|---------------|

## LIABILITIES:

## Current Liabilities:

|  |               |
|--|---------------|
| Accounts Payable                       | 3,507         |
| Unearned Revenue - Donated Commodities | 2,325         |
| Unearned Revenue - Prepaid Sales       | <u>11,833</u> |

|                   |               |
|-------------------|---------------|
| Total Liabilities | <u>17,665</u> |
|-------------------|---------------|

## NET POSITION:

|                              |               |
|------------------------------|---------------|
| Investment in Capital Assets | 12,941        |
| Unrestricted                 | <u>22,880</u> |

|                    |                  |
|--------------------|------------------|
| Total Net Position | <u>\$ 35,821</u> |
|--------------------|------------------|



ROSELAND BOARD OF EDUCATION  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF REVENUE, EXPENSES  
AND CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

|  |             |
|--|-------------|
| Operating Revenue:                       |             |
| Charges for Services:                    |             |
| Daily Sales- Reimbursable Programs       | \$ 80,350   |
| Daily Sales- Non-Reimbursable Programs   | 41,828      |
|  | <hr/>       |
| Total Operating Revenue                  | 122,178     |
|  | <hr/>       |
| Operating Expenses:                      |             |
| Cost of Sales - Reimbursable Programs    | 44,586      |
| Cost of Sales - Nonreimbursable Programs | 21,300      |
| Salaries and Payroll Taxes               | 45,016      |
| Employee Benefits                        | 5,593       |
| Supplies and Materials                   | 2,813       |
| Miscellaneous Expense                    | 1,018       |
| Management Fee                           | 9,347       |
| Depreciation Expense                     | 2,430       |
|  | <hr/>       |
| Total Operating Expenses                 | 132,103     |
|  | <hr/>       |
| Operating Loss                           | (9,925)     |
| Non-Operating Revenue:                   |             |
| Local Sources:                           |             |
| Interest Revenue                         | 640         |
| State Sources:                           |             |
| School Lunch Program                     | 1,826       |
| COVID19 - Seamless Summer Option         | 49          |
| Federal Sources:                         |             |
| National School Lunch Program            | 13,409      |
| COVID19 - Seamless Summer Option         | 3,101       |
| Food Distribution Program                | 4,579       |
|  | <hr/>       |
| Total Non-Operating Revenue              | 23,604      |
|  | <hr/>       |
| Change in Net Position                   | 13,679      |
| Net Position - Beginning of Year         | 22,142      |
|  | <hr/>       |
| Net Position - End of Year               | \$ 35,821   |
|  | <hr/> <hr/> |

ROSELAND BOARD OF EDUCATION  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

|  |            |
|--|------------|
| Cash Flows from Operating Activities:  |            |
| Receipts from Customers  | \$ 129,387 |
| Payments to Employees  | (45,016)   |
| Payments for Benefits  | (5,593)    |
| Payments to Suppliers  | (75,838)   |
|  | (75,838)   |
| Net Cash Provided by Operating Activities  | 2,940      |
| Cash Flows from Investing Activities:  |            |
| Interest Revenue   | 640        |
|  | 640        |
| Net Cash Provided by Investing Activities  | 640        |
| Cash Flows from Noncapital Financing Activities:                                     |            |
| Cash Received from Federal and State Sources   | 17,415     |
|  | 17,415     |
| Net Cash Provided by Noncapital Financing Activities                                 | 17,415     |
| Net Increase in Cash and Cash Equivalents  | 20,995     |
| Cash and Cash Equivalents, July 1  | 7,877      |
| Cash and Cash Equivalents, June 30   | \$ 28,872  |
| Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:       |            |
| Operating (Loss)   | \$ (9,925) |
| Adjustment to Reconcile Operating Loss to Net Cash Provided by Operating Activities: |            |
| Federal Food Distribution Program  | 4,579      |
| Depreciation Expense   | 2,430      |
| Changes in Assets and Liabilities:   |            |
| (Increase)/Decrease in Inventories   | (4,003)    |
| Increase/(Decrease) in Accounts Payable  | 3,217      |
| Increase/(Decrease) in Unearned Revenue - Donated Commodities                        | (567)      |
| Increase/(Decrease) in Unearned Revenue - Prepaid Sales                              | 7,209      |
|  | 7,209      |
| Net Cash Provided by Operating Activities  | \$ 2,940   |

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. donated commodities through the Food Distribution Program valued at \$4,012 and utilized commodities valued at \$4,579.

FIDUCIARY FUNDS

ROSELAND BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2020

|                           | <u>Agency<br/>Student<br/>Activities</u> | <u>Unemployment<br/>Compensation<br/>Trust</u> | <u>Flexible<br/>Spending<br/>Trust</u> | <u>Totals</u>    |
|---------------------------|--|--|--|------------------|
| <u>ASSETS:</u>            |  |  |  |                  |
| Cash and Cash Equivalents | \$ 8,623                                 | \$ 74,842                                      | \$ 3,407                               | \$ 86,872        |
| Total Assets              | <u>8,623</u>                             | <u>74,842</u>                                  | <u>3,407</u>                           | <u>86,872</u>    |
| <u>LIABILITIES:</u>       |  |  |  |                  |
| Due to Student Groups     | <u>8,623</u>                             |  |  | <u>8,623</u>     |
| Total Liabilities         | <u>8,623</u>                             |  |  | <u>8,623</u>     |
| <u>NET POSITION:</u>      |  |  |  |                  |
| Held in Trust for:        |  |  |  |                  |
| Unemployment Claims       |  | 74,842   |  | 74,842           |
| Flexible Spending Claims  |  |  | 3,407                                  | 3,407            |
| Total Net Position        | <u>\$ -0-</u>                            | <u>\$ 74,842</u>                               | <u>\$ 3,407</u>                        | <u>\$ 78,249</u> |

ROSELAND BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

|   | <u>Unemployment<br/>Compensation<br/>Trust</u> | <u>Flexible<br/>Spending<br/>Trust</u> |
|---|--|--|
| ADDITIONS:                                      |  |  |
| Contributions:                                  |  |  |
| Plan Member                                     |  | \$ 6,100                               |
| Board Contribution                              | \$ 25,000                                      |  |
| Total Contributions                             | 25,000   | 6,100                                  |
| Investment Earnings:                            |  |  |
| Interest  | 654  |  |
| Net Investment Earnings                         | 654  |  |
| Total Additions                                 | 25,654   | 6,100                                  |
| DEDUCTIONS:                                     |  |  |
| Flexible Spending Claims<br>Due to General Fund | 654  | 6,376                                  |
| Total Deductions                                | 654  | 6,376                                  |
| Change in Net Position                          | 25,000   | (276)                                  |
| Net Position - Beginning of the Year            | 49,842   | 3,683                                  |
| Net Position - End of the Year                  | \$ 74,842                                      | \$ 3,407                               |

ROSELAND BOARD OF EDUCATION  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS

|                           | <u>Balance</u><br><u>June 30, 2019</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u><br><u>June 30, 2020</u> |
|---------------------------|--|------------------|------------------|--|
| <u>ASSETS:</u>            |  |                  |                  |  |
| Cash and Cash Equivalents | \$ 7,720                               | \$ 903           | \$ -0-           | \$ 8,623                               |
| Total Assets              | <u>\$ 7,720</u>                        | <u>\$ 903</u>    | <u>\$ -0-</u>    | <u>\$ 8,623</u>                        |
| <br><u>LIABILITIES:</u>   |  |                  |                  |  |
| Liabilities:              |  |                  |                  |  |
| Due to Student Groups     | \$ 7,720                               | \$ 903           | \$ -0-           | \$ 8,623                               |
| Total Liabilities         | <u>\$ 7,720</u>                        | <u>\$ 903</u>    | <u>\$ -0-</u>    | <u>\$ 8,623</u>                        |

ROSELAND BOARD OF EDUCATION  
STUDENT ACTIVITY AGENCY FUND  
STATEMENT OF ACTIVITY

|                          | <u>Balance</u><br><u>June 30, 2019</u> | <u>Cash</u><br><u>Receipts</u> | <u>Cash</u><br><u>Disbursements</u> | <u>Balance</u><br><u>June 30, 2020</u> |
|--------------------------|--|--------------------------------|-------------------------------------|--|
| SCHOOLS:                 |  |                                |                                     |  |
| Lester C. Noecker School | \$ 7,720                               | \$ 903                         |                                     | \$ 8,623                               |
|                          | <u>\$ 7,720</u>                        | <u>\$ 903</u>                  | <u>\$ -0-</u>                       | <u>\$ 8,623</u>                        |

ROSELAND BOARD OF EDUCATION  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS

|                                     | <u>Balance</u><br><u>June 30, 2019</u> | <u>Additions</u>    | <u>Deletions</u>    | <u>Balance</u><br><u>June 30, 2020</u> |
|-------------------------------------|--|---------------------|---------------------|--|
| <u>ASSETS:</u>                      |  |                     |                     |  |
| Cash and Cash Equivalents           | <u>                    </u>            | <u>\$ 5,574,194</u> | <u>\$ 5,574,194</u> | <u>                    </u>            |
| Total Assets                        | <u>\$ -0-</u>                          | <u>\$ 5,574,194</u> | <u>\$ 5,574,194</u> | <u>\$ -0-</u>                          |
| <br><u>LIABILITIES:</u>             |  |                     |                     |  |
| Payroll Deductions and Withholdings |  | <u>\$ 2,492,851</u> | <u>\$ 2,492,851</u> |  |
| Net Payroll                         |  | <u>3,081,343</u>    | <u>3,081,343</u>    |  |
| Total Liabilities                   | <u>\$ -0-</u>                          | <u>\$ 5,574,194</u> | <u>\$ 5,574,194</u> | <u>\$ -0-</u>                          |



LONG-TERM DEBT

ROSELAND BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS

| Purpose               | Date of Issue | Original Issue | Maturities of Bonds |            | Interest Rate | Balance June 30, 2019 | Matured           | Balance June 30, 2020 |
|-----------------------|---------------|----------------|---------------------|------------|---------------|-----------------------|-------------------|-----------------------|
|                       |               |                | Date                | Amount     |               |                       |                   |                       |
| Refunding Bond - 2013 | 5/23/2013     | \$ 7,135,000   | 9/1/2020            | \$ 685,000 | 3.416%        | \$ 5,220,000          | \$ 650,000        | \$ 4,570,000          |
|                       |               |                | 9/1/2021            | 715,000    | 4.000%        |                       |                   |                       |
|                       |               |                | 9/1/2022            | 750,000    | 4.000%        |                       |                   |                       |
|                       |               |                | 9/1/2023            | 775,000    | 4.000%        |                       |                   |                       |
|                       |               |                | 9/1/2024            | 805,000    | 3.000%        |                       |                   |                       |
|                       |               |                | 9/1/2025            | 840,000    | 3.000%        |                       |                   |                       |
|                       |               |                |                     |            |               | <u>\$ 5,220,000</u>   | <u>\$ 650,000</u> | <u>\$ 4,570,000</u>   |

ROSELAND BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOT APPLICABLE

ROSELAND BOARD OF EDUCATION  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

|   | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u> | <u>Variance<br/>Final to Actual</u> |
|---|----------------------------|-------------------------|---------------|-------------------------------------|
| REVENUE:  |                            |                         |               |                                     |
| Local Sources:  |                            |                         |               |                                     |
| Local Tax Levy  | \$ 822,100                 | \$ 822,100              | \$ 822,100    |                                     |
| Total Revenue   | 822,100                    | 822,100                 | 822,100       |                                     |
| EXPENDITURES:   |                            |                         |               |                                     |
| Regular Debt Service:   |                            |                         |               |                                     |
| Interest  | 172,100                    | 172,100                 | 172,100       |                                     |
| Redemption of Principal   | 650,000                    | 650,000                 | 650,000       |                                     |
| Total Regular Debt Service                                      | 822,100                    | 822,100                 | 822,100       |                                     |
| Total Expenditures  | 822,100                    | 822,100                 | 822,100       |                                     |
| Excess of Revenue and Other Financing Sources Over Expenditures | -0-                        | -0-                     | -0-           | \$ -0-                              |
| Fund Balance, July 1  | -0-                        | -0-                     | -0-           | -0-                                 |
| Fund Balance, June 30   | <u>\$ -0-</u>              | <u>\$ -0-</u>           | <u>\$ -0-</u> | <u>\$ -0-</u>                       |

**STATISTICAL SECTION**  
**(UNAUDITED)**

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

**Contents**

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

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

ROSELAND BOARD OF EDUCATION  
NET ASSETS BY COMPONENT,  
LAST TEN FISCAL YEARS  
UNAUDITED  
(accrual basis of accounting)

|  | June 30,            |                     |                     |                     |                     |                     |                     |                     |                     |                     |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|  | 2011                | 2012                | 2013                | 2014                | 2015                | 2016                | 2017                | 2018                | 2019                | 2020                |
| <b>Governmental Activities</b>                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Net Investment in Capital Assets                   | \$ 3,984,678        | \$ 4,112,774        | \$ 4,382,029        | \$ 4,554,833        | \$ 5,237,554        | \$ 5,812,192        | \$ 5,890,468        | \$ 6,136,004        | \$ 5,790,757        | \$ 6,120,168        |
| Restricted   | 442,378             | 459,630             | 517,186             | 548,043             | 414,388             | 614,522             | 1,254,034           | 1,954,822           | 2,246,057           | 2,419,011           |
| Unrestricted (Deficit)                             | 180,345             | 240,105             | 89,588              | (1,870,581)         | (2,228,609)         | (2,637,042)         | (2,725,523)         | (2,855,813)         | (2,367,990)         | (2,057,194)         |
| <b>Total Governmental Activities Net Position</b>  | <b>\$ 4,607,401</b> | <b>\$ 4,812,509</b> | <b>\$ 4,988,803</b> | <b>\$ 3,232,295</b> | <b>\$ 3,423,333</b> | <b>\$ 3,789,672</b> | <b>\$ 4,418,979</b> | <b>\$ 5,235,013</b> | <b>\$ 5,668,824</b> | <b>\$ 6,481,985</b> |
| <b>Business-Type Activities</b>                    |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Investment in Capital Assets                       | \$ 19,283           | \$ 29,255           | \$ 26,631           | \$ 37,780           | \$ 44,208           | \$ 47,474           | \$ 56,756           | \$ 50,005           | \$ 15,371           | \$ 12,941           |
| Unrestricted/(Deficit)                             | 70,644              | 58,898              | 58,349              | 49,047              | 11,691              | 5,765               | (2,218)             |                     | 6,771               | 22,880              |
| <b>Total Business-Type Activities Net Position</b> | <b>\$ 89,927</b>    | <b>\$ 88,153</b>    | <b>\$ 84,980</b>    | <b>\$ 86,827</b>    | <b>\$ 55,899</b>    | <b>\$ 53,239</b>    | <b>\$ 54,538</b>    | <b>\$ 50,005</b>    | <b>\$ 22,142</b>    | <b>\$ 35,821</b>    |
| <b>District-Wide</b>                               |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Net Investment in Capital Assets                   | \$ 4,003,961        | \$ 4,142,029        | \$ 4,408,660        | \$ 4,592,613        | \$ 5,281,762        | \$ 5,859,666        | \$ 5,947,224        | \$ 6,186,009        | \$ 5,806,128        | \$ 6,133,109        |
| Restricted   | 442,378             | 459,630             | 517,186             | 548,043             | 414,388             | 614,522             | 1,254,034           | 1,954,822           | 2,246,057           | 2,419,011           |
| Unrestricted/(Deficit)                             | 250,989             | 299,003             | 147,937             | (1,821,534)         | (2,216,918)         | (2,631,277)         | (2,727,741)         | (2,855,813)         | (2,361,219)         | (2,034,314)         |
| <b>Total District-Wide Net Position</b>            | <b>\$ 4,697,328</b> | <b>\$ 4,900,662</b> | <b>\$ 5,073,783</b> | <b>\$ 3,319,122</b> | <b>\$ 3,479,232</b> | <b>\$ 3,842,911</b> | <b>\$ 4,473,517</b> | <b>\$ 5,285,018</b> | <b>\$ 5,690,966</b> | <b>\$ 6,517,806</b> |

Source: School District Financial Reports

ROSELAND BOARD OF EDUCATION  
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS  
UNAUDITED  
*(accrual basis of accounting)*

|  | Fiscal Year Ending June 30, |              |              |              |              |               |               |               |               |               |
|--|-----------------------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|
|  | 2011                        | 2012         | 2013         | 2014         | 2015         | 2016          | 2017          | 2018          | 2019          | 2020          |
| <b>Expenses</b>                                |                             |              |              |              |              |               |               |               |               |               |
| Governmental activities                        |                             |              |              |              |              |               |               |               |               |               |
| Instruction:                                   |                             |              |              |              |              |               |               |               |               |               |
| Regular  | \$ 3,459,077                | \$ 3,579,163 | \$ 3,661,331 | \$ 3,673,505 | \$ 4,079,714 | \$ 4,301,029  | \$ 4,614,422  | \$ 4,483,388  | \$ 4,774,653  | \$ 4,308,959  |
| Special Education                              | 801,128                     | 848,333      | 965,207      | 1,071,378    | 1,429,620    | 1,464,068     | 1,745,804     | 1,974,582     | 1,666,472     | 1,788,844     |
| Other Special Education                        | 87,134                      | 247,977      | 259,558      | 229,675      | 520,916      | 603,224       | 453,584       | 544,779       | 396,566       | 387,303       |
| Support Services:                              |                             |              |              |              |              |               |               |               |               |               |
| Tuition  | 280,060                     | 251,954      | 123,563      | 22,830       | 28,665       | 26,072        | 16,705        | 64,992        | 164,421       | 206,427       |
| Student & Instruction Related Services         | 934,974                     | 1,038,066    | 1,283,639    | 1,308,414    | 1,164,585    | 1,455,821     | 1,600,935     | 1,523,842     | 1,461,713     | 1,505,322     |
| General and Business Administrative Services   | 359,023                     | 354,778      | 350,126      | 417,286      | 362,905      | 393,694       | 394,559       | 466,263       | 404,523       | 392,019       |
| School Administrative Services                 | 259,775                     | 261,792      | 275,078      | 308,405      | 323,332      | 294,041       | 353,013       | 331,535       | 285,313       | 293,044       |
| Central Services                               | 208,339                     | 179,848      | 175,136      | 193,894      | 189,788      | 258,368       | 289,650       | 264,735       | 263,089       | 278,577       |
| Administrative Information Technology          | 28,275                      | 45,600       | 32,776       | 28,887       | 30,712       |               |               |               |               |               |
| Plant Operations And Maintenance               | 654,277                     | 638,591      | 646,709      | 649,202      | 685,040      | 625,275       | 698,581       | 666,163       | 628,682       | 754,600       |
| Pupil Transportation                           | 323,439                     | 275,362      | 265,643      | 301,793      | 278,964      | 289,444       | 368,873       | 385,441       | 479,246       | 362,427       |
| Capital Outlay                                 | 39,685                      | 191,109      | 26,225       | 26,225       | 34,087       | 64,974        | 61,817        | 35,506        | 37,934        | 151,211       |
| Special Schools                                | 36,196                      | 38,435       | 43,419       | 51,145       | 63,042       | 41,986        | 38,973        | 47,902        | 56,260        | 56,629        |
| Interest On Long-Term Debt                     | 401,018                     | 382,843      | 529,379      | 256,937      | 252,156      | 229,948       | 211,581       | 193,405       | 174,605       | 155,206       |
| Unallocated Depreciation                       | 264,964                     | 264,964      | 264,964      | 264,964      | 264,964      | 297,924       | 286,995       | 274,654       | 273,164       | 276,403       |
| Total Governmental Activities Expenses         | \$ 8,137,364                | \$ 8,446,815 | \$ 8,902,753 | \$ 8,804,540 | \$ 9,708,490 | \$ 10,345,868 | \$ 11,133,492 | \$ 11,257,187 | \$ 11,066,641 | \$ 10,916,971 |
| Business-Type Activities:                      |                             |              |              |              |              |               |               |               |               |               |
| Food Service                                   | 141,928                     | 151,473      | 153,681      | 143,342      | 180,213      | 154,794       | 171,375       | 194,231       | 192,065       | 132,103       |
| Total Business-Type Activities Expenses        | 141,928                     | 151,473      | 153,681      | 143,342      | 180,213      | 154,794       | 171,375       | 194,231       | 192,065       | 132,103       |
| Total District Expenses                        | \$ 8,279,292                | \$ 8,598,288 | \$ 9,056,434 | \$ 8,947,882 | \$ 9,888,703 | \$ 10,500,662 | \$ 11,304,867 | \$ 11,451,418 | \$ 11,258,706 | \$ 11,049,074 |
| <b>Program Revenues</b>                        |                             |              |              |              |              |               |               |               |               |               |
| Governmental Activities:                       |                             |              |              |              |              |               |               |               |               |               |
| Operating Grants and Contributions             | 791,302                     | 955,871      | 1,175,731    | 1,104,987    | 2,034,861    | 2,459,030     | 3,146,452     | 3,409,150     | 2,514,414     | 2,551,011     |
| Total Governmental Activities Program Revenues | \$ 791,302                  | \$ 955,871   | \$ 1,175,731 | \$ 1,104,987 | \$ 2,034,861 | \$ 2,459,030  | \$ 3,146,452  | \$ 3,409,150  | \$ 2,514,414  | \$ 2,551,011  |

ROSELAND BOARD OF EDUCATION  
CHANGES IN NET POSITION - LAST TEN FISCAL YEARS  
UNAUDITED  
*(accrual basis of accounting)*  
(Continued)

|  | Fiscal Year Ending June 30, |                |                |                |                |                |                |                |                |                |
|--|-----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|  | 2011                        | 2012           | 2013           | 2014           | 2015           | 2016           | 2017           | 2018           | 2019           | 2020           |
| <b>Business-Type Activities:</b>                           |                             |                |                |                |                |                |                |                |                |                |
| Charges For Services                                       |                             |                |                |                |                |                |                |                |                |                |
| Food Service   | \$ 123,272                  | \$ 122,613     | \$ 119,990     | \$ 120,010     | \$ 120,535     | \$ 127,281     | \$ 147,163     | \$ 149,374     | \$ 167,016     | \$ 122,178     |
| Operating Grants and Contributions                         | 21,869                      | 27,005         | 30,518         | 28,943         | 28,750         | 24,853         | 25,511         | 26,111         | 27,243         | 22,964         |
| Total Business-Type Activities Program Revenues            | 145,141                     | 149,618        | 150,508        | 148,953        | 149,285        | 152,134        | 172,674        | 175,485        | 194,259        | 145,142        |
| Total District Program Revenues                            | \$ 936,443                  | \$ 1,105,489   | \$ 1,326,239   | \$ 1,253,940   | \$ 2,184,146   | \$ 2,611,164   | \$ 3,319,126   | \$ 3,584,635   | \$ 2,708,673   | \$ 2,696,153   |
| Net (Expenses)/Revenue                                     | \$ (7,346,062)              | \$ (7,490,944) | \$ (7,727,022) | \$ (7,699,553) | \$ (7,673,629) | \$ (7,886,838) | \$ (7,987,040) | \$ (7,848,037) | \$ (8,552,227) | \$ (8,365,960) |
| Governmental Activities                                    | 3,213                       | (1,855)        | (3,173)        | 5,611          | (30,928)       | (2,660)        | 1,299          | (18,746)       | 2,194          | 13,039         |
| Business-Type Activities                                   |                             |                |                |                |                |                |                |                |                |                |
| Total District-Wide Net Expense                            | \$ (7,342,849)              | \$ (7,492,799) | \$ (7,730,195) | \$ (7,693,942) | \$ (7,704,557) | \$ (7,889,498) | \$ (7,985,741) | \$ (7,866,783) | \$ (8,550,033) | \$ (8,352,921) |
| <b>General Revenues and Other Changes in Net Position:</b> |                             |                |                |                |                |                |                |                |                |                |
| Governmental Activities:                                   |                             |                |                |                |                |                |                |                |                |                |
| Property Taxes Levied for General Purposes, Net            | \$ 6,597,416                | \$ 6,729,364   | \$ 6,863,951   | \$ 6,863,951   | \$ 7,001,230   | \$ 7,296,254   | \$ 7,462,179   | \$ 7,681,869   | \$ 7,948,541   | \$ 8,171,100   |
| Taxes Levied for Debt Service                              | 802,127                     | 805,218        | 810,619        | 809,581        | 737,165        | 812,825        | 812,825        | 819,900        | 821,300        | 822,100        |
| Federal and State Aid not Restricted                       | 71,542                      | 32,625         | 32,512         | 30,276         | 31,017         | 32,875         | 57,855         | 24,426         | 17,719         | 12,133         |
| Investment Earnings  | 56                          | 33             |                |                |                |                |                | 100            | 100            | 100            |
| Miscellaneous Income                                       | 127,762                     | 128,812        | 196,234        | 102,091        | 95,255         | 111,223        | 283,488        | 151,298        | 198,378        | 173,688        |
| Transfers  |                             |                |                |                |                |                |                | (13,522)       |                |                |
| Total Governmental Activities                              | 7,598,903                   | 7,696,052      | 7,903,316      | 7,805,899      | 7,864,667      | 8,253,177      | 8,616,347      | 8,664,071      | 8,986,038      | 9,179,121      |
| Business-Type Activities:                                  |                             |                |                |                |                |                |                |                |                |                |
| Investment Earnings  | 152                         | 81             |                |                |                |                |                | 691            | 1,112          | 640            |
| Transfers  |                             |                |                |                |                |                |                | 13,522         |                |                |
| Special Item - Capital Asset Adjustment                    |                             |                |                | (3,764)        |                |                |                |                | (31,169)       |                |
| Total Business-Type Activities                             | 152                         | 81             |                | (3,764)        |                |                |                | 14,213         | (30,057)       | 640            |
| Total District-Wide  | \$ 7,599,055                | \$ 7,696,133   | \$ 7,903,316   | \$ 7,802,135   | \$ 7,864,667   | \$ 8,253,177   | \$ 8,616,347   | \$ 8,678,284   | \$ 8,955,981   | \$ 9,179,761   |
| <b>Change in Net Position:</b>                             |                             |                |                |                |                |                |                |                |                |                |
| Governmental Activities                                    | \$ 252,841                  | \$ 205,108     | \$ 176,294     | \$ 106,346     | \$ 191,038     | \$ 366,339     | \$ 629,307     | \$ 816,034     | \$ 433,811     | \$ 813,161     |
| Business-Type Activities                                   | 3,365                       | (1,774)        | (3,173)        | 1,847          | (30,928)       | (2,660)        | 1,299          | (4,533)        | (27,863)       | 13,679         |
| Total District   | \$ 256,206                  | \$ 203,334     | \$ 173,121     | \$ 108,193     | \$ 160,110     | \$ 363,679     | \$ 630,606     | \$ 811,501     | \$ 405,948     | \$ 826,840     |

Source: School District Financial Reports



ROSELAND BOARD OF EDUCATION  
 FUND BALANCES, GOVERNMENTAL FUNDS,  
 LAST TEN FISCAL YEARS  
 UNAUDITED  
 (modified accrual basis of accounting)

|   | June 30,          |                   |                   |                   |                     |                   |                     |                     |                     |                     |
|---|-------------------|-------------------|-------------------|-------------------|---------------------|-------------------|---------------------|---------------------|---------------------|---------------------|
|   | 2011              | 2012              | 2013              | 2014              | 2015                | 2016              | 2017                | 2018                | 2019                | 2020                |
| <b>General Fund</b>                       |                   |                   |                   |                   |                     |                   |                     |                     |                     |                     |
| Restricted                                | \$ 296,777        | \$ 440,622        | \$ 498,178        | \$ 498,178        | \$ 474,876          | \$ 614,522        | \$ 1,254,034        | \$ 1,954,822        | \$ 2,246,057        | \$ 2,419,011        |
| Assigned                                  | 126,593           | 67,011            | 98,256            | 156,929           | 305,288             | 53,494            | 83,492              | 30,837              | 393,698             | 624,852             |
| Unassigned                                | 263,363           | 230,502           | 255,126           | 165,273           | 245,165             | 231,127           | 291,917             | 249,890             | 285,213             | 301,927             |
| <b>Total General Fund</b>                 | <b>\$ 686,733</b> | <b>\$ 738,135</b> | <b>\$ 851,560</b> | <b>\$ 820,380</b> | <b>\$ 1,025,329</b> | <b>\$ 899,143</b> | <b>\$ 1,629,443</b> | <b>\$ 2,235,549</b> | <b>\$ 2,924,968</b> | <b>\$ 3,345,790</b> |
| <b>All Other Governmental Funds</b>       |                   |                   |                   |                   |                     |                   |                     |                     |                     |                     |
| Restricted                                | \$ 19,008         | \$ 19,008         | \$ 19,008         | \$ 66,075         | \$ (12,520)         |                   |                     |                     |                     |                     |
| Unassigned / (Deficit)                    |                   |                   |                   |                   |                     |                   |                     |                     |                     |                     |
| <b>Total All Other Governmental Funds</b> | <b>\$ 19,008</b>  | <b>\$ 19,008</b>  | <b>\$ 19,008</b>  | <b>\$ 66,075</b>  | <b>\$ (12,520)</b>  | <b>\$ -0-</b>     | <b>\$ -0-</b>       | <b>\$ -0-</b>       | <b>\$ -0-</b>       | <b>\$ -0-</b>       |
| <b>Total Governmental Funds:</b>          |                   |                   |                   |                   |                     |                   |                     |                     |                     |                     |
| Restricted                                | \$ 315,785        | \$ 459,630        | \$ 517,186        | \$ 564,253        | \$ 474,876          | \$ 614,522        | \$ 1,254,034        | \$ 1,954,822        | \$ 2,246,057        | \$ 2,419,011        |
| Assigned                                  | 126,593           | 67,011            | 98,256            | 156,929           | 305,288             | 53,494            | 83,492              | 30,837              | 393,698             | 624,852             |
| Unassigned                                | 263,363           | 230,502           | 255,126           | 165,273           | 232,645             | 231,127           | 291,917             | 249,890             | 285,213             | 301,927             |
| <b>Total Governmental Funds:</b>          | <b>\$ 705,741</b> | <b>\$ 757,143</b> | <b>\$ 870,568</b> | <b>\$ 886,455</b> | <b>\$ 1,012,809</b> | <b>\$ 899,143</b> | <b>\$ 1,629,443</b> | <b>\$ 2,235,549</b> | <b>\$ 2,924,968</b> | <b>\$ 3,345,790</b> |

Source: School District Financial Reports

ROSELAND BOARD OF EDUCATION  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,  
LAST TEN FISCAL YEARS  
UNAUDITED  
*(modified accrual basis of accounting)*

|  | Fiscal Year Ending June 30, |              |              |              |              |              |              |              |              |              |
|--|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|  | 2011                        | 2012         | 2013         | 2014         | 2015         | 2016         | 2017         | 2018         | 2019         | 2020         |
| <b>Revenues</b>  |                             |              |              |              |              |              |              |              |              |              |
| Tax Levy   | \$ 7,399,543                | \$ 7,534,582 | \$ 7,674,570 | \$ 7,673,532 | \$ 7,738,395 | \$ 8,109,079 | \$ 8,275,004 | \$ 8,501,769 | \$ 8,769,841 | \$ 8,993,200 |
| Tuition Charges  | 56                          | 33           | 78,950       | 70,300       | 55,320       | 81,805       | 80,220       | 67,850       | 73,205       | 66,555       |
| Interest Earnings-Capital Reserve                            | 136,197                     | 154,191      | 144,656      | 67,238       | 63,075       | 53,632       | 248,772      | 95,159       | 141,732      | 100          |
| Miscellaneous  | 754,713                     | 832,697      | 1,076,345    | 994,802      | 1,102,855    | 1,169,166    | 1,366,726    | 1,398,511    | 1,623,624    | 1,192,266    |
| State Sources  | 99,696                      | 130,420      | 104,526      | 100,331      | 104,249      | 136,505      | 132,089      | 153,578      | 152,157      | 1,687,319    |
| Federal Sources  | 8,390,205                   | 8,651,923    | 9,079,047    | 8,906,203    | 9,063,894    | 9,550,187    | 10,102,811   | 10,216,967   | 10,760,659   | 11,015,594   |
| <b>Total Revenue</b>   |                             |              |              |              |              |              |              |              |              |              |
| <b>Expenditures</b>  |                             |              |              |              |              |              |              |              |              |              |
| Instruction  |                             |              |              |              |              |              |              |              |              |              |
| Regular Instruction  | 2,402,786                   | 2,458,461    | 2,537,793    | 2,585,411    | 2,382,672    | 2,324,381    | 2,280,711    | 2,113,790    | 2,285,374    | 2,371,895    |
| Special Education Instruction                                | 702,138                     | 705,263      | 688,735      | 762,373      | 886,645      | 836,406      | 931,777      | 967,998      | 951,611      | 1,041,664    |
| Other Instruction  | 28,430                      | 180,534      | 191,233      | 169,430      | 312,664      | 330,316      | 223,361      | 265,507      | 232,818      | 228,871      |
| Support Services:  |                             |              |              |              |              |              |              |              |              |              |
| Tuition  | 280,060                     | 251,954      | 123,563      | 22,830       | 29,331       | 26,072       | 16,705       | 64,992       | 164,421      | 206,427      |
| Student & Instruction Related Services                       | 723,225                     | 809,767      | 1,023,920    | 1,066,470    | 889,400      | 1,026,179    | 1,033,108    | 1,038,583    | 1,073,828    | 1,086,461    |
| General Administrative Services                              | 245,580                     | 235,858      | 231,747      | 286,337      | 263,209      | 261,595      | 258,812      | 330,209      | 294,410      | 272,057      |
| School Administrative Services                               | 184,447                     | 191,272      | 195,439      | 214,414      | 216,545      | 176,061      | 194,256      | 183,484      | 168,328      | 175,424      |
| Central Services   | 149,208                     | 125,952      | 125,383      | 139,837      | 153,354      | 185,722      | 197,748      | 195,779      | 205,733      | 213,311      |
| Administrative Information Technology                        | 28,275                      | 45,600       | 32,776       | 28,887       | 30,712       |              |              |              |              |              |
| Plant Operations And Maintenance                             | 558,754                     | 534,120      | 546,877      | 578,447      | 608,719      | 537,749      | 571,090      | 577,781      | 558,636      | 658,789      |
| Pupil Transportation   | 323,439                     | 275,362      | 265,643      | 301,794      | 278,964      | 289,444      | 366,873      | 385,441      | 479,246      | 362,427      |
| Unallocated Benefits   | 1,641,240                   | 1,800,205    | 1,917,022    | 1,875,685    | 1,979,895    | 2,196,982    | 2,378,306    | 2,441,963    | 2,683,095    | 2,766,936    |
| Debt Service:  |                             |              |              |              |              |              |              |              |              |              |
| Principal  | 435,000                     | 455,000      | 480,000      | 561,000      | 530,000      | 565,000      | 585,000      | 610,000      | 630,000      | 650,000      |
| Interest And Other Charges                                   | 401,018                     | 382,843      | 363,761      | 236,473      | 269,550      | 247,825      | 227,825      | 209,900      | 191,300      | 172,100      |
| Capital Outlay   | 39,685                      | 119,567      | 210,842      | 26,225       | 57,984       | 618,135      | 67,966       | 164,010      | 96,180       | 331,781      |
| Special Schools  | 27,386                      | 28,763       | 30,888       | 39,386       | 63,042       | 41,986       | 38,973       | 47,902       | 56,260       | 56,629       |
| <b>Total Expenditures</b>                                    | 8,170,671                   | 8,600,521    | 8,965,622    | 8,894,999    | 8,952,686    | 9,663,853    | 9,372,511    | 9,597,339    | 10,071,240   | 10,594,772   |
| Excess (Deficiency) Of Revenues<br>Over (Under) Expenditures | 219,534                     | 51,402       | 113,425      | 111,204      | 111,208      | (113,666)    | 730,300      | 619,628      | 689,419      | 420,822      |

ROSELAND BOARD OF EDUCATION  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,  
LAST TEN FISCAL YEARS

UNAUDITED

*(modified accrual basis of accounting)*  
*(Continued)*

|   | Fiscal Year Ending June 30, |           |              |           |            |              |            |             |            |            |
|---|-----------------------------|-----------|--------------|-----------|------------|--------------|------------|-------------|------------|------------|
|   | 2011                        | 2012      | 2013         | 2014      | 2015       | 2016         | 2017       | 2018        | 2019       | 2020       |
| Other Financing Sources (Uses)                          |                             |           |              |           |            |              |            |             |            |            |
| Refunded Bonds Issued                                   |                             |           |              |           |            |              |            |             |            |            |
| Bonds Defeased  |                             |           | \$ 7,135,000 |           |            |              |            |             |            |            |
| Bond Premium  |                             |           | (7,167,000)  |           |            |              |            |             |            |            |
| Bond Issuance Costs                                     |                             |           | 824,912      | \$ 4,683  |            |              |            |             |            |            |
| Deferred Interest                                       |                             |           | (103,126)    |           |            |              |            |             |            |            |
| Capital Leases (Non Budgeted)                           |                             |           | (689,786)    |           |            |              |            |             |            |            |
| Transfers In  |                             |           | 630          |           | \$ 15,146  | \$ 12,500    |            |             |            |            |
| Transfers Out   |                             |           | (630)        |           | (19,008)   | (12,500)     |            | \$ (13,522) |            |            |
| Total Other Financing Sources (Uses)                    |                             |           |              | 4,683     | 15,146     | (13,500)     |            | (13,522)    |            |            |
| Net Change In Fund Balances                             | \$ 219,534                  | \$ 51,402 | \$ 113,425   | \$ 15,887 | \$ 126,354 | \$ (113,666) | \$ 730,300 | \$ 606,106  | \$ 689,419 | \$ 420,822 |
| Debt Service As A Percentage Of Noncapital Expenditures | 10.55%                      | 11.46%    | 9.88%        | 8.99%     | 8.99%      | 8.99%        | 8.74%      | 8.69%       | 8.23%      | 8.01%      |

Source: School District Financial Reports

ROSELAND BOARD OF EDUCATION  
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
UNAUDITED  
*(modified accrual basis of accounting)*

| Fiscal<br>Year Ended<br>June 30, | Interest on<br>Investments | Tuition   | Prior Year<br>Accounts Payable<br>Cancelled | Other     | Total      |
|----------------------------------|----------------------------|-----------|---|-----------|------------|
| 2011                             | \$ 3,141                   | \$ 80,650 |   | \$ 43,971 | \$ 127,762 |
| 2012                             | 1,633                      | 99,401    |   | 27,778    | 128,812    |
| 2013                             |                            | 78,950    | \$ 76,628                                   | 68,028    | 223,606    |
| 2014                             |                            | 70,300    |   | 27,108    | 97,408     |
| 2015                             |                            | 55,320    |   | 39,935    | 95,255     |
| 2016                             |                            | 81,805    |   | 29,398    | 111,203    |
| 2017                             | 5,935                      | 80,220    | 143,903                                     | 53,430    | 283,488    |
| 2018                             | 28,414                     | 67,850    |   | 55,134    | 151,398    |
| 2019                             | 54,534                     | 73,205    |   | 70,739    | 198,478    |
| 2020                             | 37,593                     | 66,555    |   | 69,640    | 173,788    |

Source: Roseland Board of Education records

ROSELAND BOARD OF EDUCATION  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,  
LAST TEN YEARS  
UNAUDITED

| Year Ended<br>December 31, | Vacant Land |               | Residential    | Farm<br>Qualified | Commercial     | Industrial    | Apartment     | Total<br>Assessed<br>Value | Tax-Exempt<br>Property | Public<br>Utilities <sup>a</sup> | Net Valuation<br>Taxable | Total Direct<br>School Tax<br>Rate <sup>b</sup> | Estimated Actual<br>(County<br>Equalized Value) |
|----------------------------|-------------|---------------|----------------|-------------------|----------------|---------------|---------------|----------------------------|------------------------|----------------------------------|--------------------------|---|---|
|                            | Land        |               |                |                   |                |               |               |                            |                        |                                  |                          |   |   |
| 2010                       | *           | \$ 21,591,600 | \$ 987,424,646 | \$ 4,600          | \$ 666,755,200 | \$ 85,871,000 | \$ 53,906,200 | \$ 1,815,553,246           | \$ 51,103,780          | \$ 1,913,146                     | \$ 1,817,466,392         | \$ 0.84   | \$ 1,980,725,360                                |
| 2011                       |             | 20,823,300    | 984,274,052    | 6,400             | 659,768,900    | 85,545,200    | 53,906,200    | 1,804,324,052              | 51,172,780             | 1,741,868                        | 1,806,065,920            | 0.86  | 1,806,358,981                                   |
| 2012                       |             | 14,864,900    | 983,130,652    | 6,400             | 579,971,400    | 85,210,500    | 53,906,200    | 1,717,090,052              | 53,022,680             | 1,612,156                        | 1,714,631,808            | 0.94  | 1,876,699,561                                   |
| 2013                       |             | 14,671,400    | 954,190,452    | 6,400             | 575,700,600    | 88,204,600    | 53,906,200    | 1,686,679,652              | 52,917,680             | 1,807,900                        | 1,688,487,552            | 0.99  | 1,796,263,353                                   |
| 2014                       |             | 14,517,100    | 951,345,752    | 6,400             | 563,386,400    | 91,276,600    | 53,906,200    | 1,674,438,452              | 56,702,880             | 1,466,700                        | 1,675,905,152            | 1.01  | 1,791,196,093                                   |
| 2015                       |             | 7,853,100     | 952,307,000    | 6,400             | 572,151,900    | 91,276,600    | 61,850,000    | 1,685,445,000              | 56,702,880             | 1,466,700                        | 1,686,911,700            | 1.04  | 1,835,333,588                                   |
| 2016                       |             | 7,729,700     | 955,023,000    | 6,400             | 570,801,300    | 89,465,800    | 76,017,700    | 1,699,043,900              | 57,807,880             | 1,559,200                        | 1,700,603,100            | 1.04  | 1,818,332,621                                   |
| 2017                       |             | 6,611,400     | 958,786,400    | 6,400             | 599,903,800    | 89,465,800    | 76,017,700    | 1,730,791,500              | 57,577,880             | 1,589,800                        | 1,732,381,300            | 1.05  | 1,827,849,898                                   |
| 2018                       |             | 6,254,700     | 959,776,900    | 6,400             | 538,277,200    | 89,465,800    | 76,017,700    | 1,669,792,300              | 58,713,780             | 1,634,100                        | 1,671,426,400            | 1.09  | 1,757,512,485                                   |
| 2019                       |             | 5,678,600     | 962,087,900    | 6,400             | 538,277,200    | 89,465,800    | 76,017,700    | 1,671,527,200              | 59,285,980             | 1,634,100                        | 1,673,161,300            | 1.10  | 1,804,412,673                                   |

\* Revaluation Year

Source: Municipal Tax Assessor

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

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

b Tax rates are per \$100

ROSELAND BOARD OF EDUCATION  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN YEARS  
UNAUDITED  
*(rate per \$100 of assessed value)*

| Year Ended<br>December 31, | Roseland Board of Education<br>Direct Rate |  |                 | Overlapping Rates         |                 | Total Direct<br>and<br>Overlapping<br>Tax Rate |
|----------------------------|--|--|-----------------|---------------------------|-----------------|--|
|                            | Basic Rate <sup>a</sup>                    | General<br>Obligation<br>Debt Service <sup>b</sup> | Total<br>Direct | Borough<br>of<br>Roseland | Essex<br>County |  |
| 2010                       | * \$ 0.75                                  | \$ 0.09  | \$ 0.84         | \$ 0.56                   | \$ 0.44         | \$ 1.83  |
| 2011                       | 0.77                                       | 0.09   | 0.86            | 0.58                      | 0.43            | 1.87   |
| 2012                       | 0.84                                       | 0.10   | 0.94            | 0.59                      | 0.51            | 2.04   |
| 2013                       | 0.89                                       | 0.10   | 0.99            | 0.60                      | 0.45            | 2.04   |
| 2014                       | 0.91                                       | 0.10   | 1.01            | 0.61                      | 0.54            | 2.16   |
| 2015                       | 0.94                                       | 0.10   | 1.04            | 0.62                      | 0.56            | 2.22   |
| 2016                       | 0.94                                       | 0.10   | 1.04            | 0.63                      | 0.56            | 2.23   |
| 2017                       | 0.95                                       | 0.10   | 1.05            | 0.64                      | 0.56            | 2.25   |
| 2018                       | 0.99                                       | 0.10   | 1.09            | 0.65                      | 0.51            | 2.25   |
| 2019                       | 1.00                                       | 0.10   | 1.10            | 0.65                      | 0.53            | 2.27   |

\* Revaluation Year

Source: Municipal Tax Collector and School Business Administrator

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

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

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

ROSELAND BOARD OF EDUCATION  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

|  | 2020     |                        |  | 2011                     |                        |  |
|--|----------|------------------------|--|--------------------------|------------------------|--|
|  | Taxpayer | Taxable Assessed Value | % of Total District Net Assessed Value | Taxpayer                 | Taxable Assessed Value | % of Total District Net Assessed Value |
| Prudential Financial - 80 Livingston Ave     |          | 67,100,400             | 4.01 %                                 | Cali (Office Associates) | 89,038,300             | 11.54 %                                |
| ADP Incorporated - 1 ADP Boulevard           |          | 61,626,400             | 3.68 %                                 | Prudential               | 80,300,000             | 7.58 %                                 |
| Prudential Financial - 55 Livingston Ave     |          | 48,850,000             | 2.92 %                                 | Organon                  | 62,888,500             | 4.97 %                                 |
| Roseland Owner LLC - 8 Eisenhower Pkwy       |          | 47,000,000             | 2.81 %                                 | ADP Incorporated         | 58,048,800             | 4.42 %                                 |
| 56 Livingston Owner - 56 Livingston Ave      |          | 42,000,000             | 2.51 %                                 | Segal Development        | 53,906,200             | 3.08 %                                 |
| Becker Equities - 4 Becker Farm Road         |          | 26,000,000             | 1.55 %                                 | Eagle Rock Associates    | 42,781,900             | 1.01 %                                 |
| Eisenhower 101 FO, LLC - 101 Eisenhower Pkwy |          | 29,429,700             | 1.76 %                                 | Marcon Roseland, Inc.    | 36,072,600             | 0.98 %                                 |
| Avalon Roseland LLC - 56 Locust Ave          |          | 29,017,700             | 1.73 %                                 | American Bobst Holdings  | 33,130,000             | 0.84 %                                 |
| Eisenhower 105 FO, LLC - 105 Eisenhower Pkwy |          | 28,369,400             | 1.70 %                                 | Sterling - Roseland LLC  | 23,893,200             | 0.73 %                                 |
| Eisenhower 103 FO, LLC - 103 Eisenhower Pkwy |          | 19,107,500             | 1.14 %                                 | Livingston I Association | 18,786,100             | 0.60 %                                 |
| <b>Total</b>                                 |          | <b>\$ 398,501,100</b>  | <b>23.82%</b>                          |                          | <b>\$ 498,845,600</b>  | <b>35.76%</b>                          |

Source: Municipal Tax Assessor

ROSELAND BOARD OF EDUCATION  
PROPERTY TAX LEVIES AND COLLECTIONS,  
LAST TEN FISCAL YEARS  
UNAUDITED

| <u>Fiscal Year</u><br><u>Ended June 30,</u> | <u>Taxes Levied</u><br><u>for the</u><br><u>Fiscal Year</u> | <u>Collected within the Fiscal</u><br><u>Year of the Levy<sup>a</sup></u> |                                     | <u>Collections in</u><br><u>Subsequent</u><br><u>Years</u> |
|---|---|---|-------------------------------------|--|
|   |   | <u>Amount</u>   | <u>Percentage</u><br><u>of Levy</u> |  |
| 2011  | \$ 7,399,543  | \$ 7,399,543  | 100.00%                             | -0-  |
| 2012  | 7,534,582   | 7,534,582   | 100.00%                             | -0-  |
| 2013  | 7,674,570   | 7,674,570   | 100.00%                             | -0-  |
| 2014  | 7,673,532   | 7,673,532   | 100.00%                             | -0-  |
| 2015  | 7,738,395   | 7,738,395   | 100.00%                             | -0-  |
| 2016  | 8,109,079   | 8,109,079   | 100.00%                             | -0-  |
| 2017  | 8,275,004   | 8,275,004   | 100.00%                             | -0-  |
| 2018  | 8,501,769   | 8,501,769   | 100.00%                             | -0-  |
| 2019  | 8,769,841   | 8,769,841   | 100.00%                             | -0-  |
| 2020  | 8,993,200   | 8,993,200   | 100.00%                             | -0-  |

Source: Roseland Board of Education records including the Certificate and Report of School Taxes (A4F form)

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



ROSELAND BOARD OF EDUCATION  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
UNAUDITED

| Fiscal Year<br>Ended<br>June 30, | Governmental<br>Activities     |                   | Total<br>District | Percentage<br>of Personal<br>Income <sup>a</sup> | Per Capita <sup>a</sup> |
|----------------------------------|--------------------------------|-------------------|-------------------|--|-------------------------|
|                                  | General<br>Obligation<br>Bonds | Capital<br>Leases |                   |  |                         |
| 2011                             | \$ 9,668,000                   |                   | \$ 9,668,000      | 3.04%  | \$ 1,647                |
| 2012                             | 9,213,000                      |                   | 9,213,000         | 2.86%  | 1,573                   |
| 2013                             | 8,701,000                      |                   | 8,701,000         | 2.68%  | 1,495                   |
| 2014                             | 8,140,000                      |                   | 8,140,000         | 2.39%  | 1,397                   |
| 2015                             | 7,610,000                      | \$ 12,333         | 7,622,333         | 2.14%  | 1,305                   |
| 2016                             | 7,045,000                      | 9,250             | 7,054,250         | 1.94%  | 1,206                   |
| 2017                             | 6,460,000                      | 6,167             | 6,466,167         | 1.72%  | 1,106                   |
| 2018                             | 5,850,000                      | 3,084             | 5,853,084         | 1.49%  | 1,002                   |
| 2019                             | 5,220,000                      |                   | 5,220,000         | 1.33%  | 895                     |
| 2020                             | 4,570,000                      |                   | 4,570,000         | 1.16%  | 783                     |

Source: School District Financial Reports

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

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

ROSELAND BOARD OF EDUCATION  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
UNAUDITED

| Fiscal<br>Year<br>Ended<br>June 30, | <u>General Bonded Debt Outstanding</u> |   | Percentage of<br>Actual Taxable<br>Net Valuation <sup>a</sup><br>Taxable | Per Capita <sup>b</sup> |
|-------------------------------------|--|---|--|-------------------------|
|                                     | General<br>Obligation<br>Bonds         | Net General<br>Bonded Debt<br>Outstanding |  |                         |
| 2011                                | \$ 9,668,000                           | \$ 9,668,000                              | 0.53% *  | \$ 1,647                |
| 2012                                | 9,213,000                              | 9,213,000                                 | 0.51%  | 1,573                   |
| 2013                                | 8,701,000                              | 8,701,000                                 | 0.51%  | 1,495                   |
| 2014                                | 8,140,000                              | 8,140,000                                 | 0.48%  | 1,397                   |
| 2015                                | 7,610,000                              | 7,610,000                                 | 0.45%  | 1,302                   |
| 2016                                | 7,045,000                              | 7,045,000                                 | 0.42%  | 1,204                   |
| 2017                                | 6,460,000                              | 6,460,000                                 | 0.38%  | 1,105                   |
| 2018                                | 5,850,000                              | 5,850,000                                 | 0.34%  | 1,001                   |
| 2019                                | 5,220,000                              | 5,220,000                                 | 0.31%  | 895                     |
| 2020                                | 4,570,000                              | 4,570,000                                 | 0.27%  | 783                     |

\* - Revaluation year

Source: School District Financial Reports

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

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

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

ROSELAND BOARD OF EDUCATION  
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
UNAUDITED  
AS OF DECEMBER 31, 2019

| <u>Governmental Unit</u>                             | <u>Debt<br/>Outstanding</u> | <u>Estimated<br/>Percentage<br/>Applicable <sup>a</sup></u> | <u>Estimated<br/>Share of<br/>Overlapping<br/>Debt</u> |
|--|-----------------------------|---|--|
| Debt Repaid With Property Taxes:                     |                             |   |  |
| Borough of Roseland                                  | \$ 9,095,786                | 100.00%   | \$ 9,095,786   |
| Essex County General Obligation Debt (Borough Share) | 524,217,998                 | 2.07%   | <u>10,833,260</u>                                      |
| Other Debt   |                             |   |  |
| West Essex Regional High School                      | 8,270,000                   | 25.452%   | <u>2,104,880</u>                                       |
| Subtotal, Overlapping Debt                           |                             |   | 22,033,927   |
| Roseland School District Direct Debt                 |                             |   | <u>4,570,000</u>                                       |
| Total Direct And Overlapping Debt                    |                             |   | <u><u>\$ 26,603,927</u></u>                            |

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

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

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

ROSELAND BOARD OF EDUCATION  
LEGAL DEBT MARGIN INFORMATION,  
LAST TEN FISCAL YEARS  
UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2020

|   |      | Equalized valuation basis |
|---|------|---------------------------|
|   | 2019 | \$ 1,781,632,061          |
|   | 2018 | 2,068,622,770             |
|   | 2017 | 1,770,091,604             |
|   |      | <u>\$ 5,620,346,435</u>   |
| Average Equalized Valuation of Taxable Property |      | \$ 1,873,448,812          |
| Debt Limit (2.5% of average equalization value) |      | 46,836,220 a              |
| Net Bonded School Debt                          |      | <u>4,570,000</u>          |
| Legal Debt Margin                               |      | <u>\$ 42,266,220</u>      |

|   | Fiscal Year          |                      |                      |                      |                      |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
|   | 2011                 | 2012                 | 2013                 | 2014                 | 2015                 |
| Debt Limit  | \$ 48,198,654        | \$ 47,715,902        | \$ 46,496,991        | \$ 46,398,481        | \$ 45,131,871        |
| Total Net Debt Applicable to Limit                                      | <u>9,668,000</u>     | <u>9,213,000</u>     | <u>8,701,000</u>     | <u>8,140,000</u>     | <u>7,610,000</u>     |
| Legal Debt Margin   | <u>\$ 38,530,654</u> | <u>\$ 38,502,902</u> | <u>\$ 37,795,991</u> | <u>\$ 38,258,481</u> | <u>\$ 37,521,871</u> |
| Total Net Debt Applicable to the Limit<br>As a Percentage of Debt Limit | 20.06%               | 19.31%               | 18.71%               | 17.54%               | 16.86%               |

|   | Fiscal Year          |                      |                      |                      |                      |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
|   | 2016                 | 2017                 | 2018                 | 2019                 | 2020                 |
| Debt Limit  | \$ 45,021,938        | \$ 45,296,786        | \$ 44,931,469        | \$ 47,216,969        | \$ 46,836,220        |
| Total Net Debt Applicable to Limit                                      | <u>7,045,000</u>     | <u>6,460,000</u>     | <u>5,850,000</u>     | <u>5,220,000</u>     | <u>4,570,000</u>     |
| Legal Debt Margin   | <u>\$ 37,976,938</u> | <u>\$ 38,836,786</u> | <u>\$ 39,081,469</u> | <u>\$ 41,996,969</u> | <u>\$ 42,266,220</u> |
| Total Net Debt Applicable to the Limit<br>As a Percentage of Debt Limit | 15.65%               | 14.26%               | 13.02%               | 11.06%               | 9.76%                |

a Limit set by NJSA 18A:24-19 for a K through 6 district; other % limits would be applicable for other districts

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

ROSELAND BOARD OF EDUCATION  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED

| Year | Population <sup>a</sup> | Personal<br>Income<br>(thousands<br>of dollars) <sup>b</sup> | Essex<br>County Per<br>Capita<br>Personal<br>Income <sup>c</sup> | Unemployment<br>Rate <sup>d</sup> |
|------|-------------------------|--|--|-----------------------------------|
| 2011 | 5,870                   | \$ 318,300,750   | \$ 54,225  | 7.70%                             |
| 2012 | 5,857                   | 322,421,993  | 55,049   | 7.30%                             |
| 2013 | 5,821                   | 324,794,337  | 55,797   | 7.50%                             |
| 2014 | 5,828                   | 340,763,160  | 58,470   | 4.60%                             |
| 2015 | 5,843                   | 355,464,748  | 60,836   | 4.10%                             |
| 2016 | 5,850                   | 364,180,050  | 62,253   | 4.00%                             |
| 2017 | 5,848                   | 375,628,736  | 64,232   | 3.70%                             |
| 2018 | 5,842                   | 394,095,478  | 67,459   | 3.10%                             |
| 2019 | 5,835                   | 393,623,265  | 67,459 *   | 2.80%                             |
| 2020 | 5,835 **                | 393,623,265 ***  | 67,459 *   | N/A                               |

\* - Latest Essex County per capita personal income available (2018) was used for calculation purposes.

\*\* - Latest population data available (2019) was used for calculation purposes.

\*\*\* - Latest population data available (2019) and latest Essex County per capita personal income (2019)

N/A - Not Available

Source: School District Reports

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

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

c Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

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

ROSELAND BOARD OF EDUCATION  
 PRINCIPAL EMPLOYERS, ESSEX COUNTY  
 CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

|                                    | 2020     |                | 2011                           |               | Percentage of<br>Total<br>Employment |
|------------------------------------|----------|----------------|--------------------------------|---------------|--------------------------------------|
|                                    | Employer | Employees      | Employer                       | Employees     |                                      |
| St. Barnabas Health Care System    |          | 31,683         | Verizon Communications         | 18,000        | N/A                                  |
| Rutgers University - Newark Campus |          | 15,500         | Continental Airlines           | 14,000        | N/A                                  |
| Verizon                            |          | 15,000         | PSE&G                          | 10,300        | N/A                                  |
| New Jersey Transit                 |          | 11,500         | Prudential Financial           | 8,119         | N/A                                  |
| PSE&G                              |          | 10,000         | Horizon Blue Cross Blue Shield | 5,300         | N/A                                  |
| Prudential Ins. Co. of America     |          | 9,500          | JP Morgan Chase                | 4,808         | N/A                                  |
| Montclair State University         |          | 7,900          | Automatic Data Processing      | 4,666         | N/A                                  |
| Newark Board of Education          |          | 7,050          | Roche                          | 3,715         | N/A                                  |
| Gateway Group One                  |          | 6,250          | KPMG                           | 2,265         | N/A                                  |
| Automatic Data Processing          |          | 5,649          | Ricoh American Corp            | 1,400         | N/A                                  |
|                                    |          | <u>120,032</u> |                                | <u>72,573</u> | <u>N/A</u>                           |

Note - Principal employers are that of Essex County.

N/A - Information not available

Source: Essex County Economic Development Corporation.

ROSELAND BOARD OF EDUCATION  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS  
UNAUDITED

| <u>Function/Program</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> | <u>2020</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Instruction:                           |             |             |             |             |             |             |             |             |             |             |
| Regular                                | 36.7        | 33.0        | 32.7        | 33.0        | 33.0        | 34.0        | 33.0        | 27.6        | 30.6        | 30.6        |
| Special Education                      | 16.0        | 22.5        | 22.5        | 22.5        | 22.5        | 24.1        | 22.0        | 25.9        | 24.5        | 26.3        |
| Other Special Education                | 2.0         | 2.7         | 2.7         | 2.7         | 2.7         | 2.6         | 2.0         | 2.0         | 2.0         | 2.0         |
| Support Services:                      |             |             |             |             |             |             |             |             |             |             |
| Student & Instruction Related Services | 5.2         | 6.7         | 6.7         | 6.7         | 6.7         | 7.0         | 5.0         | 5.0         | 7.0         | 7.0         |
| General Administrative Services        | 1.5         | 1.5         | 1.5         | 1.5         | 1.5         | 2.0         | 2.0         | 2.0         | 1.5         | 1.5         |
| School Administrative Services         | 2.3         | 2.3         | 2.3         | 2.3         | 2.3         | 2.0         | 2.0         | 2.0         | 2.0         | 2.0         |
| Business Administrative Services       | 2.0         | 2.0         | 2.0         | 2.0         | 2.0         | 2.0         | 2.0         | 2.0         | 2.0         | 2.0         |
| Plant Operations and Maintenance       | 4.0         | 4.0         | 4.0         | 4.0         | 4.0         | 4.0         | 4.0         | 4.0         | 4.5         | 6.1         |
| <b>Total</b>                           | <b>69.7</b> | <b>74.7</b> | <b>74.4</b> | <b>74.7</b> | <b>74.7</b> | <b>77.7</b> | <b>72.0</b> | <b>70.5</b> | <b>74.1</b> | <b>77.5</b> |

Source: District Personnel Records

ROSELAND BOARD OF EDUCATION  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED

| Fiscal Year | Enrollment | Operating Expenditures <sup>a</sup> | Cost Per Pupil <sup>d</sup> | Percentage Change | Teaching Staff <sup>b</sup> | Pupil/Teacher Ratio Elementary | Average Daily                 |                               | % Change in Average Daily Enrollment | Student Attendance Percentage |
|-------------|------------|-------------------------------------|-----------------------------|-------------------|-----------------------------|--------------------------------|-------------------------------|-------------------------------|--------------------------------------|-------------------------------|
|             |            |                                     |                             |                   |                             |                                | Enrollment (ADE) <sup>c</sup> | Attendance (ADA) <sup>c</sup> |                                      |                               |
| 2011        | 507        | \$ 7,294,968                        | \$ 14,388                   | -7.61%            | 37                          | 1:13.7                         | 507                           | 488                           | 0.60%                                | 96.25%                        |
| 2012        | 494        | 7,643,111                           | 15,472                      | 7.53%             | 33                          | 1:15.0                         | 494                           | 477                           | -2.56%                               | 96.56%                        |
| 2013        | 489        | 7,911,019                           | 16,178                      | 4.56%             | 33                          | 1:15.0                         | 489                           | 470                           | -1.01%                               | 96.11%                        |
| 2014        | 461        | 8,071,301                           | 17,508                      | 8.22%             | 41                          | 1:11.2                         | 459                           | 449                           | -6.13%                               | 97.82%                        |
| 2015        | 439        | 8,095,152                           | 18,440                      | 5.32%             | 43                          | 1:10.2                         | 436                           | 419                           | -5.01%                               | 96.10%                        |
| 2016        | 432        | 8,232,893                           | 19,058                      | 3.35%             | 38                          | 1:11.4                         | 431                           | 416                           | -1.15%                               | 96.52%                        |
| 2017        | 460        | 8,491,720                           | 18,460                      | -3.13%            | 39                          | 1:11.7                         | 460                           | 449                           | 6.73%                                | 97.61%                        |
| 2018        | 460        | 8,613,429                           | 18,725                      | 1.43%             | 42                          | 1:11.0                         | 460                           | 440                           | 0.00%                                | 95.65%                        |
| 2019        | 459        | 9,153,760                           | 19,943                      | 6.50%             | 42                          | 1:09.2                         | 469                           | 451                           | 1.96%                                | 96.16%                        |
| 2020        | 468        | 9,440,891                           | 20,173                      | 1.15%             | 45                          | 1:09.2                         | 468                           | 463                           | -0.21%                               | 98.93%                        |

Source: Roseland Board of Education records

Note: Enrollment based on annual October district count.

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

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

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

d The Cost Per Pupil calculated above is the sum of the operating expenditures divided by enrollment. This Cost Per Pupil may be different from other Cost Per Pupil Calculations.



ROSELAND BOARD OF EDUCATION  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
UNAUDITED

| <u>District Building</u>              | 2011   | 2012   | 2013   | 2014   | 2015   | 2016   | 2017   | 2018   | 2019   | 2020   |
|---------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Board of Education (1967)             | 615    | 615    | 615    | 615    | 615    | 615    | 615    | 615    | 615    | 615    |
| Square Feet                           |        |        |        |        |        |        |        |        |        |        |
| Lester C. Noecker School (1967, 2008) |        |        |        |        |        |        |        |        |        |        |
| Square Feet                           | 77,043 | 77,043 | 77,043 | 77,043 | 77,043 | 77,043 | 77,043 | 77,043 | 77,043 | 77,043 |
| Capacity (students)                   | 582    | 582    | 582    | 582    | 582    | 582    | 582    | 582    | 582    | 582    |
| Enrollment                            | 507    | 494    | 489    | 461    | 439    | 432    | 460    | 460    | 459    | 468    |

Number of Schools at June 30, 2020  
Elementary = 1

Source: Roseland Board of Education Facilities Office

Note: Year of original construction and addition is shown in parentheses.  
Enrollment is based on the annual October district count.

ROSELAND BOARD OF EDUCATION  
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
LAST TEN FISCAL YEARS  
UNAUDITED

Undistributed Expenditures:  
 Required Maintenance for School Facilities  
 11-000-261-XXX

| School Facilities *      | Projects # | 2011      | 2012      | 2013      | 2014      | 2015      | 2016      | 2017      | 2018      | 2019      | 2020       |
|--------------------------|------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
| Lester C. Noecker School | N/A        | \$ 78,695 | \$ 67,155 | \$ 48,627 | \$ 55,235 | \$ 37,254 | \$ 47,739 | \$ 84,328 | \$ 63,842 | \$ 65,848 | \$ 127,699 |
|                          |            | \$ 78,695 | \$ 67,155 | \$ 48,627 | \$ 55,235 | \$ 37,254 | \$ 47,739 | \$ 84,328 | \$ 63,842 | \$ 65,848 | \$ 127,699 |

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

Source: Roseland Board of Education records

ROSELAND BOARD OF EDUCATION  
INSURANCE SCHEDULE  
JUNE 30, 2020  
UNAUDITED

| Company  | Type of Coverage  | Coverage     | Deductible |
|--|---|--------------|------------|
| NJSIG  | Property Blanket Building & Contents<br>Replacement Cost Values | \$20,733,771 | \$1,000    |
|  | Earthquake  | 50,000,000   | 1,000      |
|  | Flood Zone A & V  | 25,000,000   | 500,000    |
|  | All Other Flood Zones   | 75,000,000   | 10,000     |
|  | General Liability   |              |            |
|  | -Each Occurrence  | 31,000,000   |            |
|  | Sexual Abuse  | 17,000,000   |            |
|  | -Medical Expense Limit  | 10,000       |            |
|  | -Employee Benefit Liability                                     | 31,000,000   | 1,000      |
|  | Automotive Liability  | 31,000,000   |            |
|  | Comprehensive & Collision as Scheduled                          |              | 1,000      |
|  | Electronic Data Processing                                      | 350,000      | 1,000      |
|  | Crime Coverage  |              |            |
|  | -Employee Dishonesty with Faithful Performance                  | 500,000      | 1,000      |
|  | -Theft, Disappearance & Destruction                             | 25,000       | 500        |
|  | -Loss of money and securities on and off premise                | 25,000       | 500        |
|  | Forgery   | 500,000      | 1,000      |
|  | Computer Fraud  | 500,000      | 1,000      |
|  | Equipment Breakdown/Property Damage                             | 100,000,000  | 1,000      |
|  | Board Of Education  |              |            |
| -Professional Liability Coverage A             | 31,000,000  | 5,000        |            |
| -Professional Liability Coverage B             | \$100,000/\$300,000   | 5,000        |            |
| Fidelity Bonds                                 |   |              |            |
| -Treasurer of School Monies                    | 180,000   | 1,000        |            |
| -School Business Administrator/Board Secretary | 180,000   | 1,000        |            |
| Berkley/Markel<br>Insurance Company            | Student Accident<br>Accidental/Catastrophic                     | 5,000,000    |            |
| Morris/Essex<br>Insurance Group<br>(MEIG)      | Worker's Compensation   | 1,000,000    |            |

Source: Roseland Board of Education records

SINGLE AUDIT SECTION



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

Independent Auditors' Report

The Honorable President and Members of  
the Board of Education  
Roseland Board of Education  
County of Essex, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Roseland Borough School District, in the County of Essex (the "District") as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 30, 2020.

**Internal Control Over Financial Reporting**

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

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

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

The Honorable President and Members of  
the Board of Education  
Roseland Board of Education  
Page 2

**Compliance and Other Matters**

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

**Purpose of this Report**

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

September 30, 2020  
Mount Arlington, New Jersey

*Nisivoccia LLP*  
NISIVOCCIA LLP

*John J. Mooney*  
\_\_\_\_\_  
John J. Mooney  
Licensed Public School Accountant #2602  
Certified Public Accountant

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

The Honorable President and Members of  
the Board of Education  
Roseland Board of Education  
County of Essex, New Jersey

### **Report on Compliance for Each Major State Program**

We have audited the Board of Education of the Roseland Borough School District's (the "District's") compliance with the types of compliance requirements described in the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major state programs for the fiscal year ended June 30, 2020. The District's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

#### ***Management's Responsibility***

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

#### ***Auditors' Responsibility***

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

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

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

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2020.

The Honorable President and Members of  
the Board of Education  
Roseland Board of Education  
Page 2

**Report on Internal Control Over Compliance**

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

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

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

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

September 30, 2020  
Mount Arlington, New Jersey

*Nisivoccia LLP*  
NISIVOCCIA LLP

*John J. Mooney*  
\_\_\_\_\_  
John J. Mooney  
Licensed Public School Accountant #2602  
Certified Public Accountant



ROSELAND BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

| Federal Grantor/Pass Through Grantor Program Title/Cluster Title | Federal CFDA Number | Grant or State Project Number | Grant Period    | Award Amount | Carryover/(Walkover) Amount | Cash Received | Budgetary Expenditures | Balance 6/30/20                                |                     | Due to Grantor 6/30/20 | Amounts Paid to Subrecipients |
|--|---------------------|-------------------------------|-----------------|--------------|-----------------------------|---------------|------------------------|--|---------------------|------------------------|-------------------------------|
|  |                     |                               |                 |              |                             |               |                        | Unearned Revenue (Accounts Receivable) 6/30/19 | Accounts Receivable |                        |                               |
| <b>U.S. Department of Agriculture</b>                            |                     |                               |                 |              |                             |               |                        |  |                     |                        |                               |
| Passed-through State Department of Agriculture:                  |                     |                               |                 |              |                             |               |                        |  |                     |                        |                               |
| Child Nutrition Cluster:   |                     |                               |                 |              |                             |               |                        |  |                     |                        |                               |
| Federal Food Distribution Program                                | 10.555              | N/A                           | 7/1/19-6/30/20  | \$ 4,012     |                             | \$ 4,012      | \$ (1,687)             | \$ 2,325                                       |                     |                        |                               |
| Federal Food Distribution Program                                | 10.555              | N/A                           | 7/1/18-6/30/19  | 6,664        | \$ 2,892                    |               | (2,892)                |  |                     |                        |                               |
| National School Lunch Program                                    | 10.555              | N/A                           | 7/1/19-6/30/20  | 13,409       |                             | 13,409        | (13,409)               |  |                     |                        |                               |
| COVID19 - Seamless Summer Option                                 | 10.555              | N/A                           | 3/18/20-6/30/20 | 3,101        |                             | 1,114         | (3,101)                | \$ (1,987)                                     |                     |                        |                               |
| National School Lunch Program                                    | 10.555              | N/A                           | 7/1/18-6/30/19  | 17,452       | (1,379)                     | 1,379         |                        |  |                     |                        |                               |
| Total U.S. Department of Agriculture/Child Nutrition Cluster     |                     |                               |                 |              | 1,513                       | 19,914        | (21,089)               | (1,987)  | 2,325               |                        |                               |
| <b>U.S. Department of Education</b>                              |                     |                               |                 |              |                             |               |                        |  |                     |                        |                               |
| Passed-through State Department of Education:                    |                     |                               |                 |              |                             |               |                        |  |                     |                        |                               |
| Elementary and Secondary Education Act                           |                     |                               |                 |              |                             |               |                        |  |                     |                        |                               |
| Title I Part A   | 84.010              | ESEA-4530-20                  | 7/1/19-6/30/20  | 35,283       |                             | 29,928        | (33,749)               | (3,821)  |                     |                        |                               |
| Title I Part A   | 84.010              | ESEA-4530-19                  | 7/1/18-6/30/19  | 37,614       | (6,745)                     | 6,745         |                        |  |                     |                        |                               |
| Title II Part A  | 84.278A             | ESEA-3100-20                  | 7/1/19-6/30/20  | 9,250        |                             |               | (8,250)                | (8,250)  |                     |                        |                               |
| Title II Part A  | 84.278A             | ESEA-3100-19                  | 7/1/18-6/30/19  | 9,676        | (1,356)                     | 1,356         |                        |  |                     |                        |                               |
| Title IV   | 84.186A             | ESEA-3100-20                  | 7/1/19-6/30/20  | 10,000       |                             | 7,963         | (7,963)                |  |                     |                        |                               |
| Title IV   | 84.186A             | ESEA-3100-19                  | 7/1/18-6/30/19  | 10,000       | (4,100)                     | 4,100         |                        |  |                     |                        |                               |
| Special Education Cluster:                                       |                     |                               |                 |              |                             |               |                        |  |                     |                        |                               |
| I.D.E.A. Part B, Preschool                                       | 84.173              | IDEA-4530-20                  | 7/1/19-6/30/20  | 5,139        |                             | 5,139         | (5,139)                |  |                     |                        |                               |
| I.D.E.A. Part B, Basic   | 84.027              | IDEA-4530-20                  | 7/1/19-6/30/20  | 94,639       |                             | 94,639        | (94,639)               |  |                     |                        |                               |
| I.D.E.A. Part B, Basic   | 84.027              | IDEA-4530-19                  | 7/1/18-6/30/19  | 92,062       | (15,290)                    | 15,290        |                        |  |                     |                        |                               |
| Total Special Education Cluster                                  |                     |                               |                 |              | (15,290)                    | 115,068       | (99,778)               |  |                     |                        |                               |
| COVID 19 - CARES Emergency Relief Grant                          | 84.425D             | ESEA-3590-20                  | 3/13/20-9/30/22 | 28,361       |                             |               | (28,361)               | (28,361)                                       |                     |                        |                               |
| Total Special Revenue/U.S. Department of Education               |                     |                               |                 |              | (27,491)                    | 165,160       | (178,101)              | (40,432)                                       |                     |                        |                               |
| Total Federal Financial Awards                                   |                     |                               |                 |              | \$ (25,978)                 | \$ 185,074    | \$ (199,190)           | \$ (42,419)                                    | \$ 2,325            | \$ -0-                 | \$ -0-                        |

N/A - Not Available/Applicable

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

ROSELAND BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

| State Grantor/Program Title  | Grant or State Project Number | Grant Period      | Award Amount | Balance (Accounts Receivable) 06/30/19 | Carryover/(Walkover) Amount | Cash Received | Budgetary Expenditures | Balance 6/30/20            |                      | MEMO Cumulative Total Expenditures |
|--|-------------------------------|-------------------|--------------|--|-----------------------------|---------------|------------------------|----------------------------|----------------------|------------------------------------|
|  |                               |                   |              |  |                             |               |                        | GAAP (Accounts Receivable) | Budgetary Receivable |                                    |
| NJ Department of Education:  |                               |                   |              |  |                             |               |                        |                            |                      |                                    |
| Special Education Aid  | 20-495-034-5120-089           | 7/1/19 - 6/30/20  | \$ 288,092   |  |                             | \$ 261,334    | \$ (288,092)           | \$ (26,758)                | \$ 288,092           |                                    |
| Transportation Aid   | 20-495-034-5120-014           | 7/1/19 - 6/30/20  | 72,082       |  | 65,387                      | (72,082)      | (72,082)               | (6,695)                    | 72,082               |                                    |
| Security Aid   | 20-495-034-5120-084           | 7/1/19 - 6/30/20  | 8,056        |  | 7,308                       | (8,056)       | (8,056)                | (748)                      | 8,056                |                                    |
| Extraordinary Aid  | 20-495-034-5120-044           | 7/1/19 - 6/30/20  | 109,094      |  |                             |               | (109,094)              | (109,094)                  | 109,094              |                                    |
| On-Behalf TPAF Post Retirement Contributions                               | 20-495-034-5094-001           | 7/1/19 - 6/30/20  | 252,407      |  | 252,407                     | (252,407)     | (252,407)              | (109,094)                  | 252,407              |                                    |
| On-Behalf TPAF Pension Contributions                                       | 20-495-034-5094-002           | 7/1/19 - 6/30/20  | 668,397      |  | 668,397                     | (668,397)     | (668,397)              | (109,094)                  | 668,397              |                                    |
| On-Behalf TPAF Non-Contributory Contributions                              | 20-495-034-5094-004           | 7/1/19 - 6/30/20  | 11,980       |  | 11,980                      | (11,980)      | (11,980)               | (109,094)                  | 11,980               |                                    |
| On-Behalf TPAF Long-Term Disability Insurance Contributions                | 20-495-034-5094-004           | 7/1/19 - 6/30/20  | 842          |  | 842                         | (842)         | (842)                  | (109,094)                  | 842                  |                                    |
| Reimbursed TPAF Social Security Contributions                              | 20-495-034-5094-003           | 7/1/19 - 6/30/20  | 280,071      |  | 267,172                     | (280,071)     | (280,071)              | (12,899)                   | 280,071              |                                    |
| Special Education Aid  | 19-495-034-5120-089           | 7/1/18 - 6/30/19  | 251,078      | \$ (23,120)                            | 23,120                      |               |                        |                            | 251,078              |                                    |
| Transportation Aid   | 19-495-034-5120-014           | 7/1/18 - 6/30/19  | 23,894       | (6,637)                                | 6,637                       |               |                        |                            | 23,894               |                                    |
| Security Aid   | 19-495-034-5120-084           | 7/1/18 - 6/30/19  | 8,056        | (742)                                  | 742                         |               |                        |                            | 8,056                |                                    |
| Extraordinary Aid  | 19-495-034-5120-044           | 7/1/18 - 6/30/19  | 50,006       | (88,484)                               | 88,484                      |               |                        |                            | 50,006               |                                    |
| Reimbursed TPAF Social Security Contributions                              | 19-495-034-5094-003           | 7/1/18 - 6/30/19  | 249,180      | (12,286)                               | 12,286                      |               |                        |                            | 249,180              |                                    |
| Total General Fund State Aid   |                               |                   |              | (131,269)                              | 1,666,096                   |               | (1,691,021)            | (156,194)                  | 2,273,235            |                                    |
| Food Service Fund:   |                               |                   |              |  |                             |               |                        |                            |                      |                                    |
| State School Lunch Program   | 20-100-010-3350-023           | 7/1/19 - 6/30/20  | 1,826        |  | 1,350                       | (1,826)       | (1,826)                | (476)                      | 1,826                |                                    |
| COVID 19 - Seamless Summer Option  | 20-100-010-3350-023           | 3/18/20 - 6/30/20 | 49           |  | 17                          | (49)          | (49)                   | (32)                       | 49                   |                                    |
| State School Lunch Program   | 19-100-010-3350-023           | 7/1/18 - 6/30/19  | 1,838        | (146)                                  | 146                         |               |                        |                            | 1,838                |                                    |
| Total Food Service Fund  |                               |                   |              | (146)                                  | 1,513                       |               | (1,875)                | (508)                      | 3,713                |                                    |
| Total State Awards   |                               |                   |              | \$ (131,415)                           | \$ -0-                      | \$ 1,667,609  | \$ (1,692,896)         | \$ (156,702)               | \$ 2,276,948         |                                    |
| Less: State Awards Not Subject to Single Audit Major Program Determination |                               |                   |              |  |                             |               |                        |                            |                      |                                    |
| On-Behalf TPAF Pension System Contributions:                               |                               |                   |              |  |                             |               |                        |                            |                      |                                    |
| On-Behalf TPAF Post Retirement Contributions                               | 20-495-034-5094-001           | 7/1/19 - 6/30/20  | 252,407      |  |                             |               |                        |                            | \$ 252,407           |                                    |
| On-Behalf TPAF Pension Contributions                                       | 20-495-034-5094-002           | 7/1/19 - 6/30/20  | 668,397      |  |                             |               |                        |                            | 668,397              |                                    |
| On-Behalf TPAF Non-Contributory Insurance                                  | 20-495-034-5094-004           | 7/1/19 - 6/30/20  | 11,980       |  |                             |               |                        |                            | 11,980               |                                    |
| On-Behalf TPAF Long-Term Disability Insurance                              | 20-495-034-5094-004           | 7/1/19 - 6/30/20  | 842          |  |                             |               |                        |                            | 842                  |                                    |
| Subtotal - On-Behalf TPAF Pension System Contributions                     |                               |                   |              |  |                             |               |                        |                            | 933,626              |                                    |
| Total State Awards Subject to Single Audit Major Program Determination     |                               |                   |              |  |                             |               |                        |                            | \$ (759,270)         |                                    |

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

ROSELAND BOARD OF EDUCATION  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards (the “Schedules”) include the federal and state grant activity of the Roseland Board of Education under programs of the federal and state governments for the fiscal year ended June 30, 2020. The information in these schedules is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$3,702) for the general fund and (\$28,947) for the special revenue fund (of which \$0 applies to encumbrances of local grants). See exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

ROSELAND BOARD OF EDUCATION  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
 (Continued)

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

Awards and financial assistance revenue are reported on the Board's basic financial statements on a GAAP basis as presented below:

|                        | Federal    | State        | Total        |
|------------------------|------------|--------------|--------------|
| General Fund           |            | \$ 1,687,319 | \$ 1,687,319 |
| Special Revenue Fund   | \$ 149,154 |              | 149,154      |
| Proprietary Fund       | 21,089     | 1,875        | 22,964       |
| Total Financial Awards | \$ 170,243 | \$ 1,689,194 | \$ 1,859,437 |

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the year ended June 30, 2020. Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively.

ROSELAND BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.*
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over each of the major state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major State Program; Report on Internal Control Over Compliance.*
- The auditor's report on compliance for each of the major state programs for the District expresses an unmodified opinion on the major state programs.
- The District was not subject to the single audit provisions of the Uniform Guidance for the fiscal year ended June 30, 2020 as federal grant expenditures were less than the single audit threshold of \$750,000 identified in the Uniform Guidance.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District's programs tested as major state programs for the current fiscal year consisted of the following awards:

| <u>State Program:</u> | <u>State Grant Number</u> | <u>Grant Period</u> | <u>Award Amount</u> | <u>Budgetary Expenditures</u> |
|-----------------------|---------------------------|---------------------|---------------------|-------------------------------|
|-----------------------|---------------------------|---------------------|---------------------|-------------------------------|

State Awards:

|                       |                     |                  |            |            |
|-----------------------|---------------------|------------------|------------|------------|
| Special Education Aid | 20-495-034-5120-089 | 7/1/19 - 6/30/20 | \$ 288,092 | \$ 288,092 |
| Security Aid          | 20-495-034-5120-084 | 7/1/19 - 6/30/20 | 8,056      | 8,056      |

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

ROSELAND BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(Continued)

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

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

Findings and Questioned Costs for Federal Awards:

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

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in 2 CFR 200.516(a) of the Uniform Guidance and New Jersey's OMB Circular 15-08.

ROSELAND BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2020

Status of Prior Year Findings/Recommendations:

There were no prior year findings.