Comprehensive Annual Financial Report

of the

Borough of Roselle School District

County of Union

Roselle, New Jersey

For the Fiscal Year Ended June 30, 2010

Prepared by

Borough of Roselle, Board of Education
Finance Department

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INTRODUCTORY SECTION

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Interim Superintendent of Schools
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Luiggi Campana
Business Administrator/BoardSecretary
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Roselle Public Schools

710 Locust Street
Roselle, New Jersey 07203

Dr. Kevin R. West
Assistant Superintendent for Curriculum and Instruction
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December 5, 2010

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

Dear Board Members:

The comprehensive annual financial report of the Roselle Borough School District (District) for the fiscal year ended June 30, 2010 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 Roselle Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: Introductory, Financial, Statistical, and Single Audit. The Introductory Section includes this transmittal letter, the District's organizational chart and a list of principal officials. The Financial Section includes the general purpose financial statement and schedules, as well as the auditor's report thereon. The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit inconformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments and Non-Profit Recipients of Federal Grants, State Grants and State Aid Payments". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendation, are included in the Single Audit Section of this report.

Equal Opportunity Employer

" Institute of Excellence "

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

The District provides a full range of educational services appropriate to grade level K through 12. These include regular as well as special education for handicapped youngsters beginning with Pre-K. The District completed the 2009-2010 year with an enrollment of 2,876 students, which is 18 students below the previous year's enrollment.

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

Fiscal Year	Actual Student Enrollment	Percent Change
2009/2010	2,876	-0.0062
2008/2009	2,894	1.60
2007/2008	2,849	.01
2006/2007	2,847	.01
2005/2006	2,843	-1.30
2004/2005	2,879	-1.20
2003/2004	2,913	5.00
2002/2003	2,783	0.01
2001/2002	2,752	0.01
2000/2001	2,725	0.01

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2010.

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

CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from 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.

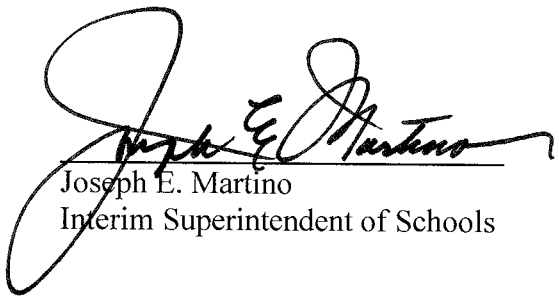
RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile liability, and comprehensive/collision, hazard and theft insurance on property and contents and fidelity bonds.

OTHER INFORMATION:

A) **Independent Audit** – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Suplee, Clooney & Company was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related OMB Circular A-133 and State Treasury Circular Letter 04-04 OMB. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit are included in the Single Audit Section of this report.

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

Respectfully submitted,



Joseph E. Martino
Interim Superintendent of Schools

Luiggi Campana
Business Administrator/Board Secretary

BOROUGH OF ROSELLE SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2010

Members of the Board of Education	Term Expires
Kerry Pogue-Napoleon, President	2011
Rev. Reginald W. Atkins, Vice President	2013
Celeste M. Sitarski	2013
Erick Cedano	2011
Lorraine Brooks-Body	2011
Carla Walker	2013
Anthony Esposito	2012
Shondalyn Gales	2012

Other Officials

Joseph E. Martino, Interim Superintendent of Schools

Luiggi C. Campana, Board Secretary/School Business Administrator

Richard Biddulph, Treasurer

BOROUGH OF ROSELLE SCHOOL DISTRICT
CONSULTANTS AND ADVISORS
JUNE 30, 2010

Audit Firm

Suplee, Clooney & Company
Certified Public Accountants
308 East Broad Street
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Architect

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Official Depository

TD BANK

Attorney

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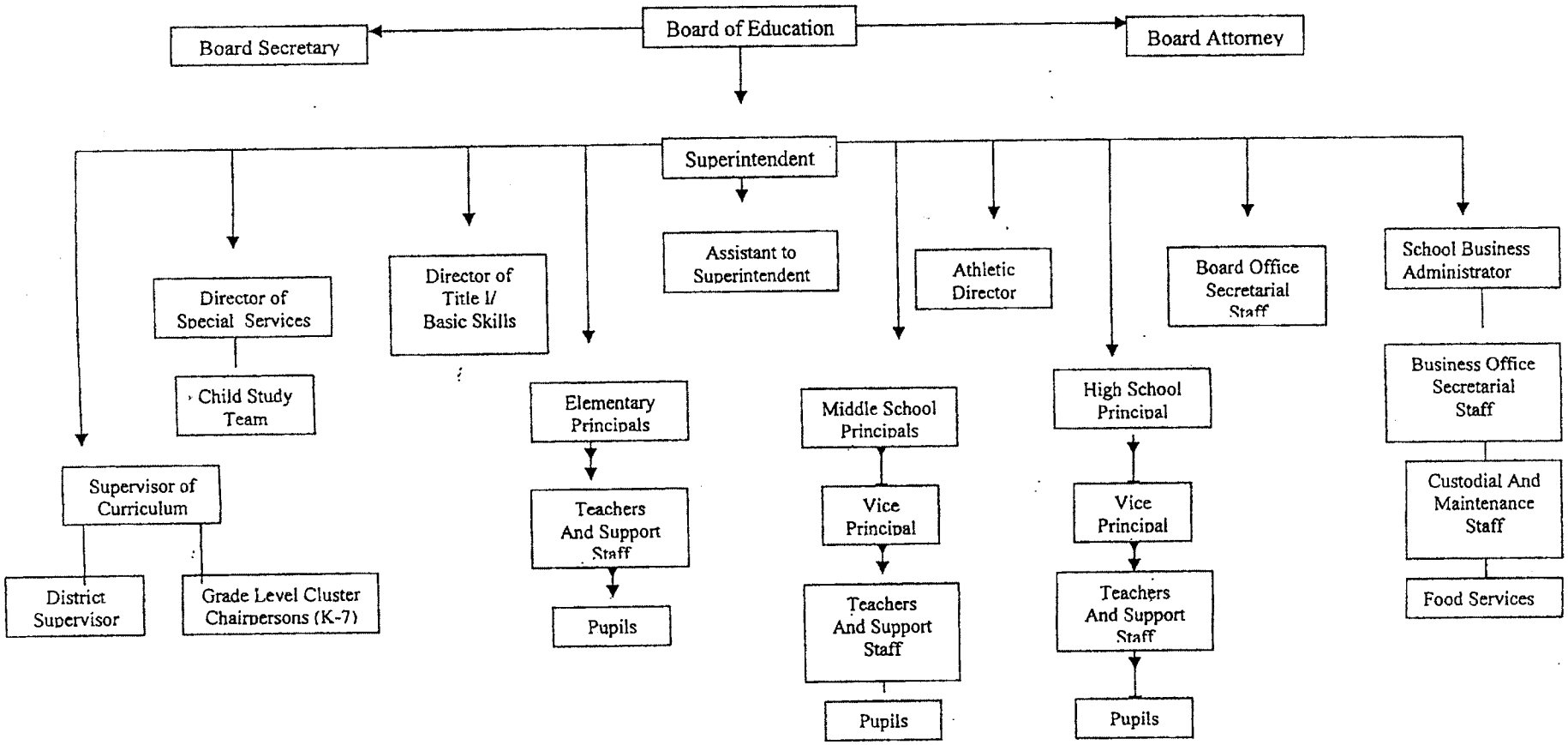
ORGANIZATIONAL CHART



FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Roselle School District, County of Union, New Jersey as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit. The financial statements of the Borough of Roselle School District as of June 30, 2009 were audited by other auditors whose report dated November 18, 2009 expressed an unqualified opinion on those statements

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey and the provisions of U. S. Office of Management and Budget (OMB) Circular A-133 "Audits of State, Local Governments and Non-Profit Organizations" and State of New Jersey OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Roselle School District, County of Union, New Jersey as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2010 on our consideration of the Borough of Roselle School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the required supplementary information, as listed in the foregoing table of contents, respectively, are not a required part of the basic financial statements but are supplementary information required by the U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Roselle School District's basic financial statements. The introductory section, combining and individual fund schedules and statements, other schedules, statistical tables and the schedules of expenditures of federal awards and state financial assistance as listed in the table of contents are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations"; New Jersey OMB's Circular 04-04 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid" and State of New Jersey, Department of Education, Division of Finance and are not a required part of the basic financial statements of the Borough of Roselle School District, County of Union, New Jersey. Such information, except for the introductory section and that portion marked unaudited on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Suplee, Clooney & Company
CERTIFIED PUBLIC ACCOUNTANTS

Robert S. Raymond
PUBLIC SCHOOL ACCOUNTANT NO. 93

December 3, 2010

REQUIRED SUPPLEMENTARY INFORMATION – Part I

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

BOROUGH OF ROSELLE SCHOOL DISTRICT
ROSELLE, NEW JERSEY

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
UNAUDITED

The discussion and analysis of the Borough of Roselle School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2010. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

The Management's Discussion and Analysis (MD&A) is a new element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* issued in June 1999. Certain comparative information between the current year (2009-2010) and the prior year (2008-2009) is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for 2010 are as follows:

- In total, net assets decreased $310,498 which represents a 3 percent decrease from 2009.
- General revenues accounted for $44,458,766 in revenue or 86 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for $7,000,397.
- The School District had $51,769,661 in expenses; only $7,000,397 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily tax levy and federal and state aid) of $44,458,766 were adequate to provide for these programs.
- Among governmental funds, the General Fund had $46,766,385 in revenues and $47,605,895 in expenditures. The General Fund's fund balance decreased $2,346,996 over 2009.

Using this Comprehensive Annual Financial Report (CAFR)

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

The *Statement of Net Assets and Statement of Activities* provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of the Roselle School District, the General Fund is by far the most significant fund.

Reporting the School district as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2010?" The Statement of Net Assets and the Statement of Activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

- Government activities – All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

- Business – Type Activity – This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service and Community School are reported as business activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the District's funds. The District uses many funds to account for a multitude of financial transactions. The District's governmental funds are the General Fund, Special Revenue Fund, and Capital Projects Fund.

Governmental Funds

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

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore these statements are essentially the same.

The School District as a Whole

Recall that the Statement of Net Assets provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District's net assets for 2010 and 2009.

Table 1
Net Assets

Assets	**2010**	**2009**
Current and Other Assets	$10,349,879	$10,537,450
Capital Assets	6,321,183	5,910,734
Total Assets	$16,671,062.00	$16,448,184.00
Liabilities		
Long-Term Liabilities	1,355,594	1,409,629
Other Liabilities	4,035,706	3,448,296
Total Liabilities	5,391,300	4,857,925
Net Assets		
Invested in Capital Assets, Net of Debt	6,107,389	5,910,734
Restricted	6,257,698	4,283,544
Unrestricted	(1,085,325)	1,395,981
Total Net Assets	$11,279,762	$11,590,2590

The District's combined net assets were $11,279,762 on June 30, 2010. This was a decrease of 3 percent from the prior year.

Table 2 shows changes in net assets for fiscal year 2010 and 2009.

Table 2
Changes in Net Assets

Revenues	**2010**	**2009**
Program Revenues:		
Charges for Services	$264,770	$266,802
Operating Grants and Contributions	6,735,627	3,880,061
General Revenues:		
Property Taxes	23,438,800	23,438,800
Grants and Entitlements	20,877,266	24,902,428
Other	142,700	281,941
Total Revenues	$51,459,163.00	$52,770,032.00
Program Expenses		
Instruction	27,624,664	23,263,411
Support Services:		
Pupils and Instructional Staff	11,208,567	10,322,956
General and School Administration Business Operations and Maintenance of Facilities	9,430,570	11,921,833
Pupil Transportation	2,206,990	2,918,452
Business Type Activities	1,245,359	1,248,825
Other	53,511	238,557
Total Expenses	51,769,661	49,914,034
Increase(Decrease) in Net Assets	($310,498.00)	$2,855,998.00

Government Activities

The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the School District budget. Property taxes made up 46 percent of revenues for governmental activities in the District. There was no increase in property taxes over the prior year. The District's total revenues were $51,421,739 for the year ended June 30, 2010. Federal, State and local grants accounted for 53 percent of revenue.

Instruction comprises 41 percent of district expenses. Support services make up 57 percent of the district expenses and other services make up 2 percent.

Business-Type Activities

Revenues for the District's business-type activities were comprised of charges for services. These services are included but are not limited to Food Service and the Community School. Following are some of our major business type activity results.

Overall business type revenues exceeded expenditures by $66,910.

- Food service revenues were $66,489 more than expenditures.
- Community School revenues were $421 more than expenditures.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table 3

	Total Cost of Services 2010	**Net Cost of Services 2010**
Instruction	$27,624,664	$23,826,249
Support Services:		
Pupils and Instructional Staff	11,208,567	9,763,870
General & School Administration, Business Operations and Maintenance of Facilities	9,430,570	8,948,130
Pupil Transportation	2,206,990	2,206,990
Business-Type Activities	1,245,359	(29,486)
Other	53,511	53,511
Total Expenses	$51,769,661.00	$44,769,264

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

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

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

Operation and maintenance of facilities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by State law.

"Other" includes special schools and unallocated depreciation.

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund and capital projects fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to $50,184,318 and expenditures were $50,987,671. The table below only includes revenues in the general fund and special revenue fund. Capital project funds are not included.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2010, and the amount and percentage of increase and decrease in relation to prior year revenues.

Revenue	Amount	Percent of Total	Increase/(Decrease) FY 2010	Percent Increase Decrease FY2010
Local Sources	$23,601,843	47.03%	($119,422)	(.5%)
State Sources	19,944,906	39.74%	(5,868,773)	(22.74%)
Federal Sources	6,637,569	13.23%	4,600,511	225.84%
Total	$50,184,318	100.00%	($1,387,684)	(2.26%)

The following schedule represents a summary of general fund, special revenue fund, and debt service fund expenditures for the fiscal year ended June 30, 2010, and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase FY 2010	Percent Increase (Decrease)FY10
Current:				
Instruction	$20,695,174	40.59%	$1,757,566	9.28%
Undistributed	29,093,691	57.06%	($10,670)	(.04%)
Capital Outlay	1,145,295	2.25%	955,225	502.56%
Special Schools	8,400.00	.02%	-0-	-0-
Charter Schools	45,111	.09%	(8,101)	(96.44%)
Total	$22,260,033.16	100.00%	$2,694,020	5.58%

General Fund Budgeting Highlights

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

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent overexpenditures in specific line item accounts.

Capital Assets

At the end of the fiscal year 2010, the School District had $6,321,184 invested in land, building, furniture and equipment. Table 4 shows fiscal year 2010 balances compared to 2009.

Table 4
Capital Assets (Net of Depreciation) at June 30, 2010

	2010	2009
Construction in Progress	$437,416	$-0-
Site Improvements	83,225	86,356
Building and Building Improvements	5,199,840	5,315,894
Machinery and Equipment	600,702	508,484
Total	$6,321,184.00	$5,910,734

Overall capital assets increased $410,450 from fiscal year 2009 to fiscal year 2010. The increase capital assets are due primarily to the Construction in Progress.

State of the District

The Borough of Roselle School District ended in a sound financial condition in the 2009/2010 school year as a result of the Department of Education increased state aid by 5% and increased fund balance (surplus) to balance the budget. A major priority of the district continued to be the increased of the cost of education to local taxpayers.

The Borough of Roselle School District's budget for 2009-2010 was approved by the Roselle Board of Education with no increase in the local school tax and for the first time in many years tax payers voted in the affirmative for the 2009/2010 budget.

In conclusion, the Borough of Roselle School District has committed itself to quality education and financial excellence for many years. In addition, the School District's system for financial planning, budgetary and interval financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenge of the future.

Contacting the School District's Financial Management Office

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

BASIC FINANCIAL STATEMENTS

The basic financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all funds as of June 30,2010

DISTRICT-WIDE FINANCIAL STATEMENTS

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

EXHIBIT "A-1"

BOROUGH OF ROSELLE SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2010

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS:			
Cash and cash equivalents	$6,855,516	$208,509	$7,064,025
Receivables, net	2,736,534	100,824	2,837,358
Inventory		9,712	9,712
Restricted assets:			
Restricted cash and cash equivalents	505,850		505,850
Capital assets:			
Construction in progress	437,416		437,416
Other Capital Assets net of depreciation	5,810,305	73,462	5,883,767
Total Assets	16,345,621	392,507	16,738,128
LIABILITIES:			
Accounts payable	2,870,906	11,337	2,882,243
Interfunds payable		25,937	25,937
Payable to state government	109		109
Payable to federal government	45,732		45,732
Deferred revenue	1,059,128		1,059,128
Noncurrent liabilities:			
Due within one year:			
Capital leases payable	89,623		89,623
Due beyond one year:			
Compensated absences payable	1,231,423		1,231,423
Capital leases payable	124,171		124,171
Total liabilities	5,421,092	37,274	5,458,366
NET ASSETS:			
Invested in capital assets, net of related debt	6,033,927	73,462	6,107,389
Restricted for:			
Capital projects fund	1,531,640		1,531,640
Special revenue fund(deficit)	(39,182)		(39,182)
Other purposes	4,765,240		4,765,240
Unrestricted (deficit)	(1,367,096)	281,771	(1,085,325)
Total net assets	$10,924,529	$355,233	$11,279,762

See accompanying notes to financial statements.

EXHIBIT "A-2"

BOROUGH OF ROSELLE SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
JUNE 30, 2010

Functions/Programs	Expenses	Programs Revenues: Charges for Services	Programs Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Business-type Activities	Net (Expense) Revenue and Changes in Net Assets: Total
Governmental Activities:						
Instruction:						
Regular	$ 19,121,220	$	$ 3,214,410	$ (15,906,810)	$	$ (15,906,810)
Special	4,775,597		304,698	(4,470,899)		(4,470,899)
Other Instruction	3,727,847		279,307	(3,448,540)		(3,448,540)
Support services:						
Tuition	5,162,562			(5,162,562)		(5,162,562)
Student & instruction related services	6,046,005		1,444,697	(4,601,308)		(4,601,308)
General administrative services	1,228,057		25,392	(1,202,665)		(1,202,665)
School administrative services	2,524,188		203,132	(2,321,056)		(2,321,056)
Central service/Admin information technology	1,200,556		76,175	(1,124,381)		(1,124,381)
Plant operations and maintenance	4,477,769		177,741	(4,300,028)		(4,300,028)
Pupil transportation	2,206,990			(2,206,990)		(2,206,990)
Special Schools	8,400			(8,400)		(8,400)
Contribution to charter schools	45,111			(45,111)		(45,111)
Total governmental activities	50,524,302		5,725,552	(44,798,750)		(44,798,750)
Business-type activities						
Food Service	1,244,170	263,160	1,010,075		29,065	29,065
Community School	1,189	1,610			421	421
Total business-type activities	1,245,359	264,770	1,010,075		29,486	29,486
Total primary government	$ 51,769,661	$ 264,770	$ 6,735,627	$ (44,798,750)	$ 29,486	$ (44,769,264)
General Revenues:						
Taxes:						
Property taxes, levied for general purposes, net				$ 23,438,800	$	$ 23,438,800
Federal and state aid not restricted				20,645,729		20,645,729
Federal and state aid restricted				231,537		231,537
Miscellaneous income				142,700		142,700
Transfers				(37,424)	37,424	
Total general revenues and special items				44,421,342	37,424	44,458,766
Change in net Assets				(377,408)	66,910	(310,498)
Net Assets - beginning				11,301,937	$ 288,323	11,590,260
Net Assets ending				$ 10,924,529	$ 355,233	$ 11,279,762

See accompanying notes to financial statements.

MAJOR FUND FINANCIAL STATEMENTS

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

EXHIBIT "B-1"
SHEET #1

BOROUGH OF ROSELLE SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS:				
Cash and cash equivalents	$5,829,726		$1,531,640	$7,361,366
Interfund	375,168			375,168
Receivables from other governments	869,640	1,851,822		2,721,462
Total assets	7,074,534	1,851,822	1,531,640	10,457,996
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts payable	2,434,103	436,803		2,870,906
Interfund payables	10,864	349,232		360,096
Payable to state government		45,732		45,732
Payable to federal government		109		109
Deferred revenue		1,059,128		1,059,128
Total liabilities	2,444,967	1,891,004		4,335,971
Fund balances:				
Reserved for:				
Encumbrances	1,022,551			1,022,551
Capital reserve	505,850			505,850
Excess surplus - Designated for Subsequent years expenditure	4,259,390			4,259,390
Unreserved, reported in:				
General fund:				
Undesignated(deficit)	(1,158,224)			(1,158,224)
Capital projects fund			1,531,640	1,531,640
Special revenue fund (deficit)		(39,182)		(39,182)
Total fund balances	4,629,567	(39,182)	1,531,640	6,122,025
Total liabilities and fund balances	$7,074,534	$1,851,822	$1,531,640	

See accompanying notes to financial statements.

EXHIBIT "B-1"
SHEET #2

BOROUGH OF ROSELLE SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010

Total Fund Balances (Brought Forward)		$6,122,025
Amounts Reported for Governmental Activities in the Statement of Net Assets (A-1) are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Cost of Assets	$15,867,165	
Accumulated Depreciation	(9,619,444)	
		6,247,721
Long term liabilities, including bonds payable, and other related amounts that are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Compensated Absences	(1,231,423)	
Capital Leases	(213,794)	
		(1,445,217)
Net Assets of Governmental Activities		$10,924,529

See accompanying notes to financial statements.

EXHIBIT "B-2"

BOROUGH OF ROSELLE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:				
Local sources:				
Local tax levy	$23,438,800			$23,438,800
Tuition	3,506			3,506
Interest on investments	42,573			42,573
Miscellaneous	96,621	$20,343		116,964
Total revenues - local sources	23,581,500	20,343		23,601,843
State sources	19,260,886	684,020		19,944,906
Federal sources	3,923,999	2,713,570		6,637,569
Total revenues	46,766,385	3,417,933		50,184,318
EXPENDITURES:				
Current expense:				
Regular instruction	12,330,485	1,984,849		14,315,334
Special instruction	3,665,555			3,665,555
Other Instruction	2,714,285			2,714,285
Support services:				
Tuition	5,162,562			5,162,562
Student & instruction related services	3,886,142	1,165,390		5,051,532
General administrative services	1,099,761			1,099,761
School administrative services	1,765,070			1,765,070
Central services	624,366			624,366
Administration information technology	305,838			305,838
Plant operations and maintenance	3,818,314			3,818,314
Pupil transportation	2,187,901			2,187,901
Unallocated benefits	9,078,347			9,078,347
Capital outlay	913,758	231,537		1,145,295
Special services	8,400			8,400
Contribution to charter schools	45,111			45,111
Total expenditures	47,605,895	3,381,776		50,987,671
Excess (deficiency) of revenues over (under) expenditures	(839,510)	36,157		(803,353)
Other financing sources (uses):				
Transfers in/(out)	(1,507,486)	(37,424)	$1,507,486	(37,424)
Total other financing sources (uses)	(1,507,486)	(37,424)	1,507,486	(37,424)
Net change in fund balances	(2,346,996)	(1,267)	1,507,486	(840,777)
Fund balances(deficit) , July 1, 2009	6,976,563	(37,915)	24,154	6,962,802
Fund balances(deficit), June 30, 2010	$4,629,567	($39,182)	$1,531,640	$6,122,025

See accompanying notes to financial statements.

EXHIBIT "B-3"

BOROUGH OF ROSELLE SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Total net change in fund balances - governmental funds (from B-2)			($840,777)
Amounts reported for governmental activities in the statement of activities (A-2) are different because:			
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period			
Depreciation expense			(318,157.00)
Capital outlays	$1,145,295		
Less: Capital outlays not capitalized	436,236		
		$709,059	
			709,059
Proceeds from debt issues are a financing source in governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.			
Capital lease proceeds			
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.			
Payment of capital lease payable			108,056
In the statement of activities, certain expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).			
Increase in Compensated Absences			(35,589)
Change in net assets of governmental activities			($377,408)

See accompanying notes to financial statements.

OTHER FUNDS

EXHIBIT "B-4"

BOROUGH OF ROSELLE SCHOOL DISTRICT
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2010

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS
ASSETS:	
Current assets:	
Cash and cash equivalents	$208,509
Intergovernmental Receivables:	
State	4,312
Federal	96,512
Inventories	9,712
Total current assets	319,045
Noncurrent assets:	
Furniture, machinery & equipment	271,089
Less accumulated depreciation	(197,627)
Total noncurrent assets	73,462
Total assets	392,507
LIABILITIES:	
Current liabilities:	
Accounts payable	11,337
Interfund	25,937
Total current liabilities	37,274
Total liabilities	37,274
NET ASSETS:	
Invested in capital assets, net	73,462
Unrestricted	281,771
Total net assets	$355,233

See accompanying notes to financial statements.

EXHIBIT "B-5"

BOROUGH OF ROSELLE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS
OPERATING REVENUES:	
Charges for services:	
Daily sales - reimbursable programs	$254,174
Special functions	6,944
Miscellaneous revenue	2,042
Tuition and Book Sales	1,610
Total operating revenues	264,770
OPERATING EXPENSES:	
Salaries	415,397
Employee benefits/taxes	92,335
Management Fee	40,000
Supplies and materials	19,793
Other purchase service	32,989
Depreciation	7,696
Miscellaneous	6,648
Cost of sales	630,501
Total operating expenses	1,245,359
Operating (loss)	(980,589)
NONOPERATING REVENUES (EXPENSES):	
State Sources	
State School Lunch Program	29,031
School Breakfast Program	11,606
Federal Sources	
National School Lunch Program	719,692
Breakfast Program	182,089
National food distribution commodities	67,657
Interest on investments	1
Total nonoperating revenues (expenses)	1,010,076
Income	29,487
Transfers	
Transfers in - special revenue	37,424
Change in net assets	66,911
Total net assets - beginning	288,322
Total net assets - ending	$355,233

See accompanying notes to financial statements.

EXHIBIT "B-6"

BOROUGH OF ROSELLE SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS
Cash flows from operating activities:	
Receipts from customers	$264,771
Payments to ernployees	(415,397)
Payments to employee benefits	(92,335)
Payments to suppliers	(741,072)
Net cash provided by (used for) operating activities)	(984,033)
Cash flows from noncapital financing activities:	
State Sources	39,479
Federal Sources	870,969
Payments in special revenue fund	37,424
Net cash provided by noncapital financing activities:	947,872
Cash flows from capital and related financing activities:	
Purchases of capital assets	(27,244)
Net cash provided by (used for) capital and related financing activities	(27,244)
Cash flows from investing activities:	
Interest	1
Net cash provided by (used for) investing activities	1
Net increase in cash and cash equivalents	(63,404)
Cash and cash equivalents, July 1, 2009	271,913
Cash and cash equivalents, June 30, 2010	$208,509
Reconciliation of operating income (loss) to net cash provided (used) by operating activities	
Operating income (loss)	($980,589)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation	7,696
Federal commodities	67,657
Change in assets and liabilities:	
Increase in inventories	(99)
Decrease in accounts payable	(99,225)
Increase in interfund	20,527
	(3,444)
Net cash provided by (used for) operating activities	($984,033)

See accompanying notes to financial statements.

EXHIBIT "B-7"

BOROUGH OF ROSELLE SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	PRIVATE PURPOSE AWARD FUND	AGENCY FUNDS
ASSETS:		
Cash and cash equivalents	$206,039	$331,428
Interfunds receivable		10,864.00
Total Assets	206,039	342,292
LIABILITIES:		
Payroll deductions and withholdings		249,553
Due to student groups		92,739
Total liabilities		342,292
NET ASSETS:		
Reserved for Awards and other purposes	206,039	
Total Net Assets	$206,039	$-0-

See accompanying notes to financial statements.

EXHIBIT "B-8"

BOROUGH OF ROSELLE SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	PRIVATE PURPOSE AWARD FUNDS
ADDITIONS:	
Investment earnings:	
Interest	$887
Net investment earnings	887
Total additions	887
DEDUCTIONS:	
Scholarships awarded.	1,500
Total deductions	1,500
Change in net assets	(613)
Net assets beginning of year	206,652
Net assets end of year	$206,039

See accompanying notes to financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The Borough of Roselle School District is a Type II District located in Union County, New Jersey. The School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board of Education of the Roselle School District, comprised of nine elected individuals, is the primary governing authority of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

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

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

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government

2. The primary government, or its component unit, is entitled to, or has the ability to otherwise access, a majority of the economic resources of the organization

3. The economic resources received or held by an *individual organization* that the specific primary government, or its component units, is entitle to, or has the ability to otherwise access, are significant to that primary government

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (continued)

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

Basis of Presentation

The District's basic financial statements consist of District-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Fund Financial Statements: During the fiscal year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements are presented for each fund category-governmental, proprietary, and fiduciary. 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 as the oversight entity believes that the presentation of all funds as major is important for the public interest and to promote consistency among District financial reporting models.

Governmental Funds

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

As required by the New Jersey Statement Department of Education, the District includes budgeted capital outlay in this fund. U.S. Generally Accepted Accounting Principles as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes, and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital 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 the current expense by Board resolution; in certain instances approval by the County Superintendent of Schools may also be required.

Special Revenue Fund The special revenue fund is used to account for the proceeds of specific revenue sources from State and Federal Government (other than those for major capital projects, debt service or proprietary funds) and local appropriations that are legally restricted to expenditures for specified purposes.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Proprietary Funds

Enterprise Fund The enterprise fund accounts for all revenues and expenses pertaining to the District's Food Service Child Care, Community School, Preschool and Digital Media programs operations. These funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (*i.e.* expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Fiduciary Funds

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting-Measurement Focus

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(f)1. Expenditures may not legally exceed budgeted appropriations at the line item level. All budget amendments and transfers must be approved by School Board resolution. Budget amendments during the year ended June 30, 2010 totaled $40,745.

All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year). Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures. Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles (GAAP) with the exception of the legally mandated (NJSA 18A:22-44.2) revenue recognition of one or more deferred State Aid payments for budgetary purposes only due to the State deferral of such payments into the subsequent budget year and the accounting treatment of encumbrances in the special revenue fund as described 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control (Continued)

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 recognized encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial records.

Encumbrance Accounting

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

Open encumbrances in the special revenue and capital project funds for which the District has received advances are reflected in the balance sheet as deferred revenues at fiscal year end.

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

Interfunds

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories and Prepaid Expenses

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

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

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

Capital Assets

The District has an established formal system of accounting for its capital assets. Capital Assets used for governmental purposes, which include land, buildings and improvements and furniture and equipment, are only reported in the district-wide financial statements. The District generally defines capital assets as assets with an initial cost of $2,000.00 or more and a estimated useful life in excess of one year. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated in the district-wide statements using the straight-line method over the following estimated useful lives:

	Estimated Life
School Buildings	50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office & computer equipment	10
Instructional equipment	10
Grounds equipment	15

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy and/or collective bargaining unit contracts. Upon termination, employees are paid for accrued vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after four years of service.

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

For the district-wide statements, the current portion is the amount estimated to be used in the following year. For the governmental funds in the fund financial statements, a liability is reported only for to the extent of the amount actually due at year end as a result of employee resignations/retirements. Compensated absences are a reconciling item between the fund level and district-wide presentations.

Deferred Revenue

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

Accrued Liabilities and Long-Term Obligations

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets

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

Fund Balance Reserves

The District reserves those portions of fund balance which are legally segregated for a specific future use of which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances and excess surplus in accordance with N.J.S.A. 18A:7F-7.

Revenues Exchange and Non-Exchange Transactions

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues - Exchange and Non-Exchange Transactions

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

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the District, these revenues are sales in the Enterprise Funds. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

Allocation of Indirect Expenses

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

Extraordinary and Special Items

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

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

The Board considers petty cash, change funds, cash in banks, and short term investments with original maturities of three months or less as cash and cash equivalents. Investments are stated at cost, which approximates market.

Deposits

New Jersey statutes permit the deposit of public funds in public depositories which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. Each depository participating in the GUDPA system must pledge collateral equal to 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of 75% of its capital funds. No collateral is required for amounts covered by FDIC insurance. The collateral which may be pledged to support these deposits includes obligations of the State and federal governments, insured securities and other collateral approved by the Department. When the capital position of the depository deteriorates or the depository takes an unusually large amount of public deposits, the Department of Banking and Insurance requires additional collateral to be pledged. Under (GUDPA), if a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of the deposits to the governmental unit

The Borough of Roselle School District had the following cash and cash equivalents at June 30, 2010:

Fund Type		Cash in Bank
Governmental	$	9,429,136.00
Proprietary		208,509.00
Fiduciary		648,068.00
	$	10,285,713.00

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

Deposits

Custodial Credit Risk- Deposits – Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The District does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of June 30, 2010, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank of $10,285,713, $289.216 was covered by Federal Depository Insurance, $9,996,497 was covered under the provisions of NJGUDPA.

Investments

The types of investments which may be purchased by the District are strictly limited by the express authority of the N.J.S.A. 18A:20-37 Education, Administration of School Districts. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;

2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a1 et seq., and operated in accordance with 17 C.F.R. § 270.2a7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:2037. These funds are also required to be rated by a nationally recognized statistical rating organization.

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;

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

Investments (Continued)

4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.

5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by School Districts;

6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:2037. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.

7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 C. 52:18A-90.4); or

8. Agreements for the repurchase of fully collateralized securities if:

    a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
    b. the custody of collateral is transferred to a third party;
    c. the maturity of the agreement is not more than 30 days;
    d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 C. 17:1941); and
    e. a master repurchase agreement providing for the custody and security of collateral is executed.

At June 30, 2010 the District had no outstanding investments.

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

NOTE 3: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2010, was as follows:

	Beginning Balance	Additions	Transfers/ Deletions	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Construction in Progress		$437,416		$437,416
Total Capital Assets not being depreciated		437,416		437,416
Site improvements	$93,250	40,000	($27,500)	105,750
Buildings & Building Improvements	10,455,538	62,900	36,004	10,554,442
Machinery & Equipment	4,609,318	168,743	(8,504)	4,769,557
Totals at historical cost	15,158,106	271,643		15,429,749
Gross Assets (Memo only)	15,158,106	709,059		15,867,165
Less: Accumulated Depreciation				
Site improvements	(6,894)	(15,631)		(22,525)
Buildings & Building Improvements	(5,139,644)	(214,958)		(5,354,602)
Machinery & Equipment	(4,154,749)	(87,568)		(4,242,317)
Total Depreciation	(9,301,287)	(318,157)		(9,619,444)
Total capital assets being depreciated, net of depreciation	5,856,819	(46,514)		5,810,305
Total Governmental Fund Activities	$5,856,819	$390,902		$6,247,721
Proprietary Activities:				
Machinery & Equipment	$243,845	$27,244		$271,089
Totals at historical cost	243,845	27,244		271,089
Less: Accumulated Depreciation				
Machinery & Equipment	(189,931)	(7,696)		(197,627)
Total Depreciation	(189,931)	(7,696)		(197,627)
Total Proprietary Fund Activities	$53,914	$19,548		$73,462

NOTE 3: CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functional expenses areas of the District as follows:

Instruction:	
Regular	$139,989
Special Education Instruction	28,634
Other special Instruction	22,271
Support services:	
Student and instruction related	3,182
School administrative services	38,179
General administrative services	38,179
Plant operations and maintenance	28,634
Pupil transportation	19,089
	$318,157

NOTE 4: LONG-TERM DEBT

Bonds are issued by the District pursuant to the provisions of Title 18A, Education, of the New Jersey Statutes and are required to be approved by the voters of the municipality through referendum. The proceeds of bonds are recorded in the Capital Projects Fund and are restricted to the use for which they were approved in the bond referendum. All bonds are retired in annual installments within the statutory period of usefulness

School Bonds issued by the District are entitled to and benefit from the provision of the New Jersey School Board Reserve Act P.L. 1980 c.72. Basically, funds are held by the State of New Jersey within its State Fund for the Support of Free Public Schools as a school bond reserve pledged by law to secure payment of principal and interest due on such bonds in the event of the inability of the issuer to make payments.

NOTE 4: LONG-TERM DEBT (CONTINUED)

The following is a summary of transactions that affect long-term liabilities for the year ended June 30, 2010:

	Compensated Absences Payable	Capital Leases Payable	Total
Balance June 30, 2009	$1,195,834	$321,850	$1,517,684
Additions	35,589		35,589
Reductions		108,056	108,056
Balance June 30, 2010	$1,231,423	$213,794	$1,445,217
Amounts due within one year	$-0-	$89,623	$89,623

Bonds Authorized But Not Issued

As of June 30, 2010, the District had $-0- in bonds authorized but not issued.

Capital Leases Payable

The District is leasing photocopying equipment, under capital leases. This capital leases are for terms of five years. The following is a schedule of the future minimum lease payments under the capital lease and the present value of the net minimum lease payments at June 30, 2010:

Fiscal Year Ended June 30,	Amount
2011	$107,628
2012	87,780
2013	49,939
Total Minimum Lease Payments	245,346
Less: Amount Representing Interest	31,552
Present Value of Lease Payments	$213,794

NOTE 5: PENSION PLANS

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

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

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

Vesting and Benefit Provisions The vesting and benefit provisions of PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years).

NOTE 5: PENSION PLANS (CONTINUED)

Vesting and Benefit Provisions (Continued) Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

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

Significant Legislation Chapter 89, P.L. 2008 - Members of either retirement system who became members before July 1,2007 may retire at age 55 years of service or at age 60 with any number of years service without a reduction in the amount of retirement allowance the members receive. There is a reduction in such an allowance if the member is under 55 years of age with 25 years of service. There is also a reduction in an allowance for members of either system who became members on or after July 1, 2007 and who retire between age 55 and 60 with 25 or more year of service.

Contribution Requirements The contribution policy is set by N.J.S.A. 43:15A and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS currently provide for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of TPAF (i.e. the State of new Jersey makes the employer contribution on behalf of public school districts.

NOTE 5: PENSION PLANS (CONTINUED)

Contribution Requirements (Continued)

Three Year Trend Information for PERS

Year Ended June 30,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2010	$332,553.00	100%	-0-
2009	$284,511.00	100%	-0-
2008	$223,893.00	100%	-0-

During the fiscal years ended June 30, 2010 and 2009, the State of New Jersey did not contribute to the TPAF pension system on behalf of the District. The On-Behalf payment for the year ended June 30, 2008 was $904,753

Chapter 19 of Public Law 2010 provided regular and vocational school districts the option of deferring fifty (50) percent of the District's 2008-09 regular PERS pension liability. Districts that elected to defer the pension liability must begin repaying the deferred amount over fifteen years beginning in April, 2012.

Concurrent with the approval of the PERS pension deferral, Chapter 22 of Public Law 2010 required the Department of Education to reduce State aid for regular and county vocational school districts in the amount of the allowable PERS pension deferral, regardless of whether the school district elected to defer the pension payment. The Borough of Roselle School District elected not to defer the pension payment.

In accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District $1,405,464 during the year ended June 30, 2010 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund statements and schedules as a revenue and expenditure in accordance with GASB 27.

NOTE 6: GASB 45 – OTHER POST-RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2009 there were 84,590 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the state in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The state made post-retirement (PRM) contributions of $1.38 billion for fiscal year 2009 and 3.22 million for fiscal year 2008.

The state is also responsible for the cost attributable to P.L. 1992 c. 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The state paid $116.9 million toward Chapter 126 benefits for 13,320 eligible retired members in Fiscal Year 2009.

The State will set the contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the years ended June 30, 2010, 2009 and 2008 were $1,076,380, $1,104,791 and $1,059,403 respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

NOTE 7: LITIGATION

The District's counsel advises that there is no litigation, pending litigation, claims, contingent liabilities, unasserted claims or assessments or statutory violations which involve the School District and which might materially affect the District's financial position.

NOTE 8: CONTINGENCIES

The District receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2009-2010 fiscal year were subject to the U.S. OMB Circular A-133 and New Jersey OMB Circular 04-04 which mandates that grant revenues and expenditures be audited in conjunction with the District's annual audit if expenditures for federal or state programs exceed $500,000.00 Findings and questioned costs, if any, relative to federal and state financial assistance programs are discussed in the Single Audit Section, Schedule of Findings and Questioned Costs. In addition, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. The District's management does not believe any such audit would result in material amounts of disallowed costs.

NOTE 9: RISK MANAGEMENT

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

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

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

NOTE 10: COMPENSATED ABSENCES

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

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

The liability for vested compensated absences of the governmental fund types are recorded in the district - wide statement of net assets. As of June 30, 2010, a liability existed for compensated absences for governmental fund-types in the district- wide Statement of Net Assets of $1,231,423.

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

NOTE 11: FUND BALANCE APPROPRIATED

General Fund Of the $4,629,567 in General Fund Balance at June 30, 2010, $1,022,551 has been reserved for encumbrances; $4,259,390 is reserved for excess surplus in accordance with N.J.S.A. 18A:7F7 $4,259,390 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ended June 30, 2011; $505,850 has been reserved in the Capital Reserve Account; and ($1,158,224) is unreserved and undesignated.

NOTE 12: CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS

Calculation of Excess Surplus In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2007, c73 (S1701), the designation for Reserved Fund Balance- Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if the District did not appropriate a required minimum amount as budgeted fund balance in the subsequent year's budget.

General Fund Expenditures:		
Fiscal Year Ended, June 30 2010		$47,605,896
Add:		
Transfer from Capital Outlay to Capital Projects		1,507,486
Less:		
Reimb. TPAF Social Security Contributions	$1,405,465	
Reimb. TPAF Pension Contributions	1,133,691	
		2,539,156
Adjusted General Fund Expenditures		$46,574,226
Excess Surplus Percentage		2.00%
		$931,485
Increased by:		
Extraordinary Aid (unbudgeted)		869,640
Maximum Unreserved/Undesignated		
General Fund Balance		$1,801,125
Actual Unreserved/Undesignated		
General Fund Balance		1,194,321
Excess Surplus		-0-
Recapitulation of Excess Surplus, June 30, 2010:		
Reserved for Excess Surplus - Designated for		
Subsequent Year's Expenditure		$4,259,390
Reserved for Excess Surplus		-0-
		$4,259,390

Based on the above calculation, as of June 30, 2010 $4,259,390 is reported as Reserved Fund Balance Excess Surplus Designated for Subsequent Year's Expenditure and is required to be appropriated for property tax relief in the 2010-11 budget.

NOTE 13: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2010:

Fund	Interfund Balance Receivable	Payable
General Fund	$ 375,168	$ 10,864.00
Special Revenue Fund		349,232
Enterprise Fund		25,937
Fiduciary Fund	10,864	
	$ 386,032	$ 386,032

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

NOTE 14: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Borough of Roselle Board of Education in the amount of $2,705,474 in the 2002-2003 school year for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department 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 (June 1 to June 30) of any unanticipated revenue or unexpended line item appropriations, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special election dates authorized by N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

During the year ended June 30, 2010, the District had no activity against the Capital Reserve Account.

NOTE 15: DEFICIT FUND BALANCES

The District has a deficit fund balance of ($1,128,254) in the General Fund and ($39,182) in the Special Revenue Fund as of June 30, 2010 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last 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 state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last state aid payment, the General and Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties. Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statement of $1,167,436 is less than the last state payment.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

EXHIBIT "C-1"
SHEET #1

BOROUGH OF ROSELLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENT	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES					
Local Sources:					
Local Tax Levy	$23,438,800		$23,438,800	$23,438,800	
Tuition	51,392		51,392	3,506	($47,886)
Miscellaneous	60,000		60,000	139,195	79,195
Total Revenues - Local Sources	23,550,192		23,550,192	23,581,501	31,309
State Sources:					
Categorical Special Education Aid	1,627,531		1,627,531	1,627,531	
Categorical Transportation Aid	381,106		381,106	247,719	(133,387)
Equalization Aid	20,851,570	(3,783,435)	17,068,135	13,499,185	(3,568,950)
Categorical Security Aid	955,415		955,415	621,020	(334,395)
Extraordinary aid	230,999		230,999	869,640	638,641
On-behalf TPAF Pension Contribution (non-budgeted)				1,133,691	1,133,691
Reimbursed TPAF Social Security Contribution (non-budgeted)				1,405,465	1,405,465
Total - State Sources	24,046,621	(3,783,435)	20,263,186	19,404,251	(858,935)
Federal Sources					
ARRA -Educational Stabilization Fund		3,642,431	3,642,431	3,642,431	
ARRA -Government Stabilization Fund		141,004	141,004	141,004	
Medicaid Reimbursement	100,727		100,727	140,564	39,837
Total - Federal Sources	100,727	3,783,435	3,884,162	3,923,999	39,837
Total Revenues	47,697,540		47,697,540	46,909,751	(787,789)
EXPENDITURES					
Current Expenses:					
Instruction - Regular programs:					
Salaries of teachers:					
Preschool/Kindergarten	509,530	(10,000)	499,530	496,409	3,121
Grades 1-5	3,734,951	108,774	3,843,725	3,780,822	62,903
Grades 6-8	2,416,428	31,500	2,447,928	2,417,927	30,001
Grades 9-12	4,091,258	42,674	4,133,932	3,948,932	185,000
Regular Programs - Home Instruction:					
Salaries of Teachers	119,830	(12,000)	107,830	107,803	28
Regular Programs - Undistributed Instruction:					
Purchased Professional - Educational services	86,749	(2,456)	84,293	27,075	57,218
Other Purchased Services	3,300	94	3,394	554	2,840
General Supplies	798,179	455,878	1,254,057	1,085,879	168,178
Textbooks	398,958	(13,433)	385,525	246,139	139,386
Other Objects	152,435	66,510	218,945	218,945	
Total Regular Programs	12,311,618	667,541	12,979,159	12,330,485	648,674

EXHIBIT "C-1"
SHEET #2

BOROUGH OF ROSELLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENT	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Special Education Programs:					
Learning and/or Language Disabilities					
Salaries Of Teachers	1,231,241		1,231,241	1,118,959	112,282
Other salaries for instruction	762,242		762,242	709,258	52,984
Other Purchased Services	5,000	(3,076)	1,924	1,923	1
General Supplies	20,833	(12,993)	7,840	7,277	563
Textbooks	1,000	(1,000)			
Total Learning and/or Language Disabilities	2,020,316	(17,069)	2,003,247	1,837,417	165,830
Multiple Disabilities					
Salaries of teachers	65,000		65,000	63,416	1,584
Other Salaries for Instruction	35,000		35,000	33,716	1,284
General Supplies	55,000	(29,021)	25,979	24,289	1,690
Total Multiple Disabilities	155,000	(29,021)	125,979	121,421	4,558
Resource Room/Resource Center					
Salaries of teachers	1,460,387		1,460,387	1,401,263	59,124
General Supplies	2,000	(1,705)	295	295	
Total Resource Room/Center	1,462,387	(1,705)	1,460,682	1,401,558	59,124
Salaries of Teachers	201,780		201,780	170,344	31,436
Other Salaries for Instruction	170,988		170,988	133,876	37,112
General supplies	7,972	(6,697)	1,275	940	335
Textbooks	1,844	(1,844)			
Total Autism Disabilities	382,584	(8,541)	374,043	305,159	68,884
Total Special Education	4,020,287	(56,336)	3,963,951	3,665,555	298,396
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	831,114		831,114	761,305	69,809
Total Basic Skills/Remedial	831,114		831,114	761,305	69,809
Bilingual Education:					
Salaries of Teachers	847,577	(108)	847,469	807,271	40,198
Other Salaries for Instruction	360,972	(14,283)	346,689	316,689	30,000
Purchased Professional - Educational services	3,800		3,800	3,130	670
General Supplies	16,430		16,430	15,419	1,011
Textbooks	7,758		7,758	6,787	971
Other Objects	3,850	3,523	7,373	3,256	4,117
Total Bilingual Education	1,240,387	(10,868)	1,229,519	1,152,551	76,968
School Sponsored Athletics:					
Salaries	355,829	(55,890)	299,939	297,547	2,392
Supplies and Materials	90,740	34,348	125,088	106,912	18,176
Other Objects	34,851	4,300	39,151	39,064	87
Total School Sponsored Athletics	481,420	(17,242)	464,178	443,523	20,655

EXHIBIT "C-1"
SHEET #3

BOROUGH OF ROSELLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENT	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Other Instructional Programs:					
Salaries	141,061	(25,000)	116,061	108,394	7,667
Purchased Services (300-500 series)	15,000		15,000	6,687	8,313
Supplies and Materials	31,790	1,692	33,482	29,902	3,580
Other Objects	14,421	(3,505)	10,916	9,495	1,421
Total Other instructional Programs	202,272	(26,813)	175,459	154,479	20,980
Before/After School Program					
Salaries	131,525	(45,812)	85,713	66,046	19,667
Other Purchased Services		23,810	23,810	20,546	3,264
Total before/After School Program	131,525	(22,002)	109,523	86,592	22,931
Other Supplemental/At-Risk Program					
Salaries	115,836		115,836	115,835	1
Total - Instruction	19,334,459	534,280	19,868,739	18,710,325	1,158,414
Undistributed Expenditures:					
Instruction:					
Tuition - Other LEAs within State - Regular	1,955,481	122,548	2,078,029	1,841,824	236,205
Tuition - County Vocational School Districts-Regular	464,500		464,500	452,550	11,950
Tuition - County Vocational School Districts-Special	60,000		60,000	28,000	32,000
Tuition - Private Schools for handicapped within the St.	3,733,750	(642,809)	3,090,941	2,614,037	476,903
Tuition - State Facilities	226,151		226,151	226,151	
Total Undistributed Expenditures - Instruction	6,439,882	(520,262)	5,919,620	5,162,562	757,058
Attendance and Social Work Services:					
Salaries	118,958	(7,000)	111,958	111,765	193
Other Purchased Services	37,481		37,481	22,439	15,042
Supplies and Materials	500	(500)			
Other Objects	450	(450)			
Total Attendance and Social Services Work:	157,389	(7,950)	149,439	134,204	15,235
Health Services:					
Salaries	381,179		381,179	380,629	550
Purchased Professional and Technical Services	20,706	36,423	57,129	52,071	5,058
Supplies and Materials	10,000	1,113	11,113	9,389	1,724
Other Objects	1,290	(1,200)	90		90
Total Health Services	413,175	36,336	449,511	442,090	7,421

EXHIBIT "C-1"
SHEET #4

BOROUGH OF ROSELLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENT	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Other Support Services - Students - Related Services:					
Salaries	539,893	(30,000)	509,893	424,204	85,689
Supplies and Materials	800		800	662	138
Total Other Support Services - Students-Related Services	540,693	(30,000)	510,693	424,866	85,827
Other Support Services - Students Extra Services					
Purchased Professional - Educational Services	695,000	15,907	710,907	597,591	113,316
Total Other Support Services - Students Extra Services	695,000	15,907	710,907	597,591	113,316
Other Support Services - Students - Regular:					
Salaries of Other Professional Staff	643,637	(25,000)	618,637	613,217	5,420
Salaries of Secretarial and Clerical Assistants	92,835		92,835	92,077	758
Other Salaries	105,740		105,740	98,851	6,889
Purchased Professional - Educational Services	10,591	(591)	10,000		10,000
Other Purchased Professional and Technical Services	69,354		69,354	63,575	5,780
Other Purchased Services (400-500 series)	750		750		750
Supplies and Materials	9,375		9,375	8,009	1,366
Other Objects	1,000	(1,000)			
Total Other Support Services - Students - Regular	933,282	(26,591)	906,691	875,728	30,963
Other Support Services - Students - Special Services:					
Salaries of Other Professional Staff	642,386	(15,329)	627,057	487,502	139,555
Salaries of Secretarial and Clerical Assistants	155,422	(15,000)	140,422	140,136	286
Purchased Professional - Educational Services	92,059		92,059	88,348	3,711
Other Purchased Professional and Technical Services	6,749		6,749	6,749	
Miscellaneous Purchased Services	38,270	(20,000)	18,270	14,118	4,152
Supplies and Materials	42,267	(9,402)	32,865	25,208	7,657
Other Objects	4,920	471	5,391	4,613	778
Total Other Support Services - Students - Special Svces.	982,073	(59,260)	922,813	766,674	156,139
Improvement of Instruction Services:					
Salaries of Other Professional Staff	71,496	(30,082)	41,414	31,750	9,664
Salaries of Secretarial and Clerical Assistants	34,312	486	34,798	34,798	
Other Salaries	249,001	(30,000)	219,001	102,566	116,435
Purchased Professional - Educational Services	4,610	(4,610)			
Other Purchased Prof. & Tech. Services	57,640	11,860	69,500	10,570	58,930
Other Purchased Services	4,020	(2,590)	1,430	1,430	
Supplies and Materials	60,580	36,483	97,063	42,357	54,706
Total Improvement of Instructional Services	481,659	(18,453)	463,206	223,471	239,735
Educational Media Services/School Library:					
Salaries	147,114	(20,486)	126,628	122,852	3,776
Purchased Professional and Technical Services	85,315	(64,000)	21,315	18,943	2,372
Other Purchased Services	15,038	(1,000)	14,038	13,587	451
Supplies and materials	188,289	9,500	197,789	168,648	29,141
Total Educational Media/School Library	435,756	(75,986)	359,770	324,029	35,741

EXHIBIT "C-1"
SHEET #5

BOROUGH OF ROSELLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENT	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Instructional Staff Training Services					
Salaries	27,073		27,073	27,071	2
Purchased Professional and Technical Services	83,200	381	83,581	70,418	13,163
	110,273	381	110,654	97,489	13,165
Support Services - General Administration:					
Salaries	343,169	14,391	357,560	463,827	(106,267)
Legal Services	140,000	183,240	323,240	261,038	62,202
Audit Fees	48,300		48,300	48,300	
Communications/Telephone	142,500	9,630	152,130	143,662	8,468
BOE Other Purchased Services	20,000		20,000	14,098	5,902
Other Purchased Services (400-500 series)	97,881	(6,725)	91,156	89,152	2,004
Supplies and Materials	20,096	728	20,824	15,088	5,736
Miscellaneous Expenditures	32,207	21,521	53,728	42,451	11,277
BOE Membership Dues and Fees	23,099	(954)	22,145	22,145	
Total Support Services General Administration	867,252	221,831	1,089,083	1,099,761	(10,678)
Support Services School Administration					
Salaries of Principals/Asst. Principals	1,247,254	(45,000)	1,202,254	1,157,783	44,471
Salaries of Secretarial and clerical Assistants	551,448	15,000	566,448	566,136	312
Other Purchased Services (400-500 series)					
Supplies and Materials	57,419	(7,191)	50,228	41,151	9,077
Total Support Services School Administration	1,856,121	(37,191)	1,818,930	1,765,070	53,860
Support Services Central Services					
Salaries	556,909	(13,500)	543,409	542,995	414
Purchased Technical Services	97,920	(35,500)	62,420	48,720	13,700
Other Purchased Services (400-500 series)					
Supplies and Materials	12,500	665	13,165	11,683	1,482
Interest on Lease Purchase Agreements	24,620	642	25,262	20,967	4,295
Total Support Services Central Services	691,949	(47,693)	644,256	624,366	19,890
Support Services Admin. Info Technology					
Salaries	236,036	34,000	270,036	270,036	
Other Purchased Services (400-500 series)	39,400	2,979	42,379	35,802	6,577
Total Support Services Admin. Info Technology	275,436	36,979	312,415	305,838	6,577
Required Maintenance for School Facilities:					
Salaries	168,455		168,455	115,848	52,607
Cleaning, Repair and Maintenance Services	169,150	31,384	200,534	199,236	1,298
General Supplies	43,000	12,336	55,336	51,723	3,614
Total Required Maintenance for School Facilities	380,605	43,720	424,325	366,806	57,519

BOROUGH OF ROSELLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENT	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Other Operations & Maintenance of Plant:					
Salaries	656,148	(25,000)	631,148	630,925	223
Purchase Professional Services	450,000	(7,765)	442,235	442,148	86
Cleaning, Repair and Maintenance Services	325,443	106,707	432,150	400,412	31,738
Rental of Land & Building Other than Lease Purchase Agr.	650,752	(15,871)	634,881	633,853	1,028
Insurance	183,082		183,082	183,082	
Miscellaneous Purchased Services	1,500		1,500	403	1,097
General Supplies	101,681	1,492	103,173	69,621	33,553
Energy (Electricity)	413,000	18,950	431,950	416,650	15,300
Energy Natural Ga)	290,421	(10,000)	280,421	247,649	32,772
Total Other Operations & Maintenance of Plant	3,072,027	68,513	3,140,540	3,024,743	115,797
Care & Upkeep of Grounds					
Salaries	112,605		112,605	112,564	41
Cleaning, Repair and Maintenance Services	20,000	9,500	29,500	20,000	9,500
General Supplies	25,000		25,000	23,588	1,412
Total Care & Upkeeps of grounds	157,605	9,500	167,105	156,152	10,953
Security					
Salaries	362,658	5,000	367,658	270,613	97,045
Total Operation and Maintenance of Plant services	3,972,895	126,733	4,099,628	3,818,315	281,313
Student Transportation Services					
Management Fee - ESC & CTSA Transportation Program	95,423		95,423	81,309	14,114
Contracted Services (between home and school - vend.	928,695		928,695	828,695	100,000
Contracted Services (other than between home and sc	156,710	(11,740)	144,970	94,217	50,753
Contracted Services (special education students) - Joint	1,508,105	(254,000)	1,254,105	1,183,680	70,425
Total Student Transportation Services	2,688,933	(265,740)	2,423,193	2,187,901	235,292
Unallocated Benefits:					
Social Security Contributions	330,091		330,091	330,091	
Other Retirement Contributions-Regular	503,735	(13,195)	490,540	484,677	5,864
Unemployment Compensation	63,000	18,195	81,195	81,195	
Workers Compensation	255,911	(127,265)	128,646	128,646	
Health Benefits	6,018,092	337,000	6,355,092	5,355,083	1,000,009
Tuition Reimbursement	87,417	(15,000)	72,417	66,613	5,804
Other Employee Benefits	196,209	(91,000)	105,209	92,886	12,323
Total Unallocated Benefits	7,454,455	108,735	7,563,190	6,539,191	1,023,999
On-behalf TPAF Pension Contributions (non-budgeted)				1,133,691	(1,133,691)
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,405,465	(1,405,465)
Total Undistributed Expenditures	28,996,223	(542,223)	28,454,000	27,928,301	3,064,854
TOTAL EXPENDITURES - CURRENT EXPENSE Fund 11	48,330,682	(7,943)	48,322,739	46,638,627	4,223,268

EXHIBIT "C-1"
SHEET #7

BOROUGH OF ROSELLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENT	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
CAPITAL OUTLAY					
Equipment:					
Kindergarten	2,000	2,000	4,000	4,000	
Grades 1-5	5,000	1,500	6,500	6,500	
Grades 6-8	8,270	3,025	11,295	11,295	
Grades 9-12	33,423	(582)	32,841	7,841	25,000
Instruction	140,000	(7,184)	132,816	132,816	
General Administration	1,500		1,500	1,500	
Central Services	50,000		50,000		50,000
School Administration	1,500		1,500	1,500	
Custodial services	20,000	25,000	45,000	42,874	2,126
Care and Upkeep of Grounds	20,000	21,000	41,000	41,000	
Security	50,000	(50,000)			
Total Equipment	331,693	(5,241)	326,452	249,326	77,126
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	20,000	62,752	82,752	82,752	
Construction Services	1,431,226	(894,169)	537,057	491,785	45,272
Lease Purchase Agreements-Principal	130,439	92,610	223,049	89,895	133,153
Total Facilities Acquisition and Construction Services	1,581,665	(738,808)	842,857	664,432	178,425
TOTAL CAPITAL OUTLAY	1,913,358	(744,049)	1,169,309	913,758	255,551
SPECIAL SCHOOLS					
Adult Education - Local - Instruction					
Salaries	8,400		8,400	8,400	
Total Adult Education - Local - Instruction	8,400		8,400	8,400	
TOTAL SPECIAL SCHOOLS	8,400		8,400	8,400	
Transfer of funds to Charter Schools	53,898	3,078	56,976	45,112	11,865
TOTAL TRANSFER TO CHARTER SCHOOLS	53,898	3,078	56,976	45,112	11,865

EXHIBIT "C-1"
SHEET #8

BOROUGH OF ROSELLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENT	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Total Expenditures	50,306,338	(748,913)	49,557,425	47,605,896	4,490,684
Excess (deficiency) of Revenues Over (under) Expenditures	(2,608,798)	748,913	(1,859,885)	(696,145)	3,435,479
Other Financing Sources					
Capital Outlay- Transfer to Capital Project		(1,507,486)	(1,507,486)	(1,507,486)	
Total Other financing Sources		(1,507,486)	(1,507,486)	(1,507,486)	
Excess of Revenues and other Financing Sources Over Expenditures and Other Expenditures and other Financing Sources	(2,608,798)	(758,573)	(3,367,371)	(2,203,631)	3,435,479
Fund Balances, July 1	9,185,743		9,185,743	9,185,743	
Fund Balances, June 30	$6,576,945	($758,573)	$5,818,372	$6,982,112	$3,435,479
Recapitulation:					
Reserve for Encumbrances				$1,022,551	
Excess Surplus-Designated For Subsequent Year's Expenditures				4,259,390	
Reserve- Capital reserve acct				505,850	
Unreserved Fund Balance				1,194,321	
				6,982,112	
Reconciliation to Government Fund Statements					
Last State aid payments not recognized on GAAP basis				(2,352,545)	
Fund Balance per Governmental Funds (GAAP)				$4,629,567	

EXHIBIT "C-1A"

BOROUGH OF ROSELLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND - ARRA ESF
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENT	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES:					
Federal sources:	$	$ 3,642,431.00	$ 3,642,431.00	$ 3,642,431.00	$
Total revenues	$	$ 3,642,431.00	$ 3,642,431.00	$ 3,642,431.00	$
GENERAL CURRENT EXPENSE:					
Instruction regular programs					
Salaries of Teachers-Kindergarten	$	$ 436,530.48	$ 436,530.48	$ 436,530.48	$
Salaries of Teachers-Grades 1-5		2,672,184.84	2,672,184.84	2,672,184.84	
Total instruction regular programs		3,108,715.32	3,108,715.32	3,108,715.32	
Undistributed expenses:					
Health Benefits		533,715.68	533,715.68	533,715.68	
		533,715.68	533,715.68	533,715.68	
TOTAL EXPENDITURES - CURRENT EXPENSE	$	$ 3,642,431.00	$ 3,642,431.00	$ 3,642,431.00	$

EXHIBIT "C-1B"

BOROUGH OF ROSELLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND - ARRA ESF
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENT	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES:					
Federal sources	$	$ 141,004.00	$ 141,004.00	$ 141,004.00	$
Total revenues	$	$ 141,004.00	$ 141,004.00	$ 141,004.00	$
GENERAL CURRENT EXPENSE:					
Security:					
Salaries	$	$ 100,311.10	$ 100,311.10	$ 100,311.10	$
Total instruction regular programs		100,311.10	100,311.10	100,311.10	
Undistributed expenses:					
Health Benefits		40,692.90	40,692.90	40,692.90	
		40,692.90	40,692.90	40,692.90	
TOTAL EXPENDITURES - CURRENT EXPENSE	$	$ 141,004.00	$ 141,004.00	$ 141,004.00	$

EXHIBIT "C-2"

BOROUGH OF ROSELLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES:					
State sources	$ 860,050	$ 420,523	$ 1,280,573	$ 655,836	$ (624,737)
Federal sources	2,119,632	2,947,028	5,066,660	3,261,170	(1,805,489)
Other sources		26,958	26,958	20,543	(6,415)
Total revenues	$ 2,979,682	$ 3,394,509	$ 6,374,191	$ 3,937,549	$ (2,436,641)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	$ 798,675	$ 155,965	$ 954,640	$ 806,077	$ 148,563
Salaries of Other Professional Staff	231,560	13,121	244,681	231,886	12,795
Other Salaries for instruction	88,918		88,918	88,917	1
Purchased Professional and Educational Services	143,239	136,912	280,151	216,544	63,607
Other Purchased Services	303,452	89,638	393,090	340,694	52,396
General Supplies	87,666	855,616	943,282	509,486	433,796
Textbooks	54,788	1,264	56,052	29,626	26,426
Other Objects	5,350	(2,712)	2,638	713	1,925
Total instruction	1,713,648	1,249,805	2,963,453	2,223,943	739,510
Support services:					
Salaries of Supervisors of Instruction	77,913	209,207	287,120	97,759	189,361
Salaries of Other Professional Staff	263,112	122,957	386,069	285,532	100,537
Salaries of Secretarial and Clerical Asst.		54,600	54,600	4,146	50,454
Other Salaries	8,760	91,344	100,104	19,958	80,146
Personal services - employee benefits	250,733	136,000	386,733	335,188	51,544
Purchased Professional-Educational Services	575,608	311,871	887,479	603,606	283,873
Rentals		4,500	4,500	1,984	2,516
Other Purchased Professional Services	25,346	109,497	134,843	64,389	70,454
Travel	11,316	(2,966)	8,350	781	7,569
Supplies and Materials	11,169	53,841	65,010	48,691	16,319
Miscellaneous Expenditures		9,455	9,455	90	9,365
Total support services	1,223,957	1,100,304	2,324,261	1,462,123	862,137
Facilities acquisition and construction services:					
Instructional equipment	42,077	290,061	332,138	214,059	118,079
Construction Services		716,915	716,915		716,915
Total facilities acquisition and construction serv.	42,077	1,006,976	1,049,053	214,059	834,994
Total expenditures	2,979,682	3,357,085	6,336,767	3,900,125	2,436,641
Excess (deficiency) of revenues over (under) expenditures		37,424	37,424	37,424	
Other financing sources (uses):					
Transfer-Food Service Fund		(37,424)	(37,424)	(37,424)	
Total other financing sources (uses)		(37,424)	(37,424)	(37,424)	
Excess (deficiency) of revenues over (under) expenditures and other financing sources (uses)	$	$	$	$	

EXHIBIT "C-3"

BOROUGH OF ROSELLE SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
BUDGET TO GAAP RECONCILIATION
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Note A - Explanation of difference between budgetary inflows and outflows and GAAP Revenues and Expenditures

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	$46,909,751	$3,937,549
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	N/A	
Current Year		(636,325)
Prior Year		117,976
The last State aid payment of the current year is recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	(2,352,545)	(39,182)
The last State aid payment of the prior year is recognized as revenue under GAAP when the State recognizes the related expense (GASB 33). (This revenue was recognized during the previous fiscal year for budgetary purposes.)	2,209,180	37,915
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	$46,766,386	$3,417,933
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule.	$47,605,895.80	$3,900,125.21
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.	N/A	
Current Year		(636,325)
Prior Year		117,976
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	$47,605,895.80	$3,381,776.49

SPECIAL REVENUE FUND
DETAIL STATEMENTS

SPECIAL REVENUE FUND
DETAIL STATEMENTS

EXHIBIT "E-1"
SHEET #1

BOROUGH OF ROSELLE SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Preschool Education Aid	Title I Sch. Imp.	Title I Sch. Imp. Carryover	ARRA Title I	Non-Public Nursing	Non-Public Textbooks	Non-Public Transportation	Non-Public English as a Second Language
REVENUES:								
Federal sources	$ -	$ 20,829	$ 17,011	$ 313,339	$ -	$ -	$ -	
State sources	265,675				52,341	29,626	23,290	9,787
Local Sources								
Total Revenues	265,675	20,829	17,011	313,339	52,341	29,626	23,290	9,787
EXPENDITURES:								
Instruction:								
Salaries of Teachers	103,604			17,784				
Salaries of Other Professional Staff								
Other Salaries for Instruction	84,071							
Purchased Professional and Technical Services			2,362	66,545				
Other Purchased Services			1,800	5,900			23,290	9,787
Travel								
General Supplies		20,829	1,549	179,112				
Textbooks						29,626		
Miscellaneous Expenditures								
Total Instruction	187,675	20,829	5,711	269,341		29,626	23,290	9,787
Support services:								
Salaries of Supervisors of Instruction				4,995				
Salaries of Other Professional Staff								
Salaries of Secretarial and Clerical Asst.								
Other Salaries								
Purchased Professional-Educational Services	78,000			25,789	52,341			
Personal services - employee benefits				4,007				
Other Purchased Professional Services			1,300	977				
Rental								
Travel								
Supplies and Materials				3,230				
Miscellaneous Expenditures								
Total Support Services	78,000		1,300	38,998	52,341			
Facilities Acquisition and Const. Services:								
Instructional Equipment			10,000	5,000				
Total Facilities Acquisition and Const. Services			10,000	5,000				
Total expenditures	265,675	20,829	17,011	313,339	52,341	29,626	23,290	9,787
Excess (deficiency) of Revenue Over (under) Expenditures								
Other Financing (Uses)								
Transfer-Food Service Fund								
Fund Balance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

EXHIBIT "E-1"
SHEET #2

BOROUGH OF ROSELLE SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Non-Public							
	Compensatory Education	Corrective Speech Speech	Supplementary Instruction	Examination & Classification	Title I ARRA SIA	Title I	Title I Carryover	Title II D
REVENUES:								
Federal sources	$ -	$ -	$ -	$ -	$ 6,273	$ 583,858	$ 50,229	$ 6,052
State sources	126,200	7,532	63,714	77,671				
Local Sources								
Total Revenues	126,200	7,532	63,714	77,671	6,273	583,858	50,229	6,052
EXPENDITURES:								
Instruction:								
Salaries of Teachers						321,967		
Salaries of Other Professional Staff								
Other Salaries for Instruction								
Purchased Professional and Technical Services						137,136		
Other Purchased Services	126,200	7,532	63,714	77,671				
General Supplies					1,174	1,160	9,845	4,543
Textbooks								
Miscellaneous Expenditures								
Total Instruction	126,200	7,532	63,714	77,671	1,174	460,263	9,845	4,543
Support services:								
Salaries of Supervisors of Instruction						26,938		
Salaries of Other Professional Staff								
Salaries of Secretarial and Clerical Asst.								
Other Salaries								
Purchased Professional-Educational Services						45,289	29,577	1,509
Personal services - employee benefits						49,014	7,657	
Other Purchased Professional Services						517	1,753	
Rental						1,397		
Travel								
Supplies and Materials						440	1,399	
Miscellaneous Expenditures								
Total Support Services						123,595	40,384	1,509
Facilities Acquisition and Const. Services:								
Instructional Equipment					5,099			
Total Facilities Acquisition and Const. Services					5,099			
Total expenditures	126,200	7,532	63,714	77,671	6,273	583,858	50,229	6,052
Excess (deficiency) of Revenue Over (under) Expenditures								
Other Financing (Uses)								
Transfer-Food Service Fund								
Fund Balance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

EXHIBIT "E-1"
SHEET #3

BOROUGH OF ROSELLE SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

							I.D.E.A	
	Title II A	Title II A Carryover	Title III	Title III Carryover	Title IV	Title IV Carryover	Part B Basic	Part B Basic Carryover
REVENUES:								
Federal sources	$ 85,433	$ 16,843	$ 58,291	$ 497	$ 11,448	$ 745	$ 863,071	$ 71,345
State sources								
Local Sources								
Total Revenues	85,433	16,843	58,291	497	11,448	745	863,071	71,345
EXPENDITURES:								
Instruction:								
Salaries of Teachers	48,030	1,210	43,150				177,040	8,713
Salaries of Other Professional Staff							231,886	
Other Salaries for Instruction								4,846
Purchased Professional and Technical Services					3,000			
Other Purchased Services								
Travel								
General Supplies	3,303		3,096	497	1,995	215	19,698	16,114
Textbooks								
Miscellaneous Expenditures						158	555	
Total Instruction	51,333	1,210	46,246	497	4,995	373	429,178	29,672
Support services								
Salaries of Supervisors of Instruction							236,467	3,598
Salaries of Other Professional Staff								
Salaries of Secretarial and Clerical Asst								
Other Salaries								
Purchased Professional-Educational Services	23,325	12,860	4,713				91,969	2,790
Personal services - employee benefits	9,617		5,829				102,854	1,128
Other Purchased Professional Services			1,503		2,400	372	2,603	
Rental					587			
Travel								
Supplies and Materials	1,159	2,774			3,466			34,157
Miscellaneous Expenditures								
Total Support Services	34,101	15,633	12,045		6,453	372	433,893	41,673
Facilities Acquisition and Const. Services								
Instructional Equipment								
Total Facilities Acquisition and Const. Services								
Total expenditures	85,433	16,843	58,291	497	11,448	745	863,071	71,345
Excess (deficiency) of Revenue Over (under) Expenditures								
Other Financing (Uses)								
Transfer-Food Service Fund								
Fund Balance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

EXHIBIT "E-1"
SHEET #4

BOROUGH OF ROSELLE SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	I.D.E.A.							
	Preschool Handicapped	Preschool Handicapped Carryover	K-4	ARRA Talent 21	ARRA IDEA	ARRA Food Service	SYETP	Include
REVENUES:								
Federal sources	$ 24,218	$ 11,863	$ 60,000	$ 589,161	$ 159,090	$ 37,424	$ 25,866	$ 159,474
State sources								
Local Sources								
Total Revenues	24,218	11,863	60,000	589,161	159,090	37,424	25,866	159,474
EXPENDITURES:								
Instruction:								
Salaries of Teachers			51,347	15,425			3,300	6,399
Salaries of Other Professional Staff								
Other Salaries for Instruction								
Purchased Professional and Technical Services				7,500				
Other Purchased Services				8,000				
Travel								
General Supplies	732	926		203,238	4,134			19,872
Textbooks								
Miscellaneous Expenditures								
Total Instruction	732	926	51,347	234,162	4,134		3,300	26,271
Support services:								
Salaries of Supervisors of Instruction	18,857	9,848		14,753				42,093
Salaries of Other Professional Staff				4,014			4,800	7,867
Salaries of Secretarial and Clerical Asst.				3,646				
Other Salaries				2,215			15,863	
Purchased Professional-Educational Services		819		64,015	116,942			17,071
Personal services - employee benefits	3,267		8,653	68,161	38,014		1,902	26,520
Other Purchased Professional Services		270		43,803				2,365
Rental								
Travel								268
Supplies and Materials	1,362							706
Miscellaneous Expenditures								90
Total Support Services	23,486	10,937	8,653	200,606	154,956		22,566	96,980
Facilities Acquisition and Const. Services:								
Instructional Equipment				154,393				36,224
Total Facilities Acquisition and Const. Services				154,393				36,224
Total expenditures	24,218	11,863	60,000	589,161	159,090		25,866	159,474
Excess (deficiency) of Revenue Over (under) Expenditures						37,424		
Other Financing (Uses)								
Transfer-Food Service Fund						(37,424)		
Fund Balance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

EXHIBIT "E-1"
SHEET #5

BOROUGH OF ROSELLE SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Include Carryover	NJ Learn & Serve America	Perkins	Safety Grant	Verizon Foundation	Model Award	Personalized Student	Comparative Totals 2010	Comparative Totals 2009
REVENUES:									
Federal sources	$ 66,636	$ 3,277	$ 18,897	$	$	$	$	$ 3,261,170	$ 1,984,418
State sources								655,836	877,955
Local Sources				12,093	750	200	7,500	20,543	1,874
Total Revenues	66,636	3,277	18,897	12,093	750	200	7,500	3,937,549	2,864,247
EXPENDITURES:									
Instruction:									
Salaries of Teachers	5,958		2,152					806,077	935,520
Salaries of Other Professional Staff								231,886	
Other Salaries for Instruction								88,917	295,621
Purchased Professional and Technical Services								216,544	519,178
Other Purchased Services			4,707	12,093				340,694	31,216
Travel									510
General Supplies	3,399	2,397	10,711		750	200		509,486	107,224
Textbooks								29,626	50,348
Miscellaneous Expenditures								713	3,442
Total Instruction	9,358	2,397	17,570	12,093	750	200		2,223,943	1,943,059
Support services:									
Salaries of Supervisors of Instruction	7,980						1,000	366,529	71,368
Salaries of Other Professional Staff	81							16,761	199,004
Salaries of Secretarial and Clerical Asst.			500					4,146	1,000
Other Salaries		880					1,000	19,958	3,434
Purchased Professional-Educational Services	35,598						1,000	603,606	269,889
Personal services - employee benefits	8,363		203					335,188	278,293
Other Purchased Professional Services	1,402		624				4,500	64,389	13,710
Rental								1,984	
Travel	513							781	11,538
Supplies and Materials								48,691	24,587
Miscellaneous Expenditures								90	338
Total Support Services	53,936	880	1,327				7,500	1,462,123	873,161
Facilities Acquisition and Const. Services:									
Instructional Equipment	3,343							214,059	48,027
Total Facilities Acquisition and Const. Services	3,343							214,059	48,027
Total expenditures	66,636	3,277	18,897	12,093	750	200	7,500	3,900,125	2,864,247
Excess (deficiency) of Revenue Over (under) Expenditures								37,424	
Other Financing (Uses)									
Transfer-Food Service Fund								(37,424)	
Fund Balance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

EXHIBIT "E-2"

BOROUGH OF ROSELLE SCHOOL DISTRICT
SPECIAL REVENUE FUND
STATEMENT OF EXPENDITURES PRESCHOOL EDUCATION AID
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Budgeted	2010 Actual	Variance
EXPENDITURES:			
Instruction:			
Salaries of Teachers	$121,379	$103,604	$17,775
Other Salaries	96,860	84,071	12,789
Other purchased services	173,345		173,345
Total Instruction	391,584	187,675	203,909
Support Services:			
Purchased Education Professional Services	78,000	78,000	
Total Support Services	78,000	78,000	
	$469,584	$265,675	$203,909

SUMMARY OF LOCATION TOTALS

Total Revised 2009-2010 PEA Allocation	$469,584
Actual ECPA/PEA Carryover (June 30, 2009)	77,760
Total PEA funds Available For 2008-2009 Budget	547,344
Less: 2009-2010 Budgeted PEA	
(Including prior year budgeted carryover)	469,584
Available and Unbudgeted PEA Funds as of June 30,2010	77,760
Add: 2009-2010 Unexpected PEA	126,148
2009-2010 Actual Carryover - PEA	$203,908
2009-10 PEA Carryover Budgeted in 2010-2011	$203,908

CAPITAL PROJECTS FUND
DETAIL STATEMENTS

EXHIBIT "F-1"

BOROUGH OF ROSELLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGE IN FUND BALANCE - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2010

Revenues and Other Financing Sources:		
Transfer from Capital Outlay	$	1,507,486
Total Revenue		1,507,486
Excess (Deficiency) of Revenues over (under) Expenditures		1,507,486
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses		1,507,486
Fund Balance - Beginning		24,154
Fund Balance - Ending	$	1,531,640

EXHIBIT "F-1a"

BOROUGH OF ROSELLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
ROOF REPLACEMENT -WILDAY MIDDLE SCHOOL
FROM THE INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COSTS
Revenues and Other Financing Sources				
Transfer from Capital Reserve	$	$	$	$ 192,007
State Sources - SCC Grant				301,343
Total Revenue				493,350
Expenditures and Other Financing Uses				
Purchased Profession and Technical Services				64,350
Construction Services				429,000
Total Expenditures				493,350
Excess (Deficiency) of Revenues (under) Expenditures	$	$	$	$

Additional Project Information	
Project Number	4540-060-091012
Grant date	10/15/2010
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	$ 493,350
Additional Authorized Cost	-0-
Revised Authorized Cost	$ 493,350
Percentage Increase over Original Authorized Costs	
Percentage Completion	N/A
Original Completion Date	N/A
Revised Completion Date	N/A

EXHIBIT "F-1b"

BOROUGH OF ROSELLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
NEW INTERCOM AND CCTV SECURITY SYSTEM-WASHINGTON ELEMENTARY
FROM THE INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COSTS
Revenues and Other Financing Sources				
Transfer from Capital Reserve	$	$	$	$ 28,800
State Sources - SCC Grant				45,201
Total Revenue				74,001
Expenditures and Other Financing Uses				
Purchased Profession and Technical Services				9,651
Construction Services				64,350
Total Expenditures				74,001
Excess (Deficiency) of Revenues (under) Expenditures	$	$	$	$

Additional Project Information	
Project Number	4540-050-09-1010
Grant date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	$ 74,001
Additional Authorized Cost	-0-
Revised Authorized Cost	$ 74,001
Percentage Increase over Original Authorized Costs	
Percentage Completion	
Original Completion Date	N/A
Revised Completion Date	N/A

EXHIBIT "F-1c"

BOROUGH OF ROSELLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
NEW INTERCOM AND CCTV SECURITY SYSTEM-WILDAY MIDDLE
FROM THE INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COSTS
Revenues and Other Financing Sources				
Transfer from Capital Reserve	$	$	$	$ 28,800
State Sources - SCC Grant				45,201
Total Revenue				74,001
Expenditures and Other Financing Uses				
Purchased Profession and Technical Services				9,651
Construction Services				64,350
Total Expenditures				74,001
Excess (Deficiency) of Revenues (under) Expenditures	$	$	$	$

Additional Project Information	
Project Number	4540-050-09-1010
Grant date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	$ 74,001
Additional Authorized Cost	-0-
Revised Authorized Cost	$ 74,001
Percentage Increase over Original Authorized Costs	
Percentage Completion	
Original Completion Date	N/A
Revised Completion Date	N/A

EXHIBIT "F-1d"

BOROUGH OF ROSELLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
NEW INTERCOM AND CCTV SECURITY SYSTEM-LEONARD MOORE MIDDLE
FROM THE INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COSTS
Revenues and Other Financing Sources				
Transfer from Capital Reserve	$	$	$	$ 28,800
State Sources - SCC Grant				45,201
Total Revenue				74,001
Expenditures and Other Financing Uses				
Purchased Profession and Technical Services				9,651
Construction Services				64,350
Total Expenditures				74,001
Excess (Deficiency) of Revenues (under) Expenditures	$	$	$	$

Additional Project Information	
Project Number	4540-050-09-1006
Grant date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	$ 74,001
Additional Authorized Cost	-0-
Revised Authorized Cost	$ 74,001
Percentage Increase over Original Authorized Costs	
Percentage Completion	
Original Completion Date	N/A
Revised Completion Date	N/A

EXHIBIT "F-1e"

BOROUGH OF ROSELLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
VARIOUS UPGRADES-DR. CHARLES POLK SCHOOL
FROM THE INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COSTS
Revenues and Other Financing Sources				
Transfer from Capital Outlay	$	$ 33,509.00	$ 33,509	$ 33,509
Transfer from Capital Reserve				58,656
State Sources - SCC Grant				144,645
Total Revenue		33,509	33,509	236,810
Expenditures and Other Financing Uses				
Purchased Profession and Technical Services				30,888
Construction Services				205,922
Total Expenditures				236,810
Excess (Deficiency) of Revenues (under) Expenditures	$	$ 33,509	$ 33,509	$

Additional Project Information	
Project Number	4540-050-09-1009
Grant date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	$ 236,810
Additional Authorized Cost	-0-
Revised Authorized Cost	$ 236,810
Percentage Increase over Original Authorized Costs	
Percentage Completion	
Original Completion Date	N/A
Revised Completion Date	N/A

EXHIBIT "F-1f"

BOROUGH OF ROSELLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
ROOF REPLACEMENT-DR. CHARLES POLK SCHOOL
FROM THE INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COSTS
Revenues and Other Financing Sources				
Transfer from Capital Outlay	$	$ 135,827.00	$ 135,827	$ 135,828
State Sources - SCC Grant				213,172
Total Revenue		135,827	135,827	349,000
Expenditures and Other Financing Uses				
Purchased Profession and Technical Services				49,558
Construction Services				299,442
Total Expenditures				349,000
Excess (Deficiency) of Revenues (under) Expenditures	$	$ 135,827	$ 135,827	$

Additional Project Information	
Project Number	4540-050-09-1003
Grant date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	$ 349,000
Additional Authorized Cost	-0-
Revised Authorized Cost	$ 349,000
Percentage Increase over Original Authorized Costs	
Percentage Completion	
Original Completion Date	N/A
Revised Completion Date	N/A

EXHIBIT "F-1g"

BOROUGH OF ROSELLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
INTERCOM PA SYSTEM REPLACEMENT, NEW SECURITY SYSTEM-HARRISON
FROM THE INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COSTS
Revenues and Other Financing Sources				
Transfer from Capital Outlay	$	$	$	$ 63,362
State Sources - SCC Grant				99,442
Total Revenue				162,804
Expenditures and Other Financing Uses				
Purchased Profession and Technical Services				21,234
Construction Services				141,570
Total Expenditures				162,804
Excess (Deficiency) of Revenues (under) Expenditures	$	$	$	$

Additional Project Information	
Project Number	4540-050-09-1008
Grant date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	$ 162,804
Additional Authorized Cost	-0-
Revised Authorized Cost	$ 162,804
Percentage Increase over Original Authorized Costs	
Percentage Completion	
Original Completion Date	N/A
Revised Completion Date	N/A

EXHIBIT "F-1h"

BOROUGH OF ROSELLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
UPGRADE ELECTRICAL SERVICES-HARRISON
FROM THE INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COSTS
Revenues and Other Financing Sources:				
Transfer from Capital Outlay	$	$	$	$
Transfer from Capital Reserve				23,313
State Sources - SCC Grant				36,587
Total Revenue				59,900
Expenditures and Other Financing Uses:				
Purchased Profession and Technical Services				8,508
Land and Improvements				
Construction Services				51,392
Total Expenditures	$	$	$	$ 59,900
Excess (Deficiency) of Revenues (under) Expenditures	$	$	$	$ -0-

Additional Project Information	
Project Number	4540-020-09-1002
Grant date	N/A
Bonds Authorized	N/A
Bonds Issued	
Original Authorized Cost	$ 59,900
Additional Authorized Cost	-0-
Revised Authorized Cost	$ 59,900
Percentage Increase over Original Authorized Costs	
Percentage Completion	
Original Completion Date	N/A
Revised Completion Date	N/A

EXHIBIT "F-1i"

BOROUGH OF ROSELLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
AUDITORIUM UPGRADE-ABRAHAM CLARK
FROM THE INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COSTS
Revenues and Other Financing Sources:				
Transfer from Capital Outlay	$	$ 291,992.00	$ 291,992	$ 291,992
Transfer from Capital Reserve				
State Sources - SCC Grant				458,263
Total Revenue		291,992	291,992	750,255
Expenditures and Other Financing Uses:				
Purchased Profession and Technical Services				96,525
Construction Services				653,730
Total Expenditures				750,255
Excess (Deficiency) of Revenues (under) Expenditures	$	$ 291,992	$ 291,992	$ -0-

Additional Project Information	
Project Number	4540-020-09-1011
Grant date	N/A
Bonds Authorized	N/A
Bonds Issued	
Original Authorized Cost	$ 750,255
Additional Authorized Cost	-0-
Revised Authorized Cost	$ 750,255
Percentage Increase over Original Authorized Costs	
Percentage Completion	
Original Completion Date	N/A
Revised Completion Date	N/A

EXHIBIT "F-1j"

BOROUGH OF ROSELLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
NEW EXTERIOR DOORS, BOILER, CCTV SECURITY SYSTEM-ABRAHAM CLARK
FROM THE INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COSTS
Revenues and Other Financing Sources:				
Transfer from Capital Outlay	$	$ 470,973.00	$ 470,973	$ 470,973
State Sources - SCC Grant				739,162
Total Revenue		470,973	470,973	1,210,135
Expenditures and Other Financing Uses:				
Purchased Profession and Technical Services				149,456
Construction Services				1,060,679
Total Expenditures				1,210,135
Excess (Deficiency) of Revenues (under) Expenditures	$	$ 470,973	$ 470,973	$ -0-

Additional Project Information	
Project Number	4540-020-09-1004
Grant date	N/A
Bonds Authorized	N/A
Bonds Issued	
Original Authorized Cost	$ 1,210,135
Additional Authorized Cost	-0-
Revised Authorized Cost	$ 1,210,135
Percentage Increase over Original Authorized Costs	
Percentage Completion	
Original Completion Date	N/A
Revised Completion Date	N/A

EXHIBIT "F-1k"

BOROUGH OF ROSELLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
SCIENCE LAB RENOVATION-ABRAHAM CLARK
FROM THE INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COSTS
Revenues and Other Financing Sources:				
Transfer from Capital Outlay	$	$ 575,185	$ 575,185	$ 575,186
State Sources - SCC Grant				902,718
Total Revenue		575,185	575,185	1,477,904
Expenditures and Other Financing Uses:				
Purchased Profession and Technical Services				176,945
Construction Services				1,300,959
Total Expenditures				1,477,904
Excess (Deficiency) of Revenues (under) Expenditures	$	$ 575,185	$ 575,185	$ -0-

Additional Project Information	
Project Number	4540-020-09-1004
Grant date	N/A
Bonds Authorized	N/A
Bonds Issued	
Original Authorized Cost	$ 1,477,904
Additional Authorized Cost	-0-
Revised Authorized Cost	$ 1,477,904
Percentage Increase over Original Authorized Costs	
Percentage Completion	
Original Completion Date	N/A
Revised Completion Date	N/A

EXHIBIT "F-1I"

BOROUGH OF ROSELLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
ADDITIONS TO WILDAY MIDDLE
FROM THE INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COSTS
Revenues and Other Financing Sources:				
Transfer from Capital Reserve	$ 2,930,260	$	$ 2,930,260	$ 2,930,260
State Sources - SCC Grant	1,545,644		1,545,644	1,545,644
Total Revenue	4,475,904		4,475,904	4,475,904
Expenditures and Other Financing Uses:				
Construction Services	4,451,750		4,451,750	4,475,904
Total Expenditures	4,451,750		4,451,750	4,475,904
Excess (Deficiency) of Revenues (under) Expenditures	$ 24,154	$	$ 24,154	$ -0-

Additional Project Information	
Project Number	4540-020-09-1004
Grant date	N/A
Bonds Authorized	N/A
Bonds Issued	
Original Authorized Cost	4,475,904
Additional Authorized Cost	-0-
Revised Authorized Cost	4,475,904
Percentage Increase over Original Authorized Costs	
Percentage Completion	99.00%
Original Completion Date	N/A
Revised Completion Date	N/A

EXHIBIT "F-2"

BOROUGH OF ROSELLE SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES-BUDGETARY BASIS
AS OF JUNE 30, 2010

ISSUE/PROJECT TITLE	APPROPRIATIONS	EXPENDITURES TO DATE PRIOR YEAR	EXPENDITURES TO DATE CURRENT YEAR	(MEMO ONLY) UNEXPENDED PROJECT BALANCE
VARIOUS UPGRADES-DR. CHARLES POLK SCHOOL	$ 33,509			$ 33,509
ROOF REPLACEMENT-DR. CHARLES POLK SCHOOL	135,827			135,827
AUDITORIUM UPGRADE-ABRAHAM CLARK	291,992			291,992
NEW EXTERIOR DOORS, BOILER, CCTV SECURITY SYSTEM-ABRAHAM CLARK	470,973			470,973
SCIENCE LAB RENOVATION-ABRAHAM CLARK	575,185			575,185
ADDITIONS TO WILDAY MIDDLE	4,475,904	$ 4,451,750		24,154
Totals	$ 5,983,390	$ 4,451,750		$ 1,531,640

PROPRIETARY FUND DETAIL STATEMENTS

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

FOOD SERVICES FUND:	This fund provides for the operation of food services within the school district.
COMMUNITY SCHOOL FUND	This fund provides for the operation of a Community School within the school district.

EXHIBIT "G-1"

BOROUGH OF ROSELLE SCHOOL DISTRICT
COMBINING STATEMENT OF NET ASSETS
PROPRIETARY FUNDS - ENTERPRISE FUNDS
JUNE 30, 2010

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND			
	FOOD SERVICE FUND	COMMUNITY SCHOOL FUND	COMPARATIVE TOTALS JUNE 30 2010	2009
ASSETS:				
Current assets:				
Cash and cash equivalents	$208,000	$509	$208,509	$271,913
Intergovernmental Receivables:				
State	4,312		4,312	3,154
Federal	96,512		96,512	65,701
Interfunds receivable				
Inventories	9,712		9,712	9,614
Total current assets	318,536	509	319,045	350,382
Noncurrent assets:				
Furniture, machinery & equipment	271,089		271,089	243,845
Less accumulated depreciation	(197,627)		(197,627)	(189,930)
Total noncurrent assets	73,462		73,462	53,915
Total assets	391,998	509	392,507	404,297
LIABILITIES				
Current liabilities:				
Accounts payable	11,337		11,337	110,563
Interfund Payable	25,935	2	25,937	5,412
Total current liabilities	37,272	2	37,274	115,975
Total liabilities	37,272	2	37,274	115,975
NET ASSETS				
Invested in capital assets	73,462		73,462	53,915
Unrestricted	281,264	507	281,771	234,407
Total net assets	$354,726	$507	$355,233	$288,322

EXHIBIT "G-2"

BOROUGH OF ROSELLE SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND			
	FOOD SERVICE FUND	CHILDRENS' COMMUNITY SCHOOL FUND	COMPARATIVE TOTALS JUNE 30 2010	2009
OPERATING REVENUES:				
Charges for services:				
Daily sales - reimbursable programs	$254,174		$254,174	$262,941
Special Functions	6,944		6,944	
Miscellaneous Revenue	2,042		2,042	143
Tuition and Book Sales		$1,610	1,610	3,718
Total operating revenues	263,160	1,610	264,770	266,802
OPERATING EXPENSES:				
Cost of Food	630,501		630,501	532,052
Salaries	414,449	948	415,397	402,871
Employee Benefits/Taxes	92,293	42	92,335	55,055
Management Fee	40,000		40,000	78,386
Supplies and materials	19,793		19,793	67,168
Other purchased services	32,790	199	32,989	72,049
Miscellaneous	6,648		6,648	35,145
Depreciation	7,696		7,696	6,099
Total operating expenses	1,244,170	1,189	1,245,359	1,248,825
Operating income (loss)	(981,010)	421	(980,589)	(982,023)
NONOPERATING REVENUES (EXPENSES):				
State Sources				
School Lunch Program	29,031		29,031	27,825
School Breakfast Program	11,606		11,606	10,980
Federal Sources				
National School Lunch Program	719,692		719,692	649,280
Breakfast Program	182,089		182,089	165,128
Board Contribution				
National food distribution commodities	67,657		67,657	76,210
Interest on Investments		1	1	6
Total nonoperating revenues (expenses)	1,010,075	1	1,010,076	929,429
Income (loss)	29,065	422	29,487	(52,594)
Transfers				
Transfers in - Special Revenue	37,424		37,424	
Change in net assets	66,489	422	66,911	(52,594)
Total net assets - July 1, 2009	288,237	85	288,322	340,916
Total net assets - June 30, 2010	$354,726	$507	$355,233	$288,322

EXHIBIT "G -3"

BOROUGH OF ROSELLE SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND			
	FOOD SERVICE FUND	CHILDRENS' COMMUNITY SCHOOL FUND	COMPARATIVE TOTALS JUNE 30 2010	2009
Cash flows from operating activities:				
Receipts from customers	$263,161	$1,610	$264,771	$266,803
Interfunds				
Payment loan payable				(20,000)
Payments to employees	(414,449)	(948)	(415,397)	(402,871)
Payments to employee benefits	(92,293)	(42)	(92,335)	(55,055)
Payments to suppliers	(740,873)	(199)	(741,072)	(675,861)
Net cash provided by (used for) operating activities)	(984,454)	421	(984,033)	(886,984)
Cash flows from noncapital financing activities:				
State Sources	39,479		39,479	38,302
Federal Sources	870,969		870,969	801,557
Operating subsidies and transfers to other funds				76,210
Payments in special revenue fund	37,424		37,424	
Net cash provided by noncapital financing activities:	947,872		947,872	916,069
Cash flows from capital and related financing activities:				
Purchases of capital assets	(27,244)		(27,244)	
Net cash provided by (used for) capital and related financing activities	(27,244)	-	(27,244)	-
Cash flows from investing activities:				
Interest		1	1	5
Net cash provided by (used for) investing activities		1	1	5
Net increase in cash and cash equivalents	(63,826)	422	(63,404)	29,090
Cash and cash equivalents, July 1, 2009	271,826	87	271,913	242,823
Cash and cash equivalents, June 30, 2010	$208,000	$509	$208,509	$271,913
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	($981,010)	$421	($980,589)	($982,023)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	7,696		7,696	6,099
Federal commodities	67,657		67,657	
Change in assets and liabilities:				
(Increase) in inventories	(99)		(99)	(976)
(Decrease) in accounts payable	(99,225)		(99,225)	109,916
(Decrease) in loan payable				(20,000)
Increase in interfunds payable	20,527		20,527	
	(3,444)		(3,444)	95,039
Net cash provided by (used for) operating activities	($984,454)	$421	($984,033)	($886,984)

FIDUCIARY FUNDS DETAIL STATEMENTS

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

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

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

Student Activity Funds :	These agency funds are used to account for student funds held at the schools.
Payroll Fund:	This agency fund is used to account for the payroll transactions of the school district.

EXHIBIT "H-1"

BOROUGH OF ROSELLE SCHOOL DISTRICT
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2010

	AGENCY FUNDS			COMPARATIVE TOTALS JUNE 30	
	STUDENT ACTIVITY	PAYROLL AGENCY	PRIVATE PURPOSE AWARD FUNDS	2010	2009
ASSETS:					
Cash and cash equivalents	$92,739	$238,689	$206,039	$537,467	$516,612
Interfund receivable		10,864		10,864	
Total assets	92,739	249,553	206,039	548,331	516,612
LIABILITIES:					
Payroll deductions and withholdings		249,553		249,553	225,340
Due to student groups	92,739			92,739	84,620
Total liabilities	92,739	249,553		342,292	309,960
NET ASSETS:					
Reserved for Scholarships			206,039	206,039	206,652
Total net assets	$-0-	$-0-	$206,039	$206,039	$206,652

EXHIBIT "H-2"
SHEET #1

BOROUGH OF ROSELLE SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	PRIVATE PURPOSE AWARD FUNDS					
	OLIVER E.YOUNG	OLIVER E.YOUNG CHORAL	OLIVER E.YOUNG INSTRUMENTAL	LOUIS LEVINE	JOESPH. BUSTARD	EVELYN RUNG
Investment earnings:						
Net increase (decrease) in fair value of investments						
Interest	$250	$35	$41		$14	31
Net investment earnings	250	35	41		14	$31
Total additions	250	35	41		14	31
DEDUCTIONS:						
Awards		200	400		400	200
Total deductions		200	400		400	200
Change in net assets	250	(165)	(359)		(386)	(169)
Net assets beginning of year	65,950	3,281	3,895	16	1,503	2,922
Net assets end of year	$66,200	$3,116	$3,536	$16	$1,118	$2,753

EXHIBIT "H-2"
SHEET #2

BOROUGH OF ROSELLE SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	PRIVATE PURPOSE AWARD FUNDS					
	CASSANDRA PISAURO	HELEN STUCY MEMORIAL	DOHNER TRUST	DARLENE ROBERTO	PLAYGROUND PROJECT	TOTAL
Investment earnings:						
Net increase (decrease) in fair value of investments						
Interest	$54		$444		$18	$887
Net investment earnings	54		444		18	887
Total additions	54		444		18	887
DEDUCTIONS:						
Awards	300					1,500
Total deductions	300					1,500
Change in net assets	(246)		444		18	(613)
Net assets beginning of year	4,574	$2,732	117,044	$28	4,708	206,652
Net assets end of year	$4,328	$2,732	$117,488	$28	$4,726	$206,039

EXHIBIT "H-3"

BOROUGH OF ROSELLE SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	BALANCE JUNE 30, 2009	CASH RECEIPTS	CASH DISBURSE-MENTS	BALANCE JUNE 30, 2010
ELEMENTARY SCHOOLS	$24,450	$36,965	$48,443	$12,972
MIDDLE SCHOOLS	2,889	32,042	31,866	3,065
HIGH SCHOOL	44,752	118,442	120,383	42,811
ATHLETIC FUND	12,530	66,811	45,450	33,891
Total all schools	$84,621	$254,260	$246,142	$92,739

EXHIBIT "H-4"

BOROUGH OF ROSELLE SCHOOL DISTRICT
PAYROLL AGENCY FUNDS
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	BALANCE JULY 1, 2009	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2010
ASSETS:				
Cash and cash equivalents	$225,340	$12,388,806	$12,375,457	$238,689
Interfund Receivable		10,864		10,864
Total assets	225,340	12,399,670	12,375,457	249,553
LIABILITIES:				
Interfund payable	54,790		54,790	
Payroll deductions and withholdings	170,550	12,399,670	12,320,667	249,553
Total liabilities	225,340	12,399,670	12,375,457	249,553

LONG-TERM DEBT SCHEDULES

The Long-Term schedules are used to reflect the outstanding principal balances of the long-term liabilities of the District. This includes obligations under Capital Leases.

EXHIBIT "I-2"

BOROUGH OF ROSELLE SCHOOL DISTRICT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
AS OF JUNE 30, 2010

SERIES	DATE OF LEASE	TERM OF LEASE	AMOUNT OF ORIGINAL LEASE	INTEREST RATE PAYABLE	AMOUNT OUTSTANDING JUNE 30, 2009	DECREASE	AMOUNT OUTSTANDING JUNE 30, 2010
Copiers:							
Xerox833098 (Annex)	10/01/05	5 Years	$ 33,284	10.50%	$ 10,316	$ 7,905	$ 2,411
Verizon Telephone System	07/06/04	5 Years	123,761	6.02%	21,012	21,012	
Xerox 077935 (ACHS)	03/20/07	5 Years	61,629	6.00%	35,381	12,983	22,398
Xerox 542026 (Spec. Serv.)	03/20/07	5 Years	37,274	6.00%	21,358	7,847	13,510
Xerox 541324 (Board O.)	03/20/07	5 Years	42,452	6.00%	25,093	8,958	16,135
Xerox 75112861 (Board O.)	03/20/07	5 Years	37,244	6.00%	21,753	7,886	13,866
Xerox 4595 (ACHS)	05/01/08	5 Years	17,750	6.00%	14,432	3,202	11,230
Xerox 5638 (ACHS)	05/01/08	5 Years	8,308	6.00%	6,755	1,499	5,256
Xerox 4595 (LVM)	05/01/08	5 Years	28,396		23,087	5,122	17,965
Xerox 7242 (Food Service)		5 Years	9,073	6.00%	7,377	1,637	5,740
Xerox 4595 (WASH)	05/01/08	5 Years	28,428	6.00%	23,114	5,128	17,985
Xerox 4595 (Wilday)	05/01/08	5 Years	33,036	6.00%	26,860	5,959	20,901
Xerox 4595 (Wilday)	05/01/08	5 Years	27,831	6.00%	22,628	5,020	17,608
Xerox 4595 (Harrison)	05/01/08	5 Years	27,831	6.00%	22,628	5,020	17,608
Xerox 4595 (Polk)	05/01/08	5 Years	27,254	6.00%	22,159	4,916	17,243
Wilday 1	06/01/08	5 Years	3,659	6.00%	3,021	660	2,361
ACHS 2	05/01/08	5 Years	7,318	6.00%	5,951	1,320	4,631
Polk 1	05/01/08	5 Years	3,659	6.00%	2,975	660	2,315
Wash. 1	05/01/08	5 Years	3,659	6.00%	2,975	660	2,315
Harrison 1	05/01/08	5 Years	3,659	6.00%	2,975	660	2,315
					$ 321,849	$ 108,056	$ 213,793

STATISTICAL SECTION
(Unaudited)

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ROSELLE SCHOOL DISTRICT
STATISTICAL SECTION

Contents | Page

Financial Trends:

These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time. J-1 to J-4

Revenue Capacity:

These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax. J-5 to J-9

Debt Capacity:

These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future. J-10 to J-13

Demographic and Economic Information:

These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place. J-14 to J-15

Operating Information:

These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs. J-16 to J-20

Sources

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2004; schedules presenting district-wide information include information beginning in that year.

EXHIBIT "J-1"

BOROUGH OF ROSELLE SCHOOL DISTRICT
NET ASSETS BY COMPONENT
LAST FIVE FISCAL YEARS
UNAUDITED

	Fiscal Year Ending				
	2010	2009	2008	2007 *	2006
Governmental activities					
Invested in capital assets, net of related debt	$ 6,033,927	$ 5,856,819	$6,220,309	$6,140,340	$14,369,504
Restricted	6,257,698	4,259,390	2,543,461	4,263,652	4,187,089
Unrestricted (deficit)	(1,367,096)	1,161,574	(404,204)	623,481	1,416,140
Total governmental activities net assets	$ 10,924,529	$ 11,277,783	$8,359,566	$11,027,473	$19,972,733
Business-type activities					
Invested in capital assets, net of related debt	$ 73,462	$ 53,915	$ 60,013	$ 58,826	
Unrestricted	281,771	234,407	280,903	284,805	281,399
Total business-type activities net assets	$ 355,233	$ 288,322	$ 340,916	$ 343,631	$ 281,399
District-wide					
Invested in capital assets, net of related debt	$ 6,107,389	$ 5,910,734	$ 6,280,322	$ 6,199,166	$ 14,369,504
Restricted	6,257,698	4,259,390	2,543,461	4,297,431	4,187,089
Unrestricted	(1,085,325)	1,395,981	(123,301)	(338,676)	1,697,539
Total district net assets	$ 11,279,762	$ 11,566,105	$ 8,700,482	$ 10,157,921	$ 20,254,132

Source: District records

*** In 2007, the District adjusted its capital assets to its certified appraisal.**

EXHIBIT "J-2"
SHEET #1

BOROUGH OF ROSELLE SCHOOL DISTRICT
CHANGES IN NET ASSETS
LAST FIVE YEARS
UNAUDITED

	Fiscal Year Ending				
	2010	2009	2008	2007	2006
Expenses					
Governmental activities					
Instruction					
Regular	$19,121,220	$16,124,349	$17,145,489	$17,601,639	$15,324,811
Special education	4,775,597	4,022,220	3,614,379	3,403,418	3,002,679
Other special education					
Vocational					
Other instruction	3,727,847	3,116,842	2,189,176	2,977,804	2,022,940
Support Services:					
Instruction	5,162,562	5,557,907	7,647,788	7,114,287	8,010,706
Student & instruction related services	6,046,005	4,765,049	6,509,272	5,764,629	5,517,884
General administrative services	1,228,057	2,670,799	1,027,030	1,253,042	1,422,182
School administrative services	2,524,188	1,815,740	2,211,582	2,433,944	2,135,492
Business/Central/Info Technology	1,200,556	908,681	1,269,501	1,403,928	1,110,878
Plant operations and maintenance	4,477,769	6,526,613	4,406,397	3,638,439	4,085,461
Pupil transportation	2,206,990	2,918,452	3,584,399	2,989,131	2,622,892
Special Schools	8,400	8,400	8,400	8,400	8,400
Charter Schools	45,111	53,212	40,395		
Capital Outlay		176,945			
Interest on long-term debt					
Unallocated amortization					
Unallocated depreciation					
Total governmental activities expenses	50,524,302	48,665,209	49,653,808	48,588,661	45,264,325
Business-type activities:					
Food service	1,244,170	1,244,829	1,187,073	1,120,996	1,010,001
Community School	1,189	3,996	6,702	1,510	5,584
Total business-type activities expense	1,245,359	1,248,825	1,193,775	1,122,506	1,015,585
Total district expenses	$51,769,661	$49,914,034	$50,847,583	$49,711,167	$46,279,910
Program Revenues					
Governmental activities:					
Operating grants and contributions	$5,725,552	$2,950,632	$4,937,245	$4,349,477	$4,220,706
Total governmental activities program revenues	5,725,552	2,950,632	4,937,245	4,349,477	4,220,706
Business-type activities:					
Charges for services					
Food service	263,160	263,084	319,565	340,587	332,079
Community School	1,610	3,718	3,800	1,964	4,964
Operating grants and contributions	1,010,075	929,429	817,611	789,186	692,809
Capital grants and contributions					
Total business type activities program revenues	1,274,845	1,196,231	1,140,976	1,131,737	1,029,852
Total district program revenues	$7,000,397	$4,146,863	$6,078,221	$5,481,214	$5,250,558
Net (Expense)/Revenue					
Governmental activities	(44,798,750)	(45,714,577)	(44,716,563)	(44,239,184)	(41,043,619)
Business-type activities	29,486	(52,594)	(52,799)	9,231	14,267
Total district-wide net expense	(44,769,264)	(45,767,171)	(44,769,362)	(44,229,953)	(41,029,352)

EXHIBIT "J-2"
SHEET #2

BOROUGH OF ROSELLE SCHOOL DISTRICT
CHANGES IN NET ASSETS
LAST FIVE YEARS
(accrual basis of accounting)
UNAUDITED

	Fiscal Year Ending				
	2010	2009	2008	2007	2006
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Property taxes levied for general purposes, net	$23,438,800	$23,438,800	$22,538,275	$22,171,532	$21,318,821
Federal and State aid not restricted	20,645,729	24,902,428	20,428,848	19,492,777	18,335,071
Federal and State aid restricted	231,537				
Tuition Received					
Investment earnings					
Miscellaneous income	142,700	280,141	512,723	813,510	790,738
Transfers In/Out	(37,424)		(50,084)	(53,002)	(78,000)
Adjustment to Fixed Assets		1,800			
Total governmental activities	44,421,342	48,623,169	43,429,762	42,424,817	40,366,630
Business-type activities:					
Federal and State aid not restricted					
Investment earnings					
Transfers	37,424		50,084	53,002	78,000
Total business-type activities	37,424		50,084	53,002	78,000
Total district-wide	$44,458,766	$48,623,169	$43,479,846	$42,477,819	$40,444,630
Change in Net Assets					
Governmental activities	($377,408)	$2,908,592	($1,286,801)	($1,814,367)	($676,989)
Business-type activities	66,910	(52,594)	(2,715)	62,233	92,267
Total district	($310,498)	$2,855,998	($1,289,516)	($1,752,134)	($584,722)

Source: District records

EXHIBIT "J-3"

BOROUGH OF ROSELLE SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS
LAST FIVE YEARS
(modified accrual basis of accounting)
UNAUDITED

	Fiscal Year Ending June 30,				
	2010	2009	2008	2007	2006
General Fund					
Reserved	$5,787,791	$5,050,026	$2,543,461	$4,263,652	$6,207,457
Unreserved	(1,158,224)	1,926,537	2,236,073	1,003,104	528,483
Total general fund	$4,629,567	$6,976,563	$4,779,534	$5,266,756	$6,735,940
All Other Governmental Funds					
Reserved					
Unreserved, reported in:					
Special revenue fund	(39,182)	($37,915)	(134,146)	(96,584)	(96,584)
Capital projects fund	1,531,640	24,154	$33,779	$33,779	
Total all other governmental funds	$1,492,458	($13,761)	($100,367)	($62,805)	($96,584)

Source: District records

EXHIBIT "J-4"

BOROUGH OF ROSELLE SCHOOL DISTRICT
CHANGES IN GOVERNMENTAL FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
UNAUDITED

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Revenues										
Tax levy	$ 23,438,800	$ 23,438,800	$ 22,538,275	$ 22,171,532	$ 21,318,821	$ 21,096,896	$ 17,569,989	$ 15,849,907	15,145,024	14,961,583
Tuition charges	3,506	60,386								
Interest earnings				575,603	538,977	205,749	92,697	155,673	222,790	481,506
Miscellaneous	159,537	222,079	634,912	59,309	251,761	19,647	307,114	115,195	274,768	141,086
State sources	19,944,906	25,813,679	23,302,236	21,706,556	20,733,298	22,194,465	18,827,530	20,477,990	17,691,765	17,081,633
Federal sources	6,637,569	2,037,058	2,059,009	2,135,698	1,829,383	1,545,658	1,852,679	1,196,728	1,104,996	1,142,911
Total revenue	50,184,318	51,572,002	48,534,432	46,648,698	44,672,240	45,062,415	38,650,009	37,795,493	34,439,343	33,808,719
Expenditures										
Instruction										
Regular Instruction	14,315,334	13,010,427	13,561,760	13,042,224	12,824,867	12,150,548	10,959,199	10,804,842	9,920,295	9,371,486
Special education instruction	3,665,555	3,370,469	2,865,260	2,764,466	2,331,531	1,957,527	1,546,418	1,383,532	1,783,236	1,644,751
Other special instruction									630,252	403,921
Other instruction	2,714,285	2,609,924	1,735,446	1,731,249	1,603,473	1,506,425	1,709,857	1,291,472	596,795	472,822
Support Services:										
Instruction	5,162,562	5,557,907	6,062,702	6,001,013	6,248,932	6,364,567	6,551,913	6,746,905	5,908,432	5,608,686
Student & instruction related services	5,051,532	4,692,630	5,160,157	5,049,191	4,603,979	3,811,798	4,160,497	4,303,364	4,073,561	3,845,482
General administration services	1,099,761	847,253	805,946	839,825	1,002,715	1,054,930	1,002,184	851,704	791,668	736,164
School administrative services	1,765,070	1,815,740	1,735,740	1,725,468	1,464,344	1,541,948	831,102	1,370,990	1,395,607	1,353,106
Business administrative services	930,204	908,681	1,006,384	1,004,136	1,110,878	749,597	728,514	296,191	300,812	277,948
Plant operations and maintenance	3,547,701	3,345,458	3,282,731	3,100,594	3,078,740	2,268,571	1,982,007	1,878,387	2,083,333	2,120,252
Security	270,613									
Pupil transportation	2,187,901	2,483,953	2,841,494	2,910,814	2,622,892	2,381,840	2,094,539	2,089,189	1,897,998	1,430,128
Unallocated employee benefits	9,078,347	9,391,127	10,211,562	9,668,584	7,833,058	6,686,009	5,924,897	4,634,608	4,297,166	3,995,423
Special Schools	8,400	8,400	8,400	8,400	8,400	8,400	8,400	8,400	18,492	26,892
Charter Schools	45,112	53,212	40,395							
Capital outlay	1,145,295	190,070	775,023	403,006	642,839	5,551,004	585,538	205,239	439,874	1,938,492
Total expenditures	50,987,672	48,285,251	50,093,000	48,248,970	45,376,648	46,033,164	38,085,065	35,864,823	34,137,521	33,225,553
Excess (Deficiency) of revenues over (under) expenditures	(803,354)	3,286,751	(1,558,568)	(1,600,272)	(704,408)	(970,749)	564,944	1,930,670	301,822	583,166
Other Financing sources (uses)										
Capital Leases (non budgeted)			226,402	178,598	333,284	151,170				354,067
Transfers out	(37,424)		(50,084)	(53,002)	(78,000)	(78,000)	(53,000)			
Total other financing sources (uses)	(37,424)	-	176,318	125,596	255,284	73,170	(53,000)	-	-	354,067
Net change in fund balances	$ (840,778)	$ 3,286,751	$ (1,382,250)	$ (1,474,676)	$ (449,124)	$ (897,579)	$ 511,944	$ 1,930,670	$ 301,822	$ 937,233
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0%

Source: District records

EXHIBIT "J-5"

BOROUGH OF ROSELLE SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Scholarship	Misc.	Total
2001	$481,506	$18,528	$102,000	$15,392	$617,426
2002	222,789	17,112		229,452	469,353
2003	142,146	3,486		109,715	255,347
2004	92,697	28,743	6,000	272,372	399,812
2005	205,749			13,174	218,923
2006	538,978			250,308	789,286
2007	575,603		5,000	80,414	661,017
2008	405,615		6,647	21,842	434,104
2009		60,386		222,079	282,465
2010	42,573	3,506		96,622	142,701

Source: District Records

EXHIBIT "J-6"

BOROUGH OF ROSELLE SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

	FISCAL YEAR ENDED JUNE 30									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
District Property										
Vacant Land	$3,302,700	$3,160,700	$2,955,300	$3,071,100	$3,132,700	$3,071,100	$4,986,800	$4,906,400	$6,694,900	$6,893,700
Residential	616,649,300	616,978,400	616,569,100	612,609,200	612,490,400	612,334,900	605,534,400	602,174,200	601,082,400	$600,717,100
Farm Reg.										
Qfarm										
Commercial	79,717,100	79,717,100	78,215,100	85,896,900	83,342,500	85,653,000	80,356,300	80,591,300	70,330,400	70,704,000
Industrial	35,698,200	35,839,000	36,721,300	38,372,600	38,085,100	38,372,600	39,768,500	39,188,200	38,222,000	38,304,500
Apartment	43,756,100	43,756,100	46,320,400	47,841,200	47,565,000	47,841,200	46,501,500	47,401,600	46,752,100	46,746,400
Total Assed Value	$779,123,400	$779,451,300	$780,781,200	$787,791,000	$784,615,700	$787,272,800	$777,147,500	$774,261,700	$763,081,800	$763,365,700
Total Direct School Tax Rate	3.001%	3.001%	2.992%	2.864%	2.749%	2.702%	2.470%	2.140%	2.020%	1.960%

Source: Municipal Tax Assessor

EXHIBIT "J-7"

BOROUGH OF ROSELLE SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN CALENDAR YEARS
UNAUDITED

Fiscal Year Ended June 30	Roselle Board of Education			Overlapping Rates		Total Direct Overlapping Tax Rate
	Basic Rate [a]	General Obligation Debt Service	Total Direct	Borough of Roselle	County	
2001	1.960	0	1.960	2.270	0.450	4.680
2002	2.020	0	2.020	2.430	0.490	4.940
2003	2.140	0	2.140	2.520	0.510	5.170
2004	2.470	0	2.470	2.530	0.560	5.560
2005	2.702	0	2.702	2.701	0.646	6.049
2006	2.749	0	2.749	2.968	0.706	6.423
2007	2.841	0	2.841	2.857	0.750	6.448
2008	2.935	0	2.935	3.323	0.783	7.041
2009	3.001	0	3.001	3.321	0.825	7.147
2010	3.001	0	3.001	3.393	0.826	7.220

Source: Municipal Tax Collector

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

EXHIBIT "J-8"

BOROUGH OF ROSELLE SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND ONE YEAR AGO
UNAUDITED

	2010			2000		
Taxpayer	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Related Management Co. LP	$9,298,700	1	1.19%			
Warren J. Lockwood Village	7,159,500	2	0.92%	$8,530,000	2	1.10%
Roselle Shopping Center	6,024,200	3	0.77%	4,115,000	3	0.53%
Roselle Golf Club	4,243,900	4	0.54%	3,500,000	4	0.45%
O.T. Group	3,000,000	5	0.38%	3,000,000	6	0.39%
Bell Atlantic	2,690,235	6	0.34%			0.00%
Rainbow Gardens	2,350,000	7	0.30%	3,100,000	5	0.40%
Roselle 3 Equities, LLC % Eckerd	2,179,600	8	0.28%			0.00%
Lincoln Mold Realty Co.	2,007,600	9	0.26%			0.00%
WEC 2000A-23 LLC% CVS	2,000,000	10	0.26%			0.00%
Oak Park				9,250,000	1	1.19%
Map Investment				2,298,000	9	0.30%
Aldene Industrial Park, Inc.				2,225,000	10	0.29%
Meadow Builders, Inc.				2,325,000	7	0.30%
Leafko Realty				1,570,000	8	0.20%
Total	$ 40,953,735		5.24%	$ 39,913,000		5.13%

Source: Municipal Tax Assessor

EXHIBIT "J-9"

BOROUGH OF ROSELLE SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS,
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2010	$ 23,438,800	$ 23,438,800	100.00%	
2009	23,438,800	23,438,800	100.00%	
2008	22,538,275	22,538,275	100.00%	
2007	22,171,532	22,171,532	100.00%	
2006	22,171,532	22,171,532	100.00%	
2005	21,096,896	21,096,896	100.00%	
2004	17,569,989	17,569,989	100.00%	
2003	15,849,907	15,849,907	100.00%	
2002	15,145,024	15,145,024	100.00%	
2001	14,961,583	14,961,583	100.00%	

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

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

EXHIBIT "J-10"

BOROUGH OF ROSELLE SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST SIX FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities				Total District	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)			
2005			414,903		414,903	10.75%	44,586
2006			355,750		355,750	13.79%	49,062
2007			343,060		343,060	14.88%	51,054
2008			426,463		426,463	12.15%	51,815
2009			321,849		321,849	16.10%	51,815
2010			213,793		213,793	24.24%	51,815

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

EXHIBIT "J-11

BOROUGH OF ROSELLE SCHOOL DISTRICT
RATIOS OF NET BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding					
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Total Municipal Assessed Value	Percentage of Actual Taxable Value [a] of Property	Per Capita [b]
2001	-	-0-	-	0.00%		0.00
2002	-	-0-	-	0.00%		0.00
2003	-	-0-	-	0.00%		0.00
2004	-	-0-	-	0.00%		0.00
2005	-	-0-	-	0.00%		0.00
2006	-	-0-	-	0.00%		0.00
2007	-	-0-	-	0.00%		0.00
2008	-	-0-	-	0.00%		0.00
2009	-	-0-	-	0.00%		0.00
2010	-	-0-	-	0.00%		0.00

Source: District records

EXHIBIT "J-12"

BOROUGH OF ROSELLE SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2010
UNAUDITED

Governmental Unit	Net Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Board of Education	$0.00		$0.00
Other debt			
Borough	22,009,980	100.00%	22,009,980
County	519,373,809	2.35%	12,180,765
Total direct and overlapping debt			$34,190,745.00

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

EXHIBIT "J-13"

BOROUGH OF ROSELLE SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

Legal Debt Margin Calculation for Calendar Year 2010

		Equalized valuation basis	
		2009	$1,801,451,180
		2008	$1,844,946,125
		2007	$1,815,828,896
		[A]	$5,462,226,201
Average equalized valuation of taxable property		**[A/3]**	$1,820,742,067
Debt limit (3 % of average equalization value)		**[B]**	$54,622,262
Total net debt applicable to limit		**[C]**	$0
Legal debt margin		**[B-C]**	$54,622,262

Calendar Year Ended June 30,	Debt Limit	Total net debt applicable to limit	Legal Debt Limit	Total net debt applicable to limit as a percentage of debt limit
2001	$30,658,229	$0	$30,658,229	0.00%
2002	$31,890,505	$0	$31,890,505	0.00%
2003	$33,557,116	$0	$33,557,116	0.00%
2004	$39,789,751	$0	$39,789,751	0.00%
2005	$42,148,399	$0	$42,148,399	0.00%
2006	$37,178,951	$0	$37,178,951	0.00%
2007	$43,935,607	$0	$43,935,607	0.00%
2008	$49,628,206	$0	$49,628,206	0.00%
2009	$53,607,687	$0	$53,607,687	0.00%
2010	$54,622,262	$0	$54,622,262	0.00%

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

Source: CAFR report

EXHIBIT "J-14"

BOROUGH OF ROSELLE SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Year	Population	Personal Income	County of Union Per Capita Personal Income	Unemployment Rate
2001	21,375	$	$ 40,479	5.70%
2002	21,347		40,848	8.00%
2003	21,242		41,661	6.40%
2004	21,068		43,045	6.40%
2005	20,872		44,586	6.70%
2006	20,714		49,062	6.70%
2007	20,544		51,054	6.70%
2008	20,538		51,815	6.50%
2009	20,655		51,815	6.50%
2010	20,655		51,815	6.50%

Sources: Population information provided by the NJ Department of Labor and Workforce Development
Personal income has been estimated based upon the municipal population and per capita personal income presented
Per capita personal income by municipality estimate based upon the 2000 Census published by the US Bureau of Economic Analysis
Unemployment data provided by the NJ Department of Labor and Workforce Development

EXHIBIT "J-15"

BOROUGH OF ROSELLE SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT AND NINE YEARS AGO
UNAUDITED

	2010			2001		
Employer	Employees	Rank [Optional]	% of Total Employment	Employees	Rank [Optional]	% of Total Employment
Roselle Board of Education	443	1		329	1	
Roselle Borough		2			2	
Verizon		3			3	
Aldene Industrial Park, Inc.		4			4	
Parmarco, Inc.		5			5	
O.T. Group		6			6	
Meadow Builders, Inc.		7			7	
Roselle Shopping Center		8			8	
Larson Financial Resources		9			9	
WEC c/o CUS Corp.		10			10	
Total	443		0.00%	329		0.00%

EXHIBIT "J-16"

BOROUGH OF ROSELLE SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
UNAUDITED

Function/Program	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Instruction										
Regular	225	226	220	220	222	220	187	175	176	169
Special education	89	69	66	63	64	63	36	36	36	36
Other instruction	23	25	25	25	21	26	20	19	19	19
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Tuition										
Student & instruction related services	48	50	50	50	50	41	41	38	34	38
General administration services	6	9	9	9	9	9	7	7	7	7
School administrative services	23	23	23	23	23	23	22	22	20	20
Business administrative services	9	11	11	11	10	10	9	9	9	9
Plant operations and maintenance	20	29	25	21	22	22	21	21	33	32
Total	443	442	429	422	421	414	343	327	334	330

Source: District Personnel Records

EXHIBIT "J-17"

BOROUGH OF ROSELLE SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Enrollment	2,876	2894	2,954	2,847	3,085	2,975	2,913	2,908	2,752	2,695
Operating Expenditures	$47,540,242	$48,111,587	$49,534,630	$40,192,979	$40,541,793	$40,782,789	$37,505,988	$35,674,343	$33,746,296	$31,072,024
Cost per Pupil	$16,530	$16,625	$16,769.00	$14,118.00	$13,142.00	$13,709.00	$12,875.00	$12,268.00	$12,262.00	$11,530.00
Percentage Change	-0.57%	-0.86%	18.78%	7.43%	-4.14%	6.47%	4.95%	0.04%	6.36%	6.60%
Teaching Staff	271	408	408	408	403	359	288	250	234	232
Pupil/Teacher Ratio - Elementary	1:17	1:17	1:17	1:17	1:17	1:17	1:17	1:19	1:23	1:24
Pupil/Teacher Ratio - Middle School	1:23	1:23	1:23	1:23	1:23	1:23	1:23	1:20	1:15	1:17
Average Daily Enrollment	2,779	2,777	2,888	2,826	2,793	2,861	2,735	2,739	2,754	2,736
Average Daily Attendance	2,610	2,620	2,718	2,647	2,620	2,670	2,560	2,558	2,570	2,546
% Change in Daily Enrollment	1.39%	-3.85%	2.15%	1.20%	-2.38%	4.58%	2.09%	4.09%	0.99%	0.31%
Student Attendance %	93.91%	94.34%	94.11%	93.66%	93.81%	93.30%	93.22%	93.39%	93.31%	93.05%

Sources: District records

EXHIBIT "J-18"

BOROUGH OF ROSELLE SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
High School										
Abraham Clark High School 1917,1924,1958										
Square Feet	112,749	112,749	112,749	112,749	112,749	112,749	112,749	112,749	112,749	112,749
Capacity (students)	1,084	1,084	1,084	1,084	1,084	1,084	1,084	1,084	1,084	1,084
Enrollment	1,015	1,043	1,010	995	995	1,010	978	964	952	936
Elementary										
Charles E. Polk School 1922,1928										
Square Feet	33,053	33,053	33,053	33,053	33,053	33,053	33,053	33,053	33,053	33,053
Capacity (students)	322	322	322	322	322	322	322	322	322	322
Enrollment	273	270	277	289	289	288	268	278	265	255
Harrison School 1922,1928										
Square Feet	41,401	41,401	41,401	41,401	41,401	41,401	41,401	41,401	41,401	41,401
Capacity (students)	346	346	346	346	346	346	346	346	346	346
Enrollment	326	310								
Washington School 1928,1953										
Square Feet	48,960	48,960	48,960	48,960	48,960	48,960	48,960	48,960	48,960	48,960
Capacity (students)	408	408	408	408	408	408	408	408	408	408
Enrollment	322	341	358	292	292	291	293	296	289	288
Middle School										
Leonard V. Moore School 1957	43,055	43,055	43,055	43,055	43,055	43,055	38,855	38,855	38,855	38,855
Square Feet	487	487	487	487	487	487	424	424	424	424
Capacity (students)	406	390	442	425	425	422	433	435	432	432
Enrollment										
Junior High School										
Grace Wilday School										
Square Feet	48,726	48,726	48,726	48,726	48,726	48,726	24,730	24,730	24,730	24,730
Capacity (students)	512	512	512	512	512	512	178	178	178	178
Enrollment	416	441	446	471	471	452	182	180	179	177
Special Education School										
Roselle School Annex										
Square Feet	14,955	14,955	14,955	14,955	14,955	14,955				
Capacity (students)	37	37	37	37	37	37				
Enrollment	315	36	36	36	36	17				
Other										
Administration Building										
Square Feet	2,645	2,645	2,645	2,645	2,645	2,645	2,645	2,645	2,645	2,645
Maintenance and Field House										
Square Feet		1,535	1,535	1,535	1,535	1,535	1,535	1,535	1,535	1,535

Number of Schools at June 30, 2010
- High School = 1
- Elementary = 3
- Middle School = 1
- Junior High School = 1
- Special Education School = 1

Source: District records, ASSA

EXHIBIT "J-19"

BOROUGH OF ROSELLE SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST FIVE FISCAL YEARS
UNAUDITED

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

School Facilities	Project # (s)	2010	2009	2008	2007	2006
Abraham Clark High School	N/A	$127,898.71	$131,425.00	$121,893.00	$82,890.00	$55,789.00
Leonard V. Moore Middle School	N/A	74,491.63	60,625.00	50,443.00	44,563.00	25,668.00
Grace Wilday Junior High School	N/A	32,512.67	22,870.00	25,982.00	30,486.00	11,408.00
Harrison Elementary School	N/A	50,072.22	39,679.00	28,626.00	41,214.00	17,112.00
Charles E. Polk Elementary School	N/A	38,851.91	31,331.00	33,454.00	32,789.00	15,686.00
Washington Elementary School	N/A	42,979.28	38,365.00	39,431.00	39,952.00	17,112.00
Total School Facilities		$366,806.42	$324,295.00	$299,829.00	$271,894.00	$142,775.00

Source: District Records

BOROUGH OF ROSELLE - SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2010
UNAUDITED

COMPANY	TYPE OF COVERAGE	COVERAGE	DEDUCTIBLE
Utica National	Property Blanket Buildings & Contents-Replacement Cost Values	$82,347,213	$5,000
Utica National	Pollution Liability	1,000,000	$10,000
Utica National	General Liability -Each Occurrence -General Aggregate -Prod/Completed Oper -Personal Injury -Fire Damage -Medical Expense Limit (Excluding students) -Employee Benefit Liability -Aggregate	16,000,000	N/A
Utica National	Automotive Coverage -Combined Single Limit -Hired/Non-Owned -Uninsured & Underinsured	16,000,000	N/A
Utica National	Inland Marine -Electronic Data Processing Equipment	250,000	500
Utica National	Crime Coverage		
	-Employee Dishonesty with Faithful Performance	250,000	500
	-Theft, Disappearance & Destruction Inside and Out	100,000	500
	-Robbery & Safe Burglary Property other than Money & Securities-Inside & Out	100,000	500
Utica National	Boiler & Machinery Coverage	100,000,000	5,000

Source: District Records

BOROUGH OF ROSELLE - SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2010
UNAUDITED

COMPANY	TYPE OF COVERAGE	COVERAGE	DEDUCTIBLE
Utica National	Catastrophe Liability Coverage -Occurrence Limit -Aggregate Limit -Retained Limit	$16,000,000	
New Jersey School Boards Association Insurance Group	Board of Education -Liability Wrongful Acts Coverage Each Loss Aggregate	6,000,000	
Mutual of Omaha	Accident-Volunteer Workers	5,000,000	N/A
Mutual of Omaha	Student Accident - Voluntary Program -Benefit Period 2 years	5,000,000	N/A
Selective Insurance	Fidelity Bonds -Treasurer of School Monies -School Business Administrator/ Board Secretary	280,000 280,000	N/A N/A
New Jersey School Boards Association Insurance Group	Worker's Compensation -Covered Payrolls-Professional -Covered Payrolls-Non-Professional	23,375,679 774,259	

Source: District Records

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SINGLE AUDIT SECTION

SUPLEE, CLOONEY & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
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EXHIBIT "K-1"

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

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

We have audited the basic financial statements of the Borough of Roselle School District, County of Union, New Jersey as of and for the fiscal year ended June 30, 2010, and have issued our report thereon dated December 3, 2010. We conducted our audit in accordance with U.S. generally accepted auditing standards, 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 Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Borough of Roselle School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the basic financial statements but not for the purpose of expressing an opinion on the effectiveness of the Borough of Roselle School District internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough of Roselle School District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was limited for the purposed described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However we noted immaterial matters involving the internal control over financial reporting that we have reported to the Board of Education of the Borough of Roselle School District in a separate Auditor's Management Report on Administrative Findings – Financial and Compliance dated December 3, 2010.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Freehold Regional High School District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However we noted immaterial instances of noncompliance that we have reported to the Board of Education of the Borough of Roselle School District in a separate Auditor's Management Report on Administrative Findings – Financial and Compliance dated December 3, 2010.

This report is intended for the information of the Borough of Roselle School District, County of Union, New Jersey, the New Jersey State Department of Education and federal and state audit awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Suplee, Clooney & Company
CERTIFIED PUBLIC ACCOUNTANTS

December 3, 2010

PUBLIC SCHOOL ACCOUNTANT NO. 93

SUPLEE, CLOONEY & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
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EXHIBIT "K-2"

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL AND STATE FINANCIAL ASSISTANCE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

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

Compliance

We have audited the compliance of the Borough of Roselle School District with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the New Jersey State Grant Compliance Supplement that are applicable to each of its major federal and state programs for the year ended June 30, 2010. Borough of Roselle School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of Borough of Roselle School District's management. Our responsibility is to express an opinion on Borough of Roselle School District's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133 "Audits of States, Local Governments and Non-Profit Organizations" and State of New Jersey OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Borough of Roselle School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Borough of Roselle School District's compliance with those requirements.

In our opinion, the Borough of Roselle School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended June 30, 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular 133 and New Jersey OMB Circular 04-04, and which are described in the accompanying Schedule of Findings and Questioned Costs as item number #FY 2010-2 through #FY 2010-5 and reported to the Borough of Roselle School District in a separate Auditor's Management Report on Administrative Findings – Financial and Compliance dated December 3, 2010.

Internal Control Over Compliance

The management of the Borough of Roselle School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Borough of Roselle School District's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough of Roselle School District's internal control over compliance.

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

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items FY2010-01 and reported to the Borough of Roselle School District in a separate Auditor's Management Report on Administrative Findings dated December 3, 2010. 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.

Borough of Roselle School District' responses to the finding identified in our audit will be described in the Borough of Roselle School District' corrective action plan on file in the Board Secretary/Business Administrator's office.

This report is intended solely for the information of the Borough of Roselle School District, County of Union, New Jersey, the New Jersey State Department of Education, and federal and state audit awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Suplee, Clooney & Company
CERTIFIED PUBLIC ACCOUNTANTS

December 3, 2010

PUBLIC SCHOOL ACCOUNTANT NO. 93

EXHIBIT "K-3"
SCHEDULE "A"
SHEET #1

BOROUGH OF ROSELLE SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Period From	Grant Period To	Award Amount	Balance at June 30, 2009	Prior Adjustment	Balance at June 30, 2009	Carryover Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2010 (Accounts Receivable)	Balance June 30, 2010 Deferred Revenue	Balance June 30, 2010 Due to Grantor
General Fund:														
U.S. Department of Education														
Passed-through State Department of Education:														
ARRA -Educational Stabilization Fund	84.394	9/1/09	8/31/11	$3,642,431					$3,642,431	($3,642,431)				
ARRA -Government Stabilization Fund	84.397	9/1/09	8/31/11	141,004					141,004	(141,004)				
Medicaid Assistance Program (SEMI)	93.778	7/1/09	6/30/10	140,564					140,564	(140,564)				
Total General Fund				3,923,999					3,923,999	(3,923,999)				
Special Revenue Funds:														
U.S. Department of Education														
Passed-through State Department of Education:														
Title I	84.010	9/1/09	8/31/11	614,225					408,215	(583,858)		($175,643)		
Title I	84.010	9/1/08	8/31/10	684,557	($91,832)	$16,701	($75,130)		168,499	(50,229)			$43,140	
Title I	84.010	9/1/07	8/31/09	424,710	38,205	(38,205)								
Title I	84.010	9/1/06	8/31/08	460,157	4,577	27,812	32,389				(32,389)			
Title I-School Improvement	84.010	9/1/08	8/31/10	117,145	(24,697)	(515)	(25,212)		31,845	(16,361)		(9,726)		
Title I-School Improvement	84.010	9/1/09	8/31/11	24,829						(20,829)		(20,829)		
Title I-School Improvement	84.010	9/1/06	8/31/09	665		665	665			(650)			15	
ARRA - Title I	84.389	7/1/09	8/31/11	400,690					41,881	(313,339)		(271,458)		
ARRA - Title I SIA	84.388	7/1/09	8/31/11	13,756						(6,273)		(6,273)		
Title II - Part A	84.367	9/1/08	8/31/10	121,035	(37,614)	7,621	(29,993)		37,652	(16,843)		(9,184)		
Title II - Part A	84.367	9/1/07	8/31/09	108,595	7,621	(7,621)								
Title II - Part A	84.367	9/1/09	8/31/11	116,074					57,467	(85,433)		(27,966)		
Title II - Part D	84.318	9/1/08	8/31/10	5,646	(5,304)	5,675	371		1,050				1,421	
Title II - Part D	84.318	9/1/07	8/31/09	2,885	(1,741)		(1,741)					(1,741)		
Title II - Part D	84.318	9/1/09	8/31/11	6,286					4,836	(6,052)		(1,216)		
Title III - A & Immigrant	84.365	9/1/08	8/31/10	84,503	(20,127)	232	(19,895)		19,133	(497)		(1,259)		
Title III - A & Immigrant	84.365	9/1/07	8/31/08	58,033	(4,089)		(4,089)					(4,089)		
Title III - A & Immigrant	84.365	9/1/06	8/31/08	53,945	(2,491)		(2,491)					(2,491)		
Title III - A & Immigrant	84.365	9/1/05	8/31/06	77,176	(6,546)		(6,546)					(6,546)		
Title III - A & Immigrant	84.365	9/1/09	8/31/10	61,860					46,400	(58,291)		(11,891)		
Title IV	82.186	9/1/09	8/31/11	12,268					4,498	(11,448)		(6,950)		
Title IV	83.186	9/1/08	8/31/10	13,674	(3,573)	61	(3,512)			(745)		(4,257)		
Title IV	84.186	9/1/07	8/31/09	15,246	91		91						91	
Title IV	84.186	9/1/06	8/31/08	14,334	48		48						48	
Title V	84.298	9/1/07	8/31/08	8,927	929	72	1,001		103				1,104	
Title V	84.298	9/1/06	8/31/07	9,783	214		214						214	
IDEA, Part B Basic	84.027	9/1/09	8/31/11	880,039					469,844	(863,071)		(393,227)		
IDEA, Part B Basic	84.027	9/1/08	8/31/10	871,793	(306,649)	223	(306,426)		452,919	(71,345)		-	75,148	
IDEA, Part B Basic	84.027	9/1/07	8/31/09	874,105	1,836		1,836						1,836	
IDEA, Part B Basic Carryover	84.027	9/1/06	8/31/08	827,312	(5,364)		(5,364)					(5,364)		
IDEA, Part B Preschool	84.173	9/1/09	8/31/11	46,740					15,024	(24,218)		(9,194)	-	
IDEA, Part B Preschool	84.173	9/1/08	8/31/10	27,324	(19,221)	4,799	(14,422)		22,064	(11,863)		(4,221)	-	
IDEA, Part B Preschool	84.173	9/1/07	8/31/09	56,381	(684)		(684)					(684)		
IDEA, Part B Preschool-Carryover	84.173	9/1/06	8/31/08	28,151	28,151		28,151						28,151	
IDEA, k3	84.173	9/1/07	8/31/08	85,950	(7,302)		(7,302)					(7,302)		
IDEA, k4	84.027	7/1/06	6/30/07	85,743	(12,866)		(12,866)					(12,866)		
IDEA, k4	84.027	7/1/09	6/30/10	60,000					37,509	(60,000)		(22,491)		
IDEA, k4	84.027	7/1/08	6/30/09	60,482	(17,283)		(17,283)		17,283					
ARRA - IDEA	84.391	7/1/09	8/31/11	973,866					39,000	(159,090)		(120,090)		
ARRA - IDEA Part B Preschool	84.392	7/1/09	8/31/11	35,049										
ARRA - Educational Technology - Talent 21	84.386A	3/1/10	9/15/11	1,430,000						(589,161)		(589,161)		
ARRA - Food Service Equipment	10.579	7/1/09	6/30/10	37,424					37,424	(37,424)				
Vocational Education	84.049	9/1/07	6/30/08	6,102	(156)	156								
Vocational Education	84.049	7/1/08	6/30/09	9,804	(3,460)	(156)	(3,616)		3,725					109
Vocational Education	84.049	7/1/09	6/30/10	33,846					7,647	(18,897)		(11,250)		
High School That Works	84.048	7/1/05	6/30/06	6,717	6,717		6,717						6,717	
Include	84.001	9/1/07	8/31/08	161,538	13,318		13,318		27,010		(38,493)		1,835	
Include	84.001	9/1/08	8/31/09	226,000	51,452	8,549	60,001		27,779	(66,636)			21,144	
Include	84.001	9/1/09	8/31/10	240,000					45,116	(159,474)		(114,358)		
NJ Learn & Serve	94.004	7/1/07	6/30/10	25,000	(6,485)		(6,485)		6,485					
NJ Learn & Serve	94.004	7/1/08	6/30/10	25,000	(1,772)	531	(1,241)		6,015	(3,277)			1,497	
Total U.S. Department of Education				10,625,370	(426,097)	26,600	(399,496)		2,036,423	(3,235,304)	(70,882)	(1,851,729)	182,361	109
Pass-Through County of Union														
Summer Youth Employment Training Program	17.250	7/1/09	6/30/10	30,916					25,773	(25,866)		(93)		
Total County of Union				30,916					25,773	(25,866)		(93)		
Total Special Revenue Fund				10,656,286	(426,097)	26,600	(399,496)		2,062,196	(3,261,170)	(70,882)	(1,851,822)	182,361	109

See accompanying Notes to Schedules of Financial Assistance

EXHIBIT "K-3"
SCHEDULE "A"
SHEET #2

BOROUGH OF ROSELLE SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Period From	Grant Period To	Award Amount	Balance at June 30, 2009	Prior Adjustment	Balance at June 30, 2009	Carryover Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2010 (Accounts Receivable)	Balance June 30, 2010 Deferred Revenue	Balance June 30, 2010 Due to Grantor
Enterprise Fund:														
U.S. Department of Agriculture														
Passed-through State Department of Education:														
Food Distribution Program	10.550	7/1/09	6/30/10	67,657					67,657	(67,657)				
School Breakfast Program	10.553	7/1/09	6/30/10	182,089					161,413	(182,089)		(20,676)		
School Breakfast Program	10.553	7/1/08	6/30/09	165,128	(15,517)		(15,517)		15,517					
National School Lunch Program	10.555	7/1/09	6/30/10	719,692					643,855	(719,692)		(75,837)		
National School Lunch Program	10.555	7/1/08	6/30/09	649,280	(50,184)		(50,184)		50,184					
Total U.S. Department of Agriculture				1,783,846	(65,701)		(65,701)		938,626	(969,438)		(96,513)		
Total Federal Financial Assistance				16,364,131	(491,798)	26,600	(465,197)		6,924,821	(8,154,607)	(70,882)	(1,948,335)	182,361	109

See accompanying Notes to Schedules of Financial Assistance

EXHIBIT "K-4"
SCHEDULE "B"

BOROUGH OF ROSELLE SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

State Grantor/Program Title	Grant or State Project Number	Grant Period From	Grant Period To	Award Amount	Balance June 30, 2009 Deferred Revenue/ (Acct Rec)	Balance June 30, 2009 Prior Year Adjustment	Carryover (Walkover) Amount	Adjusted Balance June 30, 2009	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balance Adjustments	Balance June 30, 2010 Accounts Receivable	Balance June 30, 2010 Deferred Revenue	Balance June 30, 2010 Due to Grantor	Memo Only Budgetary Receivable	Memo Only Cumulative Total Expenditures
State Department of Education																
General Fund:																
Equalization Aid	10-495-034-5120-078	7/1/09	6/30/10	$13,499,185					$11,396,267	($13,499,185)	$2,102,918				$2,102,918	$13,499,185
Transportation Aid	10-495-034-5120-014	7/1/09	6/30/10	247,719					222,947	(247,719)	24,772				24,772	247,719
Special Education Categorical Aid	10-495-034-5120-011	7/1/09	6/30/10	1,627,531					1,464,778	(1,627,531)	162,753				162,753	1,627,531
Security Aid	10-495-034-5120-084	7/1/09	6/30/10	621,020					558,918	(621,020)	62,102				62,102	621,020
Extraordinary Aid	09-495-034-5120-044	7/1/08	6/30/09	900,082	($900,082)			($900,082)	900,082							900,082
Extraordinary Aid	10-495-034-5120-044	7/1/09	6/30/10	869,640						(869,640)		($869,640)			869,640	869,640
Reimbursed TPAF Pension Contribution	09-495-034-5095-002	7/1/08	6/30/09	1,366,702	(106,424)			(106,424)	106,424							1,366,702
Reimbursed TPAF Pension Contribution	10-495-034-5095-002	7/1/09	6/30/10	1,405,465					1,405,465	(1,405,465)						1,405,465
Total General Fund				20,537,344	(1,006,506)			(1,006,506)	16,054,881	(16,270,560)	2,352,545	(869,640)			3,222,185	20,537,344
Special Revenue Fund:																
Preschool Education Aid	10-100-034-5064-346	7/1/09	6/30/10	391,824			$77,760		352,642	(265,675)			$164,727		39,182	265,675
Early Childhood Program Aid	09-100-034-5064-347	7/1/08	6/30/09	379,150	14,470		(52,385)	14,470	37,915							379,150
Early Childhood Program Aid	08-100-034-5064-348	7/1/07	6/30/08	1,494,851	330		(330)	330								1,494,851
Early Childhood Program Aid Carryover	07-100-034-5064-348	7/1/06	6/30/07	25,045	25,045		(25,045)	25,045								25,045
Textbook Aid	10-100-034-5120-063	7/1/09	6/30/10	56,052					56,052	(29,626)				$26,426		29,626
Textbook Aid	09-100-034-5120-063	7/1/08	6/30/09	4,489	4,440	$48		4,489			(4,440)			49		4,489
Textbook Aid	08-100-034-5120-064	7/1/07	6/30/08	55,610	568			568			(568)					55,610
Nursing Services	10-100-034-5120-070	7/1/09	6/30/10	66,469					66,469	(52,341)				14,128		52,341
Technology Initiative Aid	07-100-034-5120-373	7/1/06	6/30/07	38,320	171			171			(171)					38,320
Auxiliary Service																
English As A Second Language	10-100-034-5120-067	7/1/09	6/30/10	9,787					9,787	(9,787)						9,787
Transportation	10-100-034-5120-067	7/1/09	6/30/10	23,290					23,290	(23,290)						23,290
Compensatory Education	10-100-034-5120-067	7/1/09	6/30/10	126,200					126,200	(126,200)						126,200
Home Instruction	09-100-034-5120-067	7/1/08	6/30/09	5,391	(5,391)			(5,391)	5,391							5,391
Home Instruction	07-100-034-5120-067	7/1/06	6/30/07	6,018	(1,089)	1,089										6,018
Handicapped Service																
Supplemental Instruction	10-100-034-5120-065	7/1/09	6/30/10	63,714					63,714	(63,714)						63,714
Examination and Classification	10-100-034-5120-066	7/1/09	6/30/10	82,800					82,800	(77,671)				5,129		77,671
Examination and Classification	09-100-034-5120-066	7/1/08	6/30/09	90,978	2,652			2,652			(2,652)					7,532
Corrective Speech	10-100-034-5120-066	7/1/09	6/30/10	7,532					7,532	(7,532)						7,532
Teacher Mentoring		7/1/08	6/30/07	14,788	669			669					669			14,788
Innovative Grant		7/1/08	6/30/07	601	601			601					601			601
Total Special Revenue Fund				2,942,909	42,466	1,137		43,604	831,792	(655,836)	(7,831)		165,997	45,732	39,182	2,687,631
Enterprise Fund:																
National School Lunch Program (State Share)	09-100-034-5120-122	7/1/08	6/30/09	27,825	(2,128)			(2,128)	2,128							27,825
National School Breakfast Program (State Share)	10-100-034-5120-122	7/1/09	6/30/10	11,606					10,315	(11,606)		(1,291)			1,291	11,606
National School Breakfast Program (State Share)	09-100-034-5120-122	7/1/08	6/30/09	10,980	(1,026)			(1,026)	1,026							10,980
National School Lunch Program (State Share)	10-100-034-5120-122	7/1/09	6/30/10	29,031					26,010	(29,031)		(3,021)			3,021	29,031
Total Enterprise Fund				79,442	(3,154)			(3,154)	39,479	(40,637)		(4,312)			4,312	79,442
Total Expenditures of State Financial Assistance Subject to OMB 04-04				$23,559,695	($967,194)	$1,137		($966,056)	$16,926,152	($16,967,033)	$2,344,714	($873,952)	$165,997	$45,732	$3,265,679	$23,304,417
On Behalf TPAF Contributions Not Subject to OMB 04-04.																
On-behalf TPAF pension - post retirement medical	10-495-034-5095-001	7/1/09	6/30/10	1,076,380					1,076,380	(1,076,380)						
On-behalf TPAF pension - pension contribution	10-495-034-5095-006	7/1/09	6/30/10	57,311					57,311	(57,311)						
									$18,059,843	($20,100,724)						

See accompanying Notes to Schedules of Financial Assistance

EXHIBIT "K-5"

Borough of Roselle School District
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
Year Ended June 30, 2010

NOTE 1: GENERAL

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

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and federal awards and state financial assistance are presented on the budgetary basis of accounting with the exceptions of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 of the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

Borough of Roselle School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2010

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is ($143,365) for the general fund and ($519,416) for the special revenue fund. See the notes to the required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Federal awards and state financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	Federal	State	Total
General Fund	$3,923,999.00	$19,260,886.00	$23,184,885.00
Special Revenue Fund	2,713,570.00	684,020.00	3,397,590.00
Food Service Fund	969,437.00	40,637.00	1,010,074.00
Total Awards & Financial Assistance	$7,607,006.00	$19,985,543.00	$27,592,549.00

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: ADJUSTMENTS

The adjustments on the schedules of expenditure of federal awards and schedule of expenditure of state financial assistance are the result of cancellation of prior year encumbrances and receivables.

NOTE 6: OTHER

Revenues and expenditures reported in the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF pension contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2010. TPAF Social Security contributions represent the amount reimbursed by the state for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2010.

EXHIBIT "K-6"

Borough of Roselle School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2010

Section I – Summary of Auditor's Results

Financial Statements

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

Federal Program(s)

(1)	Internal Control Over Major Federal Programs:	
	(a) Material weakness identified?	None Reported
	(b) Significant deficiencies identified that are not considered to be material weaknesses?	Yes
(2)	Type of Auditor's Report issued on compliance for major federal program(s)?	Unqualified
(3)	Any audit findings disclosed that are required to be reported in accordance with Circular OMB A-133 and listed in Section III of this schedule?	Yes

EXHIBIT "K-6"

Borough of Roselle School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2010

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

Federal Program(s) (Continued)

(4) Identification of Major Federal Program(s):

Program	Grant Number	Grant Period From	Grant Period To	Type	Award Amount	Expended FY '10
ARRA-SFSF-ESF	84.394	9/1/09	8/31/11	A	$3,642,431.00	$3,642,431.00
ARRA-SFSF-GSF	84.397	9/1/09	8/31/11	A	141,004.00	141,004.00
IDEA Part B Basic	84.027	9/1/09	8/31/11	A	880,039.00	863,071.00
IDEA Part B Basic	84.027	9/1/08	8/31/10	A	871,793.00	71,345.00
IDEA , K4	84.027	9/1/09	8/31/11	A	60,000.00	60,000.00
IDEA Part B Preschool	84.173	9/1/09	8/31/11	A	46,740.00	24,218.00
IDEA Part B Preschool	84.173	9/1/08	8/31/10	A	27,324.00	11,863.00
ARRA-IDEA Part B Basic	84.391	7/1/09	8/31/11	A	973,866.00	159,090.00
ARRA-Educational Technology Talent 21	84.386A	3/1/10	9/15/11	A	1,430,000.00	589,161.00
Title I	84.010	9/1/09	8/31/11	A	614,225.00	583,858.00
Title I	84.010	9/1/08	8/31/10	A	684,557.00	50,229.00
Title I SIA	84.010	9/1/09	8/31/11	A	24,829.00	20,829.00
Title I SIA	84.010	9/1/08	8/31/10	A	117,145.00	16,361.00
Title I SIA	84.010	9/1/06	8/31/09	A	665.00	650.00
ARRA-Title I	84.389	7/1/09	8/31/11	A	400,690.00	313,339.00
ARRA-Title I SIA	84.388	7/1/09	8/31/11	A	13,756.00	6,273.00
Title II Part A	84.367	9/1/09	8/31/11	B	116,074.00	85,433.00
Title II Part A	84.367	9/1/08	8/31/10	B	121,035.00	16,843.00

(5) Program Threshold Determination:
Type A Federal Program Threshold > $300,000.00
Type B Federal Program Threshold <= $300,000.00

(6) Auditee qualified as a low-risk auditee under OMB Circular A-133? Yes

EXHIBIT "K-6"

Borough of Roselle School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2010

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

State Program(s)

(1) Internal Control Over Major State Programs:

(a) Material weakness identified? None Reported

(b) Significant deficiencies identified that are not considered to be material weaknesses? N/A

(2) Type of Auditor's Report issued on compliance for major state program(s)? Unqualified

(3) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 04-04 and listed in Section III of this schedule? None Reported

(4) Identification of Major State Program(s):

Program	Grant Number	Grant Period From	Grant Period To	Type	Award Amount	Expended FY '10
Equalization Aid	10-495-034-5120-078	7/1/09	6/30/10	A	$13,499,185.00	$13,499,185.00
Special Education Aid	10-495-034-5120-011	7/1/09	6/30/10	A	1,627,531.00	1,627,531.00
Security Aid	10-495-034-5120-084	7/1/09	6/30/10	A	621,020.00	621,020.00
Extraordinary Aid	10-100-034-5120-473	7/1/09	6/30/10	A	869,640.00	869,640.00

(5) Program Threshold Determination:
Type A State Program Threshold > $569,011
Type B State Program Threshold <= $569,011

(6) Auditee qualified as a low-risk auditee under OMB Circular A-133? Yes

EXHIBIT "K-6"

Borough of Roselle School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2010

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

Internal Control Findings – None Reported

Compliance Findings – None Reported

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

Federal Programs

ARRA ESF 84.394/ARRA GSF 84.397/
ARRA IDEA PART B 84.391/ ARRA IDEA PRESCHOOL 84.392/
ARRA EDUCATIONAL TECHNOLOGY-TALENT 21 84.386A/
ARRA TITLE I SIA 84.388/ARRA TITLE I 84.389

#FY 2010-01:

We were unable to test the District's ARRA 1512 Reporting because the District did not always maintain hard copies of these reports.

We recommend:

All grant reports required to be filed online be printed and maintained on file for audit.

ARRA IDEA PART B 84.391/ ARRA IDEA PRESCHOOL 84.392/
ARRA EDUCATIONAL TECHNOLOGY-TALENT 21 84.386A
ARRA TITLE I SIA 84.388/ARRA TITLE I 84.389

#FY 2010-02:

As noted in finding 2010-01 we were unable to test the District's ARRA 1512 Reporting because the District did not always maintain hard copies of these reports.

We recommend:

All grant reports required to be filed online be printed and maintained on file for audit.

EXHIBIT "K-6"

Borough of Roselle School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2010

IDEA PART B 84.027

#FY 2010-03

Time and effort documentation was not maintained for employee salaries charged to the grant.

We recommend that time and effort documentation be maintained for employee salaries charged to federal grants as per Circular A-87.

IDEA PART B 84.027

#FY 2010-04

We noted that the District filed drawdowns for the FY 09 grant in excess of monies expended by $75,147.84.

We recommend that drawdowns be reconciled with the financial reporting system.

TITLE I 84.010

#FY 2010-05

The District could not demonstrate that funds were expended on a school by school basis in accordance with the Grant application.

We recommend that the District modify the computerized financial reporting system so that expenditures can be tracked on a school by school basis.

State Programs – None Reported

EXHIBIT "K-7"

Borough of Roselle School District

Schedule of Prior Year Audit Findings

State Programs –

Finding #09-01: Application for State School Aid-Low-Income

Condition: The District is required to maintain workpapers that document the compilation of low-income eligibility data and provides an audit trail for testing information reported in the A.S.S.A.

Recommendation: That the District take appropriate measures to improve on confirmation of student's eligibility status by maintaining all lunch applications in an organized fashion.

Current Status: The recommendation has been implemented.

Finding #09-02: On-Roll Status of Transported Students

Condition: The District is required to verify the on roll status of students reported on the District Report of Transported Resident Students (DRTRS). The name of each on roll student reported on the DRTRS by the District must appear on a District school register.

Recommendation: That the District take appropriate measures to improve verifying the on roll status of student's reported in the DRTRS.

Current Status: The recommendation has been implemented.