

**SCHOOL DISTRICT
OF THE
TOWNSHIP OF RANDOLPH**

**Township of Randolph School District
Randolph, New Jersey**

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

**Comprehensive Annual
Financial Report**

of the

Township of Randolph School District

Randolph, New Jersey

For the Fiscal Year Ended June 30, 2020

Prepared by

**Township of Randolph School District
Board of Education**

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**INTRODUCTORY SECTION
(UNAUDITED)**

RANDOLPH TOWNSHIP SCHOOLS

25 School House Road, Randolph, NJ 07869

(973) 361-0808

Fax (973) 361-2405

Ms. Jennifer Fano
Superintendent of Schools

Mr. Gerald Eckert
Business Administrator
Board Secretary

November 3, 2020

The Honorable President and Members
of the Board of Education
Township of Randolph School District
County of Morris, New Jersey

Dear Board Members:

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

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

1) REPORTING ENTITY AND ITS SERVICES: The Township of Randolph School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board ("GASB") in codification section 2100. All funds of the District are included in this report. The Township of Randolph School District and its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 12 for the students residing in Randolph Township. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2019-20 fiscal year with an enrollment of 4,522 students.

2) ECONOMIC CONDITION AND OUTLOOK: The Randolph Township School District is in the middle of significant State aid reductions that will continue through the 2024-25 Fiscal Year. The Township of Randolph ratable base continues on a flat to slight incline. The District's enrollment continues to be on a downward trend. The Board has three bargaining units with settled contracts for the 2020-21 School year. The District's largest bargaining unit, The Randolph Education Association's (REA) contract expires at the end of the 2020-21 School Year. It is too soon to project the economic impact on COVID-19 on the Township and the district, but it is anticipated that the district will incur additional expenses related to it.

3) MAJOR INITIATIVES: During the 2020-2021 school year, the Randolph Township School District continued with the comprehensive review and revision of district curricula, according to parameters set forth in the 5-year curriculum review cycle, approved each year by the Board of Education. Along with each new or newly revised curriculum, access to digital content and training of teachers to implement new curricular elements is provided.

Professional development (PD) opportunities continue to be provided for all new curriculum and the Stronge evaluation model. Teachers were provided with opportunities to attend workshops in district, out of district, and after school hours. The District administration was provided with PD in the evaluation process, to mirror training provided to instructional staff. The District also contracts with providers of PD and educational support material across the curriculum, with an emphasis on multiple facets of hybrid and all-virtual instruction including social-emotional wellness, technology-infusion, and implementation of instructional strategies that yield student growth.

The District continues to use a model of PD that emphasizes a "push-in" approach whenever possible, whereby PD providers deliver their assistance to teachers in our own classrooms with our own students, rather than a more traditional "pull-out" approach that requires teachers to leave their classrooms. We employ seven instructional coaches throughout the district who model this structure in their ongoing coaching cycles and professional learning offerings with teachers.

The District added several new components to the program of educational technology available to students, staff and administrators including access to digital content that will continue to replace more traditional printed material. The District continues to deepen its commitment to a learning management system that has enabled online coursework to be delivered to students. The District has made a commitment to provide open access to the Microsoft Office 365 suite for all members of our school community. Targeted training has been offered during the summer and throughout the year to allow for purposeful tech infusion and increased collaboration. Students across the District have increased the degree to which they access content digitally rather than in printed form and training of staff to enable this shift is ongoing and comprehensive. The District continues to employ a K-12 Bring Your Own Device (BYOD) approach to support the student use of technology and is actively exploring a 1:1 initiative to further support students learning in a virtual and/or hybrid learning environment.

The District continues to offer a comprehensive array of award-winning music and art programs at all levels and an expansive offering of over 30 Advanced Placement programs at the high school including the prestigious AP Capstone diploma program. Our athletic program is exceptional, and our co-curricular clubs offer numerous and diverse opportunities to our student body, as we work to maintain the quality of a public education program second to none in the State of New Jersey.

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

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

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

5) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by a vote of the Board of Education. Annual appropriated budgets are adopted for the general fund and the special revenue fund and the debt service fund. Project length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as fund balance restrictions, commitments and/or assignments at June 30, 2020.

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

7) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8) RISK MANAGEMENT: The Board carries various forms of insurance, including, but not limited to, general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. A schedule of insurance coverage is found on J-20.

The Board is a member of the New Jersey School Insurance Group (the "NJSIG"). The NJSIG is a risk-sharing public entity risk fund that is both an insured and self-administered group of school districts established for the purpose of providing low-cost workers' compensation insurance coverage to their members. Additional information on the NJSIG is included in Note 9 to the Financial Statements.

The Honorable President and Members
of the Board of Education
Township of Randolph School District
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November 3, 2020

9) OTHER INFORMATION:

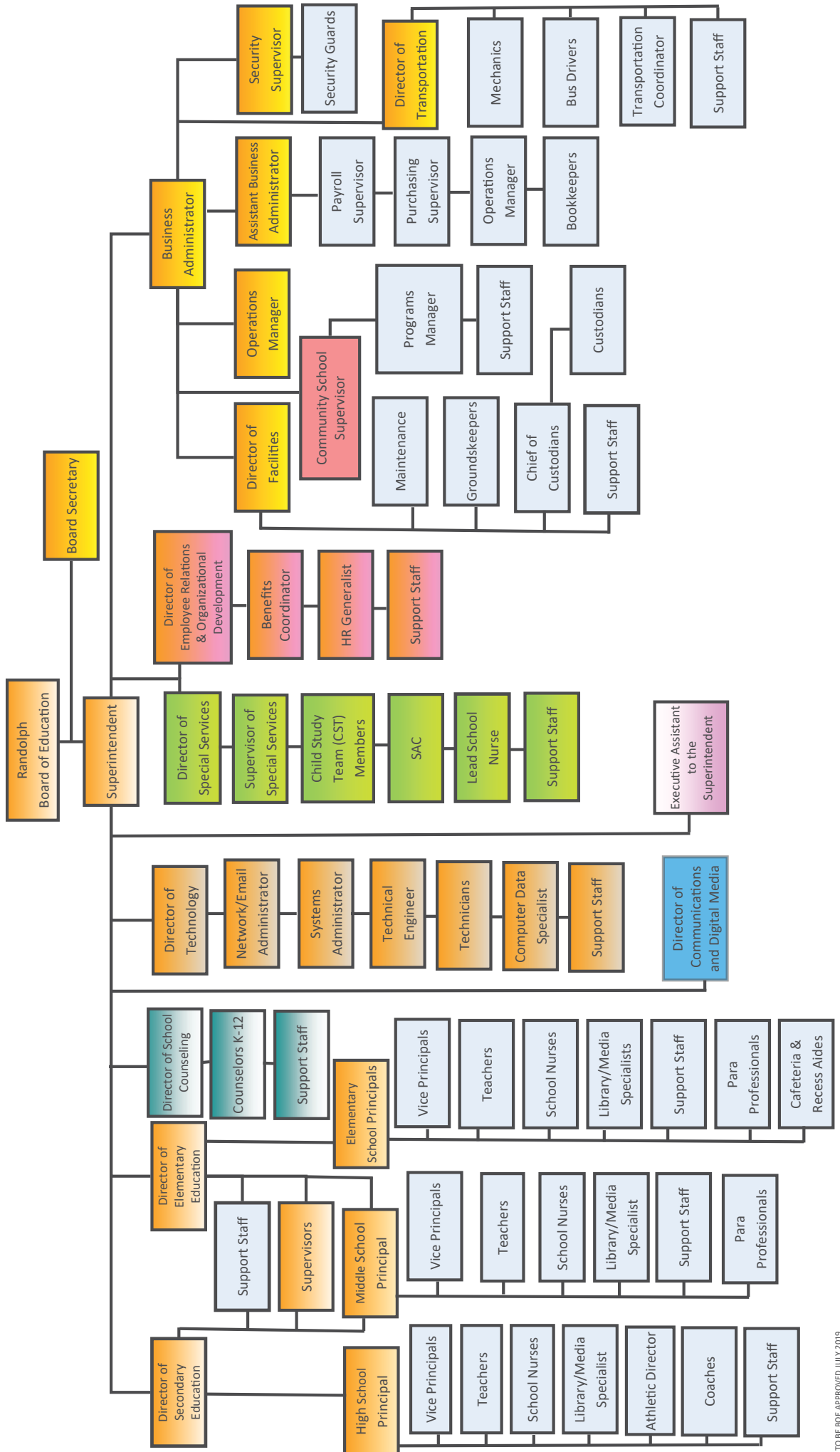
Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditors' report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The auditors' reports related specifically to the single audit and *Governmental Auditing Standards* are included in the single audit section of this report.

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

Respectfully submitted,

Jennifer Fano
Jennifer Fano
Superintendent

Gerald Eckert
Gerald Eckert
Business Administrator



TOWNSHIP OF RANDOLPH SCHOOL DISTRICT

**Roster of Officials
June 30, 2020**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Tammy MacKay, President (from 6/22/20) Vice President (to 6/22/20)	2022
Joseph Faranetta, President (to 6/22/20)	2020
Ronald Conti	2020
Susan DeVito	2022
Allison Manfred	2021
Christine Petrat (from 2/7/20)	2020
Dorene Roche (from 10/22/20)	2020
Robert Soni, Ph.D.	2021
Anne Standridge (to 11/19/19)	2021
Jeanne Stifelman	2022
Christopher Treston (to 9/17/19)	2020

OTHER OFFICIALS

Jennifer A. Fano
Gerald M. Eckert

TITLE

Superintendent of Schools
School Business Administrator/Board Secretary

TOWNSHIP OF RANDOLPH SCHOOL DISTRICT
Consultants and Advisors

Architect

Parette Somjen Architecture
439 US Highway 46, Suite 4
Rockaway, New Jersey 07866

Attorney

Schenck, Price, Smith & King LLP
220 Park Avenue
Florham Park, New Jersey 07932

Audit Firm

Nisivoccia LLP, CPAs
Mount Arlington Corporate Center
200 Valley Road, Suite 300
Mount Arlington, New Jersey 07856
and
Lawrence Business Park
11 Lawrence Road
Newton, New Jersey 07860

Official Depository

The Provident Bank
1185 Sussex Turnpike
Randolph, New Jersey 07869

FINANCIAL SECTION

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Township of Randolph School District
County of Morris, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Randolph Township School District (the "District") in the County of Morris, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

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

Other Information

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

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

The Honorable President and Members
of the Board of Education
Randolph Township School District
Page 3

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2020 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

November 3, 2020
Mount Arlington, New Jersey

NISIVOCCIA LLP

Francis Jones of Nisivoccia LLP
Francis Jones
Licensed Public School Accountant #1154
Certified Public Accountant

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Management's Discussion and Analysis

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

Overview of the Financial Statements

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

- The first two statements are *district-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more* detail than the district-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- *Proprietary funds* statements offer *short-* and *long-term* financial information about the activities the District operates like a business, such as food services and the community school.
- *Fiduciary funds statements* provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.
- *Notes to Financial Statements* provide additional information essential to a full understanding of the district-wide and fund financial statements. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1
Organization of Financial Report

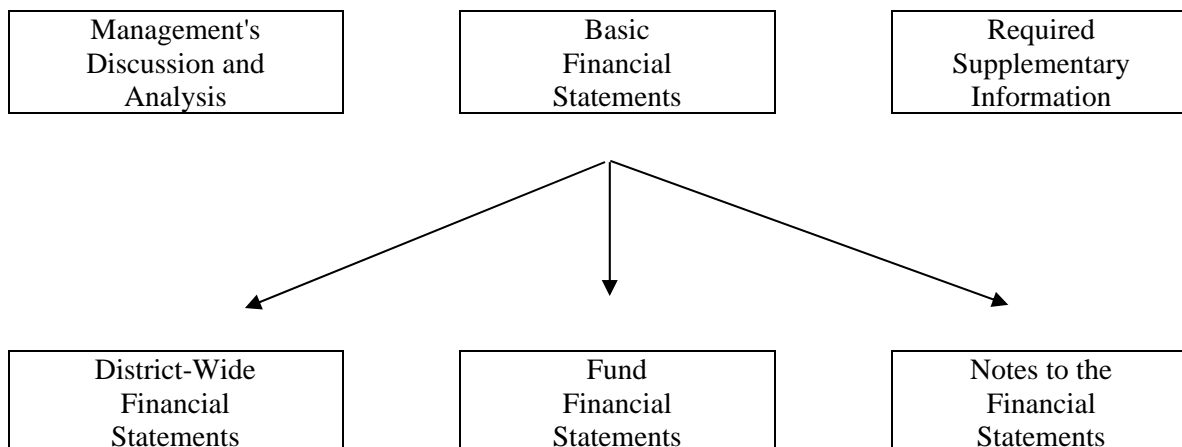


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents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

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses: food services and community school	Instances in which the district administers resources on behalf of someone else, such as scholarship programs and student activities
Required Financial Statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenue, expenses and changes in net position • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term, and deferred inflows and outflows	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities are included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

District-wide Statements

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

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

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

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

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

Fund Financial Statements

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

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenue (such as federal grants).
- *Governmental funds:* Most of the District's basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- *Proprietary funds:* Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. The *Internal service funds* (the other kind of proprietary fund) report activities that provide supplies and services for its other programs and activities. The District currently does not maintain any internal service funds.

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

Notes to the financial statements: The notes provide information that is essential to a full understanding of the data provided in the District-wide and fund financial statements.

Financial Analysis of the District as a Whole

Net Position. The District's combined net position totaled \$23,481,093, 34.89% more than the prior year. Net position from governmental activities increased \$6,538,415 and the net position from business-type activities decreased \$465,295.

Figure A-3
Condensed Statement of Net Position

	Government Activities		Business-Type Activities		Total School District		Total Percentage Change
	2019/20	2018/19*	2019/20	2018/19*	2019/20	2018/19*	2019/20
Current and Other Assets	\$ 32,016,698	\$ 25,562,945	\$ 1,193,949	\$ 1,878,962	\$ 33,210,647	\$ 27,441,907	
Capital Assets, Net	66,143,350	57,542,745	259,828	209,051	66,403,178	57,751,796	
Total Assets	<u>98,160,048</u>	<u>83,105,690</u>	<u>1,453,777</u>	<u>2,088,013</u>	<u>99,613,825</u>	<u>85,193,703</u>	16.93%
Deferred Outflows of Resources	<u>5,533,490</u>	<u>8,227,123</u>	<u>119,919</u>	<u>147,617</u>	<u>5,653,409</u>	<u>8,374,740</u>	-32.49%
Other Liabilities	2,413,672	2,950,830	376,846	504,214	2,790,518	3,455,044	
Long-Term Liabilities Outstanding	<u>68,175,279</u>	<u>62,314,625</u>	<u>590,737</u>	<u>671,489</u>	<u>68,766,016</u>	<u>62,986,114</u>	
Total Liabilities	<u>70,588,951</u>	<u>65,265,455</u>	<u>967,583</u>	<u>1,175,703</u>	<u>71,556,534</u>	<u>66,441,158</u>	7.70%
Deferred Inflows of Resources	<u>9,999,441</u>	<u>9,500,627</u>	<u>230,166</u>	<u>218,685</u>	<u>10,229,607</u>	<u>9,719,312</u>	5.25%
Net Position:							
Net Investment in Capital Assets	29,596,447	37,185,834	259,828	209,051	29,856,275	37,394,885	
Restricted	24,967,001	10,153,394			24,967,001	10,153,394	
Unrestricted/(Deficit)	<u>(31,458,302)</u>	<u>(30,772,497)</u>	<u>116,119</u>	<u>632,191</u>	<u>(31,342,183)</u>	<u>(30,140,306)</u>	
Total Net Position	<u>\$ 23,105,146</u>	<u>\$ 16,566,731</u>	<u>\$ 375,947</u>	<u>\$ 841,242</u>	<u>\$ 23,481,093</u>	<u>\$ 17,407,973</u>	34.89%

* Restated

Changes in Net Position

The Changes in Net Position shows the cost of program services and the revenues of the District on a comparative schedule (Figure A-4).

Figure A-4
Changes in Net Position from Operating Results

	Governmental Activities	Business-Type Activities	Total School District	Governmental Activities	Business-Type Activities	Total School District	Percentage Change
	2019/20	2019/20	2019/20	2018/19	2018/19	2018/19	2019/20
Revenue:							
Program Revenue:							
Charges for Services	\$ 466,962	\$ 1,962,699	\$ 2,429,661	\$ 296,800	\$ 2,544,095	\$ 2,840,895	
Operating Grants and Contributions	30,561,607	266,533	30,828,140	30,525,467	267,979	30,793,446	
General Revenue:							
Property Taxes	79,168,198		79,168,198	77,697,017		77,697,017	
Unrestricted State and Federal Aid	7,358,732		7,358,732	8,171,939		8,171,939	
Other	857,910	39,591	897,501	407,943	14,718	422,661	
Total Revenue	<u>118,413,409</u>	<u>2,268,823</u>	<u>120,682,232</u>	<u>117,099,166</u>	<u>2,826,792</u>	<u>119,925,958</u>	0.63%
Expenses:							
Instruction	63,478,496		63,478,496	64,104,624		64,104,624	
Pupil and Instruction Services	18,201,364		18,201,364	18,904,184		18,904,184	
Administrative and Business	12,320,745		12,320,745	12,282,201		12,282,201	
Maintenance and Operations	10,900,943		10,900,943	10,825,560		10,825,560	
Pupil Transportation	5,614,814		5,614,814	5,538,887		5,538,887	
Other	1,358,632	2,734,118	4,092,750	856,678	2,512,639	3,369,317	
Total Expenses	<u>111,874,994</u>	<u>2,734,118</u>	<u>114,609,112</u>	<u>112,512,134</u>	<u>2,512,639</u>	<u>115,024,773</u>	-0.36%
Increase (Decrease) in Net Position	<u>\$ 6,538,415</u>	<u>\$ (465,295)</u>	<u>\$ 6,073,120</u>	<u>\$ 4,587,032</u>	<u>\$ 314,153</u>	<u>\$ 4,901,185</u>	23.91%

Governmental Activities

As illustrated elsewhere in this document, the overall financial position of the District continues to improve. Through continued adherence to “best practices” (such as controlling costs and maximizing revenues) and judicious deployment of resources, the District has been able to maintain, expand or improve existing programs while prudently adding new ones. However, despite the overall financial environment seeing some improvement of late, the future is still quite uncertain as to school funding and its potential impact on school district operations.

With that being the case, the District needs to continue to carefully and thoroughly evaluate all aspects of its ongoing programs and operations for efficiencies and to insure that any proposed new activities or program expansions are financially viable on a long-term basis prior to implementation. This effort will allow the District to continue to enhance the overall educational environment of its students while dealing with any financial adversities which arise.

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

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

	<u>Total Cost of Services</u> <u>2019/2020</u>	<u>Total Cost of Services</u> <u>2018/2019</u>	<u>Net Cost of Services</u> <u>2019/2020</u>	<u>Net Cost of Services</u> <u>2018/2019</u>
Sources of Income:				
Instruction	\$ 63,478,496	\$ 64,104,624	\$44,143,059	\$ 44,708,065
Pupil and Instruction Services	18,201,364	18,904,184	12,996,818	13,872,506
Administrative and Business	12,320,745	12,282,201	10,069,220	10,104,899
Maintenance and Operations	10,900,943	10,825,560	9,182,112	9,077,360
Transportation	5,614,814	5,538,887	3,400,564	3,309,572
Other	1,358,632	856,678	1,054,652	617,465
	<u>\$ 111,874,994</u>	<u>\$ 112,512,134</u>	<u>\$ 80,846,425</u>	<u>\$ 81,689,867</u>

Business-Type Activities

Net position from the District's business-type activity decreased \$465,295 as a result of discontinuance of service in March due to the COVID-19 pandemic. (Refer to Figure A-4).

Financial Analysis of the District's Funds

As mentioned previously, the District's financial position improved in the General Fund during the year. For the most part, the financial improvements were due to cost reductions, although there also was an increase in overall revenue.

General Fund Budgetary Highlights

During the course of each school year, the District revises its annual operating budget as needed within permitted guidelines. During the year, budget amendments were made to budgetary line items for changes in school-based needs for programs, supplies and equipment.

Capital Asset and Long-term Liabilities Administration

Figure A-6
Capital Assets (Net of Depreciation)

	<u>Government Activities</u>		<u>Business-Type Activities</u>		<u>Total School District</u>		<u>Total Percentage Change</u>
	<u>2019/20</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2018/19</u>	
Land	\$ 3,465,955	\$ 3,465,955			\$ 3,465,955	\$ 3,465,955	
Construction in Progress	4,730,864	1,881,034			4,730,864	1,881,034	
Buildings and Building Improvements	53,669,960	48,002,081			53,669,960	48,002,081	
Furniture, Machinery and Equipment	<u>4,276,571</u>	<u>4,193,675</u>	<u>\$ 259,828</u>	<u>\$ 209,051</u>	<u>4,536,399</u>	<u>4,402,726</u>	
Total	<u>\$ 66,143,350</u>	<u>\$ 57,542,745</u>	<u>\$ 259,828</u>	<u>\$ 209,051</u>	<u>\$ 66,403,178</u>	<u>\$ 57,751,796</u>	14.98%

Long-term Liabilities

At year-end, the District had \$37,920,000 in general obligation bonds outstanding – an increase of \$9,340,000 from last year – as shown in Figure A-7. Net Pension Liability decreased by \$3,171,718, capital leases decreased by \$142,329 and other long-term liabilities decreased by \$77,851 - as shown in Figure A-7. (More detailed information about the District's long-term liabilities is presented in Note 7 to the financial statements.)

**Figure A-7
Outstanding Long-Term Liabilities**

	Total School District		Total Percentage Change
	2019/2020	2018/2019	
General Obligation Bonds (Financed with Property Taxes)	\$ 37,920,000	\$ 28,580,000	
Unamortized Bond Issuance Premium	618,980	787,180	
Net Pension Liability	25,903,365	29,075,083	
Other Long-Term Liabilities	4,323,671	4,543,851	
	<u>\$ 68,766,016</u>	<u>\$ 62,986,114</u>	9.18%

Factors Bearing on the District’s Future Revenue/Expense Changes

The most likely factors that will have a direct effect on future school district budgeting of both revenue and expenses will continue to be legislation and the overall economy. Two examples of recent legislation that will have a negative impact on the district are:

- 1.) S2 which changes the implementation of the funding formula used to distribute State Aid. These changes in the formula have resulted in the District's State Aid being reduced by \$6.3 Million through Fiscal Year 2025.
- 2.) Chapter 44 which requires that new employees go into a health insurance plan that was created by the law. In Randolph’s case, this plan brings premiums that are higher than all the current plans the district offers and reduces the employee contributions. Employees enrolled in the new plan will pay a percentage of their salary rather than the Chapter 78 percentage of premium that has been in place since 2011. This will result in higher premium costs to the district and lower employee contributions to their insurance coverage.

As to the economy, the recent financial uncertainty related to COVID-19 has raised long-term concerns which effect how every household and organization looks at their finances.

Other factors which will affect the District’s finances going forward include the uncertainty of future increases to costs which the District does not have strict control over (such as health benefits, general insurance and utilities) as well as the degree to which overall costs exceed the allowable annual increase to the district’s total budget (now set at 2.0% annually by law). In an ongoing effort to minimize the effect of these factors, the District continues to be focused on ways to improve its revenue stream and control costs, as well as pursuing strategies where possible that can help mitigate some of the uncertainties that will certainly continue to exist.

Contacting the District’s Financial Management

This financial report is designed to provide the District’s citizens, taxpayers, customers and investors and creditors with a general overview of the District’s finances and to demonstrate the District’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board of Education Office, 25 School House Road, Randolph, New Jersey 07869.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

RANDOLPH TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 19,737,507	\$ 1,169,086	\$ 20,906,593
Internal Balances	35,563	(35,563)	
Receivables from Other Governments	1,856,628	25,617	1,882,245
Other Accounts Receivable		2,632	2,632
Inventory		32,177	32,177
Restricted Assets:			
Capital Reserve Account - Cash and Cash Equivalents	9,563,044		9,563,044
Maintenance Reserve Account - Cash and Cash Equivalents	823,956		823,956
Capital Assets:			
Land and Construction in Progress	8,196,819		8,196,819
Depreciable Buildings and Building Improvements and Furniture, Machinery and Equipment	57,946,531	259,828	58,206,359
Total Assets	<u>98,160,048</u>	<u>1,453,777</u>	<u>99,613,825</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Refunding	323,661		323,661
District Contribution Subsequent to the Measurement Date - Pensions	1,478,469	34,031	1,512,500
Deferred Outflows of Resources Related to Pensions	3,731,360	85,888	3,817,248
Total Deferred Outflows of Resources	<u>5,533,490</u>	<u>119,919</u>	<u>5,653,409</u>
LIABILITIES			
Accrued Interest Payable	589,595		589,595
Accounts Payable	1,692,228	282,048	1,974,276
Payable to Federal and State Governments	15,307		15,307
Unearned Revenue	116,542	94,798	211,340
Noncurrent Liabilities:			
Due Within One Year	3,992,306		3,992,306
Due Beyond One Year	64,182,973	590,737	64,773,710
Total Liabilities	<u>70,588,951</u>	<u>967,583</u>	<u>71,556,534</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred Inflows of Resources Related to Pensions	9,999,441	230,166	10,229,607
Total Deferred Inflows of Resources	<u>9,999,441</u>	<u>230,166</u>	<u>10,229,607</u>
NET POSITION			
Net Investment in Capital Assets	29,596,447	259,828	29,856,275
Restricted for:			
Capital Projects	21,813,044		21,813,044
Debt Service	1		1
Excess Surplus	2,330,000		2,330,000
Maintenance Reserve	823,956		823,956
Unrestricted (Deficit)	(31,458,302)	116,119	(31,342,183)
Total Net Position	<u>\$ 23,105,146</u>	<u>\$ 375,947</u>	<u>\$ 23,481,093</u>

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction	\$ 63,478,496	\$ 466,962	\$ 18,868,475	\$ (44,143,059)		\$ (44,143,059)
Support Services:						
Tuition	1,821,734		1,703,088	(118,646)		(118,646)
Student & Instruction Related Services	16,379,630		3,501,458	(12,878,172)		(12,878,172)
General Administrative Services	1,911,716		193,255	(1,718,461)		(1,718,461)
School Administrative Services	5,252,898		1,257,607	(3,995,291)		(3,995,291)
Central Services	2,419,123		400,451	(2,018,672)		(2,018,672)
Administrative Information Technology	2,737,008		400,212	(2,336,796)		(2,336,796)
Plant Operations and Maintenance	10,900,943		1,718,831	(9,182,112)		(9,182,112)
Pupil Transportation	5,614,814		2,214,250	(3,400,564)		(3,400,564)
Unallocated Depreciation	8,527			(8,527)		(8,527)
Interest on Long-Term Debt	1,132,002		303,980	(828,022)		(828,022)
Transfer of Funds to Charter Schools	218,103			(218,103)		(218,103)
Total Governmental Activities	111,874,994	466,962	30,561,607	(80,846,425)		(80,846,425)

RANDOLPH TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

Functions/Programs	Program Revenue		Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Business-Type Activities:						
Food Service	\$ 1,092,108	\$ 770,553	\$ 266,533		\$ (55,022)	\$ (55,022)
Community School	1,642,010	1,192,146			(449,864)	(449,864)
Total Business-Type Activities	2,734,118	1,962,699	266,533		(504,886)	(504,886)
Total Primary Government	\$ 114,609,112	\$ 2,429,661	\$ 30,828,140	\$ (80,846,425)	(504,886)	(81,351,311)

General Revenue:

Taxes:						
Property Taxes, Levied for General Purposes, Net				75,577,147		75,577,147
Taxes Levied for Debt Service				3,591,051		3,591,051
Federal and State Aid not Restricted				7,358,732		7,358,732
Investment Earnings				678,976	39,591	718,567
Miscellaneous Income				178,934		178,934
Total General Revenue				87,384,840	39,591	87,424,431
Change in Net Position				6,538,415	(465,295)	6,073,120
Net Position - Beginning (Restated)				16,566,731	841,242	17,407,973
Net Position - Ending				\$ 23,105,146	\$ 375,947	\$ 23,481,093

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

FUND FINANCIAL STATEMENTS

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS:					
Cash and Cash Equivalents	\$ 2,847,644	\$ 9,735	\$ 16,880,127	\$ 1	\$ 19,737,507
Interfund Receivable:					
Capital Projects Fund	416,603				416,603
Enterprise Funds - Food Service	35,563				35,563
Receivables:					
Federal Government		112,978			112,978
State Government	1,653,614	9,136			1,662,750
Other	80,900				80,900
Restricted Cash and Cash Equivalents					
Capital Reserve Account	9,563,044				9,563,044
Maintenance Reserve Account	823,956				823,956
Total Assets	<u>\$ 15,421,324</u>	<u>\$ 131,849</u>	<u>\$ 16,880,127</u>	<u>\$ 1</u>	<u>\$ 32,433,301</u>
 LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable - Vendors	\$ 213,759				\$ 213,759
Interfund Payable:					
General Fund			\$ 416,603		416,603
Payable to State Government		\$ 15,307			15,307
Unearned Revenue		116,542			116,542
Total Liabilities	<u>213,759</u>	<u>131,849</u>	<u>416,603</u>		<u>762,211</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020
(Continued)

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Fund Balances:					
Restricted for:					
Capital Reserve Account	\$ 9,563,044				\$ 9,563,044
Maintenance Reserve Account	823,956				823,956
Capital Projects Fund			\$ 16,463,524		16,463,524
Debt Service				\$ 1	1
Excess Surplus	1,165,000				1,165,000
Excess Surplus - Subsequent Year's Expenditures	1,165,000				1,165,000
Assigned:					
Designated for Subsequent Year's Expenditures	155				155
Year End Encumbrances	1,059,363				1,059,363
Unassigned	1,431,047				1,431,047
Total Fund Balances	15,207,565		16,463,524	1	31,671,090
Total Liabilities and Fund Balances	\$ 15,421,324	\$ 131,849	\$ 16,880,127	\$ 1	

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

Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds. The cost of the assets is \$127,535,365 and the accumulated depreciation is \$61,392,015.	66,143,350
Long-term liabilities, such as bonds payable, capital leases and accrued compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the Funds.	(42,235,760)
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(25,320,539)
Certain amounts related to the Net Pension Liability are deferred and amortized in the Statement of Activities and are not reported in the Governmental Funds:	
Deferred Outflows	3,731,360
Deferred Inflows	(9,999,441)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(589,595)
Bond premiums are not reported as revenue in the governmental funds in the year of the bond sale. The premium is \$2,536,773 and accumulated amortization is \$1,917,793.	(618,980)
The deferred amount on the refunding is not reported as an expenditure in the governmental funds in the year of the expenditure. The deferred amount on the refunding is \$1,654,419 and accumulated amortization is \$1,330,758.	323,661
Net Position of Governmental Activities (Exhibit A-1)	\$ 23,105,146

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 75,577,147			\$ 3,591,051	\$ 79,168,198
Tuition Charges	466,962				466,962
Interest Earned on Capital Reserve Funds	109,029				109,029
Miscellaneous	442,545	\$ 49,367	\$ 306,336		798,248
Total - Local Sources	76,595,683	49,367	306,336	3,591,051	80,542,437
State Sources	26,824,000	114,527		303,980	27,242,507
Federal Sources	42,674	1,188,946			1,231,620
Total Revenue	103,462,357	1,352,840	306,336	3,895,031	109,016,564
EXPENDITURES					
Current:					
Regular Instruction	27,940,383	154,772			28,095,155
Special Education Instruction	7,094,926	998,000			8,092,926
Other Special Instruction	503,134				503,134
Other Instruction	1,614,150				1,614,150
Support Services and Undistributed Costs:					
Tuition	1,821,734				1,821,734
Student & Instruction Related Services	9,980,696	200,068			10,180,764
General Administrative Services	1,531,420				1,531,420
School Administrative Services	3,034,036				3,034,036
Central Services	1,109,286				1,109,286
Administrative Information Technology	2,083,167				2,083,167
Plant Operations and Maintenance	7,755,688				7,755,688
Pupil Transportation	3,851,774				3,851,774
Unallocated Benefits	27,894,961				27,894,961
Debt Service:					
Principal				2,905,000	2,905,000
Interest and Other Charges				995,291	995,291
Capital Outlay	7,003,002		6,895,355		13,898,357
Transfer of Funds to Charter Schools	218,103				218,103
Total Expenditures	103,436,460	1,352,840	6,895,355	3,900,291	115,584,946
Excess/(Deficiency) of Revenue over/(under) Expenditures	25,897		(6,589,019)	(5,260)	(6,568,382)
OTHER FINANCING SOURCES/(USES)					
Serial Bond Proceeds			12,245,000		12,245,000
Capital Leases (Non-Budgeted)	1,543,000				1,543,000
Transfers In	306,336				306,336
Transfers Out			(306,336)		(306,336)
Total Other Financing Sources/(Uses)	1,849,336		11,938,664		13,788,000
Net Change in Fund Balances	1,875,233		5,349,645	(5,260)	7,219,618
Fund Balance—July 1	13,332,332		11,113,879	5,261	24,451,472
Fund Balance—June 30	\$ 15,207,565	\$ - 0 -	\$ 16,463,524	\$ 1	\$ 31,671,090

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2)		\$ 7,219,618
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation differs from capital outlays in the period.		
	Depreciation expense	\$ (3,454,698)
	Capital outlays	<u>12,055,303</u>
		8,600,605
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
		68,462
Proceeds from debt issues are a financing source in the governmental funds, they are not revenue in the Statement of Activities; issuing debt increases long-term liabilities in the Statement of Net Position		
		(12,245,000)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities		
		2,905,000
Proceeds from capital lease issues are a financing source in the governmental funds, they are not revenue in the statement of activities, issuing debt increases long-term liabilities in the statement of net position		
		(1,543,000)
Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		
		1,685,329
In the statement of activities, interest on long-term debt in the statement of activities is accrued regardless of when due. In the governmental funds, interest is reported when due.		
		(148,605)
The governmental funds report the effect of premiums and the deferred amount on the refunding when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
		76,234
The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:		
	Change in Net Pension Liability	3,100,355
	Deferred Outflows:	
	Changes in Deferred Inflows	(498,814)
	Changes in Deferred Outflows	<u>(2,681,769)</u>
Change in Net Position of Governmental Activities (Exhibit A-2)		<u>\$ 6,538,415</u>

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

	Business-type Activities - Enterprise Funds	
	Major Funds	
	Community School	Food Service
<u>ASSETS:</u>		
Current assets:		
Cash and cash equivalents	\$ 1,125,949	\$ 43,137
Accounts receivable:		
State		262
Federal		25,355
Other		2,632
Inventories		32,177
	1,125,949	103,563
Non-current assets:		
Machinery and Equipment	58,492	725,777
Less: Accumulated depreciation	(3,634)	(520,807)
	54,858	204,970
Total current assets	1,125,949	103,563
Total non-current assets	54,858	204,970
Total assets	1,180,807	308,533
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>		
Total Deferred Outflows of Resources	119,919	
<u>LIABILITIES:</u>		
Current liabilities:		
Accounts payable - Vendors	282,048	
Interfund payable		35,563
Unearned revenue		94,798
Long-term liabilities:		
Net Pension Liability	582,826	
Compensated absences payable	7,911	
	872,785	130,361
Total Liabilities	872,785	130,361

RANDOLPH TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

	Business-type Activities - Enterprise Funds	
	Major Funds	
	Community School	Food Service
<u>DEFERRED INFLOWS OF RESOURCES:</u>		
Total Deferred Inflows of Resources	\$ 230,166	
<u>NET POSITION/(DEFICIT):</u>		
Investment in capital assets	54,858	\$ 204,970
Unrestricted	142,917	(26,798)
Total net position	\$ 197,775	\$ 178,172

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Business-type Activities - Enterprise Funds	
	Major Funds	
	Community School	Food Service
Operating revenue		
Local sources:		
Daily sales - reimbursable programs:		
School lunch program		\$ 337,207
Daily sales - non-reimbursable programs		433,346
Community School - regular program fees	\$ 1,151,128	
Community School - summer program fees	41,018	
Total operating revenue	<u>1,192,146</u>	<u>770,553</u>
Operating expenses:		
Cost of sales (Reimbursable) Programs		239,360
Cost of sales (Non-Reimbursable) Programs		239,476
Salaries	739,539	312,111
Employee benefits	135,255	80,117
Purchased professional/technical services	282,570	35,736
Other purchased services	92,502	45,096
Supplies and materials	382,853	50,049
Management Fee		60,000
Miscellaneous	5,657	4,425
Depreciation	3,634	25,738
Total operating expenses	<u>1,642,010</u>	<u>1,092,108</u>
Operating income/(loss)	<u>(449,864)</u>	<u>(321,555)</u>
Non-operating revenue:		
State sources:		
State school lunch program		6,537
Seamless Summer Option		613
Federal sources:		
National school lunch program		132,387
National school breakfast program		7,920
Seamless Summer Option		66,064
Food distribution program		53,012
Local sources:		
Interest income	39,591	
Total non-operating revenue	<u>39,591</u>	<u>266,533</u>
Change in net position	(410,273)	(55,022)
Net position - beginning of year (Restated)	<u>608,048</u>	<u>233,194</u>
Net position - end of year	<u>\$ 197,775</u>	<u>\$ 178,172</u>

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Business-type Activities - Enterprise Funds	
	Major Funds	
	Community School	Food Service
Cash flows from operating activities:		
Receipts from customers	\$ 847,002	\$ 802,816
Payments to employees	(882,336)	(392,228)
Payments to suppliers	(549,855)	(704,018)
Net cash provided by /(used for) operating activities	<u>(585,189)</u>	<u>(293,430)</u>
Cash flows from investing activities:		
Interest income	<u>39,591</u>	
Net cash provided by investing activities	<u>39,591</u>	
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	<u>(58,492)</u>	<u>(21,657)</u>
Net cash used for capital and related financing activities	<u>(58,492)</u>	<u>(21,657)</u>
Cash flows from noncapital financing activities:		
Cash received from state and federal reimbursements		<u>202,333</u>
Net cash provided by noncapital financing activities		<u>202,333</u>
Net decrease in cash and cash equivalents	(604,090)	(112,754)
Cash and cash equivalents, July 1	<u>1,730,039</u>	<u>155,891</u>
Cash and cash equivalents, June 30	<u>\$ 1,125,949</u>	<u>\$ 43,137</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Business-type Activities - Enterprise Funds	
	Major Funds	
	Community School	Food Service
Reconciliation of operating income/(loss) to net cash provided by/(used for) operating activities:		
Operating income/(loss)	\$ (449,864)	\$ (321,555)
Adjustment to reconcile operating income/(loss) to net cash provided by (used for) operating activities:		
Depreciation	3,634	25,738
Federal food distribution program		53,012
Changes in assets and liabilities:		
Increase in accounts receivable		16
(Decrease) in inventory		(20,659)
Increase/(Decrease) in accounts payable	213,727	(62,229)
(Decrease)/Increase in unearned revenue	(345,144)	32,247
(Decrease) in compensated absences payable	(9,389)	
(Decrease) in net pension liability	(71,364)	
Decrease in changes in assumptions - pension	42,725	
Decrease in difference between expected and actual Experience - pension	1,216	
Increase in difference between projected and actual Earnings in investments - pensions	3,064	
Decrease in changes in proportions - pensions	26,206	
Net cash provided by / (used for) operating activities	\$ (585,189)	\$ (293,430)

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received \$56,653 and utilized \$53,012 of commodities from the Federal Food Distribution Program for the fiscal year ended June 30, 2020.

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020

	<u>Agency</u>	<u>Private Purpose Scholarship Trust</u>	<u>Flexible Spending Trust</u>
<u>ASSETS:</u>			
Cash and cash equivalents	\$ 945,637	\$ 33,210	\$ 57,823
Total assets	<u>945,637</u>	<u>33,210</u>	<u>57,823</u>
<u>LIABILITIES:</u>			
Payroll deductions and withholdings	548,549		
Due to student groups	<u>397,088</u>		
Total liabilities	<u>945,637</u>		
<u>NET POSITION:</u>			
Held in Trust for:			
Scholarships		33,210	
Flexible spending claims			<u>57,823</u>
Total net position	<u>\$ - 0 -</u>	<u>\$ 33,210</u>	<u>\$ 57,823</u>

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Private Purpose Scholarship Trust</u>	<u>Flexible Spending Trust</u>
Additions:		
Contributions:		
Donations	\$ 5,644	
Plan member		\$ 166,133
Total Contributions	<u>5,644</u>	<u>166,133</u>
Investment earnings:		
Interest	<u>893</u>	<u>839</u>
Total Additions	<u>6,537</u>	<u>166,972</u>
Deductions:		
Scholarships awarded	17,618	
Flexible Spending Claims		<u>143,037</u>
Total Deductions	<u>17,618</u>	<u>143,037</u>
Change in net position	(11,081)	23,935
Net position—beginning of the year	<u>44,291</u>	<u>33,888</u>
Net position—end of the year	<u>\$ 33,210</u>	<u>\$ 57,823</u>

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

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

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

B. Basis of Presentation:

District-Wide Financial Statements:

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

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

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

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

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

Fund Financial Statements:

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

The District reports the following governmental funds:

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

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

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

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

B. Basis of Presentation: (Cont'd)

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

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

The District reports the following proprietary fund:

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

Additionally, the District reports the following fund type:

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

C. Measurement Focus and Basis of Accounting

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

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

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

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

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

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

D. Budgets/Budgetary Control:

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

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

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

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

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

D. Budgets/Budgetary Control (Cont'd)

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 103,383,487	\$ 1,430,902
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue whereas the GAAP Basis does not.		(78,062)
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	1,234,443	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(1,155,573)</u>	
 Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	 <u>\$ 103,462,357</u>	 <u>\$ 1,352,840</u>
 Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Expenditures" from the Budgetary Comparison Schedule	\$ 103,436,460	\$ 1,430,902
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		<u>(78,062)</u>
 Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	 <u>\$ 103,436,460</u>	 <u>\$ 1,352,840</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

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

E. Cash and Cash Equivalents and Investments:

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

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

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

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

F. Interfund Transactions

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

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

G. Allowance for Uncollectible Accounts

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

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

H. Encumbrances:

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

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

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

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

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

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

K. Capital Assets:

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

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

	Estimated Useful Life
Buildings and Building Improvements	30 years
Machinery, Furniture and Equipment	10 to 15 years
Computer and Related Technology	5 years
Vehicles	8 years

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

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

K. Capital Assets: (Cont'd)

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

L. Long Term Liabilities:

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

M. Accrued Salaries and Wages:

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

N. Compensated Absences:

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

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

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

O. Unearned Revenue:

Unearned revenue in the special revenue fund represents cash which has been received but not yet earned.

P. Fund Balance Appropriated:

General Fund: Of the \$15,207,565 General Fund balance at June 30, 2020, \$1,059,363 is assigned fund balance for year-end encumbrances \$155 has been appropriated and included as anticipated revenue for the year ending June 30, 2021; \$1,165,000 is restricted for prior year excess surplus and has been appropriated and included as anticipated revenue for the year ending June 30, 2021; \$1,165,000 is restricted as current year excess surplus and will be appropriated and included as anticipated revenue for the fiscal year ended June, 30, 2022; \$9,563,044 is restricted in the capital reserve account; \$823,956 is restricted in the maintenance reserve account; and there is \$1,431,047 in unassigned fund balance, on a GAAP basis.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

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

P. Fund Balance Appropriated (Cont'd)

Capital Projects Fund: The Capital Projects Fund balance of \$16,463,524 at June 30, 2020 is restricted.

Debt Service Fund: The restricted Debt Service Fund balance at June 30, 2020 is \$1.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C.73 (S1701), the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District has excess surplus at June 30, 2020 as indicated above.

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$1,155,573 as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 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 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 June state aid payments in the subsequent fiscal year, the school District cannot recognize the June state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the June state aid payments and not the fund balance reported on the fund statement which excludes the June state aid payments.

Q. Net Position:

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

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. The District had deferred outflows of resources for Pensions and the Deferred Amount on Refunding at June 30, 2020.

A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred inflows of resources for Pensions at June 30, 2020.

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

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

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

Q. Net Position: (Cont'd)

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

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

R. Deficit Net Position:

The District has a deficit in unrestricted net position of \$31,458,302 in governmental activities, which is primarily due to compensated absences payable and net pension liability. This deficit does not indicate that the District is having financial difficulties and is a permitted practice under generally accepted accounting principles.

The District has a deficit in unrestricted net position in the Food Service Fund of \$26,798 at June 30, 2020. This was a result of the discontinuance of service in March due to the COVID-19 pandemic.

S. Fund Balance Restrictions, Commitments and Assignments:

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

Fund balance restrictions have been established for excess surplus, a capital reserve, a maintenance reserve, the Capital Projects Fund and the Debt Service Fund.

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

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

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

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

T. Revenue - Exchange and Nonexchange Transactions:

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

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

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

U. Operating Revenue and Expenses:

Operating revenue are those revenues that are generated directly from the primary activity of the Enterprise Fund. These revenues are food service sales and community school fees. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the Enterprise Fund.

V. Management Estimates:

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

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

W. Pensions

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

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

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

Deposits:

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

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

Deposits: (Cont'd)

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

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

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

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

Investments:

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

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

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

Investments (Cont'd):

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

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

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

Investments (Cont'd):

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

	Cash and Cash Equivalents	Restricted Cash and Cash Equivalents		Total
		Capital Reserve Account	Maintenance Reserve Account	
Checking and Savings Accounts	\$ 21,943,263	\$ 9,563,044	\$ 823,956	\$ 32,330,263

During the period ended June 30, 2020, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2020, was \$32,330,263 and the bank balance was \$33,249,659.

NOTE 4: TRANSFERS TO CAPITAL OUTLAY

During the fiscal year ended June 30, 2020, the District transferred \$80,172 to the capital outlay accounts for equipment and did not require approval from the County Superintendent. The District also transferred \$79,023 to the capital outlay account for construction services which required approval of the County Superintendent.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 5. CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 3,465,955			\$ 3,465,955
Construction in Progress	<u>1,881,034</u>	<u>\$ 7,702,347</u>	<u>\$ (4,852,517)</u>	<u>4,730,864</u>
Total Capital Assets Not Being Depreciated	<u>5,346,989</u>	<u>7,702,347</u>	<u>(4,852,517)</u>	<u>8,196,819</u>
Capital Assets Being Depreciated:				
Buildings and Building Improvements	91,011,565	3,740,734	4,852,517	99,604,816
Machinery and Equipment	<u>19,235,932</u>	<u>612,222</u>	<u>(114,424)</u>	<u>19,733,730</u>
Total Capital Assets Being Depreciated	<u>110,247,497</u>	<u>4,352,956</u>	<u>4,738,093</u>	<u>119,338,546</u>
Governmental Activities Capital Assets	<u>115,594,486</u>	<u>12,055,303</u>	<u>(114,424)</u>	<u>127,535,365</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(43,009,484)	(2,925,372)		(45,934,856)
Machinery and Equipment	<u>(15,042,257)</u>	<u>(529,326)</u>	114,424	<u>(15,457,159)</u>
	<u>(58,051,741)</u>	<u>(3,454,698)</u>	<u>114,424</u>	<u>(61,392,015)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 57,542,745</u>	<u>\$ 8,600,605</u>	<u>\$ -0-</u>	<u>\$ 66,143,350</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 708,136	\$ 80,149	\$ (4,016)	\$ 784,269
Less Accumulated Depreciation	<u>(499,085)</u>	<u>(29,372)</u>	<u>4,016</u>	<u>(524,441)</u>
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 209,051</u>	<u>\$ 50,777</u>	<u>\$ -0-</u>	<u>\$ 259,828</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 1,424,419
Student and Instruction Related Services	492,727
General Administration Services	61,596
School Administration Services	162,545
Central Services	645,818
Operations and Maintenance of Plant	505,588
Student Transportation	153,478
Unallocated	<u>8,527</u>
	<u>\$ 3,454,698</u>

The District expended \$7,702,347 toward construction projects in progress and transferred \$4,852,517 of completed capital projects to depreciable capital assets during the fiscal year. As of June 30, 2020, the District has \$8,031,476 in active construction projects.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 6. OPERATING LEASES

The District has commitments to lease copying equipment, mail equipment and bus garage space under operating leases which expire in 2020 through 2022. Total operating lease payments made during the year ended June 30, 2020 were \$269,100. Future minimum lease payments are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2021	\$ 271,132
2022	<u>11,353</u>
Total Future Minimum Lease Payments	<u>\$ 282,485</u>

NOTE 7. LONG-TERM LIABILITIES

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

	<u>Balance</u> <u>6/30/2019</u>	<u>Accrued</u>	<u>Retired</u>	<u>Balance</u> <u>6/30/2020</u>
Bonds Payable	\$ 28,580,000	\$ 12,245,000	\$ 2,905,000	\$37,920,000
Unamortized Bond Issuance Premium	787,180		168,200	618,980
Net Pension Liability	29,075,083		3,171,718	25,903,365
Compensated Absences Payable	1,237,434	62,919	140,770	1,159,583
Obligations Under Capital Leases	<u>3,306,417</u>	<u>1,543,000</u>	<u>1,685,329</u>	<u>3,164,088</u>
	<u>\$ 62,986,114</u>	<u>\$ 1,605,919</u>	<u>\$ 5,166,017</u>	<u>\$68,766,016</u>

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds and will be liquidated through the Debt Service Fund. The current portion of bonds payable is \$2,600,000 and the long-term portion is \$35,320,000.

On August 15, 2019, the District issued school bonds in the amount of \$12,245,000 with interest rates ranging from 1.50% to 3.00% with consent of the taxpayers through a referendum to make various upgrades and building improvements throughout the District. The bonds mature on August 1, 2020 through 2038.

	<u>Serial Bonds</u>		
<u>Purpose</u>	<u>Final Maturity</u> <u>Date</u>	<u>Interest</u> <u>Rate</u>	<u>Amount</u>
Various Building Improvements	8/1/2038	3.25-4.00%	\$ 11,850,000
Various Building Improvements	8/1/2038	1.50-3.00%	12,245,000
Various Building Improvements	2/1/2029	2.00-4.00%	8,100,000
Refunding Bonds	2/1/2025	4.00-5.00%	<u>5,725,000</u>
			<u>\$ 37,920,000</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 7. LONG-TERM LIABILITIES (Cont'd)

A. Bonds Payable: (Cont'd)

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

Year Ending June 30,	Bonds		Total
	Principal	Interest	
2021	\$ 2,600,000	\$ 1,277,405	\$ 3,877,405
2022	2,755,000	1,071,282	3,826,282
2023	2,850,000	977,875	3,827,875
2024	2,950,000	879,363	3,829,363
2025	3,065,000	787,419	3,852,419
2026-2030	11,125,000	2,766,063	13,891,063
2031-2035	7,000,000	1,487,250	8,487,250
2036-2039	5,575,000	389,375	5,964,375
	<u>\$ 37,920,000</u>	<u>\$ 9,636,032</u>	<u>\$ 47,556,032</u>

B. Capital Leases Payable:-

The District entered into capital leases for technology equipment, buses, vehicles, and LED lighting totaling \$6,879,751 of which \$3,715,663 has been liquidated as of June 30, 2020. The capital leases are for five years in length and will be liquidated by the General Fund. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2020.

<u>Fiscal Year</u>	<u>Amount</u>
2021	\$ 1,333,097
2022	1,056,738
2023	627,300
2024	298,028
Total Minimum Lease Payments	3,315,163
Less: Amount representing interest	151,075
Present value of net minimum lease payments	<u>\$ 3,164,088</u>

The current portion of capital leases payable is \$1,259,667 and the long-term portion is \$1,904,421.

C. Unamortized Bond Premium:

The unamortized bond issuance premium of the governmental fund types is recorded in the noncurrent liabilities. The current portion of the unamortized bond issuance premium balance of the governmental funds is \$132,639 and is separated from the long-term liability balance of \$486,341.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 7. LONG-TERM LIABILITIES (Cont'd)

D. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities. The current portion of the compensated absences balance of the governmental funds at June 30, 2020 is \$-0- and the long-term portion of compensated absences of \$1,151,672. The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2020, there was a long-term liability of \$7,911 for compensated absences in the Community School Fund. Compensated Absences Payable will be liquidated by the General Fund with the exception of the compensated absences in the Proprietary Funds, which will be liquidated by the Community School Fund.

E. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2020 is \$-0- and the long-term portion is \$25,320,539. The Public Employees' Retirement System's (PERS) net pension liability of the proprietary fund types is recorded in the current and long-term liabilities and will be liquidated by the Community School Enterprise Fund. The current portion of the net pension liability at June 30, 2020 is \$-0- and the long-term portion is \$582,826. See Note 8 for further information on the PERS.

NOTE 8. PENSION PLANS

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

A. Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

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

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$1,406,013 for fiscal year 2020.

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

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

At June 30, 2020, the District reported a liability of \$25,903,365 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2019, the District's proportion was 0.144%, which was a decrease of 0.004% from its proportion measured as of June 30, 2018.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

For the fiscal year ended June 30, 2020, the District recognized pension expense of \$1,529,990. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Year of Deferral</u>	<u>Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	2014	6.44	\$ 68,457	
	2015	5.72	423,287	
	2016	5.57	2,094,802	
	2017	5.48		\$ (3,718,523)
	2018	5.63		(3,004,907)
	2019	5.21		(2,267,546)
			<u>2,586,546</u>	<u>(8,990,976)</u>
Difference Between Expected and Actual Experience	2015	5.72	117,440	
	2016	5.57	63,571	
	2017	5.48	110,589	
	2018	5.63		(114,430)
	2019	5.21		173,332
			<u>464,932</u>	<u>(114,430)</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2016	5.00		478,104
	2017	5.00		(573,756)
	2018	5.00		(399,093)
	2019	5.00		85,850
				<u>(408,895)</u>
Changes in Proportion	2014	6.44	73,540	
	2015	5.72	808	
	2016	5.57	76,232	
	2017	5.48	494,228	
	2018	5.63	120,962	
	2019	5.21		(715,306)
			<u>765,770</u>	<u>(715,306)</u>
District Contribution Subsequent to the Measurement Date	2019	1.00	1,512,500	
			<u>\$ 5,329,748</u>	<u>\$(10,229,607)</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

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

Fiscal Year Ending June 30,	Total
2020	\$ (747,971)
2021	(2,426,404)
2022	(2,166,638)
2023	(1,017,348)
2024	(104,462)
	\$ (6,462,823)

Actuarial Assumptions

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

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

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

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

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

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

Discount Rate

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of actuarially determined contributions for the local employers.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Discount Rate (Cont'd)

Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

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

	June 30, 2019		
	At 1% Decrease (5.28%)	Current Discount Rate (6.28%)	At 1% Increase (7.28%)
District's proportionate share of the Net Pension Liability	\$ 32,720,159	\$ 25,903,365	\$ 20,159,250

Pension plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

Benefits Provided

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

The following represents the membership tiers for TPAF:

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

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

Contributions

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

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2020, the State of New Jersey contributed \$7,676,536 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$12,955,428.

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

At June 30, 2020, the State's proportionate share of the net pension liability associated with the District was \$219,648,037. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2019, the District's proportion was 0.358%, which was a decrease of 0.002% from its proportion measured as of June 30, 2018.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>219,648,037</u>
Total	<u>\$ 219,648,037</u>

For the fiscal year ended June 30, 2020, the State recognized pension expense on behalf of the District in the amount of \$12,955,428 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2020 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	8.5	\$ 768,874,621	
	2015	8.3	2,351,172,865	
	2016	8.3	5,609,216,856	
	2017	8.3		\$ 8,483,527,374
	2018	8.29		5,172,258,445
	2019	8.04		3,507,345,617
				<u>8,729,264,342</u>
Difference Between Expected and Actual Experience	2014	8.5		7,323,009
	2015	8.3	145,211,243	
	2016	8.3		69,755,412
	2017	8.3	150,939,884	
	2018	8.29	907,352,137	
	2019	8.04		136,265,890
				<u>1,203,503,264</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2016	5.00		(431,855,192)
	2017	5.00		452,016,524
	2018	5.00		288,091,115
	2019	5.00		(144,882,771)
				<u>163,369,676</u>
			<u>\$ 9,932,767,606</u>	<u>\$ 17,539,845,423</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

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

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

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

Actuarial Assumptions

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

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

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Actuarial Assumptions (Cont'd)

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

Long Term Expected Rate of Return

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

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

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

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 5.60% as of June 30, 2019. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 70% of the actuarially determined contributions for the State. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2054. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2054, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

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

	June 30, 2019		
	At 1%	Current	At 1%
	Decrease (4.60%)	Discount Rate (5.60%)	Increase (6.60%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 259,013,651	\$ 219,648,037	\$ 186,987,008

Pension Plan Fiduciary Net Position - TPAF

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

C. Defined Contribution Retirement Program (DCRP)

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

C. Defined Contribution Retirement Program (DCRP) (Cont'd)

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

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

For DCRP, the District recognized pension expense of \$12,243 for the fiscal year ended June 30, 2020. Employee contributions to DCRP amounted to \$22,448 for the fiscal year ended June 30, 2020.

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. Health Benefits are provided by Horizon Blue Cross Blue Shield.

Property and Liability

The District is a member of the School Alliance Insurance Fund (the "Fund") and the New Jersey School Insurance Group (the "NJSIG"). These public entity risk management pools provide general liability, property and automobile coverage and workers' compensation for its members. A complete schedule of insurance coverage can be found on Exhibit J-20 in the Statistical section of this Comprehensive Annual Financial Report.

The Fund and the NJSIG are risk-sharing public entity risk pools that are both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage for their members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective district for the purpose of creating a governing body from which officers for the PIP are elected.

As a member of the Fund and the NJSIG, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund and the NJSIG were to be exhausted, members would become responsible for their respective shares of the Fund's and the NJSIG's liabilities. The Fund and the NJSIG can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body. These distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 9. RISK MANAGEMENT (Cont'd)

Property and Liability (Cont'd)

The June 30, 2020 audit report for the Fund and the NJSIG is not available as of the date of this report. Selected, summarized financial information for the Fund and the NJSIG as of June 30, 2019 is as follows:

	<u>School Alliance Insurance Fund</u>	<u>New Jersey School Insurance Group</u>
Total Assets	<u>\$ 48,410,942</u>	<u>\$ 359,852,548</u>
Net Position	<u>\$ 18,917,987</u>	<u>\$ 107,824,596</u>
Total Revenue	<u>\$ 40,717,329</u>	<u>\$ 140,293,549</u>
Total Expenses	<u>\$ 35,489,346</u>	<u>\$ 115,049,808</u>
Change in Net Position	<u>\$ 5,227,983</u>	<u>\$ 25,243,741</u>
Member Dividends	<u>\$ -0-</u>	<u>\$ -0-</u>

Financial statements for the Fund are available at the Administrator's Office.

Public Entity Group Administrative Services
51 Everett Drive
Suite B-40
West Windsor, NJ 08550

Financial statements for the NJSIG are available at the Administrator's Office.

New Jersey School Insurance Group
6000 Midlantic Drive
Suite 300 North
Mount Laurel, NJ 08054
(609) 386-6060

New Jersey Unemployment Compensation Insurance

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Contributory Method". Under this plan, the District remits employee withholdings and employer's share of New Jersey Unemployment Compensation Insurance taxes to the State each pay period. The State makes all unemployment payments to former employees, and the District has no further liability.

NOTE 10. ECONOMIC DEPENDENCY

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 11. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2020.

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 452,166	
Capital Projects Fund		\$ 416,603
Enterprise Funds		35,563
	<u>\$ 452,166</u>	<u>\$ 452,166</u>

The interfund between the General Fund and the Capital Projects Fund represents interest earned in the Capital Projects Fund not yet sent to the General Fund. The General Fund made disbursements throughout the year on behalf of the Food Service Enterprise Fund.

NOTE 12. DEFERRED COMPENSATION

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

- Equitable
- Great American Plan Administrator
- Lincoln Financial Advisors

The District also offers an Internal Revenue Code Section 457 plan to its employees through MetLife.

NOTE 13. TAX CALENDAR

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

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 14. CONTINGENT LIABILITIES

Grant Programs

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

Litigation

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

Encumbrances

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

General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
\$ 1,059,363	\$ 85,229	\$ 15,146,482	\$ 16,291,074

On the District’s Governmental Funds Balance Sheet as of June 30, 2020, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund. Encumbrances in the Special Revenue Fund of \$85,229 are not recognized on the GAAP basis and are reflected as a reduction in grants receivables or an increase in unearned revenue. On the GAAP basis, the year-end encumbrances of \$15,146,482 in the Capital Projects Fund are included in the \$16,463,524 restricted fund balance.

Arbitrage

The District may have a liability for arbitrage payable to the federal government relative to its school bond issues. The amount of liability at June 30, 2020, if any, is unknown.

NOTE 15. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Randolph Township Board of Education for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the General Fund and its activity is included in the General Fund annual budget.

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 15. CAPITAL RESERVE ACCOUNT (Cont'd)

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

Beginning balance, July 1, 2019		\$ 7,042,860
Add:		
Interest Earnings	\$ 109,029	
Transfer by Board Resolution - June 2020	<u>4,911,155</u>	
		<u>5,020,184</u>
		12,063,044
Less:		
Budgeted Withdrawal from Capital Reserve		<u>2,500,000</u>
Ending balance, June 30, 2020		<u><u>\$ 9,563,044</u></u>

The June 30, 2020 LRFP balance of local support costs of uncompleted capital projects exceeded the balance in the capital reserve account. The withdrawal from the capital reserve was for use in DOE approved facilities projects, consistent with the District's LRFP.

NOTE 16. MAINTENANCE RESERVE ACCOUNT

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

Pursuant to N.J.A.C. 6A:26A-4.2 funds may be deposited into the maintenance reserve account at any time by board resolution to meet the required maintenance of the District by transferring unassigned general fund balance or by transferring excess unassigned general fund balance that is anticipated to be deposited during the current year in the advertised recapitulation of balances of the subsequent year's budget that is certified for taxes. Funds may be withdrawn from the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the year by Board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan. Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line-item account. In any year that maintenance reserve account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at year-end.

At no time, shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current year of the District's school facilities. If the account exceeds this maximum amount at June 30, the excess shall be restricted and designated in the subsequent year's budget. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 16. MAINTENANCE RESERVE ACCOUNT (Cont'd)

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

Beginning balance, July 1, 2019	\$ 775,118
Deposits:	
Return of Unexpended Funds	38,838
Transfer by Board Resolution June 2020	<u>250,000</u>
	1,063,956
Withdrawals:	
Board resolution	<u>240,000</u>
Ending balance, June 30, 2020	<u><u>\$ 823,956</u></u>

NOTE 17. ACCOUNTS PAYABLE

The following accounts payable balances existed as of June 30, 2020:

	Governmental Funds		District Contribution Subsequent to the Measurement Date	Total Governmental Activities	Business - Type Activities Community School	District Contribution Subsequent to the Measurement Date	Total Enterprise Funds
	General Fund	Special Revenue Fund					
Vendors	\$ 213,759			\$ 213,759	\$ 248,017		\$ 248,017
Due to:							
State of New Jersey	<u> </u>	<u>\$ 15,307</u>	<u>\$ 1,478,469</u>	<u>1,493,776</u>	<u> </u>	<u>\$ 34,031</u>	<u>34,031</u>
	<u><u>\$ 213,759</u></u>	<u><u>\$ 15,307</u></u>	<u><u>\$ 1,478,469</u></u>	<u><u>\$ 1,707,535</u></u>	<u><u>\$ 248,017</u></u>	<u><u>\$ 34,031</u></u>	<u><u>\$ 282,048</u></u>

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

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

General Information about the OPEB Plan

Plan Description and Benefits Provided

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

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

Plan Description and Benefits Provided (Cont'd)

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

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits, if any, is the responsibility of the individual education employers. For additional information about the State Health Benefit Local Education Retired Education Plan, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at <https://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.

Employees Covered by Benefit Terms

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

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

Total Nonemployer OPEB Liability

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

Actuarial Assumptions and Other Inputs

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

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

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

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

Mortality Rates

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

Health Care Trend Assumptions

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

Discount Rate

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

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

	Total OPEB Liability
Balance at June 30, 2017	\$ 179,553,960
Changes for Year:	
Service Cost	6,302,924
Interest on the Total OPEB Liability	6,582,167
Changes of Assumptions	(17,915,787)
Differences between Expected and Actual Experience	(14,370,840)
Gross Benefit Payments by the State	(4,174,648)
Contributions from Members	144,282
Net Changes	(23,431,902)
Balance at June 30, 2018	\$ 156,122,058

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

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

	June 30, 2018		
	At 1% Decrease (2.87%)	At Discount Rate (3.87%)	At 1% Increase (4.87%)
Total OPEB Liability Attributable to the District	\$ 184,568,054	\$ 156,122,058	\$ 133,510,429

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

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

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

	June 30, 2018		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 129,043,974	\$ 156,122,058	\$ 191,933,861

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

For the fiscal year ended June 30, 2019 the District recognized OPEB expense of \$7,016,852 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

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

	Deferral Year	Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ (18,963,659)
Changes in Assumptions	2018	9.51		(16,031,898)
			\$ -0-	\$ (34,995,557)
Differences Between Expected and Actual Experience	2018	9.51		(15,155,133)
Changes in Proportion	N/A	N/A	\$ 2,061,212	(145,392)
			\$ 2,061,212	\$ (50,296,082)

N/A - Not Available

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

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

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

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB (excluding employer specific amounts for changes in proportion) will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	Total
2019	\$ (6,179,825)
2020	(6,179,825)
2021	(6,179,825)
2022	(6,179,825)
2023	(6,179,825)
Thereafter	(19,251,564)
	\$ (50,150,690)

NOTE 19. PRIOR PERIOD ADJUSTMENTS

The District made a prior year adjustment in the District Wide Financial Statements and the Proprietary Fund's Statement of Revenue, Expenses and Changes in Net Position to record the net pension liability and the related deferred inflows and outflows of resources related to pension for the Community School Enterprise Fund as of June 30, 2019.

	Balance 6/30/2019 as Previously Reported	Retroactive Adjustments	Balance 6/30/2019 as Restated
<u>Statement of Net Position - District-Wide Statements:</u>			
Governmental Activities:			
Deferred Outflows of Resources:			
Deferred Outflows of Resources - Pensions	\$ 7,959,113	\$ (147,617)	\$ 7,811,496
Deferred Outflows of Resources	8,374,740	(147,617)	8,227,123
Liabilities:			
Non-Current Liabilities	62,968,814	(654,189)	62,314,625
Total Liabilities	65,919,644	(654,189)	65,265,455
Deferred Inflows of Resources:			
Deferred Inflows of Resources - Pensions	9,719,312	(218,685)	9,500,627
Deferred Inflows of Resources	9,719,312	(218,685)	9,500,627
Net Position:			
Unrestricted/(Deficit)	(31,497,754)	725,257	(30,772,497)
Total Net Position	15,841,474	725,257	16,566,731

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 19. PRIOR PERIOD ADJUSTMENTS (Cont'd)

	Balance 6/30/2019 as Previously Reported	Retroactive Adjustments	Balance 6/30/2019 as Restated
<u>Statement of Net Position - District-Wide Statements: (Cont'd)</u>			
Business-type Activities:			
Deferred Outflows of Resources:			
Deferred Outflows of Resources - Pensions	\$ -0-	\$ 147,617	\$ 147,617
Total Deferred Outflows of Resources	-0-	147,617	147,617
Liabilities:			
Non-Current Liabilities	17,300	654,189	671,489
Total Liabilities	521,514	654,189	1,175,703
Deferred Inflows of Resources:			
Deferred Inflows of Resources - Pensions	-0-	218,685	218,685
Total Deferred Inflows of Resources	-0-	218,685	218,685
Net Position:			
Unrestricted	1,357,448	(725,257)	632,191
Total Net Position	1,566,499	(725,257)	841,242
<u>Statement of Activities - District-Wide Statements:</u>			
Net Position - Beginning of Year	1,566,499	(725,257)	841,242
<u>Statement of Net Position - Enterprise Funds:</u>			
Community School:			
Deferred Outflows of Resources:			
Deferred Outflows of Resources - Pensions	-0-	147,617	147,617
Deferred Outflows of Resources	-0-	147,617	147,617
Liabilities:			
Non-Current Liabilities	17,300	654,189	671,489
Total Liabilities	521,514	654,189	1,175,703
Deferred Inflows of Resources:			
Deferred Inflows of Resources - Pensions	-0-	218,685	218,685
Deferred Inflows of Resources	-0-	218,685	218,685
Net Position:			
Unrestricted	1,333,305	(725,257)	608,048
Total Net Position	1,333,305	(725,257)	608,048
<u>Statement of Revenue, Expenses and Changes in</u>			
<u>Net Position - Enterprise Funds:</u>			
Community School:			
Net Position - Beginning of Year	1,333,305	(725,257)	608,048

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 20. SUBSEQUENT EVENT

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

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

The District's Enterprise Funds will likely be impacted by COVID-19 for the fiscal year ending June 30, 2021 due to loss of revenue.

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

RANDOLPH TOWNSHIP SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
 SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 PUBLIC EMPLOYEES RETIREMENT SYSTEM
 LAST SIX FISCAL YEARS

	Fiscal Year Ending June 30,					
	2015	2016	2017	2018	2019	2020
District's proportion of the net pension liability	0.1404319814%	0.1404654329%	0.1418270218%	0.1468361399%	0.1476679484%	0.1437599656%
District's proportionate share of the net pension liability	\$ 26,292,708	\$ 31,531,675	\$ 42,005,096	\$ 34,181,106	\$ 29,075,083	\$ 25,903,365
District's covered employee payroll	\$ 9,395,315	\$ 9,621,273	\$ 9,755,434	\$ 10,029,828	\$ 10,038,251	\$ 10,361,586
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	279.85%	327.73%	430.58%	340.79%	289.64%	249.99%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST SIX FISCAL YEARS

	Fiscal Year Ending June 30,					
	2015	2016	2017	2018	2019	2020
Contractually required contribution	\$ 1,157,701	\$ 1,207,626	\$ 1,268,407	\$ 1,360,280	\$ 1,477,298	\$ 1,406,013
Contributions in relation to the contractually required contribution	(1,157,701)	(1,207,626)	(1,268,407)	(1,360,280)	(1,477,298)	(1,406,013)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's covered employee payroll	\$ 9,621,273	\$ 9,755,434	\$ 10,029,828	\$ 10,038,251	\$ 10,361,586	\$ 10,762,698
Contributions as a percentage of covered employee payroll	12.03%	12.38%	12.65%	13.55%	14.26%	13.06%

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY ASSOCIATED WITH THE DISTRICT
TEACHERS' PENSION AND ANNUITY FUND
LAST SIX FISCAL YEARS

	Fiscal Year Ending June 30,					
	2015	2016	2017	2018	2019	2020
State's proportion of the net pension liability attributable to the District	0.3571898561%	0.3603868100%	0.3560703151%	0.3459566128%	0.3602435316%	0.3579023285%
State's proportionate share of the net pension liability attributable to the District	\$ 190,906,353	\$ 227,779,854	\$ 280,107,581	\$ 233,256,423	\$ 229,179,197	\$ 219,648,037
District's covered employee payroll	\$ 35,964,098	\$ 36,242,645	\$ 36,585,109	\$ 37,795,723	\$ 37,120,829	\$ 38,910,697
State's proportionate share of the net pension liability attributable to the District as a percentage of its covered employee payroll	530.82%	628.49%	765.63%	617.15%	617.39%	564.49%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
 SCHEDULE OF STATE CONTRIBUTIONS
 TEACHERS' PENSION AND ANNUITY FUND
LAST SIX FISCAL YEARS

	Fiscal Year Ending June 30,					
	2015	2016	2017	2018	2019	2020
Contractually required contribution	\$ 10,272,554	\$ 13,908,011	\$ 21,046,187	\$ 16,158,824	\$ 13,360,346	\$ 12,955,428
Contributions in relation to the contractually required contribution	(1,948,383)	(2,850,837)	(3,755,269)	(5,305,116)	(7,039,074)	(7,676,536)
Contribution deficiency/(excess)	<u>\$ 8,324,171</u>	<u>\$ 11,057,174</u>	<u>\$ 17,290,918</u>	<u>\$ 10,853,708</u>	<u>\$ 6,321,272</u>	<u>\$ 5,278,892</u>
District's covered employee payroll	\$ 36,242,645	\$ 36,585,109	\$ 37,795,723	\$ 37,120,829	\$ 38,910,697	\$ 38,854,651
Contributions as a percentage of covered employee payroll	5.38%	7.79%	9.94%	14.29%	18.09%	19.76%

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF CHANGES IN THE STATE'S TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST TWO FISCAL YEARS

	Fiscal Year Ending	
	2017	2018
Service Cost	\$ 7,586,335	\$ 6,302,924
Interest Cost	5,682,672	6,582,167
Changes in Assumptions	(23,503,801)	(17,915,787)
Differences between Expected and Actual Experience	153,139	(14,370,840)
Member Contributions	(4,158,851)	144,282
Gross Benefit Payments	(14,240,506)	(4,174,648)
Net Change in Total OPEB Liability	193,794,466	(23,431,902)
Total OPEB Liability - Beginning	\$ 179,553,960	\$ 156,122,058
Total OPEB Liability - Ending	\$ 46,340,543	\$ 47,159,080
District's Covered Employee Payroll *	387%	331%
Total OPEB Liability as a Percentage of Covered Employee Payroll		

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

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

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

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

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

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

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

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Cont'd)

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

Benefit Changes

There were none.

Changes of Actuarial Assumptions

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

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

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

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Cont'd)

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

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

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

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

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

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

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

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

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

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

BUDGETARY COMPARISON SCHEDULES

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Local Sources:					
Local Tax Levy	\$ 75,577,147		\$ 75,577,147	\$ 75,577,147	
Tuition from Individuals	120,000		120,000	154,150	\$ 34,150
Tuition from LEA's Within State				312,812	312,812
Transportation Fees from Individuals	20,000		20,000	61,336	41,336
Rents and Royalties	40,000		40,000	54,242	14,242
Interest Earned on Capital Reserve Funds				109,029	109,029
Miscellaneous	78,062		78,062	326,967	248,905
Total - Local Sources	<u>75,835,209</u>		<u>75,835,209</u>	<u>76,595,683</u>	<u>760,474</u>
State Sources:					
Transportation Aid	1,249,097		1,249,097	1,249,097	
Equalization Aid	7,134,700		7,134,700	7,134,700	
Categorical Special Education Aid	3,234,926		3,234,926	3,234,926	
Categorical Security Aid	103,893		103,893	103,893	
Extraordinary Aid	700,000		700,000	1,503,020	803,020
Other State Aid - Non Public Transportation				15,805	15,805
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				2,898,899	2,898,899
TPAF On-Behalf Pension Contributions (Non-Budgeted)				7,676,536	7,676,536
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)				137,593	137,593
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)				8,003	8,003
TPAF Social Security (Reimbursed - Non-Budgeted)				2,782,658	2,782,658
Total State Sources	<u>12,422,616</u>		<u>12,422,616</u>	<u>26,745,130</u>	<u>14,322,514</u>
Federal Sources:					
SEMI (Special Ed Medicaid Initiative)	39,633		39,633	42,674	3,041
Total - Federal Sources	<u>39,633</u>		<u>39,633</u>	<u>42,674</u>	<u>3,041</u>
Total Revenues	<u>88,297,458</u>		<u>88,297,458</u>	<u>103,383,487</u>	<u>15,086,029</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures:					
Current Expense:					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 890,495	\$ (39,031)	\$ 851,464	\$ 843,871	\$ 7,593
Grades 1-5 - Salaries of Teachers	9,487,198	(267,637)	9,219,561	9,131,970	87,591
Grades 6-8 - Salaries of Teachers	5,784,306	(277,365)	5,506,941	5,390,860	116,081
Grades 9-12 - Salaries of Teachers	10,201,503	(594,426)	9,607,077	9,366,473	240,604
Regular Programs - Home Instruction:					
Salaries of Teachers	100,000	(25,837)	74,163	54,884	19,279
Purchased Professional-Educational Services	27,690	26,425	54,115	50,801	3,314
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	350,000	297,716	647,716	495,526	152,190
Purchased Professional - Educational Services	280,725	7,570	288,295	264,882	23,413
Purchased Technical Services	24,094	2,495	26,589	20,694	5,895
Other Purchased Services	1,500		1,500		1,500
General Supplies	2,277,160	25,534	2,302,694	2,174,560	128,134
Textbooks	178,676	(13,851)	164,825	130,224	34,601
Other Objects	43,250		43,250	15,638	27,612
Total Regular Programs - Instruction	<u>29,646,597</u>	<u>(858,407)</u>	<u>28,788,190</u>	<u>27,940,383</u>	<u>847,807</u>
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	1,046,774	(7,515)	1,039,259	941,401	97,858
Other Salaries for Instruction	51,762	185,104	236,866	236,122	744
General Supplies	15,200		15,200	4,048	11,152
Total Learning and/or Language Disabilities	<u>1,113,736</u>	<u>177,589</u>	<u>1,291,325</u>	<u>1,181,571</u>	<u>109,754</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Auditory Impairments:					
General Supplies	\$ 4,750	\$ 341	\$ 5,091	\$ 2,688	\$ 2,403
Total Auditory Impairments	4,750	341	5,091	2,688	2,403
Behavioral Disabilities:					
Salaries of Teachers	63,828		63,828	63,828	
Total Behavioral Disabilities	63,828		63,828	63,828	
Multiple Disabilities:					
Salaries of Teachers	47,468	13,979	61,447	13,979	47,468
Other Salaries for Instruction	74,842	36,534	111,376	43,999	67,377
General Supplies	2,781		2,781	280	2,501
Total Multiple Disabilities	125,091	50,513	175,604	58,258	117,346
Resource Room/Resource Center:					
Salaries of Teachers	4,446,321		4,446,321	4,138,545	307,776
Other Salaries for Instruction	860,866	55,881	916,747	860,899	55,848
Purchased Professional Education Services	250		250	249	1
General Supplies	65,800		65,800	27,855	37,945
Total Resource Room/Resource Center	5,373,237	55,881	5,429,118	5,027,548	401,570
Autism:					
Salaries of Teachers	304,920		304,920	211,939	92,981
Total Autism	304,920		304,920	211,939	92,981
Preschool Disabilities - Part-Time:					
Salaries of Teachers	148,304		148,304	148,304	
Total Preschool Disabilities - Part-Time	148,304		148,304	148,304	
Preschool Disabilities - Full-Time:					
Salaries of Teachers	157,467		157,467	152,929	4,538
Other Salaries for Instruction	180,135	60,454	240,589	239,187	1,402
General Supplies	12,000		12,000	8,674	3,326
Total Preschool Disabilities - Full-Time	349,602	60,454	410,056	400,790	9,266
Total Special Education - Instruction	7,483,468	344,778	7,828,246	7,094,926	733,320
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	152,780	27,687	180,467	175,429	5,038
General Supplies	2,250	(273)	1,977	1,768	209
Total Basic Skills/Remedial - Instruction	155,030	27,414	182,444	177,197	5,247

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Bilingual Education - Instruction:					
Salaries of Teachers	\$ 322,677		\$ 322,677	\$ 322,677	\$ 1,073
Other Purchased Services	1,200		1,200	127	13
General Supplies	1,100	\$ 1,084	2,184	2,171	1,233
Textbooks	1,965	230	2,195	962	2,319
Total Bilingual Education - Instruction	326,942	1,314	328,256	325,937	
School-Spon. Cocurricular Actvts. - Instruction:					
Salaries	360,000	(1,964)	358,036	357,258	778
Supplies and Materials	33,800	(7,266)	26,534	16,201	10,333
Other Objects	35,995	5,725	41,720	28,888	12,832
Total School-Spon. Cocurricular Actvts. - Instruction	429,795	(3,505)	426,290	402,347	23,943
School-Spon. Athletics - Instruction:					
Salaries	859,821	42,763	902,584	888,438	14,146
Purchased Services	137,148	7,088	144,236	82,105	62,131
Supplies and Materials	84,180	382	84,562	63,887	20,675
Other Objects	61,500	(13,238)	48,262	28,100	20,162
Total School-Spon. Athletics - Instruction	1,142,649	36,995	1,179,644	1,062,530	117,114
Summer School - Instruction:					
Salaries of Teachers	78,000	1,072	79,072	79,072	
Other Purchased Services	39,000	5,940	44,940	44,940	
General Supplies	500		500	16	484
Total Summer School - Instruction	117,500	7,012	124,512	124,028	484
Summer School - Support Services:					
Salaries	33,200	(7,954)	25,246	25,245	1
Total Summer School - Support Services	33,200	(7,954)	25,246	25,245	1
Total Instruction	39,335,181	(452,353)	38,882,828	37,152,593	1,730,235
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Special	108,858	21,865	130,723	128,718	2,005
Tuition to County Voc. School District - Regular	528,000	145,180	673,180	673,180	
Tuition to County Voc. School District - Special	14,000	(14,000)			
Tuition to Private Schools for the Handicapped - Within State	1,366,428	(269,326)	1,097,102	940,092	157,010
Tuition - State Facilities	79,744		79,744	79,744	
Total Undistributed Expenditures - Instruction	2,097,030	(116,281)	1,980,749	1,821,734	159,015

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Health Services:					
Salaries	\$ 654,230	\$ 86,738	\$ 740,968	\$ 694,586	\$ 46,382
Purchased Professional and Technical Services	21,550	(4,850)	16,700	13,523	3,177
Other Purchased Services	1,000		1,000	295	705
Supplies and Materials	32,374	4,807	37,181	27,138	10,043
Total Undistributed Expenditures - Health Services	709,154	86,695	795,849	735,542	60,307
Undist. Expend. - Speech, OT, PT, Related Services:					
Salaries	1,015,595	92,046	1,107,641	990,314	117,327
Purchased Professional - Educational Services	370,100	30,000	400,100	292,371	107,729
Supplies and Materials	16,961	(341)	16,620	11,859	4,761
Total Undist. Expend. - Speech, OT, PT, Related Services	1,402,656	121,705	1,524,361	1,294,544	229,817
Undist. Expend. - Other Supp. Serv. Students-Extraordinary:					
Salaries	1,268,036	150,581	1,418,617	1,133,966	284,651
Purchased Professional - Educational Services	419,478	63,500	482,978	392,463	90,515
Total Undist. Expend. - Other Supp. Serv. Students-Extraordinary	1,687,514	214,081	1,901,595	1,526,429	375,166
Undist. Expend. - Guidance:					
Salaries of Other Professional Staff	1,215,886	2,293	1,218,179	1,166,618	51,561
Salaries of Secretarial and Clerical Assistants	262,203		262,203	262,203	
Other Purchased Prof. and Tech. Services	8,645	10,700	19,345	19,345	
Other Purchased Services	3,000	(1,334)	1,666	162	1,504
Supplies and Materials	11,522	(1,105)	10,417	5,875	4,542
Total Undist. Expend. - Guidance	1,501,256	10,554	1,511,810	1,454,203	57,607

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Child Study Team:					
Salaries of Other Professional Staff	\$ 1,765,132	\$ (71,596)	\$ 1,693,536	\$ 1,624,119	\$ 69,417
Salaries of Secretarial and Clerical Assistants	197,849		197,849	197,849	
Purchased Professional - Educational Services	719,849	1,032	720,881	568,416	152,465
Other Purchased Prof. and Tech. Services	5,000		5,000		5,000
Miscellaneous Purchased Services (400-500 series)	10,057	(150)	9,907	7,227	2,680
Supplies and Materials	30,000		30,000	14,098	15,902
Other Objects	1,000		1,000	325	675
Total Undist. Expend. - Child Study Team	2,728,887	(70,714)	2,658,173	2,412,034	246,139
Undist. Expend. - Improvement of Inst. Serv.:					
Salaries of Supervisor of Instruction	1,652,885	(261)	1,652,624	1,646,165	6,459
Salaries of Other Professional Staff	76,014		76,014	71,783	4,231
Salaries of Secretarial and Clerical Assistants	62,766		62,766	62,766	
Purchased Professional - Educational Services	168,550	(37,276)	131,274	116,286	14,988
Other Purchased Services	68,418	(33,788)	34,630	20,443	14,187
Supplies and Materials	43,858	54,594	98,452	92,252	6,200
Other Objects	3,267	(568)	2,699	2,592	107
Total Undist. Expend. - Improvement of Inst. Serv.	2,075,758	(17,299)	2,058,459	2,012,287	46,172
Undist. Expend. - Edu. Media Serv./Sch. Library:					
Salaries	467,080	42,173	509,253	415,635	93,618
Purchased Professional Educational Services	12,000	34,564	46,564	45,308	1,256
Supplies and Materials	84,372	(38,424)	45,948	42,356	3,592
Other Objects	2,000		2,000	1,995	5
Total Undist. Expend. - Edu. Media Serv./Sch. Library	565,452	38,313	603,765	505,294	98,471
Undist. Expend. - Instructional Staff Training Serv.:					
Other Salaries	5,408	3,473	8,881		8,881
Purchased Professional - Educational Services	133,600	(14,187)	119,413	13,172	106,241
Other Purchased Services (400-500 series)	73,373	(800)	72,573	27,191	45,382
Total Undist. Expend. - Instructional Staff Training Serv.	212,381	(11,514)	200,867	40,363	160,504

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Supp. Serv. - General Admin.:					
Salaries	\$ 483,178	\$ 52,145	\$ 535,323	\$ 456,224	\$ 79,099
Legal Services	243,464	62,855	306,319	274,958	31,361
Audit Fees	99,765	11,100	110,865	75,420	35,445
Other Purchased Professional Services	169,160		169,160	38,863	130,297
Purchased Technical Services	6,750	33,832	40,582	35,911	4,671
Communications/Telephone	7,625		7,625	7,625	
Other Purchased Services (400-500 series)	546,331	9,066	555,397	545,203	10,194
BOE Membership Dues and Fees	27,365		27,365	26,663	702
General Supplies	32,175	7,446	39,621	27,110	12,511
Judgments Against the School District	75,400	(15,963)	59,437	28,500	30,937
Miscellaneous Expenditures	18,412	1,200	19,612	14,943	4,669
Total Undist. Expend. - Supp. Serv. - General Admin.	1,709,625	161,681	1,871,306	1,531,420	339,886
Undist. Expend. - Support Serv. - School Admin.:					
Salaries of Principals/Assistant Principals	1,951,322	250,182	2,201,504	1,951,320	250,184
Salaries of Secretarial and Clerical Assistants	1,051,850	39,346	1,091,196	1,017,552	73,644
Unused Vacation Payment to Terminate/Retired Staff		2,483	2,483	2,483	
Purchased Professional and Technical Services	3,550	890	4,440	2,448	1,992
Other Purchased Services	34,766	(812)	33,954	18,779	15,175
Supplies and Materials	35,330	(2,228)	33,102	28,600	4,502
Other Objects	19,500	1,665	21,165	12,854	8,311
Total Undist. Expend. - Support Serv. - School Admin.	3,096,318	291,526	3,387,844	3,034,036	353,808
Undist. Expend. - Central Services:					
Salaries	877,443	90,748	968,191	945,357	22,834
Unused Vacation Payment to Terminated/Retired Staff		22,000	22,000	19,766	2,234
Purchased Technical Services	74,335	(6,127)	68,208	52,075	16,133
Misc. Purchased Services	15,098	2,186	17,284	17,030	254
Supplies and Materials	14,306	6,732	21,038	10,049	10,989
Other Objects	29,903	39,162	69,065	65,009	4,056
Total Undist. Expend. - Central Services	1,011,085	154,701	1,165,786	1,109,286	56,500
Undist. Expend. - Admin. Info. Tech.					
Salaries	945,075	(283)	944,792	944,792	
Purchased Professional Services	487,973	50,839	538,812	528,092	10,720
Other Purchased Services	565,710	75,326	641,036	610,283	30,753
Total Undist. Expend. - Admin. Info. Tech.	1,998,758	125,882	2,124,640	2,083,167	41,473

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Required Maintenance for Sch. Facilities:					
Salaries	\$ 594,886	\$ 261	\$ 595,147	\$ 559,661	\$ 35,486
Cleaning, Repair and Maintenance Services	926,830	437,976	1,364,806	1,150,651	214,155
Travel		283	283		283
General Supplies	200,800	115,947	316,747	192,558	124,189
Total Undist. Expend. - Required Maintenance for Sch. Facil.	<u>1,722,516</u>	<u>554,467</u>	<u>2,276,983</u>	<u>1,902,870</u>	<u>374,113</u>
Undist. Expend. - Custodial Services:					
Salaries	2,504,575	10,938	2,515,513	2,446,471	69,042
Salaries of Non-Instructional Aides	185,000		185,000	159,709	25,291
Unused Vacation Payment to Terminated/Retired Staff		5,126	5,126		
Purchased Professional and Technical Services	65,415	22,000	87,415	76,074	11,341
Cleaning, Repair and Maintenance Services	174,235	(16,780)	157,455	147,031	10,424
Rental of Land and Bldg. Other than Lease Purchase Agreement	83,157		83,157	81,401	1,756
Other Purchased Property Services	181,000	(7,100)	173,900	168,808	5,092
Insurance	227,000		227,000	219,172	7,828
General Supplies	266,620	(11,572)	255,048	239,919	15,129
Energy (Natural Gas)	503,474	14,000	517,474	384,505	132,969
Energy (Electricity)	693,646	120,000	813,646	809,145	4,501
Energy (Oil)	800		800		800
Energy (Gasoline)	6,000	3,000	9,000	6,576	2,424
Total Undist. Expend. - Custodial Services	<u>4,890,922</u>	<u>139,612</u>	<u>5,030,534</u>	<u>4,743,937</u>	<u>286,597</u>
Undist. Expend. - Care & Upkeep of Grounds:					
Salaries	548,960	20,216	569,176	552,648	16,528
Cleaning, Repair, and Maintenance Services	112,000	(3,400)	108,600	101,915	6,685
General Supplies	75,500	10,000	85,500	75,853	9,647
Total Undist. Expend. - Care and Upkeep of Grounds	<u>736,460</u>	<u>26,816</u>	<u>763,276</u>	<u>730,416</u>	<u>32,860</u>
Undist. Expend. - Security:					
Salaries	342,475		342,475	339,212	3,263
Purchased Professional and Technical Services	80,480	(74,000)	6,480	3,730	2,750
Cleaning, Repair, and Maintenance Services	1,600		1,600		1,600
General Supplies	36,900		36,900	35,523	1,377
Total Undist. Expend. - Security	<u>461,455</u>	<u>(74,000)</u>	<u>387,455</u>	<u>378,465</u>	<u>8,990</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Student Transportation Services:					
Salaries for Pupil Transportation (Bet. Home & Sch) - Reg	\$ 2,140,548		\$ 2,140,548	\$ 2,013,388	\$ 127,160
Salaries for Pupil Transportation (Other than Bet. Home & Sch)	247,902		247,902	226,845	21,057
Other Purchased Professional and Technical Services	19,547		19,547	17,398	2,149
Cleaning, Repair and Maintenance Services	1,000		1,000	1,000	-
Contract Services - (Other than Bet. Home & School) - Vendors	150,000		150,000	111,766	38,234
Contract Services - (Bet. Home and School) - Joint Agreements	1,039,802	\$ 30,000	1,069,802	968,655	101,147
Contract Services - (Regular Students) - ESCs & CTSAs	150,000	20,000	170,000	115,502	54,498
Travel	1,000		1,000	242	758
Miscellaneous Purchased Services	26,000		26,000	24,167	1,833
General Supplies	524,616	(22,000)	502,616	368,410	134,206
Misc. Expenditures	99,141	(55,000)	44,141	5,401	38,740
Total Undist. Expend. - Student Transportation Services	4,399,556	(27,000)	4,372,556	3,851,774	520,782
Unallocated Benefits:					
Social Security Contributions	1,275,000		1,275,000	1,183,887	91,113
Other Retirement Contributions - PERS	1,669,148	(230,000)	1,439,148	1,406,013	33,135
Other Retirement Contributions - Regular		237,673	237,673	236,517	1,156
Unemployment Compensation	185,000		185,000	170,031	14,969
Workmen's Compensation	426,000		426,000	248,604	177,396
Health Benefits	11,515,452	(1,223,533)	10,291,919	10,109,004	182,915
Tuition Reimbursement	203,062	(7,000)	196,062	131,951	64,111
Other Employee Benefits	831,572	47,828	879,400	878,308	1,092
Unused Sick Payment to Terminated/Retired Staff		40,000	40,000	26,957	13,043
Total Unallocated Benefits	16,105,234	(1,135,032)	14,970,202	14,391,272	578,930
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				2,898,899	(2,898,899)
TPAF On-Behalf Pension Contributions (Non-Budgeted)				7,676,536	(7,676,536)
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)				137,593	(137,593)
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)				8,003	(8,003)
TPAF Social Security (Reimbursed - Non-Budgeted)				2,782,658	(2,782,658)
Total On-Behalf Contributions				13,503,689	(13,503,689)
Total Personal Services - Employee Benefits	16,105,234	(1,135,032)	14,970,202	27,894,961	(12,924,759)
Total Undistributed Expenditures	49,112,017	474,193	49,586,210	59,062,762	(9,476,552)
Total Current Expense	88,447,198	21,840	88,469,038	96,215,355	(7,746,317)

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Capital Outlay:					
Equipment:					
Undistributed Expenditures:					
Instruction	\$ 32,850	\$ 25,417	\$ 58,267	\$ 58,267	
Support Services - Inst. Staff	78,000		78,000	78,000	
General Administration		5,599	5,599		\$ 5,599
Administration Info. Tech.	37,442	29,484	29,484	19,993	9,491
Required Maint. of Plant Serv.	14,000	19,672	57,114	41,302	15,812
Security	443,375		14,000	6,000	8,000
School Buses - Regular			443,375	443,373	2
Total Equipment	605,667	80,172	685,839	646,935	38,904
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	250,000		250,000	231,019	18,981
Construction Services	4,453,041	79,023	4,532,064	4,316,708	215,356
Lease Purchase Agreements-Principal	201,000		201,000	201,000	
Assessment for Debt Service on SDA Funding	64,340		64,340	64,340	
Total Facilities Acquisition and Construction Services	4,968,381	79,023	5,047,404	4,813,067	234,337
Assets Acquired Under Capital Leases (non-budgeted):					
Regular Programs - Instruction				1,002,950	(1,002,950)
Undistributed Expenditures:					
Required Maintenance for School Facilities				30,860	(30,860)
Student Transportation-School Buses				509,190	(509,190)
Assets Acquired Under Capital Leases (non-budgeted)				1,543,000	(1,543,000)
Total Capital Outlay	5,574,048	159,195	5,733,243	7,003,002	(1,269,759)
Transfer of Funds to Charter Schools	80,115	137,988	218,103	218,103	
Total Expenditures	94,101,361	319,023	94,420,384	103,436,460	(9,016,076)

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2020

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (5,803,903)	\$ (319,023)	\$ (6,122,926)	\$ (52,973)	\$ 6,069,953
Other Financing Sources:					
Transfer from Capital Projects Fund - Interest				306,336	306,336
Capital Leases (non-budgeted)				1,543,000	1,543,000
Total Other Financing Sources				1,849,336	1,849,336
Excess/(Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(5,803,903)	(319,023)	(6,122,926)	1,796,363	7,919,289
Fund Balance, July 1	14,566,775		14,566,775	14,566,775	
Fund Balance, June 30	<u>\$ 8,762,872</u>	<u>\$ (319,023)</u>	<u>\$ 8,443,849</u>	<u>\$ 16,363,138</u>	<u>\$ 7,919,289</u>
Recapitulation:					
Restricted:					
Capital Reserve				\$ 9,563,044	
Maintenance Reserve				823,956	
Excess Surplus				1,165,000	
Excess Surplus - Designated for Subsequent Year's Expenditures				1,165,000	
Assigned:					
Year End Encumbrances				1,059,363	
Designated for Subsequent Year's Expenditures				155	
Unassigned				2,586,620	
				<u>16,363,138</u>	
Reconciliation to Governmental Fund Statements (GAAP):					
Last State Aid Payments not recognized on GAAP basis				(1,155,573)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 15,207,565</u>	

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenue:					
State Sources		\$ 129,834	\$ 129,834	\$ 114,527	\$ (15,307)
Federal Sources	\$ 1,212,093	84,497	1,296,590	1,270,959	(25,631)
Local Sources		158,743	158,743	45,416	(113,327)
Total Revenue	1,212,093	373,074	1,585,167	1,430,902	(154,265)
Expenditures:					
Instruction:					
Salaries of Teachers	107,305	1,635	108,940	102,055	6,885
Other Purchased Services	895,501	3,764	899,265	899,265	
General Supplies	8,562	155,415	163,977	52,179	111,798
Textbooks		6,958	6,958	6,958	
Total Instruction	1,011,368	167,772	1,179,140	1,060,457	118,683
Support Services:					
Purchased Professional and Educational Services		98,929	98,929	83,017	15,912
Purchased Professional and Technical Services	146,741	24,552	171,293	163,138	8,155
Personal Services - Employee Benefits	8,211	(201)	8,010	6,802	1,208
Other Purchased Professional Services	34,778		34,778	27,402	7,376
Supplies and Materials	2,236	82,022	84,258	84,257	1
Other Objects	8,759		8,759	5,829	2,930
Total Support Services	200,725	205,302	406,027	370,445	35,582
Total Expenditures	1,212,093	373,074	1,585,167	1,430,902	154,265
Excess (Deficiency) of Revenue Over/(Under) Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-

RANDOLPH TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 103,383,487	\$ 1,430,902
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, whereas the GAAP Basis does not.		(78,062)
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	1,234,443	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(1,155,573)	
 Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	 \$ 103,462,357	 \$ 1,352,840
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 103,436,460	\$ 1,430,902
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		(78,062)
 Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	 \$ 103,436,460	 \$ 1,352,840

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

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

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

**SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)**

SPECIAL REVENUE FUND

RANDOLPH TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Elementary and Secondary Education Act		CARES Emergency Relief	IDEA Part B,	
	Title I	Title III		Basic Regular	Preschool
REVENUE:					
State Sources					
Federal Sources	\$ 105,507	\$ 11,846	\$ 82,013	\$ 952,498	\$ 45,502
Local Sources					
Total Revenue	105,507	11,846	82,013	952,498	45,502
EXPENDITURES:					
Instruction:					
Salaries of Teachers	85,881	4,803		11,371	
Other Purchased Services				898,265	
General Supplies	7,763				
Textbooks					
Total Instruction	93,644	4,803		909,636	
Support Services:					
Purchased Professional/Educational Services					
Purchased Professional/Technical Services	605	50,482		41,997	45,502
Personal Services - Employee Benefits	5,570	367		865	
Other Purchased Professional Services		4,291			
Supplies and Materials	259	1,985	82,013		
Other Objects	5,429	400			
Total Support Services	11,863	7,043	82,013	42,862	45,502
Total Expenditures	\$ 105,507	\$ 11,846	\$ 82,013	\$ 952,498	\$ 45,502

RANDOLPH TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Non-Public				
	Chapter 192 Compensatory Education	Examination/ Classification	Chapter 193 Corrective Speech	Supplemental Instruction	Non-Public Security
REVENUE:					
State Sources	\$ 18,982	\$ 21,737	\$ 10,390	\$ 19,104	\$ 19,800
Federal Sources					
Local Sources					
Total Revenue	<u>18,982</u>	<u>21,737</u>	<u>10,390</u>	<u>19,104</u>	<u>19,800</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers					
Other Purchased Services					
General Supplies					
Textbooks					
Total Instruction					
Support Services:					
Purchased Professional/Educational Services	18,982	21,737	10,390	19,104	19,800
Purchased Professional/Technical Services					
Personal Services - Employee Benefits					
Other Purchased Professional Services					
Supplies and Materials					
Other Objects					
Total Support Services	<u>18,982</u>	<u>21,737</u>	<u>10,390</u>	<u>19,104</u>	<u>19,800</u>
Total Expenditures	<u>\$ 18,982</u>	<u>\$ 21,737</u>	<u>\$ 10,390</u>	<u>\$ 19,104</u>	<u>\$ 19,800</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Non-Public Technology	Non-Public Textbooks	Non-Public Nursing	Various Local Grants	Totals June 30, 2020
REVENUE:					
State Sources	\$ 4,752	\$ 6,958	\$ 12,804		\$ 114,527
Federal Sources					1,270,959
Local Sources				\$ 45,416	45,416
Total Revenue	4,752	6,958	12,804	45,416	1,430,902
EXPENDITURES:					
Instruction:					
Salaries of Teachers					102,055
Other Purchased Services				1,000	899,265
General Supplies				44,416	52,179
Textbooks		6,958			6,958
Total Instruction		6,958		45,416	1,060,457
Support Services:					
Purchased Professional/Educational Services			12,804		83,017
Purchased Professional/Technical Services	4,752				163,138
Personal Services - Employee Benefits					6,802
Other Purchased Professional Services					27,402
Supplies and Materials					84,257
Other Objects					5,829
Total Support Services	4,752		12,804		370,445
Total Expenditures	\$ 4,752	\$ 6,958	\$ 12,804	\$ 45,416	\$ 1,430,902

CAPITAL PROJECTS FUND

RANDOLPH TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Revenue and Other Financing Sources:	
Bond Proceeds	\$ 12,245,000
Interest Income - Bond Proceeds	<u>306,336</u>
Total Revenue and Other Financing Sources	<u>12,551,336</u>
Expenditures:	
Other Purchased Professional Technical Services	1,222,964
Construction Services	<u>5,672,391</u>
Total Expenditures	<u>6,895,355</u>
Excess of Revenue and Other Financing Sources Over Expenditures	5,655,981
Other Financing Uses:	
Operating Transfer Out - General Fund - Interest Earnings	<u>(306,336)</u>
Total Other Financing Uses	<u>(306,336)</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	5,349,645
Fund Balance - Beginning Balance	<u>11,113,879</u>
Fund Balance - Ending Balance	<u><u>\$ 16,463,524</u></u>
<u>Recapitulation of Fund Balance:</u>	
Restricted	\$ 1,317,041
Restricted - Year End Encumbrances	<u>15,146,483</u>
	<u><u>\$ 16,463,524</u></u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE PROJECT OF REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS - BUDGETARY BASIS
VARIOUS SCHOOL BUILDING IMPROVEMENTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Prior Periods	Current Year	Total	Revised Authorized Cost
Revenue and Other Financing Sources:				
Bond Proceeds	\$ 12,250,000	\$ 12,245,000	\$ 24,495,000	\$ 24,495,000
Total Revenues and Other Financing Sources	12,250,000	12,245,000	24,495,000	24,495,000
Expenditures:				
Other Purchased Professional Technical Services	296,532	1,222,964	1,519,496	2,029,140
Construction Services	839,589	5,672,391	6,511,980	22,465,860
Total Expenditures	1,136,121	6,895,355	8,031,476	24,495,000
Excess of Revenue and Other Financing Sources Over Expenditures	\$ 11,113,879	\$ 5,349,645	\$ 16,463,524	\$ - 0 -

Additional Project Information:

Project Number(s)	4330-057-18-1000
Project Number(s)	4330-057-18-2000
Project Number(s)	4330-065-18-2000
Project Number(s)	4330-065-18-3000
Project Number(s)	4330-070-18-2000
Project Number(s)	4330-070-18-1000
Project Number(s)	4330-080-18-1000
Project Number(s)	4330-080-18-2000
Project Number(s)	4330-075-18-1000
Project Number(s)	4330-075-18-3000
Project Number(s)	4330-075-18-2000
Project Number(s)	4330-050-18-4000
Project Number(s)	4330-050-18-4000
Grant Date	N/A
Bond Authorization Date	10/2/2018
Bonds Authorized	\$ 24,495,000
Bonds Issued	\$ 24,495,000
Original Authorized Cost	\$ 24,495,000
% Increase over Original Authorized Cost	0%
% Completion	33%
Original Target Completion Date	August 2021

PROPRIETARY FUNDS

RANDOLPH TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2020

	Major Funds		Total
	Community School	Food Service	
<u>ASSETS:</u>			
Current assets:			
Cash and cash equivalents	\$ 1,125,949	\$ 43,137	\$ 1,169,086
Accounts receivable:			
State		262	262
Federal		25,355	25,355
Other		2,632	2,632
Inventories		32,177	32,177
Total current assets	<u>1,125,949</u>	<u>103,563</u>	<u>1,229,512</u>
Non-current assets:			
Machinery and Equipment	58,492	725,777	784,269
Less: Accumulated depreciation	<u>(3,634)</u>	<u>(520,807)</u>	<u>(524,441)</u>
Total non-current assets	<u>54,858</u>	<u>204,970</u>	<u>259,828</u>
Total Assets	<u>1,180,807</u>	<u>308,533</u>	<u>1,489,340</u>
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>			
Changes in Assumptions - Pension	58,197		58,197
Changes in Proportion - Pension	17,230		17,230
Difference Between Expected and Actual Experience - Pension	10,461		10,461
District Contribution Subsequent to the Measurement Date - Pension	<u>34,031</u>		<u>34,031</u>
Total Deferred Outflows of Resources	<u>119,919</u>		<u>119,919</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2020

	Major Funds		Total
	Community School	Food Service	
<u>LIABILITIES:</u>			
Current liabilities:			
Accounts payable	\$ 282,048		\$ 282,048
Interfund payable		\$ 35,563	35,563
Unearned revenue		94,798	94,798
Long-term liabilities:			
Net Pension Liability	582,826		582,826
Compensated absences payable	7,911		7,911
Total Liabilities	<u>872,785</u>	<u>130,361</u>	<u>1,003,146</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Changes in Assumptions - Pension	202,297		202,297
Changes in Proportion - Pension	16,094		16,094
Difference Between Expected and Actual Experience - Pension	2,575		2,575
Difference Between Projected and Actual Earnings on Investments - Pension	9,200		9,200
Total Deferred Inflows of Resources	<u>230,166</u>		<u>230,166</u>
<u>NET POSITION:</u>			
Investment in capital assets	54,858	204,970	259,828
Unrestricted/(Deficit)	142,917	(26,798)	116,119
Total Net Position	<u>\$ 197,775</u>	<u>\$ 178,172</u>	<u>\$ 375,947</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Major Funds		Total
	Community School	Food Service	
Operating revenue:			
Local sources:			
Daily sales - reimbursable programs:			
School lunch program		\$ 337,207	\$ 337,207
Daily sales - non-reimbursable programs		433,346	433,346
Community School - regular programs	\$ 1,151,128		1,151,128
Community School - summer programs	41,018		41,018
Total operating revenue	1,192,146	770,553	1,962,699
Operating expenses:			
Cost of sales (Reimbursable) Programs		239,360	239,360
Cost of sales (Non-Reimbursable) Programs		239,476	239,476
Salaries	739,539	312,111	1,051,650
Employee benefits	135,255	80,117	215,372
Purchased professional/technical services	282,570	35,736	318,306
Other purchased services	92,502	45,096	137,598
Supplies and materials	382,853	50,049	432,902
Management Fee		60,000	60,000
Miscellaneous	5,657	4,425	10,082
Depreciation	3,634	25,738	29,372
Total operating expenses	1,642,010	1,092,108	2,734,118
Operating income/(loss)	(449,864)	(321,555)	(771,419)
Non-operating revenue:			
State sources:			
State school lunch program		6,537	6,537
Seamless Summer Option		613	613
Federal sources:			
National school lunch program		132,387	132,387
National school breakfast program		7,920	7,920
Seamless Summer Option		66,064	66,064
Food distribution program		53,012	53,012
Local sources:			
Interest income	39,591		39,591
Total non-operating revenue	39,591	266,533	306,124
Change in net position	(410,273)	(55,022)	(465,295)
Net position - beginning of year (Restated)	608,048	233,194	841,242
Net position - end of year	\$ 197,775	\$ 178,172	\$ 375,947

RANDOLPH TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Major Funds		Total
	Community School	Food Service	
Cash flows from operating activities:			
Receipts from customers	\$ 847,002	\$ 802,816	\$ 1,649,818
Payments to employees	(882,336)	(392,228)	(1,274,564)
Payments to suppliers	(549,855)	(704,018)	(1,253,873)
Net cash provided by / (used for) operating activities	(585,189)	(293,430)	(878,619)
Cash flows from investing activities:			
Interest income	39,591		39,591
Net cash provided by investing activities	39,591		39,591
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(58,492)	(21,657)	(80,149)
Net cash used for capital and related financing activities	(58,492)	(21,657)	(80,149)
Cash flows from noncapital financing activities:			
Cash received from state and federal reimbursements		202,333	202,333
Net cash provided by noncapital financing activities		202,333	202,333
Net decrease in cash and cash equivalents	(604,090)	(112,754)	(716,844)
Cash and cash equivalents, July 1	1,730,039	155,891	1,885,930
Cash and cash equivalents, June 30	<u>\$ 1,125,949</u>	<u>\$ 43,137</u>	<u>\$ 1,169,086</u>
Reconciliation of operating income/(loss) to net cash provided by / (used for) operating activities:			
Operating income/(loss)	\$ (449,864)	\$ (321,555)	\$ (771,419)
Adjustment to reconcile operating income/(loss) to cash provided by / (used for) operating activities:			
Depreciation	3,634	25,738	29,372
Federal food distribution program		53,012	53,012
Changes in assets and liabilities:			
Increase in accounts receivable		16	16
(Decrease) in inventory		(20,659)	(20,659)
Increase/(Decrease) in accounts payable	213,727	(62,229)	151,498
(Decrease)/Increase in unearned revenue	(345,144)	32,247	(312,897)
(Decrease) in compensated absences payable	(9,389)		(9,389)
(Decrease) in net pension liability	(71,364)		(71,364)
Decrease in changes in assumptions - pension	42,725		42,725
Decrease in difference between expected and actual Experience - pension	1,216		1,216
Increase in difference between projected and actual Earnings in investments - pensions	3,064		3,064
Decrease in changes in proportions - pensions	26,206		26,206
Net cash provided by / (used for) operating activities	<u>\$ (585,189)</u>	<u>\$ (293,430)</u>	<u>\$ (878,619)</u>

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received \$56,653 and utilized \$53,012 of commodities from the Federal Food Distribution Program for the fiscal year ended June 30, 2020.

FIDUCIARY FUNDS

RANDOLPH TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2020

		<u>Agency</u>	<u>Total</u>		
	<u>Student</u>	<u>Payroll</u>	<u>Agency</u>	<u>Private</u>	<u>Flexible</u>
	<u>Activities</u>			<u>Purpose</u>	<u>Spending</u>
				<u>Scholarship</u>	<u>Trust</u>
				<u>Trust</u>	<u>Trust</u>
<u>ASSETS:</u>					
Cash and cash equivalents	\$ 397,088	\$ 548,549	\$ 945,637	\$ 33,210	\$ 57,823
Total assets	397,088	548,549	945,637	33,210	57,823
<u>LIABILITIES:</u>					
Payroll deductions and withholdings		548,549	548,549		
Due to student groups	397,088		397,088		
Total liabilities	397,088	548,549	945,637		
<u>NET POSITION:</u>					
Held in Trust for:					
Scholarships				33,210	
Flexible Spending Claims					57,823
Total net position	\$ -0-	\$ -0-	\$ -0-	\$ 33,210	\$ 57,823

RANDOLPH TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGE IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Private Purpose Scholarship Trust</u>	<u>Flexible Spending Trust</u>
Additions:		
Contributions:		
Donations	\$ 5,644	
Plan member/Employer		\$ 166,133
Total Contributions	<u>5,644</u>	<u>166,133</u>
Investment earnings:		
Interest	893	839
Total Additions	<u>6,537</u>	<u>166,972</u>
Deductions:		
Scholarships awarded	17,618	
Flexible Spending Claims		143,037
Total Deductions	<u>17,618</u>	<u>143,037</u>
Change in net position	(11,081)	23,935
Net position—beginning of the year	<u>44,291</u>	<u>33,888</u>
Net position—end of the year	<u>\$ 33,210</u>	<u>\$ 57,823</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>
<u>ASSETS:</u>				
Cash and cash equivalents	\$ 337,084	\$ 923,731	\$ 863,727	\$ 397,088
Total assets	<u>\$ 337,084</u>	<u>\$ 923,731</u>	<u>\$ 863,727</u>	<u>\$ 397,088</u>
 <u>LIABILITIES:</u>				
Liabilities:				
Due to student groups	\$ 337,084	\$ 923,731	\$ 863,727	\$ 397,088
Total liabilities	<u>\$ 337,084</u>	<u>\$ 923,731</u>	<u>\$ 863,727</u>	<u>\$ 397,088</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Balance</u> <u>July 1, 2019</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2020</u>
Elementary schools:				
Center Grove	\$ 2,366	\$ 18,658	\$ 20,346	\$ 678
Fernbrook	8,408	24,978	24,876	8,510
Ironia	11,505	5,612	6,666	10,451
Shongum	5,247	22,885	24,777	3,355
	<u>27,526</u>	<u>72,133</u>	<u>76,665</u>	<u>22,994</u>
Total Elementary schools				
Middle school:				
Randolph Middle School	68,389	275,733	276,648	67,474
	<u>68,389</u>	<u>275,733</u>	<u>276,648</u>	<u>67,474</u>
High school:				
Randolph High School	217,108	519,071	446,731	289,448
	<u>217,108</u>	<u>519,071</u>	<u>446,731</u>	<u>289,448</u>
Athletic Account:				
Athletics	24,061	56,794	63,683	17,172
	<u>24,061</u>	<u>56,794</u>	<u>63,683</u>	<u>17,172</u>
Total All Schools	<u>\$ 337,084</u>	<u>\$ 923,731</u>	<u>\$ 863,727</u>	<u>\$ 397,088</u>

RANDOLPH TOWNSHIP SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>
<u>ASSETS:</u>				
Cash and cash equivalents	\$ 108,418	\$ 28,135,381	\$ 27,695,250	\$ 548,549
Total assets	<u>\$ 108,418</u>	<u>\$ 28,135,381</u>	<u>\$ 27,695,250</u>	<u>\$ 548,549</u>
 <u>LIABILITIES:</u>				
Payroll deductions and withholdings	\$ 108,418	\$ 28,135,381	\$ 27,695,250	\$ 548,549
Total liabilities	<u>\$ 108,418</u>	<u>\$ 28,135,381</u>	<u>\$ 27,695,250</u>	<u>\$ 548,549</u>

LONG-TERM DEBT

RANDOLPH TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS

Maturities of Bonds

Purpose	Date of Issue	Original Issue	Outstanding		Int. Rate	Balance July 1, 2019	Issued	Matured	Balance June 30, 2020
			Date	Amount					
Various School Building Improvements	02/08/2012	\$ 11,667,000	02/01/2021	\$ 825,000	2.000%	\$ 8,800,000		\$ 700,000	\$ 8,100,000
			02/01/2022	825,000	2.125%				
			02/01/2023	825,000	2.250%				
			02/01/2024	825,000	2.375%				
			02/01/2025	825,000	2.375%				
			02/01/2026	975,000	2.500%				
			02/01/2027	1,000,000	3.000%				
			02/01/2028	1,000,000	3.000%				
			02/01/2029	1,000,000	4.000%				
Advance Refunding of School Bonds	01/23/2013	10,425,000	02/01/2021	1,045,000	4.000%	6,730,000		1,005,000	5,725,000
			02/01/2022	1,090,000	5.000%				
			02/01/2023	1,145,000	5.000%				
			02/01/2024	1,210,000	4.000%				
			02/01/2025	1,235,000	4.000%				
Advance Refunding of 2005 School Bonds	05/27/2015	6,230,000				800,000	800,000		
	12/18/2018	12,250,000	08/01/2020	380,000	3.250%	12,250,000		400,000	11,850,000
Various School Building Improvements			08/01/2021	380,000	3.250%				
			08/01/2022	380,000	3.250%				
			08/01/2023	380,000	3.250%				
			08/01/2024	380,000	3.250%				
			08/01/2025	750,000	3.250%				
			08/01/2026	750,000	3.250%				
			08/01/2027	750,000	3.250%				
			08/01/2028	700,000	3.250%				
			08/01/2029	700,000	3.250%				
			08/01/2030	700,000	3.250%				
			08/01/2031	700,000	3.250%				
			08/01/2032	700,000	3.375%				
			08/01/2033	700,000	3.500%				
			08/01/2034	700,000	3.500%				
			08/01/2035	700,000	4.000%				
			08/01/2036	700,000	4.000%				
			08/01/2037	700,000	4.000%				
			08/01/2038	700,000	4.000%				

RANDOLPH TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS

Maturities of Bonds

Purpose	Date of Issue	Original Issue	Outstanding		Int. Rate	Balance July 1, 2019	Issued	Matured	Balance June 30, 2020
			Date	Amount					
Various School Building Improvements	08/15/2019	\$ 12,245,000	08/15/2020	\$ 350,000	1.500%		\$ 12,245,000		\$ 12,245,000
			08/01/2021	460,000	1.750%				
			08/01/2022	500,000	2.000%				
			08/01/2023	535,000	2.000%				
			08/01/2024	625,000	2.000%				
			08/01/2025	700,000	2.000%				
			08/01/2026	700,000	2.000%				
			08/01/2027	700,000	2.000%				
			08/01/2028	700,000	2.000%				
			08/01/2029	700,000	2.000%				
			08/01/2030	700,000	2.000%				
			08/01/2031	700,000	2.125%				
			08/01/2032	700,000	2.250%				
			08/01/2033	700,000	2.250%				
		08/01/2034	700,000	2.750%					
		08/01/2035	700,000	3.000%					
		08/01/2036	700,000	3.000%					
		08/01/2037	700,000	3.000%					
		08/01/2038	675,000	3.000%					
						\$ 28,580,000	\$ 2,905,000	\$ 12,245,000	\$ 37,920,000

RANDOLPH TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Item	Interest Rate	Original Issue	Balance June 30, 2019	Issued	Matured	Balance June 30, 2020
Buses and Textbooks	1.42%	\$ 516,751	\$ 104,800		\$ 104,800	
Buses and Technology	1.49%	1,335,000	540,572		268,282	\$ 272,290
LED Lighting	1.84%	550,000	331,148		108,374	222,774
Various Equipment Purchases	1.49%	1,520,000	914,897		300,047	614,850
Various Equipment and Vehicles	2.44%	1,415,000	1,415,000		292,268	1,122,732
Various Equipment and Vehicles	2.96%	1,543,000		\$ 1,543,000	611,558	931,442
			\$ 3,306,417	\$ 1,543,000	\$ 1,685,329	\$ 3,164,088

RANDOLPH TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 3,591,051		\$ 3,591,051	\$ 3,591,051	
State Sources:					
Debt Service Aid Type II	303,980		303,980	303,980	
Total Revenue	3,895,031		3,895,031	3,895,031	
EXPENDITURES:					
Regular Debt Service:					
Interest	995,291		995,291	995,291	
Redemption of Principal	2,905,000		2,905,000	2,905,000	
Total Regular Debt Service	3,900,291		3,900,291	3,900,291	
Total Expenditures	3,900,291		3,900,291	3,900,291	
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	(5,260)		(5,260)	(5,260)	
Fund Balance, July 1	5,261		5,261	5,261	
Fund Balance, June 30	\$ 1	\$ -0-	\$ 1	\$ 1	\$ -0-

STATISTICAL SECTION
(UNAUDITED)

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

Contents

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

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

	June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019*	2020
Governmental Activities/(Deficit):										
Net Investment in Capital Assets	\$ 13,509,486	\$ 4,602,376	\$ 14,806,909	\$ 21,304,920	\$ 24,938,166	\$ 26,813,419	\$ 30,521,849	\$ 34,768,233	\$ 37,185,834	\$ 29,596,447
Restricted	171,548	11,569,771	5,180,874	2,337,580	3,091,754	7,278,673	8,189,973	9,031,858	10,153,394	24,967,001
Unrestricted	2,195,011	2,144,137	1,193,886	989,899	(25,495,859)	(28,084,241)	(30,707,410)	(32,545,649)	(31,497,754)	(31,458,302)
Total Governmental Activities Net Position	\$ 15,876,045	\$ 18,316,284	\$ 21,181,669	\$ 24,632,399	\$ 2,534,061	\$ 6,007,851	\$ 8,004,412	\$ 11,254,442	\$ 15,841,474	\$ 23,105,146
Business-Type Activities/(Deficit):										
Investment in Capital Assets	\$ 256,143	\$ 253,607	\$ 255,800	\$ 218,029	\$ 182,884	\$ 184,434	\$ 191,134	\$ 192,583	\$ 209,051	\$ 259,828
Unrestricted/(Deficit)	(280,662)	(38,654)	(128,277)	(121,106)	99,173	282,891	672,163	1,059,763	1,357,448	116,119
Total Business-Type Activities Net Position	\$ (24,519)	\$ 214,953	\$ 127,523	\$ 96,923	\$ 282,057	\$ 467,325	\$ 863,297	\$ 1,252,346	\$ 1,566,499	\$ 375,947
District-Wide/(Deficit):										
Net Investment in Capital Assets	\$ 13,765,629	\$ 4,855,983	\$ 15,062,709	\$ 21,522,949	\$ 25,121,050	\$ 26,997,853	\$ 30,712,983	\$ 34,960,816	\$ 37,394,885	\$ 29,856,275
Restricted	171,548	11,569,771	5,180,874	2,337,580	3,091,754	7,278,673	8,189,973	9,031,858	10,153,394	24,967,001
Unrestricted	1,914,349	2,105,483	1,065,609	868,793	(25,396,686)	(27,801,350)	(30,035,247)	(31,485,886)	(30,140,306)	(31,342,183)
Total District Net Position	\$ 15,851,526	\$ 18,531,237	\$ 21,309,192	\$ 24,729,322	\$ 2,816,118	\$ 6,475,176	\$ 8,867,709	\$ 12,506,788	\$ 17,407,973	\$ 23,481,093

* Restated

RANDOLPH TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST NINE FISCAL YEARS,
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses:										
Governmental Activities:										
Instruction	\$ 46,046,755	\$ 50,683,119	\$ 51,450,418	\$ 50,316,817	\$ 57,734,945	\$ 59,841,609	\$ 67,203,433	\$ 66,930,471	\$ 64,104,624	\$ 63,478,496
Support Services:										
Tuition	3,323,275	2,936,686	3,351,439	2,956,830	3,098,614	3,203,254	2,753,229	2,313,188	2,079,770	1,821,734
Student and Instruction Related Services	9,416,367	11,755,089	11,609,882	12,944,340	14,107,962	14,981,637	16,425,489	17,078,051	16,824,414	16,379,630
General Administrative Services	2,172,630	2,133,859	2,099,006	2,006,284	2,307,620	2,203,248	2,111,311	2,315,993	2,084,831	1,911,716
School Administrative Services	3,754,154	3,950,690	4,173,926	4,042,276	4,606,622	4,907,706	5,600,331	5,691,607	5,242,486	5,252,898
Plant Operations and Maintenance	7,062,793	7,662,951	7,812,140	8,498,204	8,711,530	9,070,455	10,200,716	10,352,578	10,825,560	10,900,943
Pupil Transportation	4,467,227	4,949,338	5,396,970	5,244,313	5,511,833	6,060,369	6,204,447	5,895,069	5,538,887	5,614,814
Central Services	2,077,475	2,190,233	2,407,754	2,805,224	1,750,958	1,830,671	2,150,154	2,322,964	2,324,433	2,419,123
Administrative Information Technology					1,642,192	1,764,253	2,364,061	2,564,380	2,630,451	2,737,008
Capital Outlay	80,615	46,882						2,277,293	68,954	
Charter Schools	30,752	65,270	79,867	77,337	78,078	138,358	160,683	159,347	81,242	218,103
Interest on Long-Term Debt	1,315,793	1,210,539	1,456,974	933,891	1,073,055	738,379	671,920	583,980	703,392	1,132,002
Unallocated Depreciation								6,159	3,090	8,527
Total Governmental Activities Expenses	79,747,836	87,584,656	89,838,376	89,825,516	100,623,409	104,739,939	115,845,774	118,491,080	112,512,134	111,874,994
Business-Type Activities:										
Food Service	1,537,117	1,521,402	1,435,661	1,262,229	1,114,686	1,129,914	1,151,145	1,213,129	1,301,419	1,092,108
Community School	1,360,603	1,396,969	1,399,385	1,421,136	1,346,504	988,610	988,610	1,066,325	1,211,220	1,642,010
Total Business-Type Activities Expense	2,897,720	2,918,371	2,835,046	2,683,365	2,461,190	2,133,020	2,139,755	2,279,454	2,512,639	2,734,118
Total District Expenses	82,645,556	90,503,027	92,673,422	92,508,881	103,084,599	106,872,959	117,985,529	120,770,534	115,024,773	114,609,112
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Tuition	23,314	157,684	146,116	93,274	115,096	80,702	121,699	136,842	296,800	466,962
Operating Grants and Contributions	18,978,032	21,681,395	13,991,860	12,956,363	22,156,600	26,341,339	33,501,405	35,914,350	30,525,467	30,561,607
Capital Grants and Contributions	1,522				273,876	1,492,431				
Total Governmental Activities Program Revenues	19,002,868	21,839,079	14,137,976	13,049,637	22,545,572	27,914,472	33,623,104	36,051,192	30,822,267	31,028,569
Business-Type Activities:										
Charges for Services:										
Food Service	1,038,877	1,061,742	969,860	924,316	883,319	943,710	958,378	1,015,042	1,065,759	770,553
Community School	1,438,630	1,484,930	1,311,139	1,398,216	1,543,180	1,137,087	1,311,996	1,369,867	1,478,336	1,192,146
Operating Grants and Contributions	140,595	217,911	197,754	243,439	232,571	261,899	261,899	277,838	267,979	266,533
Total Business-Type Activities Program Revenues	2,618,102	2,764,583	2,478,753	2,565,971	2,659,070	2,317,363	2,552,273	2,662,747	2,812,074	2,229,232
Total District Program Revenues	21,620,970	24,603,662	16,616,729	15,615,608	25,204,642	30,231,835	36,155,377	38,713,939	33,634,341	33,257,801

RANDOLPH TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST NINE FISCAL YEARS
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED
(CONTINUED)

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net (Expense)/Revenue:										
Governmental Activities	\$ (60,744,968)	\$ (65,745,577)	\$ (75,700,400)	\$ (76,775,879)	\$ (78,077,837)	\$ (76,825,467)	\$ (82,222,670)	\$ (82,439,888)	\$ (81,689,867)	\$ (80,846,425)
Business-Type Activities	(279,618)	(153,788)	(356,293)	(117,394)	197,880	184,343	392,518	383,293	299,435	(504,886)
Total District-Wide Net Expense	(61,024,586)	(65,899,365)	(76,056,693)	(76,893,273)	(77,879,957)	(76,641,124)	(81,830,152)	(82,056,595)	(81,390,432)	(81,351,311)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	63,239,577	64,504,368	65,794,455	67,110,344	68,452,559	69,821,601	71,218,033	72,642,394	74,095,242	75,577,147
Taxes Levied for Debt Service	3,804,598	3,806,736	3,800,473	3,773,292	3,780,553	3,735,257	3,570,887	3,538,186	3,601,775	3,591,051
Unrestricted Grants and Contributions			9,073,851	9,113,822	9,196,218	9,214,347	9,288,244	9,295,437	8,171,939	7,358,732
Investment Earnings	6,599	47,147	25,764	13,699	11,435	13,712	42,613	24,429	182,874	678,976
Miscellaneous Income	297,460	319,424	34,209	289,378	301,757	391,817	128,064	189,472	225,069	178,934
Transfers		(250,126)	(162,967)	(73,926)						
Other Item - SDA Grants Cancelled							(28,610)			
Total Governmental Activities	67,348,234	68,427,549	78,565,785	80,226,609	81,742,522	83,176,734	84,219,231	85,689,918	86,276,899	87,384,840
Business-Type Activities:										
Investment Earnings	617	1,600	816	763	1,452	925	3,454	5,756	14,718	39,591
Transfers & Other Special Items	525,896	391,660	268,047	86,031	(14,198)					
Total Business-Type Activities	526,513	393,260	268,863	86,794	(12,746)	925	3,454	5,756	14,718	39,591
Total District-Wide	67,874,747	68,820,809	78,834,648	80,313,403	81,729,776	83,177,659	84,222,685	85,695,674	86,291,617	87,424,431
Change in Net Position:										
Governmental Activities	6,603,266	2,681,972	2,865,385	3,450,730	3,664,685	6,351,267	1,996,561	3,250,030	4,587,032	6,538,415
Business-Type Activities	246,895	239,472	(87,430)	(30,600)	185,134	185,268	395,972	389,049	314,153	(465,295)
Total District	\$ 6,850,161	\$ 2,921,444	\$ 2,777,955	\$ 3,420,130	\$ 3,849,819	\$ 6,536,535	\$ 2,392,533	\$ 3,639,079	\$ 4,901,185	\$ 6,073,120

RANDOLPH TOWNSHIP SCHOOL DISTRICT
 FUND BALANCES, GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)
 UNAUDITED

	June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund:										
Restricted		\$ 525,000	\$ 895,000	\$ 1,817,247	\$ 2,307,853	\$ 6,490,635	\$ 8,044,070	\$ 9,026,598	\$ 10,148,133	\$ 12,717,000
Assigned	\$ 2,160,281	2,246,929	2,209,265	1,672,916	1,488,916	911,639	1,201,640	723,104	2,138,748	1,059,518
Unassigned	1,347,082	1,240,715	1,172,632	473,247	537,606	661,787	767,852	777,047	1,045,451	1,431,047
Total General Fund	\$ 3,507,363	\$ 4,012,644	\$ 4,276,897	\$ 3,963,410	\$ 4,334,375	\$ 8,064,061	\$ 10,013,562	\$ 10,526,749	\$ 13,332,332	\$ 15,207,565
All Other Governmental Funds:										
Restricted:										
Capital Projects Fund	\$ 7,148	\$ 11,044,771	\$ 4,280,004	\$ 627,463	\$ 620,315	\$ 620,315	\$ 60,000		\$ 11,113,879	\$ 16,463,524
Debt Service Fund	1		5,870	5,870	163,586	167,723	85,930	\$ 5,260	5,261	1
Committed for:										
Capital Projects Fund	164,399	164,399	164,399	633,785	455,099	139,898				
Total All Other Governmental Funds	\$ 171,548	\$ 11,209,170	\$ 4,450,273	\$ 1,267,118	\$ 1,239,000	\$ 927,936	\$ 145,930	\$ 5,260	\$ 11,119,140	\$ 16,463,525

Source: School District Financial Reports

RANDOLPH TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues:										
Tax Levy	\$ 67,044,175	\$ 68,311,104	\$ 69,594,928	\$ 70,883,636	\$ 72,233,112	\$ 73,556,858	\$ 74,788,920	\$ 76,180,580	\$ 77,697,017	\$ 79,168,198
Tuition Charges	23,314	157,684	146,116	93,274	115,096	80,702	121,699	136,842	296,800	466,962
Interest Earned on Capital Reserve Funds				2,725	3,668	635	2,135	24,429	72,607	109,029
Miscellaneous	409,248	398,551	256,365	385,640	416,128	475,780	236,606	225,294	472,255	798,248
State Sources	17,496,596	19,477,887	21,839,353	20,631,743	21,935,667	24,648,552	24,131,728	25,830,879	27,465,208	27,242,507
Federal Sources	1,377,769	2,171,528	1,167,365	1,353,154	1,260,253	1,271,505	1,298,939	1,229,779	1,266,769	1,231,620
Total Revenue	86,351,102	90,516,754	93,004,127	93,350,172	95,963,924	100,034,032	100,580,027	103,627,803	107,270,656	109,016,564
Expenditures:										
Instruction:										
Regular Instruction	26,597,621	27,012,498	28,012,692	26,657,433	26,959,447	27,058,070	27,680,631	27,789,726	28,054,804	28,095,155
Special Education Instruction	5,756,026	6,248,423	6,298,927	6,735,639	7,355,460	7,677,704	7,845,729	7,991,633	7,815,273	8,092,926
Other Special Instruction	671,541	616,479	608,576	521,113	447,351	471,503	422,353	428,261	463,141	503,134
Other Instruction	1,541,783	1,547,740	1,347,313	1,436,012	1,581,357	1,578,121	1,715,257	1,654,039	1,749,351	1,614,150
Support Services:										
Tuition	3,231,651	2,855,776	3,267,823	2,874,772	2,985,625	3,087,997	2,649,171	2,223,370	2,001,734	1,821,734
Student and Instruction Related Services	6,997,647	8,480,059	8,878,110	9,436,182	9,315,987	9,501,167	9,527,883	9,807,331	10,256,660	10,180,764
General Administrative Services	1,830,914	1,714,163	1,765,298	1,637,379	1,832,393	1,745,206	1,657,190	1,790,004	1,652,067	1,531,420
School Administrative Services	2,706,734	2,607,238	2,798,957	2,774,016	2,804,146	2,915,406	2,990,649	3,008,723	2,974,271	3,034,036
Plant Operations and Maintenance	5,701,673	6,020,953	6,293,030	6,694,656	6,269,627	6,382,368	6,721,058	6,761,941	7,569,177	7,755,688
Pupil Transportation	3,706,773	3,915,569	4,256,804	4,212,495	4,062,684	4,387,574	4,333,191	3,966,533	3,840,010	3,851,774
Central Services & Administrative IT	1,298,687	1,283,635	1,462,388	1,843,607	1,948,440	2,086,379	2,575,718	2,777,050	2,993,154	3,192,453
Unallocated Benefits	17,540,874	21,773,619	21,254,637	21,586,383	22,196,694	22,310,571	23,855,457	26,069,220	28,986,800	27,894,961
Charter Schools	30,752	65,270	79,867	77,337	78,078	138,358	160,683	159,347	81,242	218,103
Debt Service:										
Principal	2,755,000	2,880,000	2,732,000	2,825,000	2,940,000	3,170,000	3,120,000	3,165,000	3,230,000	2,905,000
Interest and Other Charges	1,341,416	1,221,580	1,355,929	1,229,321	1,115,206	828,520	783,769	703,619	610,987	995,291
Capital Outlay	1,525,576	2,147,723	8,923,453	6,684,667	3,891,808	5,990,717	3,345,183	7,029,489	4,737,522	13,898,357
Total Expenditures	83,234,668	90,390,725	99,335,804	97,226,012	95,784,303	99,329,661	99,383,922	105,325,286	107,016,193	115,584,946
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,116,434	126,029	(6,331,677)	(3,875,840)	179,621	704,371	1,196,105	(1,697,483)	254,463	(6,568,382)

RANDOLPH TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED
(CONTINUED)

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Other Financing Sources (Uses)										
Refunding Bonds Issued			\$ 10,425,000		\$ 6,230,000					
School Bonds Defeased			(11,047,000)		(6,205,000)					
Premium on Refunding Bonds			1,591,671		213,367					
Costs of Refunding Bond Issue			(137,399)		(102,707)					
Deferred Amount on Refunding			(832,272)		(135,660)					
Bond Proceeds		\$ 11,667,000								\$ 12,250,000
Cancellation of SDA grant							\$ (28,610)			\$ 1,543,000
Capital Leases (Non-Budgeted)	\$ 323,507			\$ 453,124	\$ 163,226	\$ 2,714,251		\$ 2,070,000	1,415,000	1,543,000
Transfers In			5,870	469,386	2,563,501		88,468	5,260	110,267	306,336
Transfers Out		(250,126)	(168,837)	(543,312)	(2,563,501)		(88,468)	(5,260)	(110,267)	(306,336)
Total Other Financing Sources (Uses)	323,507	11,416,874	(162,967)	379,198	163,226	2,714,251	(28,610)	2,070,000	13,665,000	13,788,000
Net Change in Fund Balances	\$ 3,439,941	\$ 11,542,903	\$ (6,494,644)	\$ (3,496,642)	\$ 342,847	\$ 3,418,622	\$ 1,167,495	\$ 372,517	\$ 13,919,463	\$ 7,219,618
Debt Service as a Percentage of Noncapital Expenditures	5.28 %	4.87 %	4.74 %	4.69 %	4.62 %	4.48 %	4.24 %	4.10%	3.90%	3.99%

Source: School District Financial Reports

RANDOLPH TOWNSHIP SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

Fiscal Year Ending June 30,	Interest on Investments	Rentals	Athletic Participation Fees	Miscellaneous	Tuition	Total
2011	\$ 6,599	\$ 61,752	\$ 132,050	\$ 103,658	\$ 23,314	\$ 327,373
2012	47,147	56,721	136,192	126,511	157,684	524,255
2013	25,764	28,230		137,508	146,116	337,618
2014	13,874	77,745		211,458	93,274	396,351
2015	11,435	58,479		243,278	115,096	428,288
2016	13,712	60,045		331,772	80,702	486,231
2017	42,613	44,722		83,342	121,699	292,376
2018	58,692	78,814		76,395	136,842	350,743
2019	141,622	76,880		79,174	296,800	594,476
2020	372,640	54,242		124,692	466,962	1,018,536

Source: School District Records

RANDOLPH TOWNSHIP SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN YEARS
UNAUDITED

Year Ended December 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2010	\$ 32,851,000	\$ 2,430,132,000	\$ 5,046,600	\$ 176,900	\$ 239,564,700	\$ 116,094,500	\$ 95,858,800	\$ 2,919,724,500	\$ 5,966,882	\$ 2,925,691,382	\$ 199,358,800	2.22	\$ 4,791,410,430
2011	35,249,000	2,423,641,500	5,046,600	176,900	238,822,100	116,094,500	95,894,000	2,914,924,600	6,225,463	2,921,150,063	200,090,100	2.32	4,585,087,652
2012	36,267,600	2,417,902,900	5,072,500	176,900	238,095,600	115,600,100	94,295,000	2,907,410,600	5,143,748	2,912,554,348	201,392,000	2.37	4,433,621,393
2013	35,168,100	2,415,061,300	5,072,500	177,400	235,543,200	113,465,500	93,539,900	2,898,027,900	4,985,453	2,903,013,353	202,514,300	2.42	4,269,940,784
2014	31,354,900	2,418,508,300	5,072,500	168,100	233,408,600	113,226,000	93,539,900	2,895,278,300	4,132,679	2,899,410,979	203,726,300	2.47	4,221,259,506
2015	29,795,600	2,427,224,200	4,719,600	168,100	232,632,500	112,101,700	96,019,900	2,902,661,600	4,128,427	2,906,790,027	203,840,100	2.51	4,343,879,678
2016	35,642,100	2,430,447,000	3,942,800	158,900	230,059,300	110,779,400	108,212,100	2,919,241,600	4,104,796	2,923,346,396	204,592,900	2.54	4,317,919,193
2017	*	3,531,145,300	6,182,600	141,400	378,893,900	161,254,400	165,584,900	4,287,559,100	6,034,741	4,293,593,841	458,007,200	1.76	4,350,992,211
2018	45,597,100	3,551,491,800	6,325,500	141,400	373,212,200	156,100,300	165,584,900	4,298,453,200	5,831,399	4,304,143,199	458,381,900	1.79	4,419,539,013
2019	42,097,600	3,583,681,500	6,577,400	142,200	367,157,900	157,814,600	166,276,200	4,323,747,400	5,766,106	4,329,513,506	461,004,700	1.81	4,557,325,915

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

^b Tax rates are per \$100

* Revaluation/reassessment effective in this year.

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

Source: Municipal Tax Assessor

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

Year Ended December 31,	Township of Randolph School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Township of Randolph	Morris County	
2010	\$ 2.09	\$ 0.13	\$ 2.22	\$ 0.63	\$ 0.37	\$ 3.22
2011	2.19	0.13	2.32	0.66	0.37	3.35
2012	2.24	0.13	2.37	0.68	0.37	3.42
2013	2.29	0.13	2.42	0.70	0.37	3.49
2014	2.34	0.13	2.47	0.72	0.37	3.56
2015	2.38	0.13	2.51	0.73	0.37	3.62
2016	2.42	0.12	2.54	0.75	0.38	3.66
2017	* 1.68	0.08	1.76	0.51	0.26	2.53
2018	1.71	0.08	1.79	0.51	0.27	2.56
2019	1.73	0.08	1.81	0.51	0.28	2.59

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

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

* Revaluation/reassessment effective in this year.

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

Source: Municipal Tax Collector and School Business Administrator

RANDOLPH TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

Taxpayer	2020	
	Taxable Assessed Value	% of Total District Net Assessed Value
Center Grove Associate	\$ 84,456,900	1.95 %
Brightview Randolph, LLC	23,829,200	0.55 %
Randolph Village	21,574,000	0.50 %
Beta Realty	19,538,500	0.45 %
Pal-Pike	18,000,000	0.42 %
Canfield Mews	17,723,000	0.41 %
Center Grove Village, LLC	17,602,200	0.41 %
Randolph Grocery	15,495,200	0.36 %
Quaker Village LTD	13,107,600	0.30 %
Progressive Properties, Inc	12,462,800	0.29 %
Total	<u>\$ 243,789,400</u>	<u>5.63 %</u>

Taxpayer	2011	
	Taxable Assessed Value	% of Total District Net Assessed Value
Center Grove Associate	\$ 46,880,000	1.60 %
Beta Realty	26,046,700	0.89 %
Pal-Pike	23,911,200	0.82 %
Carco Development	22,654,400	0.77 %
A&P Food Stores	12,289,900	0.42 %
Randolph Village	10,540,000	0.36 %
Canfield Mews	9,942,000	0.34 %
Hamilton Apartments	9,000,000	0.31 %
Heritage USA	8,657,300	0.30 %
Randolph CSC	7,600,000	0.26 %
Total	<u>\$ 177,521,500</u>	<u>6.07 %</u>

Source: Municipal Tax Assessor

RANDOLPH TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
UNAUDITED

<u>Fiscal Year Ended June 30,</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy^a</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2011	\$ 67,044,175	\$ 67,044,175	100.00 %	-0-
2012	68,311,104	68,311,104	100.00 %	-0-
2013	69,594,928	69,594,928	100.00 %	-0-
2014	70,883,636	70,883,636	100.00 %	-0-
2015	72,233,112	72,233,112	100.00 %	-0-
2016	73,556,858	73,556,858	100.00 %	-0-
2017	74,788,920	74,788,920	100.00 %	-0-
2018	76,180,580	76,180,580	100.00 %	-0-
2019	77,697,017	77,697,017	100.00 %	-0-
2020	79,168,198	79,168,198	100.00 %	-0-

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

Source: Township of Randolph records including the Certificate and Report of School Taxes (A4F form).

RANDOLPH TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Capital Leases			
2011	\$ 29,322,000		\$ 29,322,000	1.48 %	\$ 1,138
2012	38,109,000		38,109,000	1.85 %	1,478
2013	34,755,000		34,755,000	1.67 %	1,347
2014	31,930,000	\$ 358,694	32,288,694	1.49 %	1,253
2015	29,015,000	401,006	29,416,006	1.30 %	1,145
2016	25,845,000	2,557,505	28,402,505	1.22 %	1,110
2017	22,725,000	1,890,013	24,615,013	1.03 %	962
2018	19,560,000	2,873,251	22,433,251	0.89 %	878
2019	28,580,000	3,306,417	31,886,417	1.27 %	1,256
2020	37,920,000	3,164,088	41,084,088	1.64 %	1,619

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

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

Source: School District Financial Reports

RANDOLPH TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2011	\$ 29,322,000	\$ -0-	\$ 29,322,000	1.00 %	\$ 1,138
2012	38,109,000	-0-	38,109,000	1.30 %	1,478
2013	34,755,000	-0-	34,755,000	1.19 %	1,347
2014	31,930,000	-0-	31,930,000	1.10 %	1,239
2015	29,015,000	-0-	29,015,000	1.00 %	1,129
2016	25,845,000	-0-	25,845,000	0.89 %	1,010
2017	22,725,000	-0-	22,725,000	0.78 %	888
2018	19,560,000	-0-	19,560,000	0.46 %	765
2019	28,580,000	-0-	28,580,000	0.66 %	1,126
2020	37,920,000	-0-	37,920,000	0.88 %	1,494

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

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

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

Source: School District Financial Reports

RANDOLPH TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2019
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
Township of Randolph	\$ 20,177,920	100.00 %	\$ 20,177,920
County of Morris General Obligation Debt	216,220,009	4.74 %	<u>10,254,732</u>
Subtotal, Overlapping Debt			30,432,652
Township of Randolph School District Direct Debt			<u>39,625,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 70,057,652</u></u>

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

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

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2020

	Equalized Valuation Basis
2019	\$ 4,561,877,400
2018	4,516,931,274
2017	4,394,792,025
	\$ 13,473,600,699
Average Equalized Valuation of Taxable Property	\$ 4,491,200,233
Debt Limit (4% of Average Equalization Value)	\$ 179,648,009 ^a
Net Bonded School Debt Issued and Unissued	37,920,000
Legal Debt Margin	\$ 141,728,009

	Fiscal Year				
	2016	2017	2018	2019	2020
Debt Limit	\$ 170,861,710	\$ 172,304,483	\$ 173,327,002	\$ 176,469,928	\$ 179,648,009
Total Net Debt Applicable to Limit	25,845,000	22,725,000	19,560,000	28,580,000	37,920,000
Legal Debt Margin	\$ 145,016,710	\$ 149,579,483	\$ 153,767,002	\$ 147,889,928	\$ 141,728,009
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	15.13 %	13.19 %	11.29 %	16.20 %	21.11 %

	Fiscal Year				
	2011	2012	2013	2014	2015
Debt Limit	\$ 185,577,384	\$ 183,634,440	\$ 177,026,307	\$ 172,212,209	\$ 170,711,585
Total Net Debt Applicable to Limit	29,322,000	38,109,000	34,755,000	31,930,000	29,015,000
Legal Debt Margin	\$ 156,255,384	\$ 145,525,440	\$ 142,271,307	\$ 140,282,209	\$ 141,696,585
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	15.80 %	20.75 %	19.63 %	18.54 %	17.00 %

^a Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Year	Population ^a	Morris County Per Capita Personal Income ^b	Personal Income ^c	Unemployment Rate ^d
2011	25,773	\$ 76,727	\$ 1,977,484,971	6.50%
2012	25,792	79,765	2,057,298,880	6.80%
2013	25,810	80,805	2,085,577,050	6.10%
2014	25,769	84,260	2,171,295,940	4.60%
2015	25,691	88,219	2,266,434,329	4.00%
2016	25,580	90,853	2,324,019,740	3.80%
2017	25,587	93,555	2,393,791,785	3.40%
2018	25,563	98,842	2,526,698,046	3.00%
2019	25,378	98,842 *	2,508,412,276	2.70%
2020	25,378 **	98,842 *	2,508,412,276 ***	N/A

N/A - Not Available

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

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

*** - Latest available population data (2019) and latest available Morris County per capita personal income (2018) was used for calculation purposes.

Source: ^a Population information provided by the NJ Dept of Labor and Workforce Development
^b Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.
^c Personal income has been estimated based upon the municipal population and per capita personal income presented
^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

RANDOLPH TOWNSHIP SCHOOL DISTRICT
PRINCIPAL EMPLOYERS - MORRIS COUNTY
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

	2019		2010		
	Employer	Employees	Percentage of Total Employment	Employees	Percentage of Total Employment
Atlantic Health System		6,140	N/A	4,990	N/A
U.S. Army Armament Research and Development		6,000	N/A	4,933	N/A
Novartis		4,900	N/A	4,442	N/A
Bayer Healthcare, LLC		2,400	N/A	2,332	N/A
Automatic Data Processing, Inc.		2,690	N/A	1,959	N/A
Barclays		1,800	N/A	1,924	N/A
Accenture		1,865	N/A	1,550	N/A
Honeywell		1,704	N/A	1,531	N/A
Allergan		1,627	N/A	1,400	N/A
St. Clare's		1,565	N/A	1,378	N/A
Total		30,691	12.25%	26,439	10.03%
Total Employment *		250,447		263,677	

* - Employment data provided by the NJ Department of Labor and Workforce Development.

Source: Morris County Treasurer's Office

RANDOLPH TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
UNAUDITED

<u>Function/Program</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Instruction:										
Regular	341	348	357	360	325	331	360	350	339	329
Special education	98	106	112	117	147	138	117	127	128	123
Support Services:										
Student & instruction related services	104	108	101	101	99	93	90	92	97	100
School administrative services	30	30	32	32	27	26	29	29	29	29
General and business administrative services	21	23	26	26	41	63	62	63	61	60
Plant operations and maintenance	64	58	53	53	52	53	50	51	49	55
Pupil transportation	45	45	46	47	46	48	50	48	48	47
Total	703	718	727	736	737	752	758	760	751	743

Source: District Personnel Records

RANDOLPH TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	Enrollment ^d	Operating Expenditures ^a	Cost Per Pupil ^b	Percentage Change	Teaching Staff ^c	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^d	Average Daily Attendance (ADA) ^d	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2011	5,294	\$ 77,612,676	\$ 14,660	-1.73%	504	10.4	10.1	11.1	5,294	5,050	-2.27%	95.39%
2012	5,210	84,141,422	16,150	10.16%	504	10.3	10.2	11.1	5,210	4,979	-1.59%	95.57%
2013	5,038	86,324,422	17,135	6.10%	501	10.5	9.8	9.7	5,038	4,811	-3.30%	95.49%
2014	4,919	86,487,024	17,582	2.61%	477	10.3	9.8	9.7	4,919	4,691	-2.36%	95.36%
2015	4,819	87,837,289	18,227	3.67%	472	13.1	11.8	12.4	4,819	4,607	-2.03%	95.60%
2016	4,797	89,340,424	18,624	2.18%	469	12.5	11.0	12.0	4,797	4,603	-0.46%	95.96%
2017	4,688	92,134,970	19,653	5.53%	456	10.4	11.1	10.1	4,688	4,484	-2.27%	95.65%
2018	4,700	94,427,178	20,091	2.23%	477	11.4	11.1	11.1	4,700	4,501	0.26%	95.77%
2019	4,607	98,437,684	21,367	6.35%	467	10.9	11.1	11.1	4,607	4,407	-1.98%	95.66%
2020	4,514	97,786,298	21,663	1.38%	452	10.8	11.0	11.0	4,522	4,396	-1.84%	97.22%

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

Note: Enrollment based on annual October district count.

Source: School District records

RANDOLPH TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

<u>District Buildings</u>	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Center Grove School										
Square Feet	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Capacity (students)	608	608	608	608	608	608	608	608	608	608
Enrollment	494	502	501	550	479	484	492	496	520	501
Fernbrook School										
Square Feet	75,569	75,569	75,569	75,569	75,569	75,569	75,569	75,569	75,569	75,569
Capacity (students)	567	567	567	567	567	567	567	567	567	567
Enrollment	641	581	576	570	555	541	520	530	548	531
Ironia School										
Square Feet	63,764	63,764	63,764	63,764	63,764	63,764	63,764	63,764	63,764	63,764
Capacity (students)	643	643	643	643	643	643	643	643	643	643
Enrollment	602	529	496	482	448	448	429	451	451	435
Shongum School										
Square Feet	69,283	69,283	69,283	69,283	69,283	69,283	69,283	69,283	69,283	69,283
Capacity (students)	567	567	567	567	567	567	567	567	567	567
Enrollment	676	655	624	541	510	476	458	467	443	449
Middle School										
Square Feet	170,243	170,243	170,243	170,243	170,243	170,243	170,243	170,243	170,243	170,243
Capacity (students)	893	893	893	893	893	893	893	893	893	893
Enrollment	1,227	1,263	1,222	1,271	1,230	1,239	1,193	1,138	1,069	1,032
High School										
Square Feet	276,337	276,337	276,337	276,337	276,337	276,337	276,337	276,337	276,337	276,337
Capacity (students)	1,877	1,877	1,877	1,877	1,877	1,877	1,877	1,877	1,877	1,877
Enrollment	1,677	1,635	1,639	1,573	1,620	1,610	1,596	1,618	1,576	1,566

Number of Schools at June 30, 2020

Elementary = 4

Middle School = 1

High School = 1

Source: School District Facilities Office

RANDOLPH TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS
UNAUDITED

Undistributed Expenditures - Required Maintenance for School Facilities
Account # 11-000-261-xxx

Fiscal Year Ended June 30,	Center Grove School	Fermbrook School	Ironia School	Shongum School	Middle School	High School	Total
2011	\$ 120,047	\$ 103,257	\$ 92,620	\$ 98,525	\$ 217,646	\$ 328,719	\$ 960,814
2012	172,412	122,322	87,492	97,443	221,727	404,762	1,106,158
2013	128,042	232,294	114,382	133,452	252,899	638,733	1,499,802
2014	236,486	220,917	176,640	193,086	213,299	494,440	1,534,868
2015	154,266	178,357	134,519	156,214	239,693	397,367	1,260,416
2016	207,294	237,654	151,057	156,096	171,991	366,809	1,290,901
2017	248,727	224,208	173,544	163,405	221,317	424,050	1,455,251
2018	250,189	196,996	164,655	149,156	239,352	385,540	1,385,888
2019	271,738	255,567	175,822	205,517	343,557	533,889	1,786,090
2020	227,450	275,024	259,781	258,334	389,683	492,598	1,902,870

Source: School District records.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2020
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
Multi Peril Package Policy- SAIF		
Property - Blanket Building and Contents	\$ 298,868,535	\$ 2,500
Extra Expense	1,000,000	
Liability - Bodily Injury & Property Damage - Per Occurrence	5,000,000	
Aggregate	5,000,000	
Fire Damage	5,000,000	
Security Guard/Law Enforcement	1,000,000	
Crime - Employee Dishonesty	500,000	
Inland Marine - Misc. Articles Floater Cameras	100,000	
Electronic Data Processing Hardware/Software	211,119	
Comprehensive Automobile Liability - SAIF		
Bodily Injury & Property	5,000,000	
Personal Injury Protection	Statutory	
Excess - Limit of Liability	5,000,000	
Public Official Bonds - Utica		
Business Administrator	420,000	None
Assistant Business Administrator	420,000	None
Student Accident - Maximum Limit - Bollinger	1,000,000	
Environmental Policy - SAIF		
Limit of Liability	1,000,000	10,000
Aggregate	25,000,000	10,000
School Leaders - SAIF		
Limit of Liability	5,000,000	
Retention	10,000	
CAP Excess - Firemans Fund		
Limit of Liability	50,000,000	
Aviation - Drone - QBE		
Limit of Liability	1,000,000	
New Jersey School Insurance Group:		
Workers' Compensation	2,000,000	

Source: School District records.

SINGLE AUDIT SECTION

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

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Randolph Township School District
County of Morris, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Randolph Township School District, in the County of Morris (the "District") as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 3, 2020.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

November 3, 2020
Mount Arlington, New Jersey

NISIVOCCIA LLP

Francis Jones of Nisivoccia LLP
Francis Jones
Licensed Public School Accountant #1154
Certified Public Accountant



K-2
200 Valley Road, Suite 300
Mt. Arlington, NJ 07856
973.298.8500

11 Lawrence Road
Newton, NJ 07860
973.383.6699

nisivoccia.com

Independent Member
BKR International

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

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Randolph Township School District
County of Morris, New Jersey

Report on Compliance for Each Major Federal and State Program

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

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal and State Program

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

Report on Internal Control Over Compliance

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

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

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

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

November 3, 2020
Mount Arlington, New Jersey

NISIVOCCIA LLP

Francis Jones of Nisivoccia LLP
Francis Jones
Licensed Public School Accountant #1154
Certified Public Accountant

RANDOLPH TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Federal Grantor/Pass Through Grantor/ Program, Title/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2019		Budgetary Expendi- tures	Balance at June 30, 2020		Amounts Paid to Subrecipients
					Unearned Revenue/ (Accounts Receivable)	Due to Grantor		Budgetary Unearned Revenue	Budgetary Accounts Receivable	
<u>U.S. Department of Agriculture:</u>										
Passed-through State Department of Education:										
Child Nutrition Cluster:										
Federal Food Distribution Program	10.555	N/A	7/1/19-6/30/20	\$ 56,653		\$	(49,914)	\$ 6,739		
Federal Food Distribution Program	10.555	N/A	7/1/18-6/30/19	61,912	\$ 3,098		(3,098)			
National School Lunch Program	10.555	N/A	7/1/19-6/30/20	132,387			(132,387)			
National School Lunch Program	10.555	N/A	7/1/18-6/30/19	190,189	(13,344)					
COVID-19 Seamless Summer Option	10.555	N/A	3/19/20-6/30/20	66,064			(66,064)		\$ (25,355)	
School Breakfast Program	10.555	N/A	7/1/19-6/30/20	7,920			(7,920)			
School Breakfast Program	10.555	N/A	7/1/18-6/30/19	5,919	(409)			6,739	(25,355)	
Total Child Nutrition Cluster					(10,655)		(259,383)	6,739	(25,355)	
Total U.S. Department of Agriculture					(10,655)		(259,383)	6,739	(25,355)	
<u>U.S. Department of Health and Human Services:</u>										
General Fund:										
Medicaid Cluster:										
Medical Assistance Program	93.778	N/A	7/1/19-6/30/20	42,674			(42,674)			
Total General Fund/Medicaid Cluster							(42,674)			
<u>U.S. Department of Education:</u>										
Passed-through State Department of Education:										
Special Revenue Fund:										
ESEA:										
Title I										
Title I	84.010	ESEA-0820-20	7/1/19-9/30/20	109,199	(26,965)		(105,507)		(24,379)	
Title I	84.010	ESEA-0820-19	7/1/18-9/30/19	121,878	(26,965)		(105,507)		(24,379)	
Total Title I										
Title IIA	84.367A	ESEA-0820-20	7/1/19-9/30/20	85,779	(10,876)		(73,593)		(15,059)	
Title IIA	84.367A	ESEA-0820-19	7/1/18-9/30/19	73,668	(10,876)		(73,593)		(15,059)	
Total Title IIA										
Title III	84.365	ESEA-0820-20	7/1/19-9/30/20	18,851	(6,121)		(11,846)		(4,870)	
Title III	84.365	ESEA-0820-19	7/1/18-9/30/19	21,215	(6,121)		(11,846)		(4,870)	
Total Title III										
Title III Immigrant	84.365	ESEA-0820-19	7/1/18-9/30/19	12,049	(8,417)					
Total Title III Immigrant					(8,417)					
Special Education Cluster:										
ID.E.A. Part B, Basic Regular	84.027	FT-0820-20	7/1/19-9/30/20	952,498		904,950	(952,498)		(47,548)	
ID.E.A. Part B, Basic Regular	84.027	FT-0820-19	7/1/18-9/30/19	960,672	(63,767)					
ID.E.A. Part B, Preschool	84.173	FT-0820-20	7/1/19-9/30/20	45,502		24,380	(45,502)		(21,122)	
ID.E.A. Part B, Preschool	84.173	PS-0820-19	7/1/18-9/30/19	51,760	(11,809)		(998,000)		(68,670)	
Total Special Education Cluster					(75,576)	1,004,906	(998,000)		(68,670)	
Total Special Revenue Fund					(127,955)	1,203,923	(1,188,946)		(112,978)	
COVID 19 - CARES Emergency										
Relief	84.425D	CARES-0820-20	3/13/20-9/30/22	84,497			(82,013)		(82,013)	
Total U.S. Department of Education					(127,955)	1,203,923	(1,270,959)		(194,991)	
Total Federal Awards					\$ (138,610)	\$ -	\$ (1,573,016)	\$ 6,739	\$ (220,346)	\$ -

N/A - Not Available/Applicable

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance June 30, 2019		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2020		Memo	
				Unearned Revenue/(Accounts Receivable)	Due to Grantor				GAAP Accounts Receivable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:												
General Fund:												
Equalization Aid	20-495-034-5120-078	7/1/19-6/30/20	\$ 7,134,700	\$	\$ 6,431,387	\$	(7,134,700)			\$	(703,313)	\$ 7,134,700
Equalization Aid	19-495-034-5120-078	7/1/18-6/30/19	7,895,104	(780,745)	780,745							7,895,104
Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	1,249,097		1,125,965		(1,249,097)				(123,132)	1,249,097
Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	1,249,097	(123,523)	123,523							1,249,097
Special Education Aid	20-495-034-5120-089	7/1/19-6/30/20	3,234,926		2,916,039		(3,234,926)				(318,887)	3,234,926
Special Education Aid	19-495-034-5120-089	7/1/18-6/30/19	3,234,926	(319,901)	319,901							3,234,926
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	103,893		93,652		(103,893)				(10,241)	103,893
Security Aid	19-495-034-5120-084	7/1/18-6/30/19	103,893	(10,274)	10,274							103,893
Extraordinary Aid	20-495-034-5120-044	7/1/19-6/30/20	1,503,020		1,202,335		(1,503,020)				(1,503,020)	1,503,020
Extraordinary Aid	19-495-034-5120-044	7/1/18-6/30/19	1,202,335	(1,202,335)								1,202,335
Other State Aid - Non Public Transportation	20-495-034-5120-014	7/1/19-6/30/20	15,805				(15,805)				(15,805)	15,805
Other State Aid - Non Public Transportation	19-495-034-5120-014	7/1/18-6/30/19	61,099	(61,099)	61,099							61,099
Reimbursed TPAF Social Security Contributions	20-495-034-5094-003	7/1/19-6/30/20	2,782,658	(2,497,877)	13,064,920		(13,241,441)				(2,674,398)	26,987,895
Reimbursed TPAF Social Security Contributions	19-495-034-5094-003	7/1/18-6/30/19	2,860,163	(136,592)	2,647,869		(2,782,658)				(134,789)	2,782,658
On-Behalf TPAF Post Retirement Contributions	20-495-034-5094-001	7/1/19-6/30/20	2,898,899		2,898,899		(2,898,899)					2,898,899
On-Behalf TPAF Pension Contributions	20-495-034-5094-002	7/1/19-6/30/20	7,676,536		7,676,536		(7,676,536)					7,676,536
On-Behalf TPAF Non-Contributory Insurance	20-495-034-5094-004	7/1/19-6/30/20	137,593		137,593		(137,593)					137,593
On-Behalf TPAF Long-Term Disability Insurance	20-495-034-5094-004	7/1/19-6/30/20	8,003		8,003		(8,003)					8,003
Subtotal - General Fund			26,570,412	(2,634,469)	26,570,412		(26,745,130)				(2,809,187)	43,351,747
Special Revenue Fund:												
NI Nonpublic Aid:												
Textbook Aid	20-100-034-5120-064	7/1/19-6/30/20	6,958		6,958		(6,958)					6,958
Technology Initiative Aid	20-100-034-5120-373	7/1/19-6/30/20	4,752		4,752		(4,752)					4,752
Auxiliary Services:												
English as a Second Language	19-100-034-5120-067	7/1/18-6/30/19	1,726		1,726							1,726
Compensatory Education	20-100-034-5120-067	7/1/19-6/30/20	21,902		19,712		(18,982)				(2,190)	21,902
Compensatory Education	19-100-034-5120-067	7/1/18-6/30/19	30,457		5,077							30,457
Handicapped Services:												
Examination & Classification	20-100-034-5120-066	7/1/19-6/30/20	24,344		21,325		(21,737)				(3,019)	21,737
Examination & Classification	19-100-034-5120-066	7/1/18-6/30/19	30,212		12,188							18,024
Corrective Speech	20-100-034-5120-066	7/1/19-6/30/20	18,228		16,405		(10,390)				(1,823)	10,390
Corrective Speech	19-100-034-5120-066	7/1/18-6/30/19	21,427		4,374							17,053
Supplemental Instruction	20-100-034-5120-066	7/1/19-6/30/20	21,046		18,942		(19,104)				(2,104)	19,104
Supplemental Instruction	19-100-034-5120-066	7/1/18-6/30/19	22,996		2,695							20,301
Nursing Services	20-100-034-5120-070	7/1/19-6/30/20	12,804		12,804		(12,804)					12,804
Security	20-100-034-5120-509	7/1/19-6/30/20	19,800		19,800		(19,800)					19,800
Subtotal - Special Revenue Fund			120,698	26,060	120,698		(114,527)				(9,136)	195,285

RANDOLPH TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance June 30, 2019		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2020		Memo	
				Unearned Revenue/(Accounts Receivable)	Due to Grantor				GAAP Accounts Receivable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
Debt Service Fund:												
Debt Service Aid II	20-495-034-5120-075	7/1/19-6/30/20	\$ 303,980			\$ 303,980	\$ (303,980)					\$ 303,980
Subtotal - Debt Service Fund						303,980	(303,980)					303,980
Enterprise Fund:												
State School Lunch Program	20-100-010-3350-023	7/1/19-6/30/20	6,537			6,537	(6,537)					6,537
State School Lunch Program	19-100-010-3350-023	7/1/18-6/30/19	9,550	\$ (676)		676						9,550
COVID-19 Seamless Summer Option	N/A	3/18/20-6/30/20	613			351	(613)					613
Subtotal - Enterprise Fund				(676)		7,564	(7,150)		(262)			16,700
Total State Awards Subject to Single Audit Determination				\$ (2,635,145)	\$ 26,060	\$ 27,002,654	\$ (27,170,787)	\$ 26,060	\$ (1,663,012)	\$ 15,307	\$ (2,818,585)	\$ 43,867,712
Less: State Awards Not Subject to Single Audit Major Program Determination												
On-Behalf/TPAF Pension System Contributions:												
Post Retirement Contributions	20-495-034-5094-001	7/1/19-6/30/20	(2,898,899)				2,898,899					
Pension Contributions	20-495-034-5094-002	7/1/19-6/30/20	(7,676,536)				7,676,536					
Non-Contributory Insurance	20-495-034-5094-004	7/1/19-6/30/20	(137,593)				137,593					
Long-Term Disability Insurance	20-495-034-5094-004	7/1/19-6/30/20	(8,003)				8,003					
Subtotal - On-Behalf/TPAF Pension System Contributions							10,721,031.00					
Total State Awards Subject to Single Audit Major Program Determination							\$ (16,449,756)					

N/A - Not Available/Applicable

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1. BASIS OF PRESENTATION

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$78,870 for the general fund and (\$78,062) for the special revenue fund (of which \$3,951 applies to encumbrances of local grants). See Note 1 D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

RANDOLPH TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

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

Revenue from federal and state awards is reported in the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 42,674	\$ 26,824,000	\$ 26,866,674
Special Revenue Fund	1,188,946	114,527	1,303,473
Debt Service Fund		303,980	303,980
Food Service Fund	259,383	7,150	266,533
Total Financial Assistance	<u>\$ 1,491,003</u>	<u>\$ 27,249,657</u>	<u>\$ 28,740,660</u>

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6. OTHER

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Summary of Auditors' Results:

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

<u>State:</u>	<u>C.F.D.A. Number/ State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
General Fund State Aid:				
Equalization Aid	20-495-034-5120-078	7/1/19-6/30/20	\$ 7,134,700	\$ 7,134,700
Special Education Aid	20-495-034-5120-089	7/1/19-6/30/20	3,234,926	3,234,926
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	103,893	103,893
Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	1,249,097	1,249,097
 <u>Federal:</u>				
Special Education Cluster:				
IDEA Part B, Basic Regular	84.027	7/1/19-9/30/20	952,498	952,498
IDEA Part B Preschool	84.173	7/1/19-9/30/20	45,502	45,502

RANDOLPH TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

Summary of Auditors' Results (Cont'd)

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

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

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

Findings and Questioned Costs for Federal Awards:

- The audit did not disclose any findings or questioned costs for federal awards as defined in 2 CFR 200.516(a) of the Uniform Guidance.

Findings and Questioned Costs for State Awards:

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

RANDOLPH TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2020

Status of Prior Year Findings:

There were no prior year findings.