

SCHOOL DISTRICT
OF
ROCKAWAY TOWNSHIP

Rockaway Township School District
Board of Education
Rockaway Township, New Jersey

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2021

Comprehensive Annual Financial Report

of the

Rockaway Township School District
Board of Education

Rockaway Township, New Jersey

For the Fiscal Year Ended June 30, 2021

Prepared by

Rockaway Township School District
Board of Education

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
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INTRODUCTORY SECTION
(UNAUDITED)



ROCKAWAY TOWNSHIP PUBLIC SCHOOLS

Administration Building
16 School Road, P.O. Box 500
Hibernia, N.J. 07842
973-627-8200
FAX 973-627-7968

November 1, 2021

The Honorable President and Members of
the Board of Education
Rockaway Township School District
Hibernia, New Jersey

Dear Honorable President and Board Members:

The Comprehensive Annual Financial Report of the Rockaway Township School District (the “District”) for the fiscal year ended June 30, 2021 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 Rockaway Township 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 financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with 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 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 Rockaway Township 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 Rockaway Township School District’s elementary school constitutes the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 8. These include regular as well as special education for handicapped children.

2. **ECONOMIC CONDITION AND OUTLOOK:** Rockaway Township’s population is expected to increase over the next several years with the development of new housing construction projects.

3. MAJOR INITIATIVES: During the 2020-2021 school year, the parking lot and site improvements projects were completed at Stony Brook and Dennis B. O'Brien Elementary Schools. Design work for the replacement of windows and HVAC system at Dennis B. O'Brien Elementary School was completed as well as the filtration system at Katherine D. Malone school. Work for these projects will be completed during the 2021-2022 school year.
4. INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as fund balance restrictions, commitments and assignments at June 30, 2021.

6. ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements", Note 1.
7. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

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

9. OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *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 are included in the financial section of this report. The Auditors’ Reports related specifically to the single audit and *Government Auditing Standards* are included in the single audit section of this report.

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

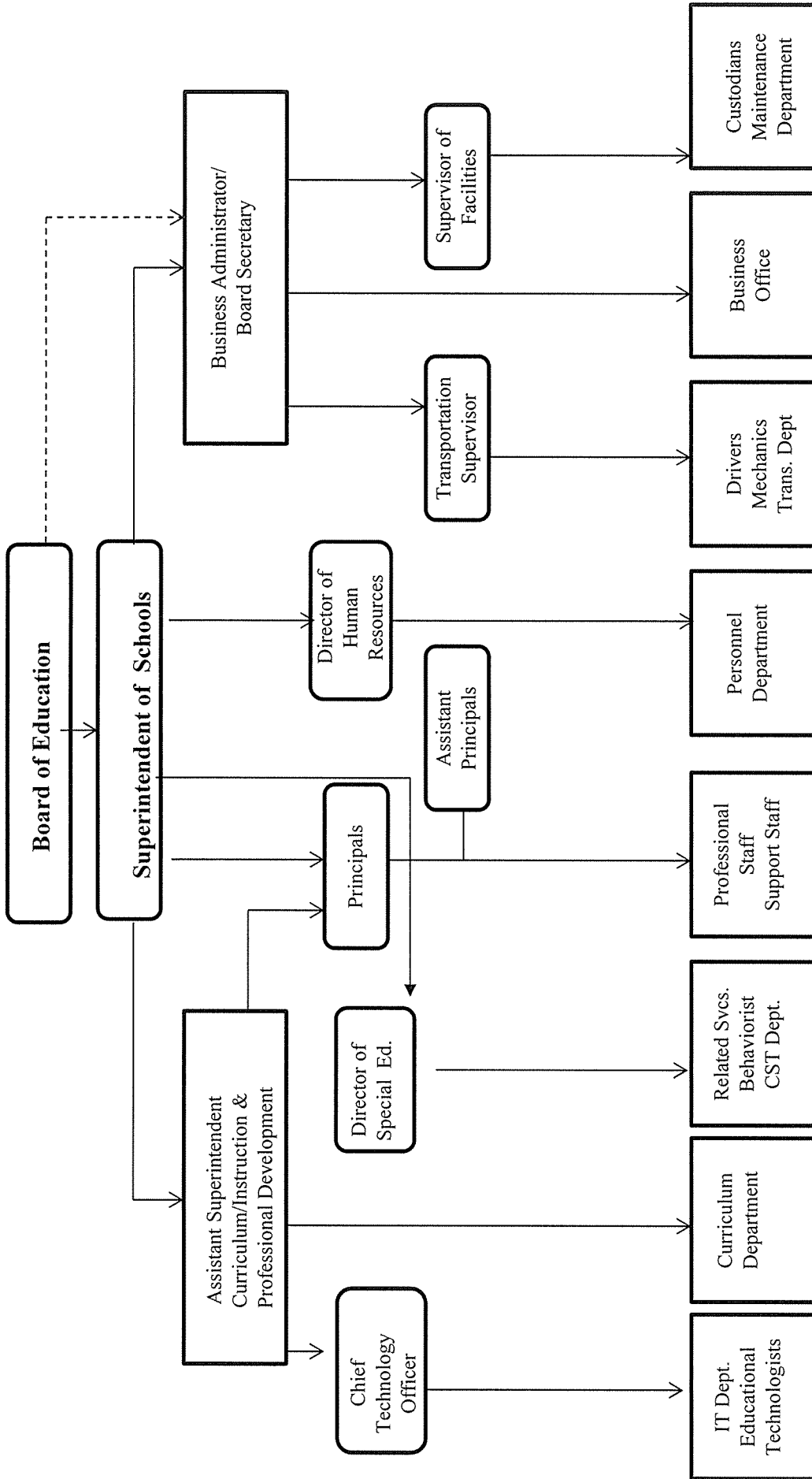
Respectfully submitted,



Bruce Watson
Interim Superintendent



Rachel DeCarlo
Business Administrator/Board Secretary



Adopted: 23 January 2013
 Revised: 22 January 2020

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
ROSTER OF OFFICIALS
YEAR ENDED JNE 30, 2021

Members of the Board of Education

Term Expires

Nancy Helbourg - President	2023
Rachel Brookes - Vice President	2022
Kristy Curelaru	2022
Lisa Mezik	2023
Tanya Shields	2021
Larissa Smith	2021
Aaron Tomasini	2022

Other Officials

Title

Peter Turnamian, Ed.D.	Superintendent of Schools
Rachel DeCarlo	Business Administrator / Board Secretary
Lisa Palmieri	Treasurer of School Monies

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
CONSULTANTS AND ADVISORS
YEAR ENDED JNE 30, 2021

Audit Firm

Nisivoccia LLP
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

Attorney

Sciarillo, Cornell, Merlino, McKeever & Osbourne, LLC
238 St. Paul Street
Westfield, New Jersey 07090

Official Depository

PNC National Bank
East Main Street
Rockaway, New Jersey 07866

FINANCIAL SECTION

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Rockaway Township School District
Hibernia, 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 Rockaway Township School District (the "District") in the County of Morris, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Rockaway Township School District, in the County of Morris, as of June 30, 2021 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.

Emphasis of Matter

As discussed in Note 20 to the basic financial statements, the District implemented Governmental Accounting Standards Board (“GASB”) Statement No. 84, *Fiduciary Activities*, during the fiscal year ended June 30, 2021. Our opinions are not modified with respect to this matter.

Other Matters

The financial statements of the District as of June 30, 2020 were audited by other auditors whose report dated January 4, 2021 expressed an unmodified opinion on those statements.

Required Supplementary Information

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

Other Information

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

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

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 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 1, 2021 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 1, 2021
Mount Arlington, New Jersey

Nisivoccia LLP
NISIVOCCIA LLP

Man C Lee

Man C. Lee
Licensed Public School Accountant #2527
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2021**

The discussion and analysis of the Rockaway Township School District’s financial performance provides an overall review of the District’s financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the District’s financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District’s financial performance.

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, which report 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-term* and *long-term* financial information about the activities the District operates like a business, such as food services, summer enrichment and after school.

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

**Figure A-1
Organization of the District's Financial Report**

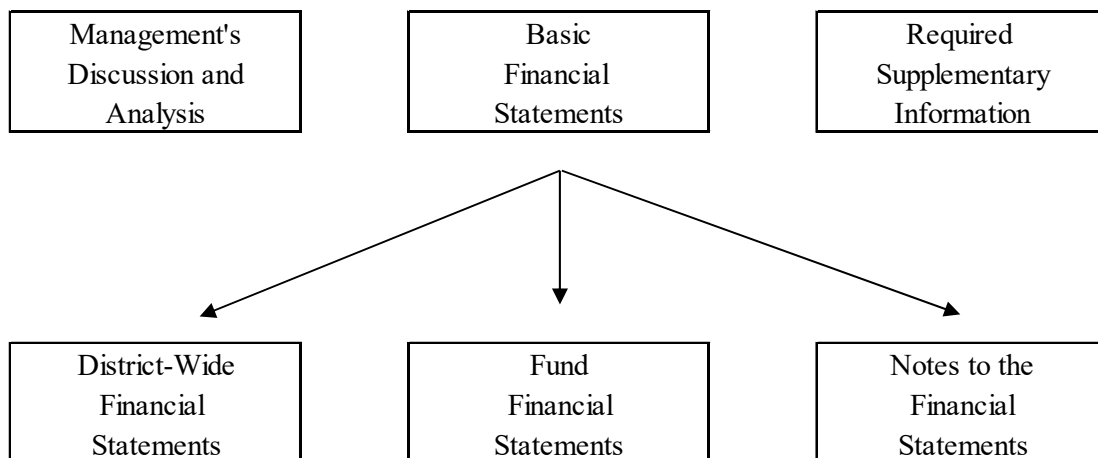


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents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

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

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire district	The activities of the district that are not proprietary, such as special education and building maintenance	Activities the district operates similar to private businesses; food services, services, summer summer enrichment and after school.
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
Accounting basis and measurement focus	Accrual Accounting and Economic Resources focus	Modified Accrual Accounting and Current Financial Focus	Accrual Accounting and Economic Resources focus
Type of Asset/Liability Information	All Assets and Liabilities, both Financial and Capital, Short-Term and Long-Term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term
Type of Inflow/Outflow Information	All Revenue and Expenses during the year, regardless of when Cash is Received or Paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liabilities is due and payable	All Revenue and Expenses 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 and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's *net position* and how it has changed. Net position – the difference between the District's assets 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 is 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, summer enrichment and after school programs are included here.

Fund Financial Statements

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

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

The District has two kinds of funds:

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

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

Financial Analysis of the District as a Whole

Net Position. The District's combined net position increased by \$4,567,796. Net position from governmental activities increased by \$4,722,531 and net position from business-type activities decreased by \$154,735. Net investment in capital assets increased by \$759,350, restricted net position increased by \$1,136,313 and unrestricted net position increased by \$2,672,133.

Figure A-3
Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change 2020-2021
	(Restated)		(Restated)		(Restated)		
	2021	2020	2021	2020	2021	2020	
Current and Other Assets	\$ 19,296,112	\$ 16,324,119	\$ 194,964	\$ 272,068	\$ 19,491,076	\$ 16,596,187	
Capital Assets, Net	25,124,120	25,004,586	153,960	162,914	25,278,080	25,167,500	
Total Assets	<u>44,420,232</u>	<u>41,328,705</u>	<u>348,924</u>	<u>434,982</u>	<u>44,769,156</u>	<u>41,763,687</u>	7.20%
Deferred Outflows of Resources	1,734,440	1,629,230			1,734,440	1,629,230	6.46%
Other Liabilities	1,370,896	353,196	105,091	35,201	1,475,987	388,397	
Long-Term Liabilities	15,316,801	17,990,318			15,316,801	17,990,318	
Total Liabilities	<u>16,687,697</u>	<u>18,343,514</u>	<u>105,091</u>	<u>35,201</u>	<u>16,792,788</u>	<u>18,378,715</u>	-8.63%
Deferred Inflows of Resources	5,575,891	5,445,868		1,213	5,575,891	5,447,081	2.36%
Net Position:							
Net Investment in Capital Assets	22,550,008	21,781,704	153,960	162,914	22,703,968	21,944,618	
Restricted	15,134,147	13,997,834			15,134,147	13,997,834	
Unrestricted/(Deficit)	(13,793,071)	(16,610,985)	89,873	235,654	(13,703,198)	(16,375,331)	
Total Net Position	<u>\$ 23,891,084</u>	<u>\$ 19,168,553</u>	<u>\$ 243,833</u>	<u>\$ 398,568</u>	<u>\$ 24,134,917</u>	<u>\$ 19,567,121</u>	23.34%

Changes in Net Position. The District's combined net position was \$24,134,917 on June 30, 2021, \$4,567,796 or 23.34% more than the previous year (See Figure A-3). Net investment in capital assets increased primarily due to the maturity of \$500,000 in serial bonds payable, payment of \$229,989 in capital leases payable and \$2,154,498 in capital assets additions; offset by \$201,434 of disposals of capital assets and \$1,842,484 in depreciation expense. Restricted net position increased primarily due to the increase in capital and maintenance reserves and unemployment compensation; offset by the decrease in excess surplus. Unrestricted net position increased primarily due to the changes in net pension liability and related deferred outflows and inflows and the increase of the cap of unassigned fund balance from 2% to 4%.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total School District</u>		<u>Total Percentage Change</u>
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	
Revenue:							
Program Revenue:							
Charges for Services	\$ 367,624	\$ 232,962	\$ 16,575	\$ 520,376	\$ 384,199	\$ 753,338	
Operating Grants and Contributions	15,379,717	13,622,793	287,203	207,651	15,666,920	13,830,444	
General Revenue:							
Property Taxes	47,506,707	46,565,435			47,506,707	46,565,435	
Unrestricted Federal and State Aid	1,375,039	1,431,093			1,375,039	1,431,093	
Other	525,581	397,573	54	3,561	525,635	401,134	
Total Revenue	<u>65,154,668</u>	<u>62,249,856</u>	<u>303,832</u>	<u>731,588</u>	<u>65,458,500</u>	<u>62,981,444</u>	3.93%
Expenses:							
Instruction	34,982,801	33,770,472			34,982,801	33,770,472	
Tuition	556,136				556,136		
Pupil and Instruction Services	11,958,283	12,113,719			11,958,283	12,113,719	
Administrative and Business	5,606,641	5,410,885			5,606,641	5,410,885	
Maintenance and Operations	4,559,895	4,551,701			4,559,895	4,551,701	
Transportation	2,571,338	2,859,583			2,571,338	2,859,583	
Other	197,043	85,963	456,506	719,296	653,549	805,259	
Total Expenses	<u>60,432,137</u>	<u>58,792,323</u>	<u>456,506</u>	<u>719,296</u>	<u>60,888,643</u>	<u>59,511,619</u>	2.31%
Other Items			(2,061)		(2,061)		100.00%
Change in Net Position	<u>\$ 4,722,531</u>	<u>\$ 3,457,533</u>	<u>\$ (154,735)</u>	<u>\$ 12,292</u>	<u>\$ 4,567,796</u>	<u>\$ 3,469,825</u>	31.64%

Governmental Activities

The financial position of the District increased improved significantly. However, maintaining existing programs while experiencing changes in enrollment, combined with rising salary and benefits costs, places great demands on the District's resources.

Careful management of expenses remains an essential for the District to sustain its financial health. The District will continue its practice of examining all expenses carefully and being mindful of increasing parental and student demands for new activities and programs must be evaluated thoroughly.

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 miscellaneous expenses. 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 obligation placed on the District's taxpayers by each of these functions.

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

	Total Cost of Services		Net Cost of Services	
	2021	2020	2021	2020
Instruction	\$ 34,982,801	\$ 33,770,472	\$ 22,879,803	\$ (23,957,102)
Tuition	556,136		556,136	
Pupil & Instruction Services	11,958,283	12,113,719	9,756,564	(9,510,006)
Administrative and Business	5,606,641	5,410,885	4,874,879	(4,695,264)
Maintenance & Operations	4,559,895	4,551,701	4,509,811	(4,501,549)
Transportation	2,571,338	2,859,583	1,910,560	(2,213,431)
Other	197,043	85,963	197,043	(59,216)
Total	\$ 60,432,137	\$ 58,792,323	\$ 44,684,796	\$ (44,936,568)

Business-Type Activities

Net position from the District's business-type activities decreased by \$154,735. (Refer to Figure A-4). Factors contributing to this included:

- Food services net position decreased by \$148,881 due to decrease in daily sales as free meals were provided to all students under the Seamless Summer Option program.
- Summer enrichment and after school net position decreased by \$2,807 and \$3,047, respectively, due to the pandemic.

Financial Analysis of the District's Funds

The District's financial position remains strong despite changes in the student population and the rising cost of fixed obligations. Rising salaries and health benefit costs have and continues to put a strain on the District's budget. The District's participation in several insurance pools has helped stabilize insurance rates.

General Fund Budgetary Highlights

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

Capital Assets

Figure A-6

Capital Assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Percentage Change 2020-2021
	(Restated)		(Restated)				
	2021	2020	2021	2020	2021	2020	
Land	\$ 3,242,866	\$ 3,242,866			\$ 3,242,866	\$ 3,242,866	
Construction in Progress	86,220	217,583			86,220	217,583	
Site Improvements	1,720,652	10,574			1,720,652	10,574	
Buildings & Building Improvements	18,141,807	19,101,362			18,141,807	19,101,362	
Furniture, Machinery and Equipment	1,932,575	2,432,201	\$ 153,960	\$ 162,914	2,086,535	2,595,115	
Total	\$ 25,124,120	\$ 25,004,586	\$ 153,960	\$ 162,914	\$ 25,278,080	\$ 25,167,500	0.44%

The \$110,580 increase in capital assets was attributable to \$2,154,498 in additions (\$2,143,780 from its governmental activities, which included the paving of parking lots at two schools, and \$10,718 from its business-type activities for the acquisition of cafeteria equipment); offset by \$1,831,766 in current year depreciation (\$1,822,812 from its governmental and \$19,672 from its business-type activities) and \$201,434 in disposals (at net book value) during the year.

Long Term Liabilities

The District's long-term liabilities decreased by \$2,673,517 or 14.86% - as shown in Figure A-7. (More detailed information about the District's long-term liabilities is presented in Note 9 to the financial statements.)

Figure A-7

Outstanding Long-Term Liabilities

	Total School District		Percentage Change 2020-2021
	(Restated)		
	2021	2020	
General Obligation Bonds (Financed with Property Taxes)	\$ 2,190,000	\$ 2,690,000	
Net Pension Liability	11,120,316	12,766,988	
Compensated Absences	1,516,971	1,767,800	
Capital Leases	384,112	614,101	
Unamortized Bond Issuance Premium	105,402	151,429	
Total	\$ 15,316,801	\$ 17,990,318	-14.86%

- The District continued to pay down its bonded debt, retiring \$500,000 of outstanding bonds.
- Net pension liability decreased by \$1,646,672.
- Compensated absences payable had a net increase of \$250,829.
- The District paid down \$229,989 in lease principal during the fiscal year.
- The District amortized \$46,027 of bond issuance premiums.

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was in a good financial position. The District is grateful for the community support of the schools. A major concern is the financial support required to maintain appropriate class sizes and services. This, in an environment of declining or flat state aid support, means an ever-increasing reliance on local property taxes.

In conclusion, the District has committed itself to financial and educational excellence. Its system for financial planning, budgeting and internal financial controls is audited annually and it plans to continue to manage its finances in order to meet the many challenges ahead.

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 money it receives. If you have questions about this report or need additional information, contact the School Business Administrator/Board Secretary at Rockaway Township School District Board of Education, 16 School Road, Hibernia, NJ 07842.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 6,782,430	\$ 132,476	\$ 6,914,906
Receivables from State Government	1,050,193	4,293	1,054,486
Receivables from Federal Government	70,696	47,197	117,893
Receivables from Other Governments	6,800		6,800
Other Accounts Receivable	65,309	603	65,912
Inventories		10,395	10,395
Restricted Cash and Cash Equivalents	11,320,684		11,320,684
Capital Assets, Net:			
Sites and Construction in Progress	3,329,086		3,329,086
Depreciable Site Improvements, Buildings and Building Improvements, Furniture, and Machinery and Equipment	21,795,034	153,960	21,948,994
Total Assets	44,420,232	348,924	44,769,156
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows Related to Pensions	1,734,440		1,734,440
Total Deferred Outflows of Resources	1,734,440		1,734,440
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	1,333,500	37,069	1,370,569
Payable to State Government	1,196		1,196
Accrued Interest Payable	34,200		34,200
Unearned Revenue	2,000	68,022	70,022
Noncurrent Liabilities:			
Due Within One Year	756,632		756,632
Due Beyond One Year	14,560,169		14,560,169
Total Liabilities	16,687,697	105,091	16,792,788
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows Related to Pensions	5,575,891		5,575,891
Total Deferred Inflows of Resources	5,575,891		5,575,891
<u>NET POSITION</u>			
Net Investment in Capital Assets	22,550,008	153,960	22,703,968
Restricted for:			
Capital Projects	10,463,977		10,463,977
Maintenance	200,000		200,000
Emergency	50,000		50,000
Excess Surplus	3,813,463		3,813,463
Unemployment Compensation	510,338		510,338
Student Activities	96,369		96,369
Unrestricted/(Deficit)	(13,793,071)	89,873	(13,703,198)
Total Net Position	\$ 23,891,084	\$ 243,833	\$ 24,134,917

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Functions/Programs	Program Revenues			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:						
Regular	\$ 23,859,339	\$ 22,080	\$ 6,017,225	\$ (17,820,034)		\$ (17,820,034)
Special Education	9,484,796	208,144	5,428,071	(3,848,581)		(3,848,581)
Other Special Instruction	1,619,775		427,478	(1,192,297)		(1,192,297)
School Sponsored	18,891			(18,891)		(18,891)
Support Services:						
Tuition	556,136			(556,136)		(556,136)
Student and Instruction Related Services	11,958,283	42,340	2,159,379	(9,756,564)		(9,756,564)
General Administrative Services	959,915			(959,915)		(959,915)
School Administrative Services	2,988,271		731,762	(2,256,509)		(2,256,509)
Central Services	824,932			(824,932)		(824,932)
Administrative Information Technology	833,523			(833,523)		(833,523)
Plant Operations and Maintenance	4,559,895		50,084	(4,509,811)		(4,509,811)
Pupil Transportation	2,571,338	95,060	565,718	(1,910,560)		(1,910,560)
Transfer of Funds to Charter School	62,529			(62,529)		(62,529)
Interest on Long-Term Debt	132,684			(132,684)		(132,684)
Capital Outlay	1,830			(1,830)		(1,830)
Total Governmental Activities	60,432,137	367,624	15,379,717	(44,684,796)		(44,684,796)
Business-Type Activities:						
Food Service	437,485	3,409	287,203		\$ (146,873)	(146,873)
Summer Enrichment	15,916	13,108			(2,808)	(2,808)
After Care	3,105	58			(3,047)	(3,047)
Total Business-Type Activities	456,506	16,575	287,203		(152,728)	(152,728)
Total Primary Government	\$ 60,888,643	\$ 384,199	\$ 15,666,920	(44,684,796)	(152,728)	(44,837,524)

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenue and Other Items:			
Property Taxes, Levied for General Purposes	\$ 47,057,567	\$	\$ 47,057,567
Taxes Levied for Debt Service	449,140		449,140
Federal, State and Local Aid not Restricted	1,375,039		1,375,039
Interest Earnings	1,878	\$ 54	1,932
Miscellaneous Income	523,703		523,703
Other Items:			
Cancellation of Prior Year Accounts Receivable		(2,061)	(2,061)
	49,407,327	(2,007)	49,405,320
Total General Revenues and Other Items			
Change in Net Position	4,722,531	(154,735)	4,567,796
Net Position - Beginning (Restated)	19,168,553	398,568	19,567,121
Net Position - Ending	\$ 23,891,084	\$ 243,833	\$ 24,134,917

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

FUND FINANCIAL STATEMENTS

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 6,667,905		\$ 114,525		\$ 6,782,430
Interfund Receivable	170,203				170,203
Receivables From Federal Government		\$ 70,696			70,696
Receivables From State Government	1,050,193				1,050,193
Receivables From Other Government	6,800				6,800
Other Account Receivables	65,309				65,309
Restricted Cash and Cash Equivalents	11,224,315	96,369			11,320,684
Total Assets	\$ 19,184,725	\$ 167,065	\$ 114,525	\$ -0-	\$ 19,466,315
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Payable to State Government		\$ 1,196			\$ 1,196
Accounts Payable	\$ 538,153	4,247			542,400
Interfund Payable		63,253	\$ 106,950		170,203
Unearned Revenue		2,000			2,000
Total Liabilities	538,153	70,696	106,950		715,799
Fund Balances:					
Restricted:					
Excess Surplus for 2022-2023	1,800,000				1,800,000
Excess Surplus for 2021-2022	2,013,463				2,013,463
Capital Reserve	10,463,977				10,463,977
Maintenance Reserve	200,000				200,000
Emergency Reserve	50,000				50,000
Unemployment Compensation	510,338				510,338
Student Activities		96,369			96,369
Committed			7,575		7,575
Assigned:					
Designated for Subsequent Year's Expenditures	620				620
Other Purposes	760,665				760,665
Unassigned	2,847,509				2,847,509
Total Fund Balances	18,646,572	96,369	7,575		18,750,516
Total Liabilities and Fund Balances	\$ 19,184,725	\$ 167,065	\$ 114,525	\$ -0-	\$ 19,466,315

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

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

Total Fund Balances - Governmental Funds (Above)	\$ 18,750,516
Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds.	25,124,120
Long-Term Liabilities, including Bonds Payable, Compensated Absences Payable and Leases Payable, are not due and payable in the current period and therefore are not reported as liabilities in the Funds.	(4,091,083)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(34,200)
Bond Premiums are reported as revenue in the Governmental Funds.	(105,402)
The Net Pension Liability for PERS is not due and payable in the current period and is not reported in the Governmental Funds.	(11,120,316)
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	943,340
Deferred Inflows	<u>(5,575,891)</u>
Net Position of Governmental Activities	<u><u>\$ 23,891,084</u></u>

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 47,057,567			\$ 449,140	\$ 47,506,707
Tuition from Individuals	22,080				22,080
Tuition from Other LEAs	208,144				208,144
Transportation Fees from Other LEAs	95,060				95,060
Interest on Capital Reserve	1,878				1,878
Restricted Miscellaneous Revenue	166,137	\$ 42,340			208,477
Unrestricted Miscellaneous Revenue	357,566	40,641			398,207
Total - Local Sources	47,908,432	82,981		449,140	48,440,553
State Sources	13,076,828	3,890		145,960	13,226,678
Federal Sources	395,829	1,030,385			1,426,214
Total Revenue	61,381,089	1,117,256		595,100	63,093,445
EXPENDITURES					
Current:					
Regular Instruction	13,745,200	325,623			14,070,823
Special Education Instruction	5,141,660	618,698			5,760,358
Other Special Instruction	922,217				922,217
School Sponsored/Other Instruction	14,957				14,957
Support Services and Undistributed Costs:					
Tuition	556,136				556,136
Student & Instruction Related Services	7,737,167	175,583			7,912,750
General Administrative Services	774,579				774,579
School Administrative Services	1,653,434				1,653,434
Central Services	622,683				622,683
Administration Information Technology	715,993				715,993
Plant Operations and Maintenance	3,769,303				3,769,303
Pupil Transportation	2,039,550				2,039,550
Unallocated Benefits	18,764,216				18,764,216
Debt Service:					
Principal				500,000	500,000
Interest and Other Charges				95,100	95,100
Capital Outlay	2,089,300		\$ 21,732		2,111,032
Charter Schools	62,529				62,529
Total Expenditures	58,608,924	1,119,904	21,732	595,100	60,345,660
Excess/(Deficit) of Revenue over/(under) Expenditures	2,772,165	(2,648)	(21,732)		2,747,785
OTHER FINANCING SOURCES/(USES)					
Transfers	106,949		(106,949)		
Total Other Financing Sources/(Uses)	106,949		(106,949)		
Net Change in Fund Balances	2,879,114	(2,648)	(128,681)		2,747,785
Fund Balance —July 1 (Restated)	15,767,458	99,017	136,256		16,002,731
Fund Balance —June 30	\$ 18,646,572	\$ 96,369	\$ 7,575	\$ -0-	\$ 18,750,516

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

ROCKAWAY 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, 2021

Total Net Change in Fund Balances - Governmental Funds (from B-2)		\$ 2,747,785
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation and disposals differ from the capital asset additions in the period.		
	Depreciation expense	\$ (1,822,812)
	Capital assets additions	2,143,780
	Capital assets disposals	<u>(201,434)</u>
		119,534
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation. (+)		250,829
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. (+)		229,989
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. (+)		500,000
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. When the interest paid exceeds the accrued interest the difference is an addition in the reconciliation (+); When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-).		(2,392)
The governmental funds report the effect of the deferred amount on refunding when debt is first issued whereas these amounts are deferred and amortized in the statement of activities. (-)		(81,219)
Finally, the governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. (+)		46,027
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		1,646,672
Changes in Deferred Outflows		(403,139)
Changes in Deferred Inflows		<u>(331,555)</u>
Change in Net Position of Governmental Activities (A-2)		<u>\$ 4,722,531</u>

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Major Fund</u>	<u>Total</u>	
	<u>Food Service</u>	<u>Non-Major Funds</u>	<u>Total Enterprise</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 90,453	\$ 42,023	\$ 132,476
Intergovernmental Accounts Receivable:			
State	4,293		4,293
Federal	47,197		47,197
Other Accounts Receivable	603		603
Inventories	10,395		10,395
Total Current Assets	<u>152,941</u>	<u>42,023</u>	<u>194,964</u>
Non-Current Assets:			
Capital Assets	593,948		593,948
Less: Accumulated Depreciation	(439,988)		(439,988)
Total Non-Current Assets	<u>153,960</u>		<u>153,960</u>
Total Assets	<u>306,901</u>	<u>42,023</u>	<u>348,924</u>
LIABILITIES:			
Current Liabilities:			
Accounts Payable	37,069		37,069
Unearned Revenue - Prepaid Sales	34,651	27,000	61,651
Unearned Revenue - Donated Commodities	6,371		6,371
Total Liabilities	<u>78,091</u>	<u>27,000</u>	<u>105,091</u>
NET POSITION:			
Investment in Capital Assets	153,960		153,960
Unrestricted	74,850	15,023	89,873
Total Net Position	<u>\$ 228,810</u>	<u>\$ 15,023</u>	<u>\$ 243,833</u>

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Major Fund</u>	<u>Total</u>	
	<u>Food Service</u>	<u>Non-Major Funds</u>	<u>Total Enterprise</u>
Operating Revenue:			
Daily Sales:			
Reimbursable Programs	\$ 3,409		\$ 3,409
Program Fees		\$ 13,108	13,108
Miscellaneous Revenue		58	58
Total Operating Revenue	<u>3,409</u>	<u>13,166</u>	<u>16,575</u>
Operating Expenses:			
Cost of Sales:			
Reimbursable Programs	90,793		90,793
Salaries	188,393	16,516	204,909
Employee Benefits	54,608		54,608
Other Purchased Services	12,125		12,125
Supplies and Materials	17,801	34	17,835
Miscellaneous Expenditures	54,093	2,471	56,564
Depreciation Expense	19,672		19,672
Total Operating Expenses	<u>437,485</u>	<u>19,021</u>	<u>456,506</u>
Operating Loss	<u>(434,076)</u>	<u>(5,855)</u>	<u>(439,931)</u>
Non-Operating Revenue:			
Local Sources:			
Interest Income	53	1	54
State Sources:			
COVID-19 - Seamless Summer Option	14,703		14,703
Federal Sources:			
COVID-19 - Seamless Summer Option	240,420		240,420
Food Distribution Program	32,080		32,080
Total Non-Operating Revenue	<u>287,256</u>	<u>1</u>	<u>287,257</u>
Change in Net Position Before Other Items	<u>(146,820)</u>	<u>(5,854)</u>	<u>(152,674)</u>
Other Items:			
Cancellation of Prior Year Accounts Receivable	(2,061)		(2,061)
Total Other Items	<u>(2,061)</u>		<u>(2,061)</u>
Change in Net Position	(148,881)	(5,854)	(154,735)
Net Position - Beginning of Year (Restated)	<u>377,691</u>	<u>20,877</u>	<u>398,568</u>
Net Position - End of Year	<u>\$ 228,810</u>	<u>\$ 15,023</u>	<u>\$ 243,833</u>

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise Funds		
	Major Fund	Total	
	Food Service	Non-Major Funds	Total Enterprise
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 3,284	\$ 30,966	\$ 34,250
Payments to Food Service Company	(320,978)		(320,978)
Payments to/for Employees		(16,516)	(16,516)
Payments to Suppliers	(19,886)	(2,505)	(22,391)
Net Cash Provided by/(Used for) Operating Activities	(337,580)	11,945	(325,635)
Cash Flows from Financing Activities:			
Interest Income	53	1	54
Net Cash Provided by Financing Activities	53	1	54
Cash Flows from Capital and Related Financing Activities:			
Purchase of Capital Assets	(10,718)		(10,718)
Net Cash Used for Capital and Related Financing Activities	(10,718)		(10,718)
Cash Flows from Noncapital Financing Activities:			
State Sources	12,504		12,504
Federal Sources	200,580		200,580
Net Cash Provided by Noncapital Financing Activities	213,084		213,084
Net Increase/(Decrease) in Cash and Cash Equivalents	(135,161)	11,946	(123,215)
Cash and Cash Equivalents, July 1	225,614	30,077	255,691
Cash and Cash Equivalents, June 30	\$ 90,453	\$ 42,023	\$ 132,476
Reconciliation of Operating Loss to			
Net Cash Provided/(Used) by Operating Activities:			
Operating Loss	\$ (434,076)	\$ (5,855)	\$ (439,931)
Depreciation	19,672		19,672
Food Distribution Program	32,080		32,080
Changes in Assets and Liabilities:			
(Increase) in Other Accounts Receivable	(603)		(603)
Increase in Accounts Payable	23,084		23,084
Increase in Unearned Revenue - Donated Commodities	5,158		5,158
Increase in Unearned Revenue - Prepaid Sales	22,635	17,800	40,435
(Increase) in Inventory	(5,530)		(5,530)
Net Cash Provided/(Used) by Operating Activities	\$ (337,580)	\$ 11,945	\$ (325,635)

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$37,238 and utilized U.S.D.A. Commodities valued at \$32,080.

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (the "Board") of the Rockaway Township 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. 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 non-exchange transactions. Business-type activities are financed in part by fees charged to external parties.

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

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

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

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. Separate statements for each fund category – *governmental and proprietary* - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

The District reports the following governmental funds:

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

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

Special Revenue Fund: The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to 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.

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.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

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

B. Basis of Presentation: (Cont'd)

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

The District reports the following proprietary fund:

Enterprise (Food Service, Summer Enrichment and After School) Funds: The Enterprise Funds account for all revenue and expenses pertaining to the Board's cafeteria, summer enrichment and after school operations. The food service, summer enrichment and after school 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.

C. Measurement Focus and Basis of Accounting:

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

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

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.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

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, 2021 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be made by School Board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

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

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

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

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	\$ 61,388,491	\$ 1,041,954
Differences - Budgetary to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis recognizes Encumbrances as Expenditures and Revenue while the GAAP basis does not:		
Prior Year Encumbrances		81,788
Cancellation of Prior Year Encumbrances		(1,727)
Current Year Encumbrances		(4,759)
Prior Year State Aid Payments Recognized for GAAP Statements	297,657	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(305,059)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 61,381,089	\$ 1,117,256

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

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

	General Fund	Special Revenue Fund
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 58,608,924	\$ 1,044,602
Differences - Budgetary 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.		
Prior Year Encumbrances		81,788
Cancellation of Prior Year Encumbrances		(1,727)
Current Year Encumbrances		(4,759)
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 58,608,924	\$ 1,119,904

E. Cash and Cash Equivalents, and Investments:

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

The District generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of 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 market value of at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental 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.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

F. Interfund Transactions:

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

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

G. Allowance for Uncollectible Accounts:

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

H. Encumbrances:

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

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

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:

Inventories, 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, 2021.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

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. The District has reviewed capital assets for impairment.

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

	<u>Estimated Useful Life</u>
Buildings and Building Improvements	50 Years
Site Improvements	20 Years
Furniture, Machinery and Equipment	10 to 15 Years
Computer and Related Technology	5 Years
Vehicles	8 Years

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

L. Long Term Liabilities:

In the District-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or enterprise funds. Bond premium and discounts, are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization.

In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

M. Accrued Salaries and Wages:

The District allows employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year. New Jersey statutes require that these earned undisbursed amounts be retained in a separate bank account. As of June 30, 2021, the amount earned by these employees but not disbursed was \$118.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

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

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 personnel policy. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after fifteen years of service.

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

O. Unearned Revenue:

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

P. Fund Balance Appropriated:

General Fund: Of the \$18,646,572 fund balance at June 30, 2021, \$10,463,977 is restricted in the capital reserve; \$200,000 is restricted in the maintenance reserve; \$50,000 is restricted in the emergency reserve; \$510,338 is restricted for unemployment compensation; \$2,013,463 is restricted as prior year excess surplus and has been appropriated and included in the budget for the fiscal year ending June 30, 2022; \$1,800,000 is restricted as current year excess surplus and will be appropriated and included in the budget for the fiscal year ending June 30, 2023; \$760,665 is assigned for encumbrances; \$620 is assigned fund balance designated for subsequent year's expenditures; and \$2,847,509 is unassigned which is \$305,059 less than the calculated maximum unassigned fund balance, on a GAAP basis, due to the final two state aid payments, which are not recognized until the fiscal year ended June 30, 2022.

Special Revenue Fund: The \$96,369 fund balance at June 30, 2021 is restricted for student activities.

Capital Projects Fund: The \$7,575 fund balance at June 30, 2021 is committed for capital projects.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, c.73 (S1701), the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District has excess surplus at June 30, 2021 as detailed above.

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 Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

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

P. Fund Balance Appropriated: (Cont'd)

Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize the last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments.

Q. 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 a capital reserve, maintenance reserve, emergency reserve, excess surplus, unemployment compensation and student activities.

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 committed resources for capital projects at June 30, 2021.

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, 2021.

R. Deficit Net Position:

The \$13,793,071 deficit in the unrestricted net position of the District's governmental activities is primarily due to net pension liability and the related deferred inflows and outflows of resources. This deficit does not indicate that the District is having financial difficulties and is a permitted practice under generally accepted accounting principles.

The \$447 deficit unrestricted net position of the District's Summer Enrichment Enterprise Fund is due to the decrease in revenue as a result of the pandemic.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

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

S. Net Position:

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

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District has deferred outflows and inflows of resources at June 30, 2021 related to pensions.

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

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

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

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

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.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

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

U. Operating Revenue and Expenses:

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

V. Management Estimates:

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

W. Pensions

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

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

Custodial Credit Risk – The District does not have a policy with respect to custodial credit risk. However, the District ensures that District funds are only deposited in financial institutions in which NJ school districts are permitted to invest their funds.

Deposits:

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

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

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

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;

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

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

Investments: (Cont'd)

- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.);
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (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.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

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

As of June 30, 2021, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents		Total
	Unrestricted	Restricted	
Checking & Savings Accounts	\$ 6,914,906	\$ 11,320,684	\$ 18,235,590

During the period ended June 30, 2021, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2021, was \$18,235,590 and the bank balance was \$18,879,714.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Rockaway Township School District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget. Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the State Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts, or both.

A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Balance at June 30, 2020	\$ 9,415,757
Increased by:	
Interest Earned	1,878
Board Resolution	2,371,038
Unexpended Funds Returned from Capital Outlay	389,675
Unexpended Funds Returned from Capital Projects Fund	106,949
Decreased by:	
Budgeted Withdrawal	(1,475,000)
Withdrawal by Board Resolution	(346,320)
Balance at June 30, 2021	\$ 10,463,977

The June 30, 2021 LRFP balance of local support of uncompleted capital project costs exceeds the balance in the capital reserve account at June 30, 2021.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 5: EMERGENCY RESERVE ACCOUNT

An emergency reserve was established by Board resolution. The account is maintained in the general fund and its activity is included in the general fund annual budget.

The emergency reserve is restricted to be used to accumulate funds in accordance with N.J.S.A. 18A:7F-41c(1) to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1% of the general fund budget not to exceed one million dollars. Deposits may be made to the emergency reserve account by board resolution at year end for the purpose of depositing surplus into reserve accounts as an amount approved by the district board of education between June 1st and June 30th. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent or a withdrawal that was included in the original budget certified for taxes to finance school security improvements pursuant to N.J.S.A. 18A:7G-6(c)1.

The activity of the reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Balance at June 30, 2020	\$ 50,000
Balance at June 30, 2021	<u>\$ 50,000</u>

NOTE 6: TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2021, the District transferred \$330,794 to capital outlay accounts for equipment which did not require County Superintendent approval. The District also transferred \$315,320 to the facilities acquisition and construction services accounts from Capital Reserve for which Board approval was obtained.

NOTE 7. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account in the amount of \$200,000 was established by the Rockaway Township School District on June 16, 2021. 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.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 7. MAINTENANCE RESERVE ACCOUNT (Cont'd)

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.

The activity of the reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Balance at June 30, 2020	\$	-0-
Increased by Board Resolution		200,000
Balance at June 30, 2021	\$	200,000

NOTE 8. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2021 were as follows:

	Restated Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Governmental Activities:				
Capital Assets not being Depreciated:				
Sites (Land)	\$ 3,242,866			\$ 3,242,866
Construction in Progress	217,583	\$ 21,732	\$ (153,095)	86,220
Total Capital Assets not Being Depreciated	3,460,449	21,732	(153,095)	3,329,086
Capital Assets Being Depreciated				
Site Improvements	49,563	1,585,325	153,095	1,787,983
Buildings and Building Improvements	38,194,691	250,925		38,445,616
Machinery and Equipment	10,403,230	285,798	(603,623)	10,085,405
Total Capital Assets Being Depreciated	48,647,484	2,122,048	(450,528)	50,319,004
Governmental Activities Capital Assets	52,107,933	2,143,780	(603,623)	53,648,090
Less Accumulated Depreciation for:				
Site Improvements	(38,989)	(28,342)		(67,331)
Buildings and Building Improvements	(19,093,329)	(1,210,480)		(20,303,809)
Machinery and Equipment	(7,971,029)	(583,990)	402,189	(8,152,830)
Total Accumulated Depreciation	(27,103,347)	(1,822,812)	402,189	(28,523,970)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 25,004,586	\$ 320,968	\$ (201,434)	\$ 25,124,120
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 583,230	\$ 10,718		\$ 593,948
Less Accumulated Depreciation	(420,316)	(19,672)		(439,988)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	\$ 162,914	\$ (8,954)	\$ -0-	\$ 153,960

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 8. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$	747,352
Special Education		164,053
Other Special Instruction		54,684
Other Instruction		18,228
Support Services		218,738
General Administration		109,369
School Administration		36,457
Central Services		54,684
Operations and Maintenance of Plant		255,194
Pupil Transportation		164,053
		\$ 1,822,812

NOTE 9. LONG-TERM DEBT LIABILITIES

During the fiscal year ended June 30, 2021, the following changes occurred in long-term liabilities reported in the district-wide financial statements:

	(Restated)			
	Balance	Retired	Balance	Due within
	6/30/2020	6/30/2020	6/30/2021	One Year
Serial Bonds Payable	\$ 2,690,000	\$ 500,000	\$ 2,190,000	\$ 515,000
Capital Leases	614,101	229,989	384,112	150,638
Unamortized Bond Premium	151,429	46,027	105,402	46,027
Compensated Absences Payable	1,767,800	250,829	1,516,971	44,967
Net Pension Liability	12,766,988	1,646,672	11,120,316	
	\$ 17,990,318	\$ 2,673,517	\$ 15,316,801	\$ 756,632

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. Debt service on bonds is liquidated through the debt service fund.

The District had bonds outstanding as of June 30, 2021 as follows:

Purpose	Final Maturity Date	Interest Rate	Amount
2016 Refunding Bonds	9/1/2024	4.000%	\$ 2,190,000.00

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 9. LONG-TERM DEBT LIABILITIES (Cont'd)

A. Bonds Payable: (Cont'd)

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

Fiscal Year Ending June 30,	Bonds		Total
	Principal	Interest	
2022	\$ 515,000	\$ 77,300	\$ 592,300
2023	535,000	56,300	591,300
2024	560,000	34,400	594,400
2025	580,000	11,600	591,600
	<u>\$ 2,190,000</u>	<u>\$ 179,600</u>	<u>\$ 2,369,600</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2021, the District had no bonds authorized but not issued.

C. Capital Leases Payable

The District purchased buses under capital leases totaling \$1,166,952, of which \$782,840 has been liquidated as of June 30, 2021. All capital leases are for terms of five years. the schedule of the future minimum lease payments under the District's capital leases, and the present value of the net minimum lease payments at June 30, 2021 as follows:

<u>Year Ending</u>	<u>Amount</u>
2022	\$ 159,607
2023	159,607
2024	80,462
	399,676
Less: amount representing interest	(15,564)
Present value of future minimum lease payments	\$ 384,112

The current portion of the capital leases payable as of June 30, 2021 in the governmental activities is \$150,638 and the long-term portion is \$233,474. The General Fund will be used to liquidate the capital leases payable in the governmental activities.

D. Unamortized Bond Issuance Premium:

The unamortized bond issuance premium of the governmental fund types is recorded in the noncurrent liabilities. The current portion of the unamortized bond issuance premium balance of the governmental funds is \$46,027 and is separated from the long-term liability balance of \$59,375.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 9. LONG-TERM DEBT LIABILITIES (Cont'd)

E. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded as a long-term liability. The current portion of the compensated absences is \$44,967 and the long-term liability balance is \$1,472,004.

The liability for vested compensated balances of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2021, no liability existed for compensated absences in the proprietary funds. Compensated absences will be liquidated by the General Fund.

F. Net Pension Liability

The Public Employee’s Retirement System (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2021 is \$-0- and the long term portion is \$11,120,316. See Note 10 for further information on the PERS.

NOTE 10. 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 annual financial statements 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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 10. 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 \$748,104 for fiscal year 2021.

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

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

At June 30, 2021, the District reported a liability of \$11,120,316 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. 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, 2020, the District's proportion was 0.0682%, which was a decrease of 0.001% from its proportion measured as of June 30, 2019.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

For the fiscal year ended June 30, 2021, the District recognized pension benefit of \$165,992. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Year of</u> <u>Deferral</u>	<u>Amortization</u> <u>Period</u> <u>in Years</u>	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Changes in Assumptions	2016	5.57	\$ 360,756	
	2017	5.48		\$ 1,052,630
	2018	5.63		1,032,702
	2019	5.21		820,112
	2020	5.16		1,750,737
			<u>360,756</u>	<u>4,656,181</u>
Difference Between Expected and Actual Experience	2016	5.57	10,948	
	2017	5.48	31,305	
	2018	5.63		39,326
	2019	5.21	62,690	
	2020	5.16	97,540	
			<u>202,483</u>	<u>39,326</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2017	5.00	(136,080)	
	2018	5.00	(126,205)	
	2019	5.00	30,542	
	2020	5.00	611,844	
			<u>380,101</u>	<u>-0-</u>
Changes in Proportion	2016	5.57		126,000
	2017	5.48		20,679
	2018	5.63		241,904
	2019	5.21		8,434
	2020	5.16		483,367
				<u>880,384</u>
District Contribution Subsequent to the Measurement Date	2020	1.00	791,100	
			<u>\$ 1,734,440</u>	<u>\$ 5,575,891</u>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

Amounts reported as deferred outflows and 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
2021	\$ (1,395,395)
2022	(1,272,177)
2023	(727,017)
2024	(293,993)
2025	(63,585)
	\$ (3,752,167)

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. 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-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 10. 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, 2020) 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, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Management Strategies	3.00%	3.40%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. 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 and the nonemployer contributing entity will be based upon 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2020 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, 2020		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
<u>District's proportionate share of the Net Pension Liability</u>	\$ 13,967,612	\$ 11,120,316	\$ 8,658,770
<u>Pension Plan Fiduciary Net Position</u>			

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 annual financial statements 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. 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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 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 members 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 2021, the State of New Jersey contributed \$5,500,673 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$7,844,868.

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

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

At June 30, 2021, the State's proportionate share of the net pension liability associated with the District was \$126,155,214. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. 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, 2020, the District's proportion was 0.192%, which was a decrease of 0.003% from its proportion measured as of June 30, 2019.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>126,155,214</u>
Total	<u><u>\$ 126,155,214</u></u>

For the fiscal year ended June 30, 2021, the State recognized pension expense on behalf of the District in the amount of \$7,844,868 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2021 financial statements. The State reported collective deferred outflows and inflows of resources (excluding employer specific amounts) related to pensions from the following sources:

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	8.50	\$ 461,324,773	
	2015	8.30	1,638,696,238	
	2016	8.30	4,304,747,820	
	2017	8.30		\$ 6,882,861,832
	2018	8.29		4,349,959,805
	2019	8.04		3,009,143,115
	2020	7.99	<u>1,411,170,422</u>	
				<u>7,815,939,253</u>
Difference Between Expected and Actual Experience	2014	8.50		4,393,807
	2015	8.30	101,207,836	
	2016	8.30		53,533,223
	2017	8.30	122,460,660	
	2018	8.29	763,099,015	
	2019	8.04		116,909,940
	2020	7.99		<u>7,520,890</u>
				<u>986,767,511</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2017	5.00	(226,008,261)	
	2018	5.00	(192,060,744)	
	2019	5.00	108,662,078	
	2020	5.00	<u>965,582,162</u>	
				<u>656,175,235</u>
			<u><u>\$ 9,458,881,999</u></u>	<u><u>\$ 14,424,322,612</u></u>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Pension Liabilities, Pension Expense, and Deferred Outflows and 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
2021	\$ (262,056,928)
2022	(188,358,995)
2023	(774,174,971)
2024	(1,939,112,462)
2025	(1,466,451,639)
Thereafter	(335,285,618)
	\$ (4,965,440,613)

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. 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-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2020) 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, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Management Strategies	3.00%	3.40%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. 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 2.21% as of June 30, 2020 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 78% 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 2062. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2062, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Sensitivity of the District'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, 2020 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, 2020		
	At 1% Decrease (4.40%)	At Current Discount Rate (5.40%)	At 1% Increase (6.40%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 148,184,073	\$ 126,155,214	\$ 107,863,943

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

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

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

For DCRP, the District recognized pension expense of \$114,627 for the fiscal year ended June 30, 2021. Employee contributions to DCRP amounted to \$156,594 for the fiscal year ended June 30, 2021.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 11. DEFERRED COMPENSATION

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

The plan administrators are as follows:

Ameriprise Financial Advisors	Lincoln Life Group
AXA Equitable Fund	Metropolitan Life Insurance Company
Lincoln Investment	AIG/VALIC Financial Advisors, Inc.

AXA Equitable Fund, Lincoln Investment, Lincoln Life Group and Metropolitan Life Insurance Company are the plan administrators for the District's Internal Revenue Code Section 457 plans.

NOTE 12. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. Health benefits are provided to the employees through the State of New Jersey Health Benefits Plan.

Property and Liability

The District maintains insurance coverage for property, liability, student accident, and surety bonds. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report.

The Board is a member of the School Alliance Insurance Fund ("SAIF"). The SAIF provides its members with Workers' Compensation, Comprehensive General Liability and Automobile Liability, Property, Boiler and Machinery, and School Board Legal Liability Insurance. The SAIF is a risk-sharing fund that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage for their members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective district for the purpose of creating a governing body from which officers for the SAIF are elected.

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

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

SAIF's June 30, 2021 audit is not available as of the date of this report. Selected financial information for the SAIF as of June 30, 2020 is as follows:

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 12. RISK MANAGEMENT (Cont'd)

Property and Liability (Cont'd)

Total Assets	\$ 51,526,293
Net Position	\$ 20,539,909
Total Revenue	\$ 43,264,716
Total Expenses	\$ 41,642,794
Change in Net Position	\$ 1,621,922
Members Dividends	\$ -0-

Financial Statements for the Fund are available at the Fund’s Executive Director’s Office:

Risk and Loss Managers Inc.
51 Everett Drive Suite B40
West Windsor, NJ 08550
(609) 275-1155

New Jersey Unemployment Compensation Insurance

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

Fiscal Year	District Contributions	Employee Contributions	Interest	Amount Reimbursed	Ending Balance
2020-2021	\$ 52,008	\$ 170,441	\$ 107	\$ 56,419	\$ 510,338
2019-2020	-0-	107,578	2,324	138,566	344,201
2018-2019	-0-	138,481	2,815	68,535	372,865

NOTE 13. 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.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 14. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2021:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 170,203	
Special Revenue Fund		\$ 63,253
Capital Projects Fund		106,950
	\$ 170,203	\$ 170,203

The interfund payable in the Special Revenue Fund is an interfund advanced from the General Fund for the Special Revenue Fund’s cash deficit due to the timing of grant reimbursements. The interfund payable in the Capital Projects Fund is unexpended project funds due back to the General Fund.

NOTE 15. 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.

NOTE 16. COMMITMENTS AND CONTINGENCIES

Grant Programs

The school district participates in Federal and State 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 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.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

NOTE 16. COMMITMENTS AND CONTINGENCIES (Cont'd)

Encumbrances

At June 30, 2021, there were encumbrances as detailed in the governmental funds:

General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
\$ 760,665	\$ 4,759	\$ 7,575	\$ 772,999

On the District’s Governmental Funds Balance Sheet as of June 30, 2021, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$4,759 less than the actual year-end encumbrances on a budgetary basis. On a GAAP basis, encumbrances are not recognized until paid and this is non-recognition of encumbrances on a GAAP basis is also reflected as either a reduction in grants receivable or an increase in unearned revenue in the Special Revenue Fund. The \$7,575 encumbrances in the Capital Projects Fund is included in the \$7,575 committed fund balance on a GAAP basis.

NOTE 17. ACCOUNTS PAYABLE

Payables as of June 30, 2021 were:

	Governmental Funds		District Contribution	Total Governmental Activities	Business-Type
	General Fund	Special Revenue Fund	to the Measure- ment Date		Proprietary Funds
Vendors	\$ 291,426	\$ 4,247		\$ 295,673	\$ 37,069
State of New Jersey			\$ 791,100	791,100	
Accrued Salaries and Wages	118			118	
Payroll Deductions & Withholding	246,609			246,609	
	\$ 538,153	\$ 4,247	\$ 791,100	\$ 1,333,500	\$ 37,069

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.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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)

General Information about the OPEB Plan (Cont'd)

Plan Description and Benefits Provided (Cont'd)

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

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A. 52:14-17.32f. According to N.J.S.A. 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP).

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 years or more of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

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

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

Employees Covered by Benefit Terms

At June 30, 2018, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	148,051
Active Plan Members	216,892
Total	364,943

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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)

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019.

Actuarial Assumptions and Other Inputs

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

Inflation Rate	2.50%	
	TPAF/ABP	PERS
Salary Increases:		
Through 2026	1.55 - 3.05%	2.00 - 6.00%
	based on service	based on service
	years	years
Thereafter	1.55 - 3.05%	3.00 - 7.00%
	based on service	based on service
	years	years

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018 and July 1, 2014 – June 30, 2018 for TPAF and PERS, respectively.

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Post-retirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 is reflected. The assumed post-65 medical trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(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 rate for June 30, 2019 was 3.50%. The discount rate for June 30, 2018 was 3.87%, a change of -.37%. 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

	Total OPEB Liability
Balance at June 30, 2018	\$ 103,567,213
Changes for Year:	
Service Cost	3,585,029
Interest on the Total OPEB Liability	4,095,257
Changes of Assumptions	1,345,895
Differences between Expected and Actual Experience	(19,637,152)
Gross Benefit Payments by the State	(2,770,941)
Contributions from Members	82,138
Net Changes in Total OPEB Liability	(13,299,774)
Balance at June 30, 2019	\$ 90,267,439

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, 2019, 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, 2019		
	At 1% Decrease (2.50%)	At Discount Rate (3.50%)	At 1% Increase (4.50%)
Total OPEB Liability Attributable to the District	\$ 106,641,517	\$ 90,267,439	\$ 77,260,769

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(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, 2019, 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, 2019		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 74,376,346	\$ 90,267,439	\$ 111,303,983

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

For the fiscal year ended June 30, 2021 the District recognized OPEB expense of \$283,060 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, 2019 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

	Year of Deferral	Original Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$10,508,955
	2018	9.51		9,039,124
	2019	9.29	\$1,201,019	19,548,079
			1,201,019	19,548,079
Differences Between Expected and Actual Experience	2018	9.51		8,544,785
	2019	9.29		14,136,064
				22,680,849
Changes in Proportion	N/A	N/A	62,923	48,391
			\$1,263,942	\$42,277,318

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(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 will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	Total
2020	\$ (5,508,592)
2021	(5,508,592)
2022	(5,508,592)
2023	(5,508,592)
2024	(5,508,592)
Thereafter	(13,484,947)
	\$ (41,027,908)

NOTE 19. SUBSEQUENT EVENT

The COVID-19 outbreak in the United States and specifically in New Jersey continues to cause disruption of the District’s 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. There have been additional operating expenses in the General Fund due to schools re-opening on a full-time basis.

The District’s Food Service Fund has been impacted by COVID-19 for the fiscal year ending June 30, 2022 as the District continues to offer free lunch to all students under the Seamless Summer Option.

NOTE 20. PRIOR YEAR ADJUSTMENT

GASB 84, *Fiduciary Activities*, was implemented during the fiscal year ended June 30, 2021. As part of this implementation, the activity for the Unemployment Compensation Insurance Trust Fund which had previously been reported in the Fiduciary Funds is now reported in the General Fund. The Student Activities Fund is now reported in the Special Revenue Fund. The District made a prior period adjustment to the capital assets – (\$2,350,458) in its governmental activities and (\$16,041) in its business-type activities – to properly categorize certain assets and agree to the detailed capital assets records. Additionally, the District made prior period adjustments to recognize a receivable from the state government for the fiscal year 2020 extraordinary aid award and to capital leases payable to remove operating leases included in error.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

NOTE 20. PRIOR YEAR ADJUSTMENT (Cont'd)

The ending balances as of June 30, 2020 were restated as follows:

	Balance 6/30/20 as Previously Reported	Retroactive Adjustments	Balance 6/30/20 as Restated
<u>Statement of Net Activities:</u>			
Governmental Activities:			
Net Position - Ending	\$ 19,873,717	\$ (705,164)	\$ 19,168,553
Business-type Activities:			
Net Position - Ending	414,609	(16,041)	398,568
<u>Statement of Revenues, Expenditures and Changes in</u>			
<u>Fund Balances - Governmental Funds:</u>			
General Fund - Fund Balance - June 30	14,727,985	1,039,473	15,767,458
Special Revenue Fund - Fund Balance - June 30	-0-	99,017	99,017
<u>Statement of Changes in Fiduciary Net Position -</u>			
<u>Fiduciary Funds:</u>			
Unemployment Compensation Trust:			
Net Position - End of the Year	344,201	(344,201)	-0-

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

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

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
District's proportion of the net pension liability	0.0779444738%	0.0797615020%	0.0735625289%	0.0732113534%	0.0709153884%	0.0708549551%	0.0681919007%
District's proportionate share of the net pension liability	\$ 14,593,337	\$ 17,904,859	\$ 21,787,111	\$ 17,042,433	\$ 13,926,886	\$ 12,766,988	\$ 11,120,316
District's covered employee payroll	\$ 5,356,899	\$ 5,199,311	\$ 4,972,202	\$ 4,916,215	\$ 4,992,415	\$ 4,849,278	\$ 4,748,817
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	272.42%	344.37%	438.18%	346.66%	278.96%	263.28%	234.17%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	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.

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

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
Contractually required contribution	\$ 642,768	\$ 685,735	\$ 655,947	\$ 684,740	\$ 705,379	\$ 689,212	\$ 748,104
Contributions in relation to the contractually required contribution	(642,768)	(685,735)	(655,947)	(684,740)	(705,379)	(689,212)	(748,104)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's covered employee payroll	\$ 5,199,311	\$ 4,972,202	\$ 4,916,215	\$ 4,992,415	\$ 4,849,278	\$ 4,748,817	\$ 4,890,871
Contributions as a percentage of covered employee payroll	12.36%	13.79%	13.34%	13.72%	14.55%	14.51%	15.30%

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

ROCKAWAY 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 SEVEN FISCAL YEARS

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
State's proportion of the net pension liability attributable to the District	0.1879913654%	0.1906573862%	0.1892062872%	0.1920625248%	0.1957338138%	0.1950062893%	0.1915831722%
State's proportionate share of the net pension liability attributable to the District	\$ 100,475,266	\$ 120,503,655	\$ 148,841,709	\$ 129,495,494	\$ 124,521,666	\$ 119,677,200	\$ 126,155,214
District's covered employee payroll	\$ 18,937,698	\$ 19,441,773	\$ 20,175,818	\$ 20,347,948	\$ 20,318,108	\$ 20,205,780	\$ 21,610,721
State's proportionate share of the net pension liability as a percentage of the District's covered employee payroll	530.56%	619.82%	737.72%	636.41%	612.86%	592.29%	583.76%
Plan fiduciary net position as a percentage of the total pension liability	28.71%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%

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

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

	Fiscal Year Ending June 30,						
	2015	2016	2017	2018	2019	2020	2021
Contractually required contribution	\$ 5,406,513	\$ 7,357,833	\$ 11,183,383	\$ 8,970,792	\$ 7,259,178	\$ 7,058,881	\$ 7,844,868
Contributions in relation to the contractually required contribution	(961,583)	(1,442,979)	(2,084,789)	(2,882,469)	(3,835,302)	(4,202,152)	(5,500,673)
Contribution deficiency/(excess)	<u>\$ 4,444,930</u>	<u>\$ 5,914,854</u>	<u>\$ 9,098,594</u>	<u>\$ 6,088,323</u>	<u>\$ 3,423,876</u>	<u>\$ 2,856,729</u>	<u>\$ 2,344,195</u>
District's covered employee payroll	19,441,773	\$ 20,175,818	\$ 20,347,948	\$ 20,318,108	\$ 20,205,780	\$ 21,610,721	\$ 21,994,580
Contributions as a percentage of covered employee payroll	27.81%	7.15%	10.25%	14.19%	18.98%	19.44%	25.01%

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF CHANGES IN THE STATE'S PROPORTIONATE SHARE OF THE TOTAL OPEB LIABILITY
ASSOCIATED WITH THE DISTRICT AND RELATED RATIOS
LAST THREE FISCAL YEARS

	Fiscal Years Ending		
	2017	2018	2019
Total OPEB Liability			
Service Cost	\$ 4,984,155	\$ 4,157,195	\$ 3,585,029
Interest Cost	3,821,106	4,415,134	4,095,257
Changes in Assumptions	(15,919,217)	(11,884,856)	1,345,895
Differences between Expected and Actual Experience		(10,942,259)	(19,637,152)
Member Contributions	92,600	95,713	82,138
Gross Benefit Payments	(2,514,769)	(2,769,350)	(2,770,941)
Net Change in Total OPEB Liability	(9,536,125)	(16,928,423)	(13,299,774)
Total OPEB Liability - Beginning	130,031,761	120,495,636	103,567,213
Total OPEB Liability - Ending	\$ 120,495,636	\$ 103,567,213	\$ 90,267,439
District's Covered Employee Payroll *	\$ 25,148,020	\$ 25,264,163	\$ 25,198,195
Total OPEB Liability as a Percentage of Covered Employee Payroll	479%	410%	358%

* - Covered payroll for the fiscal years ending June 30, 2019, June 30, 2018 and June 30, 2017 are based on the payroll on the June 30, 2018, June 30, 2017 and June 30, 2016 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.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 6.28% as of June 30, 2019 to 7.00% as of June 30, 2020.

In the July 1, 2018 actuarial valuation the mortality improvement was based on Scale MP-2019 while in the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 5.60% as of June 30, 2019 to 5.40% as of June 30, 2020. The municipal bond rate changed from 3.50% to 2.21%.

In the July 1, 2018 actuarial valuation the mortality improvement was based on Scale MP-2019 while in the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
(Continued)

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2019 was 3.50%. The discount rate for June 30, 2018 was 3.87%, a change of -.37%.

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

The mortality rates in the valuation as of June 30, 2019 were based on the following:

Pre-retirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Post-retirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

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.

The health care trend rates in the valuation as of June 30, 2019 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 is reflected. The assumed post-65 medical trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

BUDGETARY COMPARISON SCHEDULES

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 47,057,567		\$ 47,057,567	\$ 47,057,567	
Tuition from Individuals	48,000		48,000	22,080	\$ (25,920)
Tuition from Other LEAs	186,000		186,000	208,144	22,144
Transportation Fees from Other LEAs within the State	100,000		100,000	95,060	(4,940)
Transportation Fees from Individuals	3,000		3,000		(3,000)
Interest on Capital Reserve	35,000		35,000	1,878	(33,122)
Restricted Miscellaneous Revenues				166,137	166,137
Unrestricted Miscellaneous Revenue	228,553		228,553	357,566	129,013
Total - Local Sources	<u>47,658,120</u>		<u>47,658,120</u>	<u>47,908,432</u>	<u>250,312</u>
State Sources:					
Special Education Categorical Aid	1,699,774	\$ (69,416)	1,630,358	1,630,358	
Equalization Aid	854,190		854,190	854,190	
Security Aid	50,153		50,153	50,153	
Transportation Aid	549,225		549,225	549,225	
Extraordinary Special Education Costs Aid	250,000		250,000	953,645	703,645
Additional Extraordinary Special Education Costs Aid				69,641	69,641
Nonpublic Transportation Aid				17,250	17,250
TPAF Pension Contributions (On-Behalf - Non-Budgeted)				5,500,673	5,500,673
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)				104,658	104,658
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)				3,066	3,066
TPAF Post Retirement Medical Benefits (On-Behalf - Non-Budgeted)				1,756,623	1,756,623
Reimbursed Social Security Contributions (Reimbursed - Non-Budgeted)				1,594,748	1,594,748
Total State Sources	<u>3,403,342</u>	<u>(69,416)</u>	<u>3,333,926</u>	<u>13,084,230</u>	<u>9,750,304</u>
Federal Sources:					
Impact AID - 8002 or 8003 General	250,000		250,000	376,066	126,066
Medicaid Reimbursement	47,362		47,362	19,763	(27,599)
Total Federal Sources	<u>297,362</u>		<u>297,362</u>	<u>395,829</u>	<u>98,467</u>
TOTAL REVENUES	<u>51,358,824</u>	<u>(69,416)</u>	<u>51,289,408</u>	<u>61,388,491</u>	<u>10,099,083</u>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	\$ 93,255	\$ (12,745)	\$ 80,510	\$ 80,510	
Kindergarten - Salaries of Teachers	1,072,255	(24,106)	1,048,149	1,048,147	\$ 2
Grades 1-5 - Salaries of Teachers	6,938,953	(16,628)	6,922,325	6,904,388	17,937
Grades 6-8 - Salaries of Teachers	4,265,488	(69,638)	4,195,850	4,195,849	1
Regular Programs - Home Instruction:					
Salaries of Teachers	28,000	21,847	49,847	49,847	
Purchased Professional - Educational Services	25,000		25,000		25,000
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	356,818	(22,736)	334,082	334,077	5
Purchased Professional - Educational Services	194,731	(63,795)	130,936	67,826	63,110
Other Purchased Services (400-500 Series)	245,500		245,500	241,392	4,108
General Supplies	1,015,183	233,960	1,249,143	820,106	429,037
Textbooks	15,000	(2,400)	12,600	3,058	9,542
Total Regular Programs - Instruction	14,250,183	43,759	14,293,942	13,745,200	548,742
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	237,900	62,097	299,997	298,857	1,140
Other Salaries for Instruction	123,399	(26,477)	96,922	96,466	456
General Supplies	850	(600)	250		250
Total Learning and/or Language Disabilities	362,149	35,020	397,169	395,323	1,846
Behavioral Disabilities:					
Salaries of Teachers	279,361	(7,910)	271,451	270,821	630
Other Salaries for Instruction	115,760	(27,929)	87,831	84,421	3,410
General Supplies	400	(400)			
Total Behavioral Disabilities	395,521	(36,239)	359,282	355,242	4,040

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Special Education - Instruction: (Cont'd)					
Multiple Disabilities:					
Salaries of Teachers	\$ 226,158	\$ (8,327)	\$ 217,831	\$ 217,824	\$ 7
Other Salaries for Instruction	43,660	(41,191)	2,469	1,969	500
General Supplies	2,800	300	3,100	2,983	117
Other Objects	1,400	(300)	1,100	1,100	1,100
Total Multiple Disabilities	274,018	(49,518)	224,500	222,776	1,724
Resource Room/Resource Center:					
Salaries of Teachers	3,251,596	(57,484)	3,194,112	3,180,410	13,702
Other Salaries for Instruction	152,731	36,363	189,094	189,092	2
General Supplies	301	(11)	290	176	114
Total Resource Room/Resource Center	3,404,628	(21,132)	3,383,496	3,369,678	13,818
Autism:					
Salaries of Teachers	462,795	(4,820)	457,975	457,240	735
Other Salaries for Instruction	80,150	(44,847)	35,303	33,262	2,041
General Supplies	11,850	(205)	11,645	11,644	1
Other Objects	1,400		1,400	572	828
Total Autism	556,195	(49,872)	506,323	502,718	3,605
Preschool Disabilities - Part Time:					
Salaries of Teachers	153,566	(21,628)	131,938	124,720	7,218
Other Salaries for Instruction	50,919	(15,095)	35,824	32,826	2,998
General Supplies	2,100	(779)	1,321	1,288	33
Total Preschool Disabilities - Part Time	206,585	(37,502)	169,083	158,834	10,249
Preschool Disabilities - Full Time:					
Salaries of Teachers	70,930	1,637	72,567	69,789	2,778
Other Salaries for Instruction	52,551	36,556	89,107	64,956	24,151

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Preschool Disabilities - Full Time: (Cont'd)	\$ 1,350	\$ 994	\$ 2,344	\$ 2,344	
Other Objects	124,831	39,187	164,018	137,089	\$ 26,929
Total Preschool Disabilities - Full Time					
Total Special Education Instruction	5,323,927	(120,056)	5,203,871	5,141,660	62,211
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	582,863	134,999	717,862	706,624	11,238
Total Basic Skills/Remedial - Instruction	582,863	134,999	717,862	706,624	11,238
Bilingual Education - Instruction:					
Salaries of Teachers	154,445	62,670	217,115	215,593	1,522
General Supplies	1,290		1,290		1,290
Total Bilingual Education - Instruction	155,735	62,670	218,405	215,593	2,812
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	31,000		31,000	9,647	21,353
Other Objects	29,600	(8,935)	20,665	250	20,415
Total School-Sponsored Cocurricular Activities - Instruction	60,600	(8,935)	51,665	9,897	41,768
School-Sponsored Athletics - Instruction:					
Salaries	14,450		14,450		14,450
Supplies and Materials	8,000		8,000		8,000
Total School-Sponsored Athletics - Instruction	22,450		22,450		22,450
Before/After School Programs - Instruction					
Supplies & Materials	6,300		6,300		6,300
Total Before/After School Programs - Instruction	6,300		6,300		6,300

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Community Service Programs/Operations:					
Salaries	\$ 5,520		\$ 5,520	\$ 5,060	\$ 460
Supplies and Materials	1,000		1,000		1,000
Total Community Service Programs/Operations	6,520		6,520	5,060	1,460
Total Instruction	20,408,578	\$ 112,437	20,521,015	19,824,034	696,981
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Special	378,402	(123,085)	255,317	104,949	150,368
Tuition to Private Schools for the Handicapped - Within State	724,474	(125,222)	599,252	451,187	148,065
Total Undistributed Expenditures - Instruction	1,102,876	(248,307)	854,569	556,136	298,433
Attendance & Social Work:					
Salaries	1,600		1,600	1,600	
Purchased Professional and Technical Services	57,426	(5,000)	52,426	51,702	724
Total Attendance & Social Work	59,026	(5,000)	54,026	53,302	724
Health Services:					
Salaries	545,921	(8,940)	536,981	533,905	3,076
Purchased Professional and Technical Services	28,000	3,785	31,785	26,784	5,001
Other Purchased Services (400-500 Series)	1,679	(173)	1,506		1,506
Supplies and Materials	45,122	13,417	58,539	53,694	4,845
Other Objects	1,600		1,600	415	1,185
Total Health Services	622,322	8,089	630,411	614,798	15,613
Speech, OT, PT and Other Related Services:					
Salaries	3,607,766	(251,258)	3,356,508	3,221,895	134,613
Purchased Professional - Educational Services	386,736	(14,979)	371,757	315,398	56,359
Supplies and Materials	8,300	(2,414)	5,886	5,281	605
Other Objects	2,900	1,000	3,900	2,100	1,800
Total Speech, OT, PT and Other Related Services	4,005,702	(267,651)	3,738,051	3,544,674	193,377

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Other Support Services - Students - Extraordinary Services:					
Purchased Professional - Educational Services	\$ 27,000	\$ 239,421	\$ 266,421	\$ 266,421	
Total Other Support Services - Students - Extraordinary Services	<u>27,000</u>	<u>239,421</u>	<u>266,421</u>	<u>266,421</u>	
Guidance:					
Salaries of Other Professional Staff	597,645	41,352	638,997	622,798	\$ 16,199
Salaries of Secretarial and Clerical Assistants	57,451		57,451	57,451	
Other Purchased Prof. and Tech. Services	17,650		17,650	14,386	3,264
Other Purchased Services (400-500 Series)	950		950	950	
Supplies and Materials	600		600	600	
Total Guidance	<u>674,296</u>	<u>41,352</u>	<u>715,648</u>	<u>694,635</u>	<u>21,013</u>
Child Study Teams:					
Salaries of Other Professional Staff	1,409,727	101,301	1,511,028	1,506,538	4,490
Salaries of Secretarial and Clerical Assistants	125,708		125,708	125,707	1
Purchased Professional - Educational Services	38,000	(5,500)	32,500	32,201	299
Other Purchased Services (400-500 series)	13,850	(8,635)	5,215	4,144	1,071
Supplies and Materials	18,400	5,714	24,114	23,841	273
Other Objects	200	700	900	654	246
Total Child Study Teams	<u>1,605,885</u>	<u>93,580</u>	<u>1,699,465</u>	<u>1,693,085</u>	<u>6,380</u>
Improvement of Instructional Services:					
Salaries of Supervisor of Instruction	166,676	(19,700)	146,976	145,230	1,746
Salaries of Other Professional Staff	20,000	(5,000)	15,000	3,190	11,810
Salaries of Secretarial and Clerical Assistants	55,592		55,592	55,592	
Purchased Professional - Educational Services	57,389	(7,000)	50,389	29,889	20,500
Other Purchased Services (400-500 series)	34,900	18,800	53,700	25,149	28,551
Supplies and Materials	28,500	5,000	33,500	27,488	6,012
Other Objects	5,000		5,000	99	4,901
Total Improvement of Instructional Services	<u>368,057</u>	<u>(7,900)</u>	<u>360,157</u>	<u>286,637</u>	<u>73,520</u>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Educational Media Services/School Library:					
Salaries	\$ 447,447	\$ 100,992	\$ 548,439	\$ 474,155	\$ 74,284
Other Purchased Services (400-500 series)	28,820		28,820	16,879	11,941
Supplies and Materials	32,900	5,400	38,300	24,865	13,435
Total Educational Media Services/School Library	509,167	106,392	615,559	515,899	99,660
Instructional Staff Training Services:					
Purchased Professional - Educational Services	20,000	2,000	22,000	22,000	
Other Purchased Services (400-500 series)	19,550	(3,000)	16,550	4,111	12,439
Supplies and Materials	62,000	(629)	61,371	34,605	26,766
Other Objects		7,000	7,000	7,000	
Total Instructional Staff Training Services	101,550	5,371	106,921	67,716	39,205
Support Services - General Administration:					
Salaries	325,279	(9,437)	315,842	297,368	18,474
Legal Services	220,000	(910)	219,090	151,364	67,726
Audit Fee	47,600	(1,663)	45,937	45,161	776
Architectural/Engineering Services	35,150	7,300	42,450	39,475	2,975
Other Purchased Professional Services	12,250		12,250	7,328	4,922
Communications/Telephone	95,000	6,068	101,068	91,710	9,358
Misc. Purchased Services (400-500 series)	158,455	(8,750)	149,705	102,848	46,857
General Supplies	3,784	(800)	2,984	2,185	799
BOE In-House Training/ Meeting Supplies	2,500	183	2,683	2,683	
Miscellaneous Expenditures	18,597	(1,345)	17,252	12,146	5,106
BOE Membership Dues and Fees	26,000	(83)	25,917	22,311	3,606
Total Support Services - General Administration	944,615	(9,437)	935,178	774,579	160,599

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	\$ 993,919	\$ 7,117	\$ 1,001,036	\$ 1,001,035	\$ 1
Salaries of Secretarial and Clerical Assistants	610,226	2,320	612,546	603,924	8,622
Purchased Professional and Technical Services	4,000		4,000	2,645	1,355
Other Purchased Services (400-500 series)	10,500	1,160	11,660	2,437	9,223
Supplies and Materials	40,240	(5,153)	35,087	28,157	6,930
Other Objects	25,020	(3,055)	21,965	15,236	6,729
Total Support Services - School Administration	<u>1,683,905</u>	<u>2,389</u>	<u>1,686,294</u>	<u>1,653,434</u>	<u>32,860</u>
Central Services:					
Salaries	597,509	220	597,729	577,628	20,101
Purchased Technical Services	39,650		39,650	37,121	2,529
Miscellaneous Purchased Services (400-500 series)	4,600	(220)	4,380	1,009	3,371
Supplies and Materials	15,286		15,286	5,285	10,001
Miscellaneous Expenditures	4,450		4,450	1,640	2,810
Total Central Services	<u>661,495</u>		<u>661,495</u>	<u>622,683</u>	<u>38,812</u>
Administration Information Technology:					
Salaries	482,655	(22,564)	460,091	460,064	27
Purchased Technical Services	90,660	(19,550)	71,110	71,097	13
Other Purchased Services (400-500 Series)	8,000	4,909	12,909	8,714	4,195
Supplies and Materials	194,136	(4,336)	189,800	176,118	13,682
Other Objects	1,030		1,030		1,030
Total Administration Information Technology	<u>776,481</u>	<u>(41,541)</u>	<u>734,940</u>	<u>715,993</u>	<u>18,947</u>
Required Maintenance of School Facilities:					
Salaries	449,159	(13,508)	435,651	426,119	9,532
Cleaning, Repair and Maintenance Services	328,091	1,105	329,196	225,897	103,299
General Supplies	292,615	(52,025)	240,590	196,105	44,485
Other Objects	1,000		1,000		1,000
Total Required Maintenance of School Facilities	<u>1,070,865</u>	<u>(64,428)</u>	<u>1,006,437</u>	<u>848,121</u>	<u>158,316</u>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Custodial Services:					
Salaries	\$ 1,390,502	\$ (19,168)	\$ 1,371,334	\$ 1,283,020	\$ 88,314
Purchased Professional and Technical Services	115,000	74,246	189,246	174,636	14,610
Cleaning, Repair and Maintenance Services	313,000	(37,450)	275,550	193,615	81,935
Rental of Land & Building Other than Lease Pur Agreement	I		I		I
Other Purchased Property Services	45,500		45,500	18,544	26,956
Insurance	220,000	7,517	227,517	222,017	5,500
Miscellaneous Purchased Services	2,500		2,500	1,445	1,055
General Supplies	115,672	23,858	139,530	138,196	1,334
Energy (Electricity)	402,000	(3,000)	399,000	291,613	107,387
Energy (Natural Gas)	278,000		278,000	212,784	65,216
Energy (Oil)	113,000	16,192	129,192	66,340	62,852
Total Custodial Services	2,995,175	62,195	3,057,370	2,602,210	455,160
Care and Upkeep of Grounds:					
General Supplies	30,000	(12,000)	18,000	2,356	15,644
Total Care and Upkeep of Grounds	30,000	(12,000)	18,000	2,356	15,644
Security:					
Salaries	306,892		306,892	298,626	8,266
General Supplies	20,940		20,940	17,990	2,950
Total Security	327,832		327,832	316,616	11,216
Student Transportation Services:					
Salary for Pupil Transportation (Between Home & School) - Regular	1,079,241	12,789	1,092,030	1,068,633	23,397
Salary for Pupil Transportation (Between Home & School) - Special Ed	304,280	12,439	316,719	313,440	3,279
Salary for Pupil Transportation (Other than Between Home & School)	35,827		35,827	34,732	1,095
Salary for Pupil Transportation (Between Home & School) - Nonpublic	56,000	(25,228)	30,772	11,497	19,275
Cleaning, Repair and Maintenance Services	45,000	6,150	51,150	25,887	25,263

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Student Transportation Services: (Cont'd)					
Lease Purchase Payments - School Buses	\$ 444,709		\$ 444,709	\$ 243,349	\$ 201,360
Contracted Services:					
Aid in Lieu Payments - Nonpublic School	90,000	\$ (5,000)	85,000	51,774	33,226
Special Ed Students - ECSs & CTAs	253,000	(10,200)	242,800	41,142	201,658
Miscellaneous Purchased Services - Transportation	47,000	(7,517)	39,483	32,365	7,118
General Supplies	9,000	4,200	13,200	6,607	6,593
Transportation Supplies	264,000	850	264,850	205,276	59,574
Other Objects	3,000	2,500	5,500	4,848	652
Total Student Transportation Services	2,631,057	(9,017)	2,622,040	2,039,550	582,490
Unallocated Benefits:					
Group Insurance	30,000		30,000	1,364	28,636
Social Security Contributions	787,500		787,500	745,770	41,730
Other Retirement Contributions - PERS	791,100		791,100	748,104	42,996
Other Retirement Contributions - Regular	92,000	23,287	115,287	114,627	660
Unemployment Compensation	52,008		52,008	52,008	
Workmen's Compensation	378,800		378,800	320,811	57,989
Health Benefits	9,637,300	(430,907)	9,206,393	7,364,854	1,841,539
Tuition Reimbursement	145,780		145,780	96,038	49,742
Other Employee Benefits	389,450		389,450	360,872	28,578
Total Unallocated Benefits	12,303,938	(407,620)	11,896,318	9,804,448	2,091,870
On-Behalf Contributions:					
TPAF Pension Contributions (On-Behalf - Non-Budgeted)				5,500,673	(5,500,673)
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)				104,658	(104,658)
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)				3,066	(3,066)
TPAF Post Retirement Medical Benefits (On-Behalf - Non-Budgeted)				1,756,623	(1,756,623)
Reimbursed Social Security Contributions (Reimbursed - Non-Budgeted)				1,594,748	(1,594,748)
Total On-behalf and Reimbursed TPAF Contributions				8,959,768	(8,959,768)

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Total Undistributed Expenses	\$ 32,501,244	\$ (514,112)	\$ 31,987,132	\$ 36,633,061	\$ (4,645,929)
TOTAL GENERAL CURRENT EXPENSE	52,909,822	(401,675)	52,508,147	56,457,095	(3,948,948)
CAPITAL OUTLAY:					
Equipment:					
Grades 6-8	11,267	36,954	48,221	11,267	36,954
Undistributed Expenditures:					
Administration Information Technology	123,376	185,479	308,855	113,682	195,173
Custodial Services	67,286	103,261	170,547	128,666	41,881
Required Maintenance for School Facilities	10,000		10,000	4,300	5,700
Non-Instructional Services	50,000	5,100	55,100	7,000	48,100
Total Equipment	261,929	330,794	592,723	264,915	327,808
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	1,975,000	315,320	315,320	237,230	78,090
Construction Services	1,830		1,975,000	1,585,325	389,675
Assessment for Debt Service on SDA Funding	1,976,830	315,320	1,830	1,830	
Total Facilities Acquisition and Construction Services	2,238,759	646,114	2,292,150	1,824,385	467,765
TOTAL CAPITAL OUTLAY	2,238,759	646,114	2,884,873	2,089,300	795,573
Transfer of Funds to Charter Schools	30,064	32,465	62,529	62,529	
TOTAL EXPENDITURES	55,178,645	276,904	55,455,549	58,608,924	(3,153,375)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,819,821)	(346,320)	(4,166,141)	2,779,567	6,945,708
Other Financing Sources:					
Capital Reserve - Transfer from Capital Projects Fund				106,949	106,949
Total Other Financing Sources				106,949	106,949

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess/(Deficiency) of Revenues and Other Financing Sources					
Over/(Under) Expenditures	\$ (3,819,821)	\$ (346,320)	\$ (4,166,141)	\$ 2,886,516	\$ 7,052,657
Fund Balance, July 1 (Restated)	16,065,115		16,065,115	16,065,115	
Fund Balance, June 30	<u>\$ 12,245,294</u>	<u>\$ (346,320)</u>	<u>\$ 11,898,974</u>	<u>\$ 18,951,631</u>	<u>\$ 7,052,657</u>
<u>Recapitulation:</u>					
Restricted:					
Excess Surplus for 2022-2023				\$ 1,800,000	
Excess Surplus for 2021-2022				2,013,463	
Capital Reserve				10,463,977	
Emergency Reserve				50,000	
Unemployment Compensation				510,338	
Maintenance Reserve				200,000	
Assigned:					
Year-End Encumbrances				760,665	
Designated for Subsequent Year's Expenditures				620	
Unassigned				3,152,568	
				<u>18,951,631</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payments not Recognized on GAAP Basis				(305,059)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 18,646,572</u>	

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		\$ 69,740	\$ 69,740	\$ 67,740	\$ (2,000)
State Sources		5,086	5,086	3,890	(1,196)
Federal Sources	\$ 591,067	489,402	1,080,469	970,324	(110,145)
Total Revenues	<u>591,067</u>	<u>564,228</u>	<u>1,155,295</u>	<u>1,041,954</u>	<u>(113,341)</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	68,471	44,868	113,339	69,710	43,629
Tuition	461,934	156,764	618,698	618,698	
Purchased Professional and Technical Services		4,424	4,424	3,123	1,301
General Supplies	28,978	200,668	229,646	192,470	37,176
Textbooks		259	259	259	
Total Instruction	<u>559,383</u>	<u>406,983</u>	<u>966,366</u>	<u>884,260</u>	<u>82,106</u>
Support Services:					
Salaries of Other Professional Staff		700	700		700
Personal Services - Employee Benefits		7,399	7,399	3,998	3,401
Purchased Professional - Educational Services	31,684	17,205	48,889	35,013	13,876
Other Purchased Professional Services		13,007	13,007	1,994	11,013
Supplies and Materials		76,594	76,594	74,349	2,245
Student Activities		44,988	44,988	44,988	
Total Support Services	<u>31,684</u>	<u>159,893</u>	<u>191,577</u>	<u>160,342</u>	<u>31,235</u>
Total Expenditures	<u>\$ 591,067</u>	<u>\$ 566,876</u>	<u>\$ 1,157,943</u>	<u>\$ 1,044,602</u>	<u>\$ 113,341</u>
Deficit) of Revenue Under Expenditures	<u>\$ -0-</u>	<u>\$ (2,648)</u>	<u>\$ (2,648)</u>	<u>\$ (2,648)</u>	<u>\$ -0-</u>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 61,388,491	\$ 1,041,954
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue While the GAAP Basis Does Not:		
Prior Year Encumbrances		81,788
Cancellation of Prior Year Encumbrances		(1,727)
Current Year Encumbrances		(4,759)
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	297,657	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(305,059)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 61,381,089</u>	<u>\$ 1,117,256</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 58,608,924	\$ 1,044,602
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:		
Prior Year Encumbrances		81,788
Cancellation of Prior Year Encumbrances		(1,727)
Current Year Encumbrances		<u>(4,759)</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 58,608,924</u>	<u>\$ 1,119,904</u>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budget for the fiscal year ending June 30, 2021, was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

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

SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)

SPECIAL REVENUE FUND

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Coronavirus Relief Fund	CARES Emergency Relief	I.D.E.A., Part B Basic	Preschool	Digital Divide Grant
REVENUE:					
Local Sources					
State Sources					
Federal Sources	\$ 93,800	\$ 6	\$ 586,046	\$ 32,652	\$ 119,929
Total Revenue	<u>93,800</u>	<u>6</u>	<u>586,046</u>	<u>32,652</u>	<u>119,929</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers					
Tuition			586,046	32,652	
Purchased Professional and Technical Services					
General Supplies	54,084	6			119,929
Textbooks					
Total Instruction	<u>54,084</u>	<u>6</u>	<u>586,046</u>	<u>32,652</u>	<u>119,929</u>
Support Services:					
Personal Services - Employee Benefits					
Purchased Professional - Educational Services					
Other Purchased Professional Services					
Supplies and Materials	39,716				
Student Activities					
Total Support Services	<u>39,716</u>				
Total Expenditures	<u>\$ 93,800</u>	<u>\$ 6</u>	<u>\$ 586,046</u>	<u>\$ 32,652</u>	<u>\$ 119,929</u>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Elementary and Secondary Education Act			
	Title I	Title I - SIA	Title IIA	Title III
			Carryover Title IIA	Title III
			Title IIA	Title IV
REVENUE:				
Local Sources				
State Sources				
Federal Sources	\$ 57,867	\$ 10,234	\$ 26,371	\$ 4,041
				\$ 16,411
Total Revenue	57,867	10,234	26,371	16,411
				5,522
EXPENDITURES:				
Instruction:				
Salaries of Teachers	46,323	5,198		744
Tuition				
Purchased Professional and Technical Services				
General Supplies	8,000		337	288
Textbooks				9,408
Total Instruction	54,323	5,198	337	10,152
Support Services:				
Personal Services - Employee Benefits	3,544	397		57
Purchased Professional - Educational Services		4,639	25,092	3,692
Other Purchased Professional Services			942	61
Supplies and Materials				4,208
Student Activities				4,022
Total Support Services	3,544	5,036	26,034	6,259
Total Expenditures	\$ 57,867	\$ 10,234	\$ 26,371	\$ 16,411
			\$ 4,041	\$ 5,522

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Nonpublic Textbook	Nonpublic Nursing	Nonpublic Handicapped Speech Correction	Exam and Classification
REVENUE:				
Local Sources				
State Sources	\$ 259	\$ 508	\$ 1,823	\$ 1,300
Federal Sources				
Total Revenue	259	508	1,823	1,300
EXPENDITURES:				
Instruction:				
Salaries of Teachers				
Tuition				
Purchased Professional and Technical Services			1,823	1,300
General Supplies		418		
Textbooks	259			
Total Instruction	259	418	1,823	1,300
Support Services:				
Personal Services - Employee Benefits				
Purchased Professional - Educational Services		90		
Other Purchased Professional Services				
Supplies and Materials				
Student Activities				
Total Support Services		90		
Total Expenditures	\$ 259	\$ 508	\$ 1,823	\$ 1,300

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	CRRSA ESSER II	Local Donations	Student Activities	Total
REVENUE:				
Local Sources		\$ 25,400	\$ 42,340	\$ 67,740
State Sources				3,890
Federal Sources	\$ 17,445			970,324
Total Revenue	<u>17,445</u>	<u>25,400</u>	<u>42,340</u>	<u>1,041,954</u>
EXPENDITURES:				
Instruction:				
Salaries of Teachers	17,445			69,710
Tuition				618,698
Purchased Professional and Technical Services				3,123
General Supplies				192,470
Textbooks				259
Total Instruction	<u>17,445</u>			<u>884,260</u>
Support Services:				
Personal Services - Employee Benefits				3,998
Purchased Professional - Educational Services				35,013
Other Purchased Professional Services				1,994
Supplies and Materials		25,400		74,349
Student Activities			44,988	44,988
Total Support Services		<u>25,400</u>	<u>44,988</u>	<u>160,342</u>
Total Expenditures	<u>\$ 17,445</u>	<u>\$ 25,400</u>	<u>\$ 44,988</u>	<u>\$ 1,044,602</u>

CAPITAL PROJECTS FUND

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Expenditures and Other Financing Uses:	
Purchased Professional and Technical Services	\$ 21,732
Transfer to General Fund:	
Return of Unexpended Fund to Capital Reserve	<u>106,949</u>
Total Expenditures and Other Financing Uses	<u>128,681</u>
Deficit of Revenue and Other Financing Sources Under Expenditures and Other Financing Uses	(128,681)
Fund Balance - Beginning of Year	<u>136,256</u>
Fund Balance - End of Year	<u><u>\$ 7,575</u></u>
<u>Recapitulation:</u>	
Committed - Year End Encumbrances	<u>\$ 7,575</u>
Total Fund Balance - Budgetary/GAAP Basis	<u><u>\$ 7,575</u></u>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
STONY BROOK SCHOOL - HVAC UPGRADE
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	<u>\$ 1,697,000</u>	<u>\$ (26,056)</u>	<u>\$ 1,670,944</u>	<u>\$ 1,670,944</u>
Revenue and Other Financing Sources	<u>1,697,000</u>	<u>(26,056)</u>	<u>1,670,944</u>	<u>1,670,944</u>
Expenditures:				
Construction Services	<u>1,670,944</u>	<u></u>	<u>1,670,944</u>	<u>1,670,944</u>
Total Expenditures	<u>1,670,944</u>	<u></u>	<u>1,670,944</u>	<u>1,670,944</u>
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 26,056</u>	<u>\$ (26,056)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Additional Project Information:

Project Numbers	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bo Date	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,697,000
Cancellation	<u>(26,056)</u>
Revised Authorized Cost	<u>\$ 1,670,944</u>

Percentage Increase over Original Authorized Cost	0%
Percentage Completion	100%
Original Target Completion Date	10/18
Revised Target Completion Date	06/19

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
STONY BROOK SCHOOL - WINDOW REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Prior Periods	Current Year	Totals	Revised Project Authorization
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	\$ 997,000	\$ (64,987)	\$ 932,013	\$ 932,013
Revenue and Other Financing Sources	997,000	(64,987)	932,013	932,013
Expenditures:				
Construction Services	932,013		932,013	932,013
Total Expenditures	932,013		932,013	932,013
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ 64,987	\$ (64,987)	\$ -0-	\$ -0-

Additional Project Information:

Project Numbers	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bo Date	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 997,000
Cancellation	(64,987)
Revised Authorized Cost	\$ 932,013

Percentage Increase/Decrease over Original Authorized Cost	-7%
Percentage Completion	100%
Original Target Completion Date	06/19
Revised Target Completion Date	06/20

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
DENNIS O'BRIEN SCHOOL - SURVEY, DESIGN AND BID PREP - PARKING LOT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	\$ 97,700	\$ (15,156)	\$ 82,544	\$ 82,544
Revenue and Other Financing Sources	<u>97,700</u>	<u>(15,156)</u>	<u>82,544</u>	<u>82,544</u>
Expenditures:				
Purchased Professional and Technical Services	78,492	4,052	82,544	82,544
Total Expenditures	<u>78,492</u>	<u>4,052</u>	<u>82,544</u>	<u>82,544</u>
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 19,208</u>	<u>\$ (19,208)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
 <u>Additional Project Information:</u>				
Project Numbers	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bo Date	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 97,700			
Cancellation	<u>(15,156)</u>			
Revised Authorized Cost	<u>\$ 82,544</u>			
Percentage Increase over Original Authorized Cost	-16%			
Percentage Completion	100%			
Original Target Completion Date	09/20			
Revised Target Completion Date	09/20			

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
STONY BROOK SCHOOL - SURVEY, DESIGN AND BID PREP - PARKING LOT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	\$ 71,300	\$ (750)	\$ 70,550	\$ 70,550
Revenue and Other Financing Sources	<u>71,300</u>	<u>(750)</u>	<u>70,550</u>	<u>70,550</u>
Expenditures:				
Purchased Professional and Technical Services	65,510	5,040	70,550	70,550
Total Expenditures	<u>65,510</u>	<u>5,040</u>	<u>70,550</u>	<u>70,550</u>
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 5,790</u>	<u>\$ (5,790)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
<u>Additional Project Information:</u>				
Project Numbers	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bo Date	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 71,300			
Cancellation	(750)			
Revised Authorized Cost	<u>\$ 70,550</u>			
Percentage Increase over Original Authorized Cost	0%			
Percentage Completion	100%			
Original Target Completion Date	09/20			
Revised Target Completion Date	09/20			

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
KATHERINE D. MALONE SCHOOL - WATER TREATMENT SYSTEM
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	\$ 93,795		\$ 93,795	\$ 93,795
Revenue and Other Financing Sources	<u>93,795</u>		<u>93,795</u>	<u>93,795</u>
Expenditures:				
Purchased Professional and Technical Services	73,580	\$ 12,640	86,220	93,795
Total Expenditures	<u>73,580</u>	<u>12,640</u>	<u>86,220</u>	<u>93,795</u>
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 20,215</u>	<u>\$ (12,640)</u>	<u>\$ 7,575</u>	<u>\$ -0-</u>
 <u>Additional Project Information:</u>				
Project Numbers	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bo Date	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 93,795			
Additional Authorized Cost	\$ -0-			
Revised Authorized Cost	<u>\$ 93,795</u>			
Percentage Increase over Original Authorized Cost	0%			
Percentage Completion	92%			
Original Target Completion Date	09/20			
Revised Target Completion Date	10/21			

PROPRIETARY FUNDS

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2021

	<u>Major Fund</u>	<u>Non-Major Funds</u>		<u>Totals</u>
	<u>Food Service</u>	<u>Summer Enrichment</u>	<u>After School</u>	
ASSETS:				
Current Assets:				
Cash and Cash Equivalents	\$ 90,453	\$ 26,553	15,470	\$ 132,476
Intergovernmental Accounts Receivable:				
State	4,293			4,293
Federal	47,197			47,197
Other Accounts Receivable	603			603
Inventories	10,395			10,395
Total Current Assets	<u>152,941</u>	<u>26,553</u>	<u>15,470</u>	<u>194,964</u>
Non-Current Assets:				
Capital Assets	593,948			593,948
Less: Accumulated Depreciation	(439,988)			(439,988)
Total Non-Current Assets	<u>153,960</u>			<u>153,960</u>
Total Assets	<u>306,901</u>	<u>26,553</u>	<u>15,470</u>	<u>348,924</u>
LIABILITIES:				
Current Liabilities:				
Accounts Payable	37,069			37,069
Unearned Revenue - Prepaid Sales	34,651	27,000		61,651
Unearned Revenue - Donated Commodities	6,371			6,371
Total Liabilities	<u>78,091</u>	<u>27,000</u>		<u>105,091</u>
NET POSITION:				
Investment in Capital Assets	153,960			153,960
Unrestricted/(Deficit)	74,850	(447)	15,470	89,873
Total Net Position/(Deficit)	<u>\$ 228,810</u>	<u>\$ (447)</u>	<u>\$ 15,470</u>	<u>\$ 243,833</u>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Major Fund	Non-Major Funds		Totals
	Food Service	Summer Enrichment	After School	
Operating Revenue:				
Daily Sales:				
Reimbursable Programs	\$ 3,409			\$ 3,409
Charges for Services - Program Fees		\$ 13,108		13,108
Miscellaneous Revenue			58	58
Total Operating Revenue	3,409	13,108	58	16,575
Operating Expenses:				
Cost of Sales:				
Reimbursable Programs	90,793			90,793
Salaries	188,393	15,916	600	204,909
Employee Benefits	54,608			54,608
Other Purchased Services	12,125			12,125
Supplies and Materials	17,801		34	17,835
Miscellaneous Expenditures	54,093		2,471	56,564
Depreciation Expense	19,672			19,672
Total Operating Expenses	437,485	15,916	3,105	456,506
Operating Loss	(434,076)	(2,808)	(3,047)	(439,931)
Non-Operating Revenue:				
Interest Income	53	1		54
State Sources:				
COVID-19 - Seamless Summer Option	14,703			14,703
Federal Sources:				
COVID-19 - Seamless Summer Option	240,420			240,420
Food Distribution Program	32,080			32,080
Total Non-Operating Revenue	287,256	1		287,257
Change in Net Position Before Other Items	(146,820)	(2,807)	(3,047)	(152,674)
Other Items:				
Cancellation of Prior Year Accounts Receivable	(2,061)			(2,061)
Total Other Items	(2,061)			(2,061)
Change in Net Position	(148,881)	(2,807)	(3,047)	(154,735)
Net Position - Beginning of Year (Restated)	377,691	2,360	18,517	398,568
Net Position/(Deficit) - End of Year	\$ 228,810	\$ (447)	\$ 15,470	\$ 243,833

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Major Fund	Non-Major Funds		Totals
	Food Service	Summer Enrichment	After School	
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 3,284	\$ 30,908	\$ 58	\$ 34,250
Payments to Food Service Company	(320,978)			(320,978)
Payments to/for Employees		(15,916)	(600)	(16,516)
Payments to Suppliers	(19,886)		(2,505)	(22,391)
Net Cash Provided by/(Used for) Operating Activities	(337,580)	14,992	(3,047)	(325,635)
Cash Flows from Financing Activities:				
Interest Income	53	1		54
Net Cash Provided by Financing Activities	53	1		54
Cash Flows from Capital and Related Financing Activities:				
Purchase of Capital Assets	(10,718)			(10,718)
Net Cash Used for Capital and Related Financing Activities	(10,718)			(10,718)
Cash Flows by Noncapital Financing Activities:				
State Sources	12,504			12,504
Federal Sources	200,580			200,580
Net Cash Provided by Noncapital Financing Activities	213,084			213,084
Net Increase/(Decrease) in Cash and Cash Equivalents	(135,161)	14,993	(3,047)	(123,215)
Cash and Cash Equivalents, July 1	225,614	11,560	18,517	255,691
Cash and Cash Equivalents, June 30	\$ 90,453	\$ 26,553	\$ 15,470	\$ 132,476
Reconciliation of Operating Loss to				
Net Cash Provided/(Used) by Operating Activities:				
Operating Loss	\$ (434,076)	\$ (2,808)	\$ (3,047)	\$ (439,931)
Depreciation	19,672			19,672
Food Distribution Program	32,080			32,080
Changes in Assets and Liabilities:				
(Increase) in Other Accounts Receivable	(603)			(603)
Increase in Accounts Payable	23,084			23,084
Increase in Unearned Revenue - Donated Commodities	5,158			5,158
Increase in Unearned Revenue - Prepaid Sales	22,635	17,800		40,435
(Increase) in Inventory	(5,530)			(5,530)
Net Cash Provided/(Used) by Operating Activities	\$ (337,580)	\$ 14,992	\$ (3,047)	\$ (325,635)

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$37,238 and utilized U.S.D.A. Commodities valued at \$32,080.

LONG-TERM DEBT

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
GENERAL LONG-TERM DEBT ACCOUNT GROUP
STATEMENT OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Purpose	Date of Issue	Original Issue	Maturities of Bonds				Interest Rate	Balance July 1, 2020	Retired or Matured	Balance June 30, 2021
			Outstanding		Amount					
			Date	June 30, 2021						
Refunding School Bonds	06/15/16	\$ 4,395,000	09/01/21	\$ 515,000	4,000%	\$ 2,690,000	\$ 500,000	\$ 2,190,000		
			09/01/22	535,000	4,000%					
			09/01/23	560,000	4,000%					
			09/01/24	580,000	4,000%					
						\$ 2,690,000	\$ 500,000	\$ 2,190,000		
						\$ 2,690,000	\$ 500,000	\$ 2,190,000		

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

<u>Purpose</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>(Restated) Balance June 30, 2020</u>	<u>Matured</u>	<u>Balance June 30, 2021</u>
2017 Bus Leases #27	2.10%	\$ 161,841	\$ 33,034	\$ 33,034	
2018 Bus Leases #28	2.10%	244,792	49,965	49,965	
2018 Bus Leases #29	3.26%	371,505	222,750	71,880	\$ 150,870
2018 Bus Leases #30	1.74%	388,814	308,352	75,110	233,242
			<u>\$ 614,101</u>	<u>\$ 229,989</u>	<u>\$ 384,112</u>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 449,140		\$ 449,140	\$ 449,140	
State Sources:					
Debt Service Aid Type II	145,960		145,960	145,960	
Total Revenue	595,100		595,100	595,100	
EXPENDITURES:					
Regular Debt Service:					
Interest	95,100		95,100	95,100	
Redemption of Principal	500,000		500,000	500,000	
Total Regular Debt Service	595,100		595,100	595,100	
Total Expenditures	595,100		595,100	595,100	
Deficit of Revenue Under Expenditures					
Fund Balance, July 1	-0-		-0-	-0-	
Fund Balance, June 30	-0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
<u>Recapitulation:</u>					
Restricted			\$ -0-	\$ -0-	\$ -0-

STATISTICAL SECTION
(Unaudited)

This part of the School'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 School's overall financial health.

Contents

	<u>Exhibit</u>
Financial Trends These schedules contain trend information to help the reader understand how the School'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 School'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 School's current levels of outstanding debt and the School'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 School'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 School's operations and resources to help the reader understand how the School's financial information relates to the services the School 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.

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

	June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	(Restated)									
Governmental Activities:										
Net Investment in Capital Assets	\$ 12,834,344	\$ 13,981,031	\$ 14,482,456	\$ 15,244,110	\$ 18,497,801	\$ 20,449,774	\$ 22,198,337	\$ 23,821,521	\$ 21,781,704	\$ 22,550,008
Restricted	3,998,991	6,498,698	6,463,521	6,953,662	6,105,971	6,179,985	7,784,820	7,242,879	13,997,834	15,134,147
Unrestricted/(Deficit)	128,593	11,903	(14,086,870)	(13,744,513)	(13,863,773)	(15,085,047)	(16,357,648)	(14,648,216)	(16,610,985)	(13,793,071)
Total Governmental Activities Net Position	\$ 16,961,928	\$ 20,491,632	\$ 6,859,107	\$ 8,453,259	\$ 10,739,999	\$ 11,544,712	\$ 13,625,509	\$ 16,416,184	\$ 19,168,553	\$ 23,891,084
Business-Type Activities:										
Investment in Capital Assets	\$ 168,857	\$ 167,865	\$ 159,690	\$ 113,012	\$ 88,777	\$ 172,442	\$ 189,907	\$ 193,810	\$ 162,914	\$ 153,960
Unrestricted	145,174	154,782	201,363	254,490	278,159	175,297	139,047	208,507	235,654	89,873
Total Business-Type Activities Net Position	\$ 314,031	\$ 322,647	\$ 361,053	\$ 367,502	\$ 366,936	\$ 347,739	\$ 328,954	\$ 402,317	\$ 398,568	\$ 243,833
District-Wide:										
Net Investment in Capital Assets	\$ 13,003,201	\$ 14,148,896	\$ 14,642,146	\$ 15,357,122	\$ 18,586,578	\$ 20,622,216	\$ 22,388,244	\$ 24,015,331	\$ 21,944,618	\$ 22,703,968
Restricted	3,998,991	6,498,698	6,463,521	6,953,662	6,105,971	6,179,985	7,784,820	7,242,879	13,997,834	15,134,147
Unrestricted/(Deficit)	273,767	166,685	(13,885,507)	(13,490,023)	(13,585,614)	(14,909,750)	(16,218,601)	(14,439,709)	(16,375,331)	(13,703,198)
Total District Net Position	\$ 17,275,959	\$ 20,814,279	\$ 7,220,160	\$ 8,820,761	\$ 11,106,935	\$ 11,892,451	\$ 13,954,463	\$ 16,818,501	\$ 19,567,121	\$ 24,134,917

Source: School District Financial Reports

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

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 15,706,828	\$ 15,507,225	\$ 16,548,211	\$ 19,361,831	\$ 21,316,919	\$ 23,382,377	\$ 25,479,101	\$ 23,626,534	\$ 22,141,798	\$ 23,859,339
Special Education	7,304,807	7,567,684	8,718,761	9,978,559	10,011,955	10,938,722	10,741,972	10,162,898	10,296,399	9,484,796
Other Special Education	796,421	1,026,511	1,031,408	1,404,875	1,429,835	1,655,602	1,253,641	1,359,576	1,271,535	1,619,775
Other Instruction	42,632	54,948	62,639	49,756	56,636	60,424	58,401	84,366	60,740	18,891
Support Services:										
Tuition	1,292,990	1,574,261								556,136
Student and Instruction Related Services	6,825,097	8,422,006	8,672,303	10,542,966	11,314,387	12,757,414	13,342,823	12,542,617	12,113,719	11,958,283
General Administrative Services	1,073,342	992,814	953,174	926,012	1,569,870	2,187,221	1,381,039	863,585	1,004,091	959,915
School Administrative Services	2,463,890	2,585,976	2,613,408	2,653,402	2,774,543	2,576,655	3,281,178	2,939,687	2,552,159	2,988,271
Central Services	1,306,413	1,248,256	1,415,556	1,561,424	1,589,267	1,611,967	1,979,375	1,930,793	1,854,635	824,932
Administrative Information Technology										833,523
Plant Operations and Maintenance	4,369,599	4,254,749	4,874,723	4,573,632	4,484,489	4,515,865	4,899,077	4,734,878	4,551,701	4,559,895
Pupil Transportation	3,056,000	2,951,734	3,238,690	3,156,987	2,549,796	3,182,434	3,094,941	2,983,144	2,859,583	2,571,338
Capital Outlay	1,333	1,830							85,963	1,830
Charter Schools										62,529
Interest on Long-Term Debt	271,222	256,702	305,575	262,028	188,673	86,439	99,056	97,422		132,684
Unallocated Depreciation	623,534	655,345								
Total Governmental Activities Expenses	45,134,108	47,100,041	48,434,448	54,471,472	57,286,370	62,955,120	65,610,604	61,325,500	58,792,323	60,432,137
Business-Type Activities:										
Proprietary Funds	804,046	751,708	720,211	784,622	852,381	863,879	853,901	801,917	719,296	456,506
Total Business-Type Activities Expense	804,046	751,708	720,211	784,622	852,381	863,879	853,901	801,917	719,296	456,506
Total District Expenses	\$ 45,938,154	\$ 47,851,749	\$ 49,154,659	\$ 55,256,094	\$ 58,138,751	\$ 63,818,999	\$ 66,464,505	\$ 62,127,417	\$ 59,511,619	\$ 60,888,643
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Regular Instruction	\$ 13,719	\$ 20,323	\$ 136,697	\$ 283,766	\$ 247,926	\$ 235,004	\$ 170,800	\$ 134,642	\$ 138,506	\$ 22,080
Special Education										208,144
Student and Related Services										42,340
Pupil transportation	1,093	6,617	7,436	8,938	19,957	115,128	163,193	111,366	94,456	95,060
Operating Grants and Contributions	6,999,824	7,785,153	6,550,301	11,583,723	13,814,981	17,514,108	20,693,087	16,522,690	13,622,793	15,379,717
Capital Grants and Contributions			320,426	139,166	318,487	90,620	61,780			
Total Governmental Activities Program Revenues	7,014,636	7,812,093	7,014,860	12,015,593	14,401,351	17,954,860	21,088,860	16,768,698	13,855,755	15,747,341

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

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Program Revenues: (Cont'd)										
Business-Type Activities:										
Charges for Services:										
Proprietary Funds	\$ 639,838	\$ 548,724	\$ 533,003	\$ 576,520	\$ 620,070	\$ 613,464	\$ 619,496	\$ 659,070	\$ 520,376	\$ 16,575
Operating Grants and Contributions	218,978	211,564	225,416	214,343	231,450	230,893	214,902	212,509	207,651	287,203
Total Business-Type Activities Program Revenues	858,816	760,288	758,419	790,863	851,520	844,357	834,398	871,579	728,027	303,778
Total District Program Revenues	\$ 7,873,452	\$ 8,572,381	\$ 7,773,279	\$ 12,806,456	\$ 15,252,871	\$ 18,799,217	\$ 21,923,258	\$ 17,640,277	\$ 14,583,782	\$ 16,051,119
Net (Expense)/Revenue:										
Governmental Activities	\$ (38,119,472)	\$ (39,287,948)	\$ (41,419,588)	\$ (42,455,879)	\$ (42,885,019)	\$ (45,000,260)	\$ (44,521,744)	\$ (44,556,802)	\$ (44,936,568)	\$ (44,684,796)
Business-Type Activities	54,770	8,580	38,208	6,241	(861)	(19,522)	(19,503)	69,662	8,731	(152,728)
Total District-Wide Net Expense	\$ (38,064,702)	\$ (39,279,368)	\$ (41,381,380)	\$ (42,449,638)	\$ (42,885,880)	\$ (45,019,782)	\$ (44,541,247)	\$ (44,487,140)	\$ (44,927,837)	\$ (44,837,524)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 40,547,065	\$ 40,625,927	\$ 41,032,186	\$ 41,819,183	\$ 42,655,566	\$ 43,508,678	\$ 44,378,851	\$ 45,266,428	\$ 46,171,082	\$ 47,057,567
Taxes Levied for Debt Service	476,644	462,334	451,164	436,296	425,275	410,560	409,259	408,913	394,353	449,140
Federal and State Aid not Restricted	548,568	1,023,189	1,443,258	1,534,100	1,532,026	1,514,246	1,521,269	1,415,459	1,431,093	1,375,039
Investment Earnings			13,036	15,118	14,779	19,945	28,999	108,389	127,637	1,878
Miscellaneous Income	141,191	299,499	181,862	245,334	544,113	351,544	264,163	138,788	269,936	523,703
Other Item								9,500		
Cancellation of Prior Year Accounts Payable		406,703								
Total Governmental Activities	41,713,468	42,817,652	43,121,506	44,050,031	45,171,759	45,804,973	46,602,541	47,347,477	48,394,101	49,407,327
Business-Type Activities:										
Investment Earnings	120	36	198	208	295	325	718	3,701	3,561	54
Other Item										(2,061)
Total Business-Type Activities	120	36	198	208	295	325	718	3,701	3,561	(2,007)
Total District-Wide	\$ 41,713,588	\$ 42,817,688	\$ 43,121,704	\$ 44,050,239	\$ 45,172,054	\$ 45,805,298	\$ 46,603,259	\$ 47,351,178	\$ 48,397,662	\$ 49,405,320
Change in Net Position:										
Governmental Activities	\$ 3,593,996	\$ 3,529,704	\$ 1,701,918	\$ 1,594,152	\$ 2,286,740	\$ 804,713	\$ 2,080,797	\$ 2,790,675	\$ 3,457,533	\$ 4,722,531
Business-Type Activities	54,890	8,616	38,406	6,449	(566)	(19,197)	(18,785)	73,363	12,292	(154,735)
Total District	\$ 3,648,886	\$ 3,538,320	\$ 1,740,324	\$ 1,600,601	\$ 2,286,174	\$ 785,516	\$ 2,062,012	\$ 2,864,038	\$ 3,469,825	\$ 4,567,796

Source: School District Financial Reports

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

June 30,

	2012	2013	2014	2015	2016	2017	2018	2019	(Restated) 2020	2021
General Fund:										
Restricted	\$ 3,998,990	\$ 6,498,696	\$ 7,756,121	\$ 8,228,241	\$ 8,082,566	\$ 7,569,574	\$ 9,065,596	\$ 9,558,872	\$ 13,898,817	\$ 15,037,778
Committed								260,621		
Assigned	625,271	374,802	371,703	426,892	740,061	895,319	590,851	208,273	304,425	761,285
Unassigned	984,611	1,161,679	632,449	701,389	722,563	1,075,772	822,221	881,823	1,564,216	2,847,509
Total General Fund	\$ 5,608,872	\$ 8,035,177	\$ 8,760,273	\$ 9,356,522	\$ 9,545,190	\$ 9,540,665	\$ 10,478,668	\$ 10,909,589	\$ 15,767,458	\$ 18,646,572
All Other Governmental Funds:										
Restricted	\$ 1	\$ 2	\$ 350,135	\$ 890,337	\$ (57,547)	\$ 12,485	\$ 12,485	\$ 414,912	\$ 99,017	\$ 93,639
Committed						(12,047)	(67,963)		136,256	7,575
Total All Other Governmental Funds	\$ 1	\$ 2	\$ 350,135	\$ 890,337	\$ (57,547)	\$ 438	\$ (55,478)	\$ 414,912	\$ 235,273	\$ 101,214

Source: School District Financial Reports

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

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues:										
Tax Levy	\$ 41,023,709	\$ 41,088,261	\$ 41,483,350	\$ 42,255,479	\$ 43,080,841	\$ 43,919,238	\$ 44,788,110	\$ 45,675,341	\$ 46,565,435	\$ 47,506,707
Tuition Charges		20,323	136,697	283,766	247,926	235,004	170,800	134,642	138,506	230,224
Transportation Charges	1,093	6,617			19,957	115,128	163,193	111,366	94,456	95,060
Interest Earnings	3,824	6,910			14,779	19,945	28,999	27,982	54,885	1,878
Restricted Miscellaneous	151,086	306,739	211,234	278,078	544,813	352,544	265,163	229,545	352,757	208,477
Unrestricted Miscellaneous	6,365,013	7,143,746	7,285,607	7,771,691	8,551,420	8,978,550	9,908,871	10,704,704	11,177,286	398,207
State Sources	1,183,379	1,650,446	1,019,478	1,100,862	1,215,029	1,116,367	1,118,217	1,143,792	1,198,333	1,426,214
Federal Sources	48,728,104	50,223,042	50,136,366	51,689,876	53,674,765	54,736,776	56,443,353	58,052,507	59,581,658	63,093,445
Total Revenue										
	10,646,713	10,840,108	16,262,126	16,408,429	18,060,681	18,225,055	19,325,368	19,945,243	20,128,432	14,070,823
Expenditures:										
Instruction:										
Regular Instruction	4,832,609	5,036,368	8,549,832	8,673,915	8,495,107	8,735,396	8,286,774	8,792,746	9,509,795	5,760,358
Special Education Instruction	499,235	676,621	1,030,035	1,234,697	1,216,708	1,303,695	1,062,865	1,143,792	1,140,474	922,217
Other Special Instruction	29,208	37,211	62,639	49,756	56,636	60,424	58,401	78,125	63,238	14,957
Support Services:										
Tuition	1,292,990	1,574,261								556,136
Student and Instruction Related Services	5,234,638	5,674,523	8,499,295	9,150,415	9,713,965	10,242,989	10,344,363	10,777,478	10,984,722	7,912,750
General Administrative Services	901,539	777,304	940,996	888,640	975,003	972,930	1,001,049	1,080,254	950,642	774,579
School Administrative Services	1,731,068	1,827,098	2,593,748	2,382,139	2,456,579	2,431,507	2,564,803	2,592,502	2,384,837	1,653,434
Central Services	559,664	473,185	673,698	694,708	701,830	723,448	711,275	726,260	1,764,370	622,683
Administration Information Technology	487,830	518,436	711,255	789,960	818,296	785,801	1,030,597	1,058,773	4,573,382	715,993
Plant Operations and Maintenance	3,793,897	3,652,809	4,746,539	4,454,309	4,405,955	4,423,198	4,416,473	4,442,750	2,870,339	3,769,303
Pupil Transportation	2,756,846	2,499,334	2,966,024	3,072,896	2,525,340	2,813,261	2,790,194	2,784,399	2,870,339	2,039,550
Unallocated Benefits	11,658,391	13,029,120								18,764,216
Debt Service:										
Principal	375,000	370,000	1,207,480	1,329,355	1,522,320	1,053,347	940,019	949,845	843,420	500,000
Interest and Other Charges	256,543	242,581	292,937	264,445	316,113	120,451	152,221	133,888	124,380	95,100
Capital Outlay	1,345,817	1,353,896	943,215	1,702,389	4,567,703	3,198,447	2,876,864	3,016,646	1,468,714	2,111,032
Transfer of Funds to Charter Schools										
Total Expenditures	46,401,988	48,582,855	49,479,819	51,096,053	55,832,236	55,089,949	55,561,266	57,522,701	56,806,745	60,345,660
Excess (Deficiency) of revenues over (under) expenditures	2,326,116	1,640,187	656,547	593,823	(2,157,471)	(353,173)	882,087	529,806	2,774,913	2,747,785

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

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Other Financing sources (uses)										
Capital Leases	\$ 40,535	\$ 379,419	\$ 418,682	\$ 542,628	\$ 1,301,653	\$ 406,633	\$	\$ 371,505	\$ 764,827	
Bond Premium					414,244					
Prior Year Accounts Payable Escrow		406,703			(4,712,642)					
Payment to Escrow Agent					4,395,000					
Serial Bonds Debt Issued					1,398,255					
Total other financing sources (uses)	40,535	786,122	418,682	542,628	1,398,255	406,633		371,505	764,827	
Net Change in Fund Balances	\$ 2,366,651	\$ 2,426,309	\$ 1,075,229	\$ 1,136,451	\$ (759,216)	\$ 53,460	\$ 882,087	\$ 901,311	\$ 3,539,740	\$ 2,747,785
Debt Service as a Percentage of Noncapital Expenditures	1.40 %	1.30 %	3.09 %	3.23 %	3.59 %	2.26 %	2.07 %	1.99 %	1.75 %	1.02 %

Source: School District Financial Reports

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

<u>Fiscal Year</u>	<u>Tuition</u>	<u>Transportation</u>	<u>Interest on Investments</u>	<u>Rental Income</u>	<u>Prior Year Refunds</u>	<u>Sale of SREC</u>	<u>Miscellaneous</u>	<u>Total</u>
2012	\$ 13,719	\$ 12,853	\$ 10,076	\$ 1,093.00	\$ -0-	\$ -0-	\$ 118,262	\$ 156,003
2013	20,323	15,755	6,617	11,219	-0-	-0-	272,525	326,439
2014	136,697	13,036	7,436	6,277	-0-	-0-	175,585	339,031
2015	283,766	15,118	8,938	5,405	153,715	-0-	86,216	553,158
2016	247,926	20,846	19,957	7,151	259,679	168,583	102,633	826,775
2017	235,004	19,945	115,128	13,305	129,766	1,937	194,234	709,319
2018	170,800	28,999	151,346	10,695	93,381	25,677	146,257	627,155
2019	134,642	108,389	111,366	18,100	96,600	3,907	3,262	476,266
2020	138,506	127,637	94,456	47,002	-0-	79,778	143,156	630,535
2021	230,224	95,060	5,577	55,498	88,597	184,980	190,929	850,865

Source: School District records

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

Year Ended June 30,	Vacant Land	Residential	Farm Regular	Qualified Farm	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	School Tax Rate ^b	Estimated Actual (County Equalized Value)
2011	\$ 50,187,300	\$ 2,139,483,600	\$ 4,521,300	\$ 163,900	\$ 438,240,100	\$ 152,791,900	\$ 40,581,500	\$ 2,825,969,600	\$ 945,641,300	\$ 3,973,869	\$ 2,829,943,469	\$ 2.334	\$ 4,229,138,313
2012	69,770,400	2,675,416,500	5,970,500	211,200	578,990,200	211,423,800	59,954,100	3,601,736,700	405,150,100	-0-	3,601,736,700	1.830	4,201,426,235
2013	* 65,419,000	2,683,763,200	5,920,500	202,000	576,745,300	209,387,900	59,954,100	3,601,392,000	407,837,100	-0-	3,601,392,000	1.844	3,935,116,405
2014	65,434,200	2,657,539,800	7,859,700	203,900	570,208,400	207,773,700	59,954,100	3,568,973,800	408,552,300	-0-	3,568,973,800	1.891	3,801,875,651
2015	60,924,200	2,657,056,500	7,855,000	204,100	564,369,300	206,651,600	58,654,300	3,555,715,000	409,409,900	-0-	3,555,715,000	1.934	3,829,398,626
2016	58,034,200	2,679,043,700	8,587,100	204,600	568,030,800	206,419,700	58,934,000	3,579,254,100	409,692,400	-0-	3,579,254,100	1.935	3,579,254,100
2017	55,226,400	2,696,621,000	8,587,100	185,500	568,456,100	205,161,400	58,846,400	3,593,083,900	413,450,900	-0-	3,593,083,900	1.962	3,593,083,900
2018	51,299,000	2,941,003,400	8,344,600	179,300	644,944,100	232,616,800	78,241,900	3,956,629,100	461,558,200	-0-	3,956,629,100	1.847	3,956,629,100
2019	46,732,900	3,000,131,300	8,253,800	187,900	662,902,000	245,525,000	123,177,900	4,086,910,800	514,871,900	-0-	4,086,910,800	1.839	4,212,185,628
2020	45,260,500	3,084,985,700	9,222,700	187,100	668,025,900	252,671,300	141,757,200	4,202,110,400	393,482,400	-0-	4,202,110,400	1.831	4,524,860,678

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

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

^b Tax rates are per \$100

* Revaluation Year

Source: Municipal Tax Assessor

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

Year Ended December 31,	Rockaway Township School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Township of Rockaway	Morris County	
2011	\$ 2.307	\$ 0.027	\$ 2.334	\$ 0.909	\$ 0.352	\$ 3.595
2012	1.809	0.021	1.830	0.763	0.285	2.878
2013	1.824	0.020	1.844	0.797	0.270	2.911
2014	1.871	0.020	1.891	0.840	0.272	3.003
2015	1.915	0.019	1.934	0.857	0.269	3.060
2016	1.917	0.018	1.935	0.872	0.274	3.081
2017	1.944	0.018	1.962	0.873	0.287	3.122
2018	1.830	0.017	1.847	0.773	0.278	2.898
2019	1.823	0.016	1.839	0.748	0.265	2.852
2020	1.814	0.017	1.831	0.730	0.280	2.841

* Revaluation of Real Property.

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

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

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

Source: Municipal Tax Collector and School Business Administrator

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
LAST YEAR AND NINE YEARS AGO
UNAUDITED

Taxpayer	2020	
	Taxable Assessed Value	% of Total District Net Assessed Value
Rockaway Center Associates/Corporate Property Investors, Inc	\$ 210,235,200	5.00 %
Tilcon	76,179,000	1.81 %
WPG Rockaway Commons LLC	68,896,200	1.64 %
Pondview Estates	58,197,800	1.38 %
Rustic Ridge, Inc.	38,153,400	0.91 %
Marketplace at Rockaway, LLC	36,127,800	0.86 %
Dover UE, LLC	30,200,000	0.72 %
100 Commons Way LLC c/o Gannett	27,450,000	0.65 %
Macy's	26,520,000	0.63 %
Target Corp	21,969,400	0.52 %
Total	\$ 593,928,800	14.12 %

Taxpayer	2011	
	Taxable Assessed Value	% of Total District Net Assessed Value
Rockaway Center Associates/Corporate Property Investors, Inc	\$ 156,729,000	5.54 %
Mt. Hope Rock Products & Hydro	35,778,200	1.26 %
MarketPlace at Rockaway	21,581,700	0.76 %
GIM PA Partners	20,722,300	0.73 %
Rustic Ridge, Inc.	20,424,100	0.72 %
Bergen Record	19,000,000	0.67 %
Dover VF C/O Tornado Realty Trust	18,103,600	0.64 %
Macy's East/Federated Department Stores	17,876,100	0.63 %
Retail Property Trust	15,635,600	0.55 %
Target Corporation	14,535,200	0.51 %
Total	\$ 340,385,800	12.01 %

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2012	\$ 41,023,709	\$ 41,023,709	100.00 %	\$ -0-
2013	41,088,261	41,088,261	100.00 %	-0-
2014	41,483,350	41,483,350	100.00 %	-0-
2015	42,255,478	42,255,478	100.00 %	-0-
2016	43,080,841	43,080,841	100.00 %	-0-
2017	43,919,236	43,919,236	100.00 %	-0-
2018	44,788,110	44,788,110	100.00 %	-0-
2019	45,675,341	45,675,341	100.00 %	-0-
2020	46,565,435	46,565,435	100.00 %	-0-
2021	47,506,707	47,506,707	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: Green Township School District records including the Certificate and Report of School Taxes (A4F form)

ROCKAWAY 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			
2012	\$ 6,110,000	\$ 2,822,980	\$ 8,932,980	0.46 %	\$ 367
2013	5,740,000	2,355,765	8,095,765	0.41 %	331
2014	5,370,000	1,963,966	7,333,966	0.36 %	301
2015	5,005,000	1,515,238	6,520,238	0.30 %	267
2016	4,395,000	1,659,571	6,054,571	0.27 %	249
2017	3,950,000	1,457,857	5,407,857	0.23 %	215
2018	3,540,000	927,838	4,467,838	0.18 %	174
2019	3,120,000	769,498	3,889,498	0.15 %	150
2020	2,690,000	614,101	3,304,101	0.12 %	127
2021	2,190,000	384,112	2,574,112	0.10 %	99

Note: Details regarding the District's Outstanding Debt can be found in the Notes to the Financial Statements.

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

Source: School District Financial Reports

ROCKAWAY 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	\$ 6,485,000	\$ -0-	\$ 6,485,000	0.23 %	\$ 267
2012	6,110,000	-0-	6,110,000	0.22 %	251
2013	5,740,000	-0-	5,740,000	0.16 %	235
2014	5,370,000	-0-	5,370,000	0.15 %	221
2015	5,005,000	-0-	5,005,000	0.14 %	205
2016	4,395,000	-0-	4,395,000	0.12 %	181
2017	3,950,000	-0-	3,950,000	0.11 %	157
2018	3,540,000	-0-	3,540,000	0.10 %	138
2019	3,120,000	-0-	3,120,000	0.08 %	121
2020	2,690,000	-0-	2,690,000	0.07 %	103
2021	2,190,000	-0-	2,190,000	0.05 %	84

Note: Details regarding the District's Outstanding Debt can be found in the Notes to the Financial Statements.

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

^b Population data can be found in J-14. This ratio is calculated using valuation data for the prior calendar year.

Source: School District Financial Reports

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2020
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			
Rockaway Township	\$ 20,654,206	100.00 %	\$ 20,654,206
Morris County General Obligation Debt	250,902,245	4.79 %	<u>12,011,082</u>
Subtotal, Overlapping Debt			32,665,288
Rockaway Township School District Direct Debt			<u>2,690,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 35,355,288</u></u>

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 Rockaway 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.

^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 value.

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

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

Legal Debt Margin Calculation for Fiscal Year 2021

	Equalized Valuation Basis	
	2020	\$ 4,504,352,449
	2019	4,474,883,171
	2018	4,163,119,844
		\$ 13,142,355,464
Average Equalized Valuation of Taxable Property		\$ 4,380,785,155
Debt Limit (3% of Average Equalization Value)		\$ 131,423,555 ^a
Net Bonded School Debt		2,190,000
Legal Debt Margin		\$ 129,233,555

	Fiscal Year				
	2012	2013	2014	2015	2016
Debt Limit	\$ 123,977,655	\$ 119,286,503	\$ 115,829,425	\$ 114,705,189	\$ 115,894,648
Total Net Debt Applicable to Limit	6,110,000	5,740,000	5,370,000	5,005,000	4,395,000
Legal Debt Margin	\$ 117,867,655	\$ 113,546,503	\$ 110,459,425	\$ 109,700,189	\$ 111,499,648
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	4.93 %	4.81 %	4.64 %	4.36 %	3.79 %

	Fiscal Year				
	2017	2018	2019	2020	2021
Debt Limit	\$ 77,559,806	\$ 123,032,035	\$ 128,335,704	\$ 125,215,704	\$ 131,423,555
Total Net Debt Applicable to Limit	3,950,000	3,540,000	3,120,000	2,690,000	2,190,000
Legal Debt Margin	\$ 73,609,806	\$ 119,492,035	\$ 125,215,704	\$ 122,525,704	\$ 129,233,555
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	5.09 %	2.88 %	2.43 %	2.15 %	1.67 %

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

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

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

Year Ended	Population ^a	Per Capita Personal Income ^b	Personal Income ^c	Unemployment Rate ^d
2012	24,352	\$ 79,775	\$ 1,942,680,800	7.20 %
2013	24,432	80,815	1,974,472,080	5.50 %
2014	24,347	84,278	2,051,916,466	5.00 %
2015	24,401	88,335	2,155,462,335	4.20 %
2016	24,311	91,148	2,215,899,028	4.00 %
2017	25,188	93,633	2,358,428,004	3.60 %
2018	25,613	97,819	2,505,438,047	3.60 %
2019	25,866	101,646	2,629,175,436	3.20 %
2020	26,054	101,646 **	2,648,284,884 ***	7.60%
2021	26,054 *	101,646 **	2,648,284,884 ***	N/A

* - Latest population data available (2020) was used for calculation purposes.

** - Latest Morris County per capita personal income available (2019) was used for calculation purposes.

*** - Latest Morris County personal income (2019) was used for calculation purposes.

N/A - Information unavailable.

Source: ^a Population information provided by the US Bureau of the Census, Population Division
^b Per Capita Personal Income provided by the NJ Dept of Labor and Workforce Development
^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

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

	2020			2011		
	Employer	Employees	Percentage of Total Employment	Employer	Employees	Percentage of Total Employment
Atlantic Health System		7,642	3.28%	Novartis	6,200	2.44%
US Army Armament Research and Development		6,000	2.58%	US Army Armament R&D - (Picatinny Arsenal)	5,274	2.08%
Novartis		5,200	2.23%	Atlantic Health System	5,013	1.98%
Bayer		3,483	1.50%	United Parcel Service	2,332	0.92%
Barclays		2,560	1.10%	County of Morris	1,928	0.76%
Automatic Data Processing, Inc.		2,400	1.03%	Automatic Data Processing, Inc.	1,924	0.76%
Accenture		1,826	0.78%	AT&T Corporation	1,550	0.61%
Honeywell		1,704	0.73%	Chilton Memorial	1,440	0.57%
St. Clare's Health System		1,638	0.70%	BASF Corporation	1,400	0.55%
County of Morris		1,469	0.63%	Avis Budget Group Inc.	1,378	0.54%
Total		<u>33,922</u>	<u>14.56%</u>		<u>28,439</u>	<u>11.21%</u>
Total Employment		<u>232,958</u>		Total Employment	<u>253,719</u>	

Source: Morris County Area Chamber of Commerce

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

<u>Function/Program</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>	<u>2021</u>
<u>Instruction</u>										
Regular	181.5	181.0	176.5	169.5	178.5	177.5	183.0	180.0	184.0	187.0
Special Education	79.5	80.0	88.0	96.0	104.5	95.5	84.0	80.0	84.0	88.0
Other Special Education	8.5	8.0	8.0	18.5	14.5	18.5	19.5	18.5	18.5	21.0
<u>Support Services:</u>										
Student & Instruction Related Services	80.0	80.0	83.0	98.0	99.5	110.0	107.0	112.0	93.0	97.0
School Administrative Services	27.5	29.0	28.0	24.0	24.5	23.0	25.5	25.0	25.0	25.0
General Administrative Services	10.5	12.0	12.0	11.5	11.0	11.0	11.0	13.0	13.0	14.0
Plant Operations and Maintenance	32.5	33.0	31.0	31.0	31.0	32.5	33.5	31.0	34.0	34.0
Pupil Transportation	54.0	54.0	51.0	50.0	46.0	40.0	42.0	41.0	38.0	37.0
Total	474.0	477.0	477.5	498.5	509.5	508.0	505.5	500.5	489.5	503.0

Source: District Personnel Records

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^d	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Elementary				
2012	2,490	\$ 44,424,628	\$ 17,841	0.03 %	296	12:1	12:1	2,490	2,397	-2.81 %	96.27 %
2013	2,442	46,616,378	19,089	7.00 %	283	12:1	12:1	2,438	2,343	-2.09 %	96.10 %
2014	2,394	47,036,187	19,648	2.92 %	273	12:1	12:1	2,407	2,314	-1.27 %	96.14 %
2015	2,348	47,799,864	20,358	3.61 %	284	12:1	12:1	2,363	2,269	-1.83 %	96.02 %
2016	2,422	49,426,100	20,407	0.24 %	298	12:1	12:1	2,406	2,309	1.82 %	95.97 %
2017	2,409	50,717,704	21,053	3.17 %	281	11:1	11:1	2,395	2,290	-0.46 %	95.62 %
2018	2,351	51,592,162	21,945	4.23 %	278	10:1	10:1	2,321	2,217	-3.09 %	95.52 %
2019	2,277	53,422,322	23,462	6.91 %	279	9:1	9:1	2,282	2,189	-1.68 %	95.92 %
2020	2,347	54,370,231	23,166	-1.26 %	290	8:1	8:1	2,358	2,294	3.33 %	97.29 %
2021	2,164	57,639,528	26,636	14.98 %	296	8:1	8:1	2,280	2,193	-3.31 %	96.18 %

Note: Enrollment based on annual October District count.

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

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

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

^d The cost per pupil calculated above is the sum of operating expenditures divided by enrollment. This cost per pupil may be different from other cost per pupil calculations.

Source: School District records

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>District Buildings</u>										
Birchwood										
Square Feet	24,914	24,914	24,914	24,914	24,914	24,914	24,914	24,914	24,914	24,914
Capacity (students)	232	232	232	232	232	232	232	232	232	232
Enrollment	307	295	279	279	307	315	295	282	269	254
Copeland										
Square Feet	46,733	46,733	46,733	46,733	46,733	46,733	46,733	46,733	46,733	46,733
Capacity (students)	408	408	408	408	408	408	408	408	408	408
Enrollment	927	904	878	872	861	817	794	773	786	788
C.A. Dwyer										
Square Feet	47,285	47,285	47,285	47,285	47,285	47,285	47,285	47,285	47,285	47,285
Capacity (students)	212	212	212	212	212	212	212	212	212	212
Enrollment	324	313	338	311	323	311	302	292	315	297
Dennis B. O'brien										
Square Feet	29,523	29,523	29,523	29,523	29,523	29,523	29,523	29,523	29,523	29,523
Capacity (students)	104	104	104	104	104	104	104	104	104	104
Enrollment	308	309	298	298	336	342	355	311	332	309
K.D. Malone										
Square Feet	26,990	26,990	26,990	26,990	26,990	26,990	26,990	26,990	26,990	26,990
Capacity (students)	216	216	216	216	216	216	216	216	216	216
Enrollment	258	258	251	266	272	272	252	258	272	235
Stony Brook										
Square Feet	26,396	26,396	26,396	26,396	26,396	26,396	26,396	26,396	26,396	26,396
Capacity (students)	249	249	249	249	249	249	249	249	249	249
Enrollment	366	363	350	322	323	352	353	361	373	281
Number of Schools at June 30, 2021										
Elementary =	5									
Middle School =	1									
Senior High School =	0									
Other =	0									

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

Source: School District Facilities Office

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

Undistributed Expenditures - Required Maintenance for School Facilities

11-000-261-xxx

School Facilities	Fiscal Year Ended June 30,				
	2012	2013	2014	2015	2016
Birchwood	\$ 112,964	\$ 157,797	\$ 149,353	\$ 58,699	\$ 151,215
Copeland Middle	321,503	252,242	285,947	266,527	189,706
C.A Dwyer	131,692	137,748	126,282	210,800	187,533
Dennis B. O'Brien	189,032	177,410	196,161	146,150	156,618
K.D. Malone	172,099	160,401	156,643	195,985	231,627
Stony Brook	170,399	127,783	121,524	75,757	140,486
Grans Total	<u>\$ 1,097,689</u>	<u>\$ 1,013,381</u>	<u>\$ 1,035,910</u>	<u>\$ 953,918</u>	<u>\$ 1,057,185</u>

School Facilities	Fiscal Year Ended June 30,				
	2017	2018	2019	2020	2021
Birchwood	\$ 277,308	\$ 75,528	\$ 124,610	\$ 110,936	\$ 59,203
Copeland Middle	182,115	147,249	223,303	208,092	216,809
C.A Dwyer	131,494	198,184	158,370	210,549	137,825
Dennis B. O'Brien	113,782	53,669	157,437	131,459	222,344
K.D. Malone	245,389	260,808	132,899	120,180	144,474
Stony Brook	108,250	138,834	97,844	117,536	67,466
	<u>\$ 1,058,338</u>	<u>\$ 874,272</u>	<u>\$ 894,463</u>	<u>\$ 898,752</u>	<u>\$ 848,121</u>

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

Source: School District records

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
AS OF JUNE 30, 2021
UNAUDITED

	<u>Coverage</u>		<u>Deductible</u>
School Alliance Insurance Fund (SAIF):			
Property - Blanket Building and Contents Including Boiler and Building and Personal Property	\$ 500,000,000		\$ 2,500
Inland Marine - Auto Physical Damage			1,000
General Liability including Auto, Employee Benefits	5,000,000		
Each Occurance			
General Aggregate	100,000,000		
Product Completed Ops			
Personal Injury			
Fire Damage	2,500,000		
Medical Expenses	10,000		
(Excluding Students Taking Part in Athletics)			
Automobile Coverage			
Combined Single Limit			
Hired/Non Owned			
Environmental Impairment Liability	1,000,000/25,000,000	Fund Aggregate	10,000
First Party Cleanup	100,000	Fungi & Legionella	100,000
Crime Coverage	50,000	Inside/Outside	1,000
Blanket Dishonesty Bond	500,000		1,000
Boiler and Machinery	100,000,000		2,500
Excess Liability (AL/GL)	5,000,000		
School Board Legal	10,000,000 - Coverage A		15,000
	100,000/3,000,000 - Coverage B		15,000
Workers' Compensation	Statutory		
Employer's Liability	2,000,000		
Supplemental Indemnity	Statutory		
Bond for School Business Administrator	300,000	Selective Insurance	
Bond for Treasurer of School Monies	300,000	Selective Insurance	
Student Accident	All Students & Athletes		
	5,000,000		

Source: School District records.

SINGLE AUDIT SECTION

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Mt. Arlington, NJ 07856
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Independent Member
BKR International



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
Rockaway Township School District
Hibernia, 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 Rockaway Township School District, in the County of Morris (the "District") as of and for the fiscal year ended June 30, 2021, 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 1, 2021.

Internal Control Over Financial Reporting

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

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

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

The Honorable President and Members
of the Board of Education
Rockaway Township School District
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 result 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 1, 2021
Mount Arlington, New Jersey

Nisivoccia LLP
NISIVOCCIA LLP

Man C Lee

Man C. Lee
Licensed Public School Accountant #2527
Certified Public Accountant

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
Rockaway Township School District
Hibernia, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Rockaway 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, 2021. 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 and 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.

The Honorable President and Members
of the Board of Education
Rockaway Township School District
Page 2

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, 2021.

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 1, 2021
Mount Arlington, New Jersey

Nisivoccia LLP
NISIVOCCIA LLP

Man C Lee

Man C. Lee
Licensed Public School Accountant #2527
Certified Public Accountant

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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, 2020		Cash Received	Budgetary Expenditures	Cancellation of Prior Year Encumbrance/Accounts Payable	Balance at June 30, 2021		
					Budgetary Accounts Receivable	Budgetary Unearned Revenue				Budgetary Accounts Receivable	Budgetary Unearned Revenue	Amount Provided to Subrecipients
U.S. Department of Education:												
Passed-through State Department of Education:												
Special Revenue Fund:												
Special Education Cluster:												
	84.027	IDEA-1090-21	7/1/20-9/30/21	\$ 586,046			\$ 535,431	\$ (586,046)			\$ (50,615)	
	84.027	IDEA-1090-20	7/1/19-9/30/20	545,803			36,705					
	84.173	IDEA-1090-21	7/1/20-9/30/21	32,652			32,652	(32,652)				
							604,788	(618,698)			(50,615)	
Subtotal Special Education Cluster												
Elementary and Secondary Education Act:												
Title I	84.010	ESEA-1090-21	7/1/20-9/30/21	110,760			52,621	(57,867)			(5,246)	
Title I	84.010	ESEA-1090-20	7/1/19-9/30/20	74,839			2,278	(57,867)			(5,246)	
Total Title I				16,391			8,963	(10,234)			(1,271)	
Title I - SIA	84.010	ESEA-1090-21	7/1/20-9/30/21	7,400			51					
Title I - SIA	84.010	ESEA-1090-20	7/1/19-9/30/20	43,147			9,014	(10,234)			(1,271)	
Total Title I - SIA				39,363			26,125	(26,371)			(246)	
Title II, Part A	84.367A	ESEA-1090-21	7/1/20-9/30/21	38,430			4,234	(4,041)				
Title II, Part A	84.367A	ESEA-1090-20	7/1/19-9/30/20	22,906			30,359	(30,412)			(246)	
Total Title II, Part A				15,779			15,779	(16,411)			(632)	
Title III	84.365A	ESEA-1090-21	7/1/20-9/30/21	12,605			227					
Title III	84.365A	ESEA-1090-20	7/1/19-9/30/20	10,000			16,006	(16,411)			(632)	
Total Title III				2,605			5,522	(5,522)				
Title IV	84.424A	ESEA-1090-21	7/1/20-9/30/21				27					
Title IV	84.424A	ESEA-1090-20	7/1/19-9/30/20				5,549	(5,522)				
Total Title IV							14					
Elementary and Secondary Education Act Total							115,827	(120,446)			(7,395)	
Education Stabilization Fund:												
COVID 19 - CARES Emergency Relief	84.425D	CARES109020	3/13/20-9/30/22	63,456			60,169	(6)				
COVID 19 - CRRSA - ESSER II	84.425D	S425D210027	3/13/20-9/30/23	245,807				(17,445)			(17,445)	
COVID 19 - Digital Divide	84.425D	S425D200027	7/16/20-10/31/20	119,929			119,929	(119,929)				
Education Stabilization Fund Total							180,098	(137,380)			(17,445)	
Total Special Revenue Fund							900,713	(876,524)			(75,455)	
General Fund:												
Impact Aid	84.041	N/A	7/1/20-6/30/21	376,066			376,066	(376,066)				
Total U.S. Department of Education							1,276,779	(1,252,590)			(75,455)	
U.S. Department of Health and Human Services:												
General Fund:												
Medicaid Cluster:												
Medical Assistance Program	93.778	N/A	7/1/20-6/30/21	19,763			19,763	(19,763)				
Medical Assistance Program	93.778	N/A	7/1/19-6/30/20	47,436						\$ 30,093		
Total U.S. Department of Health and Human Services / Medicaid Cluster							19,763	(19,763)			30,093	

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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, 2020		Cash Received	Budgetary Expenditures	Cancellation of Prior Year Encumbrance/Accounts Payable	Balance at June 30, 2021		Amount Provided to Subrecipients
					Budgetary Accounts Receivable	Budgetary Unearned Revenue				Budgetary Accounts Receivable	Budgetary Unearned Revenue	
U.S. Department of Treasury: Passed-through State Department of Education: Special Revenue Fund: COVID 19 - Coronavirus Relief Fund	21.019	N/A	3/1/20-12/30/20	\$ 93,800			\$ 93,800	\$ (93,800)				
Total U.S. Department of Treasury							93,800	(93,800)				
U.S. Department of Agriculture: Passed-through State Department of Agriculture: Child Nutrition Cluster: Food Distribution Program	10.555	N/A	7/1/20-6/30/21	37,238			37,238	(30,867)			\$ 6,371	
Food Distribution Program	10.555	N/A	7/1/19-6/30/20	41,507				(1,213)				
COVID-19 - Seamless Summer Option	10.555	N/A	7/1/20-6/30/21	240,420			193,223	(240,420)			\$ (47,197)	
National School Lunch Program	10.555	N/A	3/1/20-6/30/20	146,298			5,620					
School Breakfast Program	10.555	N/A	3/1/20-6/30/20	11,890			1,737					
Total U.S. Department of Agriculture							237,818	(272,500)			(47,197)	6,371
Total Federal Awards							\$ 1,628,160	\$ (1,638,653)	\$ 1,825	\$ 30,093	\$ (122,652)	\$ 6,371
												\$ -0-

N/A - Not Applicable

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2020			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2021		MEMO	
				Budgetary Accounts Receivable	Due to Grantor	Budgetary Accounts Receivable				GAAP Accounts Receivable	Due to Grantor	Budgetary Accounts Receivable	Cumulative Total Expenditures
New Jersey Department of Education													
General Fund:													
Special Education Categorical Aid	21-495-034-5120-089	7/1/20-6/30/21	\$ 1,630,358			\$ 1,469,085	\$ (1,630,358)		\$		\$ (161,273)	\$	1,630,358
Equalization Aid	21-495-034-5120-078	7/1/20-6/30/21	854,190			769,694	(854,190)				(84,496)		854,190
Security Aid	21-495-034-5120-084	7/1/20-6/30/21	50,153			45,192	(50,153)				(4,961)		50,153
Transportation Aid	21-495-035-5120-014	7/1/20-6/30/21	549,225			494,896	(549,225)				(54,329)		549,225
Nonpublic Transportation Aid	21-495-035-5120-014	7/1/20-6/30/21	17,250				(17,250)		\$ (17,250)		(17,250)		17,250
Extraordinary Special Education Aid	21-495-034-5120-044	7/1/20-6/30/21	953,645				(953,645)		(953,645)		(953,645)		953,645
Reimbursed TPAF Social Security Contributions	21-495-034-5094-003	7/1/20-6/30/21	1,594,748			1,515,450	(1,594,748)		(79,298)		(79,298)		1,594,748
On-Behalf TPAF Post Retirement Medical Contributions	21-495-034-5094-001	7/1/20-6/30/21	1,756,623			1,756,623	(1,756,623)						1,756,623
On-Behalf TPAF Pension Contributions	21-495-034-5094-002	7/1/20-6/30/21	5,500,673			5,500,673	(5,500,673)						5,500,673
On-Behalf TPAF Non-Contributory Insurance	21-495-034-5094-004	7/1/20-6/30/21	104,658			104,658	(104,658)						104,658
On-Behalf TPAF Long-Term Disability Insurance	21-495-034-5094-004	7/1/20-6/30/21	3,066			3,066	(3,066)						3,066
Special Education Categorical Aid	20-495-034-5120-089	7/1/19-6/30/20	1,598,023	\$ (155,874)		155,874							1,598,023
Equalization Aid	20-495-034-5120-078	7/1/19-6/30/20	854,190	(83,319)		83,319							854,190
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	50,153	(4,892)		4,892							50,153
Transportation Aid	20-495-035-5120-014	7/1/19-6/30/20	549,225	(53,572)		53,572							549,225
Additional Nonpublic Transportation Aid	20-495-035-5120-014	7/1/19-6/30/20	2,479	(2,479)		2,479							2,479
Extraordinary Special Education Aid	20-495-034-5120-044	7/1/19-6/30/20	764,913	(69,527)		764,913	(69,527)						764,913
Reimbursed TPAF Social Security Contributions	20-495-034-5094-003	7/1/19-6/30/20	1,544,213	(76,322)		76,322							1,544,213
Total General Fund State Aid				(1,071,730)		12,800,708	(13,084,230)		(1,050,193)		(1,355,252)		18,377,785
Special Revenue Fund:													
New Jersey Nonpublic Aid:													
Nursing Services	21-100-034-5120-070	7/1/20-6/30/21	510			510	(508)			\$ 2			508
Textbook	21-100-034-5120-064	7/1/20-6/30/21	305			305	(259)			46			259
Security	21-100-034-5120-509	7/1/20-6/30/21	875			875				875			
Nonpublic Handicapped Services:													
Examination & Classification	21-100-034-5120-066	7/1/20-6/30/21	1,300			1,300	(1,300)						1,300
Corrective Speech	21-100-034-5120-066	7/1/20-6/30/21	2,096			2,096	(1,823)			273			1,823
New Jersey Nonpublic Aid:													
Technology	20-100-034-5120-373	7/1/19-6/30/20	288		\$ 288			\$ (288)					
Nursing Services	20-100-034-5120-070	7/1/19-6/30/20	776		15			(15)					761
Textbook	20-100-034-5120-064	7/1/19-6/30/20	422		71			(71)					351
Security	20-100-034-5120-509	7/1/19-6/30/20	1,200		1,200			(1,200)					
Nonpublic Handicapped Services:													
Examination & Classification	20-100-034-5120-066	7/1/19-6/30/20	1,672		1,672			(1,672)					729
Corrective Speech	20-100-034-5120-066	7/1/19-6/30/20	911		182			(182)					
Supplementary Instruction	20-100-034-5120-066	7/1/19-6/30/20	809		809			(809)					
Total Special Revenue Fund State Aid				4,237		5,086	(3,890)		(4,237)		1,196		5,731

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2020		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2021		MEMO	
				Budgetary Accounts Receivable	Due to Grantor				GAAP Accounts Receivable	Due to Grantor	Budgetary Accounts Receivable	Cumulative Total Expenditures
New Jersey Department of Education Debt Service Fund: Debt Service Aid - State Support	21-100-034-5120-125	7/1/20-6/30/21	\$ 145,960			\$ 145,960	\$ (145,960)					\$ 145,960
Total Debt Service Fund						145,960	(145,960)					145,960
Enterprise Fund: COVID-19 Seamless Summer Option	21-100-010-3350-023	7/1/20-6/30/21	14,703			10,410	(14,703)		\$ (4,293)		\$ (4,293)	14,703
State School Lunch Program	20-100-010-3350-023	3/1/20-6/30/20	7,956	(2,094)		2,094						7,956
Total Enterprise Fund				(2,094)		12,504	(14,703)		(4,293)		(4,293)	22,659
Total State Awards Subject to Single Audit Determination				\$ (1,073,824)	\$ 4,237	\$ 12,964,258	\$ (13,248,783)	\$ (4,237)	\$ (1,054,486)	\$ 1,196	\$ (1,359,545)	\$ 18,552,135
Less: State Awards Not Subject to Single Audit Major Program Determination												
On-Behalf TPAF Pension System Contributions:												
On-Behalf TPAF Post Retirement Contributions	21-495-034-5094-001	7/1/20-6/30/21	(1,756,623)				1,756,623					
On-Behalf TPAF Pension Contributions	21-495-034-5094-002	7/1/20-6/30/21	(5,500,673)				5,500,673					
On-Behalf TPAF Non-Contributory Insurance	21-495-034-5094-004	7/1/20-6/30/21	(104,658)				104,658					
On-Behalf TPAF Long-Term Disability Insurance	21-495-034-5094-004	7/1/20-6/30/21	(3,066)				3,066					
Subtotal - On-Behalf TPAF Pension System Contributions							7,365,020					
Total State Awards Subject to Single Audit Major Program Determination							\$ (5,883,763)					

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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, Rockaway Township School District under programs of the federal and state governments for the fiscal year ended June 30, 2021. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. INDIRECT COST RATE

The District has elected not to use the 10 percent minimus 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 those 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 (\$7,402) for the general fund and \$75,302 (of which \$15,241 relates to local grants) for the special revenue fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenue are reported on the Board’s basic financial statements on a GAAP basis as on the following page:

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

(Continued)

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 395,829	\$ 13,076,828	\$ 13,472,657
Special Revenue Fund	1,030,385	3,890	1,034,275
Debt Service Fund		145,960	145,960
Enterprise Fund	<u>272,500</u>	<u>14,703</u>	<u>287,203</u>
Total Financial Awards	<u>\$ 1,698,714</u>	<u>\$ 13,241,381</u>	<u>\$ 14,940,095</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

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, 2021. Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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 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 Circular 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 federal and state awards:

<u>General Fund State Aid:</u>	<u>C.F.D.A. / State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
<u>Federal:</u>				
Special Education Cluster:				
I.D.E.A. Part B, Basic	84.027	7/1/20-9/30/21	\$ 586,046	\$ 586,046
I.D.E.A. Part B, Preschool	84.173	7/1/20-9/30/21	32,652	32,652
<u>State:</u>				
Reimbursed TPAF				
Social Security Contributions	21-495-034-5094-003	7/1/20 - 6/30/21	1,594,748	1,594,748
Extraordinary Special	21-495-034-5120-014	7/1/20 - 6/30/21	953,645	953,645
Education Aid	20-495-034-5120-014	7/1/19 - 6/30/20	764,913	69,641

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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 or NJ OMB 15-08.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021

Status of Prior Year Findings:

There were no findings or questioned costs for the year ended June 30, 2020.