

SCHOOL DISTRICT
OF
ROCKAWAY TOWNSHIP

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

Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2022

Annual Comprehensive Financial Report

of the

Rockaway Township School District
Board of Education

Rockaway Township, New Jersey

For the Fiscal Year Ended June 30, 2022

Prepared by

Rockaway Township School District
Board of Education

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2022

INTRODUCTORY SECTION (Unaudited)

Letter of Transmittal	1
Organizational Chart	4
Roster of Officials	5
Consultants and Advisors.....	6

FINANCIAL SECTION.....7

Independent Auditors' Report.....	8
-----------------------------------	---

Required Supplementary Information	11
Management's Discussion and Analysis	12

Basic Financial Statements (Sections A. and B.).....	21
--	----

A. District-Wide Financial Statements	22
A-1 Statement of Net Position	23
A-2 Statement of Activities.....	24

B. Fund Financial Statements.....	26
B-1 Balance Sheet – Governmental Funds	27
B-2 Statement of Revenue, Expenditures and Changes in Fund Balance – Governmental Funds.....	29
B-3 Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	30
B-4 Statement of Net Position – Proprietary Funds.....	31
B-5 Statement of Revenue, Expenses and Changes in Fund Net Position – Proprietary Funds	32
B-6 Statement of Cash Flows – Proprietary Funds.....	33

Notes to the Basic Financial Statements.....	34
--	----

Required Supplementary Information	72
--	----

L. Schedules Related to Accounting and Reporting for Pensions and Postemployment Benefits Other than Pensions	73
L-1 Schedule of District's Proportionate Share of the Net Pension Liability- Public Employees Retirement System.....	73
L-2 Schedule of District Contributions – Public Employees Retirement System	74
L-3 Schedule of State's Proportionate Share of the Net Pension Liability associated with the District - Teachers' Pension and Annuity Fund.....	75
L-4 Schedule of State Contributions – Teachers' Pension and Annuity Fund	76
L-5 Schedule of Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District and Related Ratios.....	77
Notes to Required Supplementary Information	78

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

FINANCIAL SECTION (Cont'd)

Other Supplementary Schedules (D.-I.)

C.	Budgetary Comparison Schedules.....	80
C-1	Budgetary Comparison Schedule – General Fund.....	81
C-2	Combining Budgetary Schedule – Special Revenue Fund	94
C-3	Budgetary Comparison Schedule – Note to Required Supplementary Information	95
D.	School Level Schedules (Not Applicable).....	97
E.	Special Revenue Fund	98
E-1	Combining Schedule of Revenue and Expenditures Special Revenue Fund – Budgetary Basis.....	99
E-2	Preschool Education Aid Schedule of Expenditures – Budgetary Basis (Not Applicable)	
F.	Capital Projects Fund	103
F-1	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis	104
F-1A	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis - Katherine D. Malone School - Water Treatment System	105
G.	Proprietary Funds.....	106
Enterprise Fund:		
G-1	Combining Statement of Net Position	107
G-2	Combining Statement of Revenue, Expenses and Changes in Fund Net Position.....	108
G-3	Combining Statement of Cash Flows	109
H.	Fiduciary Activities (Not Applicable)	110
I.	Long-Term Debt.....	111
I-1	Schedule of Serial Bonds	112
I-2	Schedule of Obligations Under Financed Purchases	113
I-3	Schedule of Obligations Under Leases (Not Applicable)	
I-4	Debt Service Fund Budgetary Comparison Schedule.....	114
J.	Statistical Section (Unaudited)	115
J-1	Net Position by Component	116
J-2	Changes in Net Position.....	117
J-3	Fund Balances – Governmental Funds	119
J-4	Changes in Fund Balance, Governmental Funds	120
J-5	General Fund Other Local Revenue by Source	122
J-6	Assessed Value and Estimated Actual Value of Taxable Property.....	123
J-7	Direct and Overlapping Property Tax Rates	124
J-8	Principal Property Taxpayers (Current Year and Nine Years Ago)	125
J-9	Property Tax Levies and Collections.....	126
J-10	Ratios of Outstanding Debt by Type	127
J-11	Ratios of Net General Bonded Debt Outstanding.....	128
J-12	Ratios of Direct and Overlapping Governmental Activities Debt	129
J-13	Legal Debt Margin Information.....	130
J-14	Demographic and Economic Statistics	131
J-15	Principal Employers in the County of Morris, Current and Nine Years Ago	132

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

J.	Statistical Section (Unaudited) (Cont'd)	
	J-16 Full-time Equivalent District Employees by Function/Program.....	133
	J-17 Operating Statistics.....	134
	J-18 School Building Information	135
	J-19 Schedule of Required Maintenance Expenditures by School Facility	136
	J-20 Insurance Schedule.....	137
K.	Single Audit Section.....	138
	K-1 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 <i>Government Auditing Standards</i>	139
	K-2 Independent Auditors' Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance Required by the Uniform Guidance and NJOMB 15-08.....	141
	K-3 Schedule of Expenditures of Federal Awards.....	144
	K-4 Schedule of Expenditures of State Awards.....	146
	K-5 Notes to the Schedules of Expenditures of Federal and State Awards	148
	K-6 Schedule of Findings and Questioned Costs.....	150
	K-7 Summary Schedule of Prior Audit Findings	152

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 23, 2022

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

Dear Honorable President and Board Members:

The annual comprehensive financial report of the Rockaway Township School District (the "District") for the fiscal year ended June 30, 2022 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 annual comprehensive 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 2022-2023 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, 2022.

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,

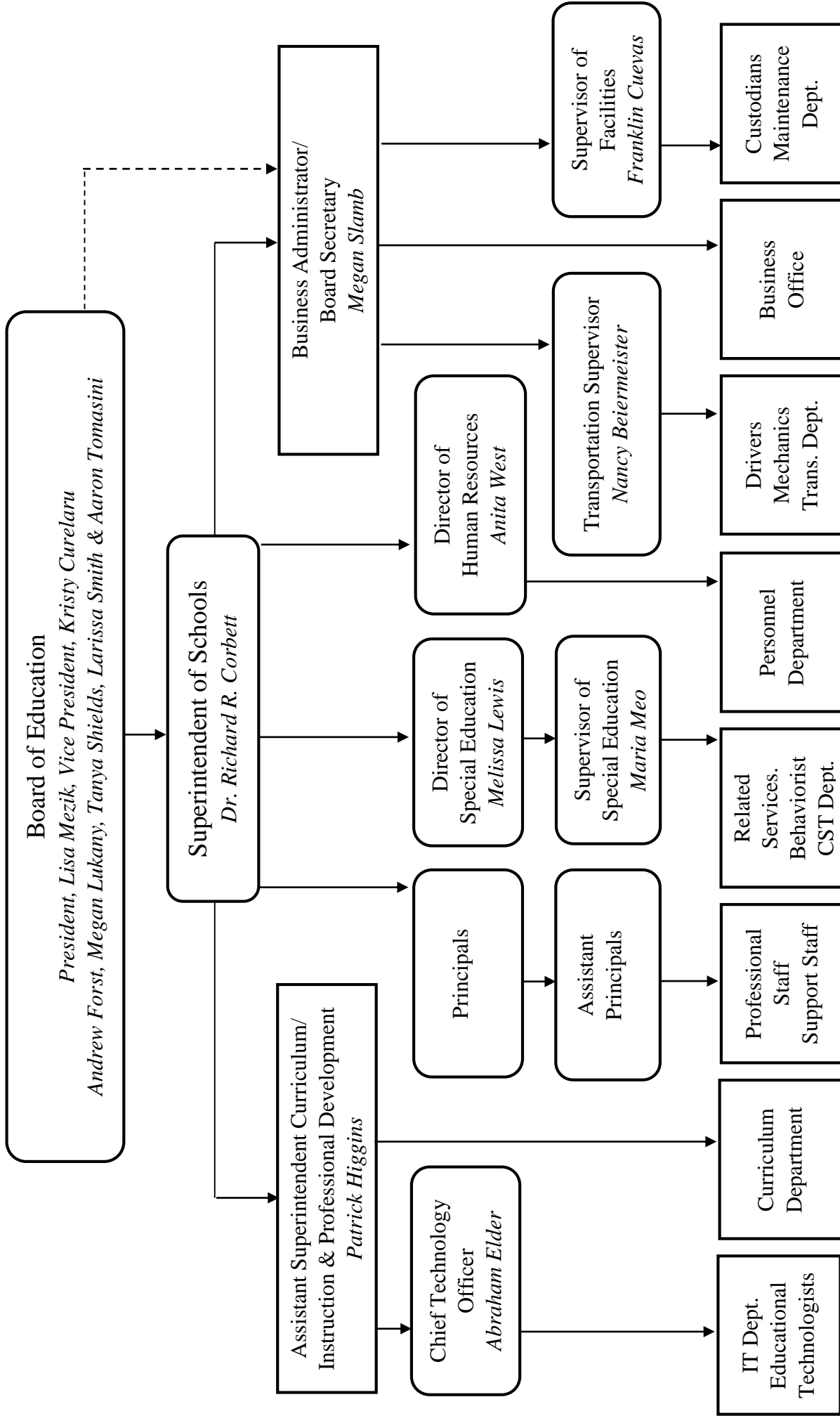


Richard R. Corbett, Ed. D.
Superintendent



Megan Slamb
Business Administrator/Board Secretary

Rockaway Township Public Schools
Organizational Chart for School Year



Adopted: January 23, 2013
Revised: September 7, 2022

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
ROSTER OF OFFICIALS
YEAR ENDED JUNE 30, 2022

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Lisa Mezik - President	2023
Kristy Curelaru - Vice President	2022
Megan Lukany	2023
Andrew Forst	2023
Tanya Shields	2024
Larissa Smith	2024
Aaron Tomasini	2022

<u>Other Officials</u>	<u>Title</u>
Peter Turnamian, Ed.D.	Superintendent of Schools (through November 2021)
Bruce Watson	Interim Superintendent of Schools (through June 2022)
Richard R. Corbett, Ed.D.	Superintendent of Schools (from July 2022)
Rachel DeCarlo	Business Administrator / Board Secretary (through August 2022)
James Olobardi	Interim Business Administrator / Board Secretary (through October 2022)
Megan Slamb	Business Administrator / Board Secretary (from October 2022)
Lisa Palmieri	Treasurer of School Monies

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
CONSULTANTS AND ADVISORS
YEAR ENDED JUNE 30, 2022

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
and
1140 Route 22 East, Suite 203
Bridgewater, New Jersey 08807

Attorney

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 Audit of the Financial Statements

Qualified Opinion

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, 2022, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the District, as of June 30, 2022, 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.

Basis for Qualified Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the “Office”) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Matter Giving Rise to Qualified Opinion

The District’s note disclosure on postemployment benefits other than pensions (OPEB) (Note 18) contains the June 30, 2020 information and not the June 30, 2021 information as the report for Governmental Accounting Standards Board (“GASB”) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the State of New Jersey State Health Benefits Local Education Retired Employees Plan (“SHBP”) has not been released by the Division of Pensions and Benefits, Department of the Treasury, State of New Jersey (the “Division”), as of the date of this report. The District is in a “special funding situation” in that the OPEB contributions, expenses and related liability are the sole responsibility of the State of New Jersey, not the District and therefore does not affect the District’s net position. An estimated release date for the June 30, 2021 OPEB information has not been announced by the Division. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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-retirement 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 is the responsibility of management and, although not a part of the basic financial statements, are 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.

The Schedule of Changes in the State’s Proportionate Share of the Total OPEB Liability Associated with the District and Related Ratios (Exhibit L-5) do not contain the June 30, 2021 OPEB information as the related GASB No. 75 report for SHBP has not been released by the State as of the date of this report. The District is in a “special funding situation” in that the OPEB contributions, expenses and related liability are the sole responsibility of the State of New Jersey, not the District and therefore does not affect the District’s net position. An estimated release date for the June 30, 2021 OPEB information has not been announced by the Division. This required supplementary information is required to be presented to supplement the basic financial statements in accordance with accounting principles generally accepted in the United States of America. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary 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 supplementary information 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*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 accompanying supplementary information 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 2022 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 District’s internal control over financial reporting and compliance.

November 23, 2022
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, 2022

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, 2022. 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

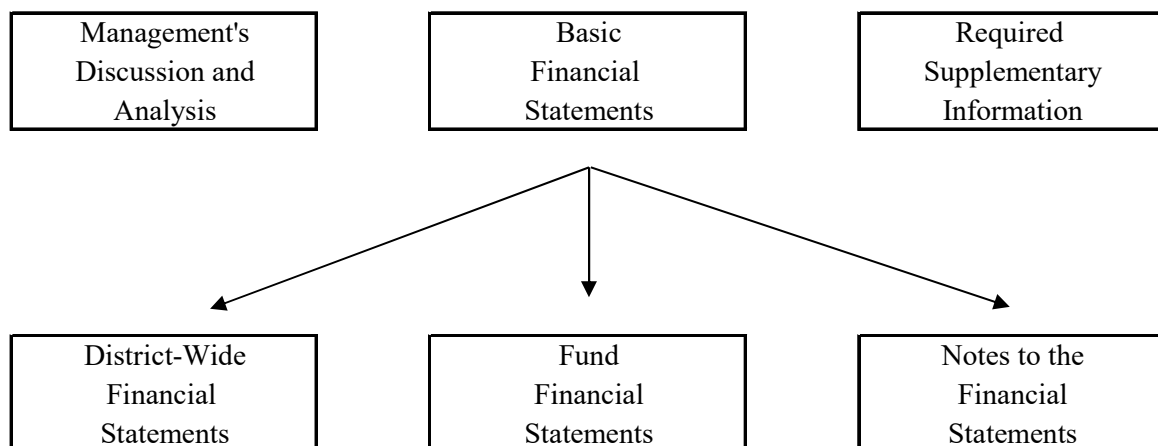


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents 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 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, lease 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 \$4,773,486. Net position from governmental activities increased by \$4,505,654 and net position from business-type activities increased by \$267,832. Net investment in capital assets increased by \$2,853,877, restricted net position decreased by \$2,734,509 and unrestricted net position increased by \$4,654,118.

Figure A-3
Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change 2021-2022
	2022	2021	2022	2021	2022	2021	
Current and Other Assets	\$ 18,555,252	\$ 19,296,112	\$ 514,795	\$ 194,964	\$ 19,070,047	\$ 19,491,076	
Capital Assets, Net	27,648,848	25,124,120	142,844	153,960	27,791,692	25,278,080	
Total Assets	<u>46,204,100</u>	<u>44,420,232</u>	<u>657,639</u>	<u>348,924</u>	<u>46,861,739</u>	<u>44,769,156</u>	4.67%
Deferred Outflows of Resources	<u>1,000,371</u>	<u>1,734,440</u>			<u>1,000,371</u>	<u>1,734,440</u>	-42.32%
Other Liabilities	1,293,712	1,370,896	145,974	105,091	1,439,686	1,475,987	
Long-Term Liabilities	11,691,885	15,316,801			11,691,885	15,316,801	
Total Liabilities	<u>12,985,597</u>	<u>16,687,697</u>	<u>145,974</u>	<u>105,091</u>	<u>13,131,571</u>	<u>16,792,788</u>	-21.80%
Deferred Inflows of Resources	<u>5,822,136</u>	<u>5,575,891</u>			<u>5,822,136</u>	<u>5,575,891</u>	4.42%
Net Position:							
Net Investment in							
Capital Assets	25,415,001	22,550,008	142,844	153,960	25,557,845	22,703,968	
Restricted	12,399,638	15,134,147			12,399,638	15,134,147	
Unrestricted/(Deficit)	(9,417,901)	(13,793,071)	368,821	89,873	(9,049,080)	(13,703,198)	
Total Net Position	<u>\$28,396,738</u>	<u>\$23,891,084</u>	<u>\$ 511,665</u>	<u>\$ 243,833</u>	<u>\$28,908,403</u>	<u>\$24,134,917</u>	19.78%

Changes in Net Position. The District's combined net position was \$28,908,403 on June 30, 2022, \$4,773,486 or 19.78% more than the previous year (See Figure A-3). Net investment in capital assets increased primarily due to the maturity of \$515,000 in serial bonds payable, payment of \$238,230 in financed purchases payable and \$4,242,441 in capital assets additions; offset by \$1,728,829 in depreciation expense and \$412,965 in a new financed purchase agreement. Restricted net position decreased primarily due to the decrease in capital reserve. Unrestricted net position increased primarily due to the changes in net pension liability and related deferred outflows and inflows, and unexpended but encumbered capital outlay funds for the HVAC project at the Dennis B. O'Brien school and increase in business-type activities net position.

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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	
Revenue:							
Program Revenue:							
Charges for Services	\$ 330,561	\$ 367,624	\$ 77,342	\$ 16,575	\$ 407,903	\$ 384,199	
Operating Grants and Contributions	15,355,481	15,379,717	1,164,791	287,203	16,520,272	15,666,920	
General Revenue:							
Property Taxes	48,431,627	47,506,707			48,431,627	47,506,707	
Unrestricted Federal and State Aid	1,759,204	1,375,039			1,759,204	1,375,039	
Other	164,695	525,581	16	54	164,711	525,635	
Total Revenue	<u>66,041,568</u>	<u>65,154,668</u>	<u>1,242,149</u>	<u>303,832</u>	<u>67,283,717</u>	<u>65,458,500</u>	2.79%
Expenses:							
Instruction	37,280,603	34,982,801			37,280,603	34,982,801	
Tuition	492,387	556,136			492,387	556,136	
Pupil and Instruction Services	11,295,970	11,958,283			11,295,970	11,958,283	
Administrative and Business	4,721,515	5,606,641			4,721,515	5,606,641	
Maintenance and Operations	4,536,428	4,559,895			4,536,428	4,559,895	
Transportation	3,108,825	2,571,338			3,108,825	2,571,338	
Other	100,186	197,043	974,317	456,506	1,074,503	653,549	
Total Expenses	<u>61,535,914</u>	<u>60,432,137</u>	<u>974,317</u>	<u>456,506</u>	<u>62,510,231</u>	<u>60,888,643</u>	2.66%
Other Items				(2,061)		(2,061)	100.00%
Change in Net Position	<u>\$ 4,505,654</u>	<u>\$ 4,722,531</u>	<u>\$ 267,832</u>	<u>\$ (154,735)</u>	<u>\$ 4,773,486</u>	<u>\$ 4,567,796</u>	4.50%

Governmental Activities

The financial position of the District 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	
	2022	2021	2022	2021
Instruction	\$ 37,280,603	\$ 34,982,801	\$ 25,126,114	\$ 22,879,803
Tuition	492,387	556,136	492,387	556,136
Pupil & Instruction Services	11,295,970	11,958,283	9,110,592	9,756,564
Administrative and Business	4,721,515	5,606,641	4,270,375	4,874,879
Maintenance & Operations	4,536,428	4,559,895	4,365,795	4,509,811
Transportation	3,108,825	2,571,338	2,384,423	1,910,560
Other	100,186	197,043	100,186	197,043
Total	\$ 61,535,914	\$ 60,432,137	\$ 45,849,872	\$ 44,684,796

Business-Type Activities

Net position from the District's business-type activities increased by \$267,832. (Refer to Figure A-4). Factors contributing to this included:

- Food services net position increased by \$264,370 due to the increase in subsidy reimbursements as free meals were provided to all students under the Seamless Summer Option program.
- Summer enrichment and after school net position increased by \$2,423 and \$1,039, respectively, due to normal operations.

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 continue 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 2021-2022
	2022	2021	2022	2021	2022	2021	
Land	\$ 3,242,866	\$ 3,242,866			\$ 3,242,866	\$ 3,242,866	
Construction in Progress	692,048	86,220			692,048	86,220	
Site Improvements	1,670,790	1,720,652			1,670,790	1,720,652	
Buildings & Building Improvements	20,018,531	18,141,807			20,018,531	18,141,807	
Furniture, Machinery and Equipment	2,024,613	1,932,575	\$ 142,844	\$ 153,960	2,167,457	2,086,535	
Total	\$27,648,848	\$25,124,120	\$ 142,844	\$ 153,960	\$27,791,692	\$25,278,080	9.94%

The \$2,513,612 increase in capital assets was attributable to \$4,242,441 in additions (\$4,235,651 from its governmental activities, which included the window replacements and HVAC upgrades, and \$6,790 from its business-type activities for the acquisition of cafeteria equipment); offset by \$1,728,829 in current year depreciation (\$1,710,923 from its governmental and \$17,906 from its business-type activities) during the year.

Long Term Liabilities

The District's long-term liabilities decreased by \$3,624,916 or 23.67% - 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 2021-2022
	2022	2021	
General Obligation Bonds (Financed with Property Taxes)	\$ 1,675,000	\$ 2,190,000	
Net Pension Liability	7,808,708	11,120,316	
Compensated Absences	1,589,955	1,516,971	
Financed Purchases	558,847	384,112	
Unamortized Bond Issuance Premium	59,375	105,402	
Total	\$ 11,691,885	\$ 15,316,801	-23.67%

- The District continued to pay down its bonded debt, retiring \$515,000 of outstanding bonds.
- Net pension liability decreased by \$3,311,608.
- Compensated absences payable had a net increase of \$72,984.
- The District paid down \$238,230 in financed purchases principal and signed a new financed purchase agreement in the amount of \$412,965 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, 2022

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 8,782,254	\$ 385,810	\$ 9,168,064
Receivables from State Government	1,250,264	2,344	1,252,608
Receivables from Federal Government	69,446	103,319	172,765
Receivables from Other Governments	3,650		3,650
Inventories		23,322	23,322
Restricted Cash and Cash Equivalents	8,449,638		8,449,638
Capital Assets, Net:			
Sites and Construction in Progress	3,934,914		3,934,914
Depreciable Site Improvements, Buildings and Building Improvements, Furniture, and Machinery and Equipment	23,713,934	142,844	23,856,778
Total Assets	46,204,100	657,639	46,861,739
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows Related to Pensions	1,000,371		1,000,371
Total Deferred Outflows of Resources	1,000,371		1,000,371
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	1,266,671	84,520	1,351,191
Payable to State Government	791		791
Accrued Interest Payable	22,333		22,333
Unearned Revenue	3,917	61,454	65,371
Noncurrent Liabilities:			
Due Within One Year	848,854		848,854
Due Beyond One Year	10,843,031		10,843,031
Total Liabilities	12,985,597	145,974	13,131,571
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows Related to Pensions	5,822,136		5,822,136
Total Deferred Inflows of Resources	5,822,136		5,822,136
<u>NET POSITION</u>			
Net Investment in Capital Assets	25,415,001	142,844	25,557,845
Restricted for:			
Capital Projects	7,553,438		7,553,438
Maintenance	200,000		200,000
Emergency	50,000		50,000
Excess Surplus	3,950,000		3,950,000
Unemployment Compensation	559,688		559,688
Student Activities	86,512		86,512
Unrestricted/(Deficit)	(9,417,901)	368,821	(9,049,080)
Total Net Position	\$ 28,396,738	\$ 511,665	\$ 28,908,403

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, 2022

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	\$ 25,210,183	\$ 51,500	\$ 6,307,353	\$ (18,851,330)		\$ (18,851,330)
Special Education	10,200,637	86,582	5,234,391	(4,879,664)		(4,879,664)
Other Special Instruction	1,816,055		474,663	(1,341,392)		(1,341,392)
School Sponsored	53,728			(53,728)		(53,728)
Support Services:						
Tuition	492,387			(492,387)		(492,387)
Student and Instruction Related Services	11,295,970	38,705	2,146,673	(9,110,592)		(9,110,592)
General Administrative Services	895,908			(895,908)		(895,908)
School Administrative Services	2,402,599		451,140	(1,951,459)		(1,951,459)
Central Services	796,323			(796,323)		(796,323)
Administrative Information Technology	626,685			(626,685)		(626,685)
Plant Operations and Maintenance	4,536,428		170,633	(4,365,795)		(4,365,795)
Pupil Transportation	3,108,825	153,774	570,628	(2,384,423)		(2,384,423)
Transfer of Funds to Charter School	80,780			(80,780)		(80,780)
Interest on Long-Term Debt	19,406			(19,406)		(19,406)
Total Governmental Activities	61,535,914	330,561	15,355,481	(45,849,872)		(45,849,872)
Business-Type Activities:						
Food Service	925,963	25,527	1,164,791		\$ 264,355	264,355
Summer Enrichment	25,178	27,600			2,422	2,422
After Care	23,176	24,215			1,039	1,039
Total Business-Type Activities	974,317	77,342	1,164,791		267,816	267,816
Total Primary Government	\$ 62,510,231	\$ 407,903	\$ 16,520,272	(45,849,872)	267,816	(45,582,056)

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenue:			
Property Taxes, Levied for General Purposes	\$ 47,984,601		\$ 47,984,601
Taxes Levied for Debt Service	447,026		447,026
Federal, State and Local Aid not Restricted	1,759,204		1,759,204
Interest Earnings	1,090	\$ 16	1,106
Miscellaneous Income	163,605		163,605
	50,355,526	16	50,355,542
Total General Revenues			
Change in Net Position	4,505,654	267,832	4,773,486
Net Position - Beginning	23,891,084	243,833	24,134,917
Net Position - Ending	\$ 28,396,738	\$ 511,665	\$ 28,908,403

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, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 8,742,479		\$ 39,775		\$ 8,782,254
Interfund Receivable	62,973				62,973
Receivables From Federal Government		\$ 69,446			69,446
Receivables From State Government	1,250,264				1,250,264
Receivables From Other Government	3,650				3,650
Restricted Cash and Cash Equivalents	8,363,126	86,512			8,449,638
Total Assets	\$ 18,422,492	\$ 155,958	\$ 39,775	\$ -0-	\$ 18,618,225
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Payable to State Government		\$ 791			\$ 791
Accounts Payable	\$ 428,356	1,765			430,121
Interfund Payable		62,973			62,973
Unearned Revenue		3,917			3,917
Total Liabilities	428,356	69,446			497,802
Fund Balances:					
Restricted:					
Excess Surplus for 2023-2024	2,150,000				2,150,000
Excess Surplus for 2022-2023	1,800,000				1,800,000
Capital Reserve	7,553,438				7,553,438
Maintenance Reserve	200,000				200,000
Emergency Reserve	50,000				50,000
Unemployment Compensation	559,688				559,688
Student Activities		86,512			86,512
Committed			\$ 39,775		39,775
Assigned:					
Designated for Subsequent Year's					
Expenditures	348,957				348,957
Other Purposes	2,234,737				2,234,737
Unassigned	3,097,316				3,097,316
Total Fund Balances	17,994,136	86,512	39,775		18,120,423
Total Liabilities and Fund Balances	\$ 18,422,492	\$ 155,958	\$ 39,775	\$ -0-	\$ 18,618,225

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

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

Total Fund Balances - Governmental Funds (Previous Page)	\$ 18,120,423
Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds.	27,648,848
Long-Term Liabilities, including Bonds Payable, Compensated Absences Payable and Financed Purchases Payable, are not due and payable in the current period and therefore are not reported as liabilities in the Funds.	(3,823,802)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(22,333)
Bond Premiums are reported as revenue in the Governmental Funds.	(59,375)
The Net Pension Liability for PERS is not due and payable in the current period and is not reported in the Governmental Funds.	(7,808,708)
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	163,821
Deferred Inflows	<u>(5,822,136)</u>
Net Position of Governmental Activities	<u><u>\$ 28,396,738</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, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 47,984,601			\$ 447,026	\$ 48,431,627
Tuition from Individuals	51,500				51,500
Tuition from Other LEAs	86,582				86,582
Transportation Fees from Other LEAs	153,774				153,774
Interest on Capital Reserve	1,090				1,090
Restricted Miscellaneous Revenue	49,350	\$ 38,705			88,055
Unrestricted Miscellaneous Revenue	114,255	23,992			138,247
Total - Local Sources	48,441,152	62,697		447,026	48,950,875
State Sources	15,929,562	52,889		145,274	16,127,725
Federal Sources	482,926	1,270,853			1,753,779
Total Revenue	64,853,640	1,386,439		592,300	66,832,379
EXPENDITURES					
Current:					
Regular Instruction	14,862,425	443,196			15,305,621
Special Education Instruction	5,847,331	608,281			6,455,612
Other Special Instruction	1,062,574				1,062,574
School Sponsored/Other Instruction	49,693				49,693
Support Services and Undistributed Costs:					
Tuition	492,387				492,387
Student & Instruction Related Services	7,625,875	339,419			7,965,294
General Administrative Services	762,567				762,567
School Administrative Services	1,630,545				1,630,545
Central Services	675,097				675,097
Administration Information Technology	579,975				579,975
Plant Operations and Maintenance	4,083,295				4,083,295
Pupil Transportation	2,635,662				2,635,662
Unallocated Benefits	20,853,590				20,853,590
Debt Service:					
Principal				515,000	515,000
Interest and Other Charges				77,300	77,300
Capital Outlay	4,039,217	5,400	\$ 605,828		4,650,445
Charter Schools	80,780				80,780
Total Expenditures	65,281,013	1,396,296	605,828	592,300	67,875,437
Excess/(Deficit) of Revenue over/(under) Expenditures	(427,373)	(9,857)	(605,828)		(1,043,058)
OTHER FINANCING SOURCES/(USES)					
Financed Purchases (Non-Budgeted)	412,965				412,965
Transfers	(638,028)		638,028		
Total Other Financing Sources/(Uses)	(225,063)		638,028		412,965
Net Change in Fund Balances	(652,436)	(9,857)	32,200		(630,093)
Fund Balance — July 1	18,646,572	96,369	7,575		18,750,516
Fund Balance — June 30	\$ 17,994,136	\$ 86,512	\$ 39,775	\$ -0-	\$ 18,120,423

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, 2022

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ (630,093)

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 (if any) differ from the capital asset additions in the period.

	Depreciation expense	\$ (1,710,923)	
	Capital assets additions	<u>4,235,651</u>	
			2,524,728

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. (+)

(72,984)

Repayment of financed purchases 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. (+)

238,230

Financed purchases entered into by the District are an other financing source in the Governmental Funds, but the acquisition increases Long-Term Liabilities in the Statement of Net Position and is not reported in the Statement of Activities.

(412,965)

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. (+)

515,000

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 (-).

11,867

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		3,311,608	
Changes in Deferred Outflows		(779,519)	
Changes in Deferred Inflows		<u>(246,245)</u>	

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

\$ 4,505,654

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, 2022

	<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	\$ 341,485	\$ 44,325	\$ 385,810
Intergovernmental Accounts Receivable:			
State	2,344		2,344
Federal	103,319		103,319
Inventories	23,322		23,322
Total Current Assets	<u>470,470</u>	<u>44,325</u>	<u>514,795</u>
Non-Current Assets:			
Capital Assets	600,738		600,738
Less: Accumulated Depreciation	(457,894)		(457,894)
Total Non-Current Assets	<u>142,844</u>		<u>142,844</u>
Total Assets	<u>613,314</u>	<u>44,325</u>	<u>657,639</u>
LIABILITIES:			
Current Liabilities:			
Accounts Payable	84,520		84,520
Unearned Revenue - Prepaid Sales	31,622	25,840	57,462
Unearned Revenue - Donated Commodities	3,992		3,992
Total Liabilities	<u>120,134</u>	<u>25,840</u>	<u>145,974</u>
NET POSITION:			
Investment in Capital Assets	142,844		142,844
Unrestricted	350,336	18,485	368,821
Total Net Position	<u>\$ 493,180</u>	<u>\$ 18,485</u>	<u>\$ 511,665</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, 2022

	Business-Type Activities - Enterprise Funds		
	Major Fund	Total	
	Food Service	Non-Major Funds	Total Enterprise
Operating Revenue:			
Daily Sales:			
Non-Reimbursable Programs	\$ 25,527		\$ 25,527
Program Fees		\$ 51,815	51,815
Total Operating Revenue	25,527	51,815	77,342
Operating Expenses:			
Cost of Sales:			
Reimbursable Programs	393,837		393,837
Non-Reimbursable Programs	5,616		5,616
Salaries	291,143	43,128	334,271
Employee Benefits	78,861		78,861
Transportation		2,850	2,850
Other Purchased Services	48,001		48,001
Supplies and Materials	70,084	2,025	72,109
Miscellaneous Expenditures	20,515	351	20,866
Depreciation Expense	17,906		17,906
Total Operating Expenses	925,963	48,354	974,317
Operating Income/(Loss)	(900,436)	3,461	(896,975)
Non-Operating Revenue:			
Local Sources:			
Interest Income	15	1	16
State Sources:			
COVID-19 - Seamless Summer Option	24,691		24,691
Federal Sources:			
COVID-19 - Seamless Summer Option	1,064,704		1,064,704
Food Distribution Program	63,152		63,152
COVID-19 -Emergency Operational Cost Program	11,002		
COVID-19 -Pandemic Electronic Benefit Transfer	1,242		
Total Non-Operating Revenue	1,164,806	1	1,152,563
Change in Net Position	264,370	3,462	255,588
Net Position - Beginning of Year	228,810	15,023	243,833
Net Position - End of Year	\$ 493,180	\$ 18,485	\$ 499,421

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, 2022

	Business-Type Activities - Enterprise Funds		
	Major Fund	Total	
	Food Service	Non-Major Funds	Total Enterprise
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 22,498	\$ 50,655	\$ 73,153
Payments to Food Service Company	(759,645)		(759,645)
Payments to/for Employees		(43,128)	(43,128)
Payments to Suppliers	(52,512)	(5,226)	(57,738)
Net Cash Provided by/(Used for) Operating Activities	(789,659)	2,301	(787,358)
Cash Flows from Financing Activities:			
Interest Income	15	1	16
Net Cash Provided by Financing Activities	15	1	16
Cash Flows from Capital and Related Financing Activities:			
Purchase of Capital Assets	(6,790)		(6,790)
Net Cash (Used for) Capital and Related Financing Activities	(6,790)		(6,790)
Cash Flows from Noncapital Financing Activities:			
State Sources	26,640		26,640
Federal Sources	1,020,826		1,020,826
Net Cash Provided by Noncapital Financing Activities	1,047,466		1,047,466
Net Increase in Cash and Cash Equivalents	251,032	2,302	253,334
Cash and Cash Equivalents, July 1	90,453	42,023	132,476
Cash and Cash Equivalents, June 30	\$ 341,485	\$ 44,325	\$ 385,810
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) by Operating Activities:			
Operating Income/(Loss)	\$ (900,436)	\$ 3,461	\$ (896,975)
Depreciation	17,906		17,906
Food Distribution Program	63,152		63,152
Changes in Assets and Liabilities:			
Decrease in Other Accounts Receivable	603		603
Increase in Accounts Payable	47,451		47,451
(Decrease) in Unearned Revenue - Donated Commodities	(2,379)		(2,379)
(Decrease) in Unearned Revenue - Prepaid Sales	(3,029)	(1,160)	(4,189)
(Increase) in Inventory	(12,927)		(12,927)
Net Cash Provided by/(Used for) by Operating Activities	\$ (789,659)	\$ 2,301	\$ (787,358)

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$60,773 and utilized U.S.D.A. Commodities valued at \$63,152.

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, 2022

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, 2022

(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 or lease 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, 2022

(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 or lease asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under financed purchases 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, 2022
(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, 2022 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:

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 64,858,284	\$ 1,444,481
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		4,759
Current Year Encumbrances		(62,801)
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	305,059	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(309,703)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 64,853,640</u>	<u>\$ 1,386,439</u>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(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	\$ 6,528,013	\$ 1,454,338
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		4,759
Current Year Encumbrances		(62,801)
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 6,528,013	\$ 1,396,296

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, 2022

(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, 2022.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(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. Lease Assets

Intangible right-to-use lease assets are assets which the District leases for a term of more than one year. The value of leases are determined by the net present value of the leases at the District's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

M. 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.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

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

N. 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, 2022, the amount earned by these employees but not disbursed was \$90.

O. 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.

P. Lease Payable

In the district-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

Q. 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.

R. Fund Balance Appropriated:

General Fund: Of the \$17,994,136 fund balance at June 30, 2022, \$7,553,438 is restricted in the capital reserve; \$200,000 is restricted in the maintenance reserve; \$50,000 is restricted in the emergency reserve; \$559,688 is restricted for unemployment compensation; \$1,800,000 is restricted as prior year excess surplus and has been appropriated and included in the budget for the fiscal year ending June 30, 2023; \$2,150,000 is restricted as current year excess surplus and will be appropriated and included in the budget for the fiscal year ending June 30, 2024; \$2,234,737 is assigned for encumbrances; \$348,957 is assigned fund balance designated for subsequent year's expenditures; and \$3,097,316 is unassigned which is \$309,703 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, 2023.

Special Revenue Fund: The \$86,512 fund balance at June 30, 2022 is restricted for student activities.

Capital Projects Fund: The \$39,775 fund balance at June 30, 2022 is committed for capital projects.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

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

R. Fund Balance Appropriated: (Cont'd)

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, 2022 as detailed on the previous page.

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.

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.

S. Fund Balance Restrictions, Commitments and Assignments:

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

Fund balance restrictions have been established for 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, 2022.

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.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

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

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

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, 2022.

T. Deficit Net Position:

The \$9,417,901 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.

U. 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, 2022 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, lease assets, net of accumulated amortization 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.

V. 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.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

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

V. Revenue - Exchange and Nonexchange Transactions: (Cont'd)

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.

W. 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.

X. 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.

Y. 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.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

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 in the section of this note on investments.

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;

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

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

Investments: (Cont'd)

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

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

Investments: (Cont'd)

- (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
- (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
- (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

As of June 30, 2022, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents		Total
	Unrestricted	Restricted	
Checking & Savings Accounts	\$ 9,168,064	\$ 8,449,638	\$ 17,617,702

During the period ended June 30, 2022, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2022, was \$17,617,702 and the bank balance was \$19,021,417.

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, 2021 to June 30, 2022 fiscal year is as follows:

Balance at June 30, 2021	\$ 10,463,977
Increased by:	
Interest Earned	1,090
Board Resolution, June 2022	2,696,477
Decreased by:	
Budgeted Withdrawal	(4,580,000)
Withdrawal by Board Resolution	(1,028,106)
Balance at June 30, 2022	\$ 7,553,438

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

The June 30, 2022 LRFPP balance of local support of uncompleted capital project costs exceeds the balance in the capital reserve account at June 30, 2022. Withdrawals from the Capital Reserve Account were for use in DOE approved facilities projects, consistent with the District's LRFPP.

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, 2021 to June 30, 2022 fiscal year is as follows:

Balance at June 30, 2021	\$	50,000
Balance at June 30, 2022	\$	<u>50,000</u>

NOTE 6: TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2022, the District transferred \$9,018 to capital outlay accounts for equipment which did not require County Superintendent approval. The District also transferred \$510,557 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.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 7. MAINTENANCE RESERVE ACCOUNT (Cont'd)

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

The activity of the reserve for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

Balance at June 30, 2021	\$ 200,000
Balance at June 30, 2022	<u>\$ 200,000</u>

NOTE 8. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2022 were as follows:

	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	86,220	\$ 605,828		692,048
Total Capital Assets not Being Depreciated	3,329,086	605,828		3,934,914
Capital Assets Being Depreciated				
Site Improvements	1,787,983		\$ 16,520	1,804,503
Buildings and Building Improvements	38,445,616	3,084,225	(28,642)	41,501,199
Machinery and Equipment	10,085,405	545,598	(13,470)	10,617,533
Total Capital Assets Being Depreciated	50,319,004	3,629,823	(25,592)	53,923,235
Governmental Activities Capital Assets	53,648,090	4,235,651	(25,592)	57,858,149
Less Accumulated Depreciation for:				
Site Improvements	(67,331)	(49,862)	(16,520)	(133,713)
Buildings and Building Improvements	(20,303,809)	(1,196,793)	17,934	(21,482,668)
Machinery and Equipment	(8,152,830)	(464,268)	24,178	(8,592,920)
Total Accumulated Depreciation	(28,523,970)	(1,710,923)	25,592	(30,209,301)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 25,124,120	\$ 2,524,728	\$ -0-	\$ 27,648,848
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 593,948	\$ 6,790		\$ 600,738
Less Accumulated Depreciation	(439,988)	(17,906)		(457,894)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	\$ 153,960	\$ (11,116)	\$ -0-	\$ 142,844

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 8. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$	701,477
Special Education		153,983
Other Special Instruction		51,328
Other Instruction		17,110
Support Services		205,310
General Administration		102,656
School Administration		34,218
Central Services		51,328
Operations and Maintenance of Plant		239,530
Pupil Transportation		153,983
	\$	<u>1,710,923</u>

NOTE 9. LONG-TERM DEBT LIABILITIES

During the fiscal year ended June 30, 2022, the following changes occurred in long-term liabilities reported in the district-wide financial statements:

	Balance 6/30/2021	Accrued	Retired	Balance 6/30/2022	Due within One Year
Serial Bonds Payable	\$ 2,190,000		\$ 515,000	\$ 1,675,000	\$ 535,000
Financed Purchases Payable	384,112	\$ 412,965	238,230	558,847	232,126
Unamortized Bond Premium	105,402		46,027	59,375	46,027
Compensated Absences Payable	1,516,971	293,329	220,345	1,589,955	35,701
Net Pension Liability	11,120,316		3,311,608	7,808,708	
	<u>\$ 15,316,801</u>	<u>\$ 706,294</u>	<u>\$ 4,331,210</u>	<u>\$ 11,691,885</u>	<u>\$ 848,854</u>

A. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds. Debt service on bonds is liquidated through the debt service fund.

The District had bonds outstanding as of June 30, 2022 as follows:

<u>Purpose</u>	<u>Final Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
2016 Refunding Bonds	9/1/2024	4.000%	<u>\$ 1,675,000</u>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(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	
2023	\$ 535,000	\$ 56,300	\$ 591,300
2024	560,000	34,400	594,400
2025	580,000	11,600	591,600
	<u>\$ 1,675,000</u>	<u>\$ 102,300</u>	<u>\$ 1,777,300</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2022, the District had no bonds authorized but not issued.

C. Financed Purchases Payable

The District has financed purchases agreements for buses totaling \$1,173,284, of which \$614,437 has been liquidated as of June 30, 2022. All financed purchases agreements are for terms of five years. The schedule of the future minimum financed purchases payments under the District's financed purchases agreements and the present value of the net minimum financed purchases payments at June 30, 2022 are as follows:

<u>Year Ending</u>	<u>Amount</u>
2023	\$ 247,199
2024	168,054
2025	87,591
2026	87,591
Total minimum financed purchases payments	590,435
Less: amount representing interest	(31,588)
Present value of future minimum financed purchases payments	\$ 558,847

The current portion of the financed purchases payable as of June 30, 2022 in the governmental activities is \$232,136 and the long-term portion is \$326,721. The General Fund will be used to liquidate the financed purchases 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 \$13,348.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(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 \$35,701 and the long-term liability balance is \$1,554,254.

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, 2022, 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, 2022 is \$-0- and the long term portion is \$7,808,708. 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, 2022

(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 \$778,394 for fiscal year 2022.

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, 2022, the District reported a liability of \$7,808,708 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. 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, 2021, the District's proportion was 0.0659%, which was a decrease of 0.0023% from its proportion measured as of June 30, 2020.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(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, 2022, the District recognized an actual pension benefit in the amount of \$1,511,777. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	5.48		\$ 329,998
	2018	5.63		618,676
	2019	5.21		545,780
	2020	5.16		1,285,497
	2021	5.13	\$ 40,668	
			<u>40,668</u>	<u>2,779,951</u>
Difference Between Expected and Actual Experience	2017	5.48	9,814	
	2018	5.63		23,559
	2019	5.21	41,720	
	2020	5.16	71,619	
	2021	5.13		32,342
			<u>123,153</u>	<u>55,901</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2018	5.00		60,997
	2019	5.00		(19,682)
	2020	5.00		(443,566)
	2021	5.00		2,459,270
				<u>2,057,019</u>
Changes in Proportion	2017	5.48		6,708
	2018	5.63		149,927
	2019	5.21		5,818
	2020	5.16		367,157
	2021	5.13		399,655
				<u>929,265</u>
District Contribution Subsequent to the Measurement Date	2021	1.00	836,550	
			<u>\$ 1,000,371</u>	<u>\$ 5,822,136</u>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(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 the pension benefit as follows:

Fiscal Year Ending June 30,	Total
2022	\$ (1,842,515)
2023	(1,315,551)
2024	(896,982)
2025	(674,264)
2026	262
	\$ (4,729,050)

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. 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-2021.

The actuarial assumptions used in the July 1, 2020 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, 2022

(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, 2021) 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, 2021 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%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Management Strategies	3.00%	3.35%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 100% 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 in determining the total pension liability.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(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, 2021 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, 2021		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 10,639,762	\$ 7,808,708	\$ 5,414,147

Pension Plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF), is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division). For additional information about the TPAF, please refer to the Division's 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, 2022

(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 2022, the State's pension contribution was more 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. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer. During the fiscal year ended 2022, the State of New Jersey contributed \$7,937,881 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required contribution of \$2,140,622.

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, 2022, the State's proportionate share of the net pension liability associated with the District was \$90,972,461. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(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)

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, 2021, the District's proportion was 0.189%, which was a decrease of 0.003% from its proportion measured as of June 30, 2020.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	90,972,461
Total	\$ 90,972,461

For the fiscal year ended June 30, 2022, the State recognized pension expense on behalf of the District in the amount of \$2,140,622 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2022 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	\$ 153,774,925	
	2015	8.30	926,219,611	
	2016	8.30	3,000,278,784	
	2017	8.30		\$ 5,282,196,290
	2018	8.29		3,527,661,165
	2019	8.04		2,510,940,613
	2020	7.99	1,209,286,241	
	2021	7.93		12,903,483,645
			5,289,559,561	24,224,281,713
Difference Between Expected and Actual Experience	2014	8.50		1,464,605
	2015	8.30	57,204,429	
	2016	8.30		37,311,034
	2017	8.30	93,981,436	
	2018	8.29	618,845,893	
	2019	8.04		97,553,990
	2020	7.99		6,444,940
	2021	7.93	171,234,070	
			941,265,828	142,774,569
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2018	5.00		96,030,373
	2019	5.00		(72,441,385)
	2020	5.00		(724,186,621)
	2021	5.00		3,554,633,811
			941,265,828	142,774,569
			\$ 6,230,825,389	\$ 27,221,092,460

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(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
2022	\$ (2,914,282,899)
2023	(3,500,098,875)
2024	(4,665,036,366)
2025	(4,192,375,542)
2026	(2,350,648,872)
Thereafter	(3,367,824,517)
	\$ (20,990,267,071)

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. 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-2021.

The actuarial assumptions used in the July 1, 2020 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, 2022

(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, 2021) 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, 2021 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%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Management Strategies	3.00%	3.35%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all projected benefit payments in determining the total pension liability.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(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, 2021 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, 2021		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 107,635,638	\$ 90,972,461	\$ 76,976,457

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 \$111,086 for the fiscal year ended June 30, 2022. Employee contributions to DCRP amounted to \$165,422 for the fiscal year ended June 30, 2022.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(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 Annual comprehensive 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.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 12. RISK MANAGEMENT (Cont'd)

Property and Liability (Cont'd)

Selected financial information for the SAIF as of June 30, 2022 is as follows:

Total Assets	\$ 52,198,217
Net Position	\$ 20,990,635
Total Revenue	\$ 46,988,143
Total Expenses	\$ 46,989,023
Change in Net Position	\$ (880)
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
2021-2022	\$ -0-	\$ 153,078	\$ 51	\$ 103,779	\$ 559,688
2020-2021	52,008	170,441	107	56,419	510,338
2019-2020	-0-	107,578	2,324	138,566	344,201

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, 2022
(Continued)

NOTE 14. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2022:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 62,973	
Special Revenue Fund		\$ 62,973
	\$ 62,973	\$ 62,973

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.

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, 2022
(Continued)

NOTE 16. COMMITMENTS AND CONTINGENCIES (Cont'd)

Encumbrances

At June 30, 2022, there were encumbrances as detailed in the governmental funds:

General Fund	Special Revenue Fund	Total Governmental Funds
\$ 2,234,737	\$ 62,801	\$ 2,297,538

On the District’s Governmental Funds Balance Sheet as of June 30, 2022, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$62,801 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.

NOTE 17. ACCOUNTS PAYABLE

Payables as of June 30, 2022 were:

	Governmental Funds		District Contribution Subsequent to the Measure- ment Date	Total Governmental Activities	Business-Type Activities Proprietary Funds
	General Fund	Special Revenue Fund			
Vendors	\$ 191,753	\$ 1,765		\$ 193,518	\$ 84,520
State of New Jersey			\$ 836,550	836,550	
Accrued Salaries and Wages	90			90	
Payroll Deductions & Withholding	236,513			236,513	
	\$ 428,356	\$ 1,765	\$ 836,550	\$ 1,266,671	\$ 84,520

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, 2022

(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 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 annual financial statements which can be found at <https://www.state.nj.us/treasury/pensions/gasb-notice-op eb.shtml>.

Employees Covered by Benefit Terms

At June 30, 2019, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	149,304
Active Plan Members	<u>216,804</u>
Total	<u><u>366,108</u></u>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(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, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020.

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 - 4.45% based on service years	2.00 - 6.00% based on service years
Thereafter		1.55 - 4.45% based on service years	3.00 - 7.00% based on service years

The actuarial assumptions used in the June 30, 2019 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) and “General” (PERS); classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. 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-2020. 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-2020.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long term rate after seven 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, 2022

(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, 2020 was 2.21%. 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, 2019	\$ 90,267,439
Changes for Year:	
Service Cost	3,511,422
Interest on the Total OPEB Liability	3,239,184
Changes of Assumptions	26,865,524
Differences between Expected and Actual Experience	25,674,144
Gross Benefit Payments by the State	(2,560,452)
Contributions from Members	77,607
Net Changes in Total OPEB Liability	56,807,429
Balance at June 30, 2020	\$ 147,074,868

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, 2020, 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, 2020		
	At 1% Decrease (1.21%)	At Discount Rate (2.21%)	At 1% Increase (3.21%)
Total OPEB Liability Attributable to the District	\$ 177,306,345	\$ 147,074,868	\$ 123,436,765

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(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, 2020, 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, 2020		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 118,723,793	\$ 147,074,868	\$ 180,834,697

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

For the fiscal year ended June 30, 2022 the District recognized OPEB expense of \$6,347,224 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, 2020, 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	Deferred
			Outflows of Resources	Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 8,925,740
	2018	9.51		7,856,336
	2019	9.29	\$ 1,058,950	
	2020	9.24	23,958,000	
			25,016,951	16,782,076
Differences Between Expected and Actual Experience	2018	9.51		7,426,682
	2019	9.29		12,463,906
	2020	9.24	22,329,796	
			22,329,796	19,890,588
Changes in Proportion	N/A	N/A	311,374	4,036,748
			\$ 47,658,121	\$ 40,709,411

N/A - Not Available

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(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
2021	\$ 94,219
2022	94,219
2023	94,219
2024	94,219
2025	94,219
Thereafter	10,202,989
	\$ 10,674,084

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 EIGHT FISCAL YEARS

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
District's proportion of the net pension liability	0.0779444738%	0.0797615020%	0.0735625289%	0.0732113534%	0.0709153884%	0.0708549551%	0.0681919007%	0.0659157463%
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	\$ 7,808,708
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	\$ 4,890,871
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%	159.66%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%

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 EIGHT FISCAL YEARS

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required contribution	\$ 642,768	\$ 685,735	\$ 655,947	\$ 684,740	\$ 705,379	\$ 689,212	\$ 748,104	\$ 778,394
Contributions in relation to the contractually required contribution	(642,768)	(685,735)	(655,947)	(684,740)	(705,379)	(689,212)	(748,104)	(778,394)
Contribution deficiency/(excess)	\$ -0-	\$ -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	\$ 4,791,194
Contributions as a percentage of covered employee payroll	12.36%	13.79%	13.34%	13.72%	14.55%	14.51%	15.30%	16.25%

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 EIGHT FISCAL YEARS

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
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%	0.1892295449%
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	\$ 90,972,461
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	\$ 21,994,580
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%	413.61%
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%	35.52%

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 CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND
LAST EIGHT FISCAL YEARS

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required contribution	\$ 5,406,513	\$ 7,357,833	\$ 11,183,383	\$ 8,970,792	\$ 7,259,178	\$ 7,058,881	\$ 7,844,868	\$ 2,140,622
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)	(7,937,881)
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>	<u>\$ (5,797,259)</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	\$ 23,140,338
Contributions as a percentage of covered employee payroll	27.81%	7.15%	10.25%	14.19%	18.98%	19.44%	25.01%	34.30%

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 CHANGES IN THE STATE'S PROPORTIONATE SHARE OF THE TOTAL OPEB LIABILITY
ASSOCIATED WITH THE DISTRICT AND RELATED RATIOS
LAST FOUR FISCAL YEARS

	Fiscal Years Ending			
	2017	2018	2019	2020
Total OPEB Liability				
Service Cost	\$ 4,984,155	\$ 4,157,195	\$ 3,585,029	\$ 3,511,422
Interest Cost	3,821,106	4,415,134	4,095,257	3,239,184
Changes in Assumptions	(15,919,217)	(11,884,856)	1,345,895	26,865,524
Differences between Expected and Actual Experience		(10,942,259)	(19,637,152)	25,674,144
Member Contributions	92,600	95,713	82,138	77,607
Gross Benefit Payments	(2,514,769)	(2,769,350)	(2,770,941)	(2,560,452)
Net Change in Total OPEB Liability	(9,536,125)	(16,928,423)	(13,299,774)	56,807,429
Total OPEB Liability - Beginning	130,031,761	120,495,636	103,567,213	90,267,439
Total OPEB Liability - Ending	<u>\$ 120,495,636</u>	<u>\$ 103,567,213</u>	<u>\$ 90,267,439</u>	<u>\$ 147,074,868</u>
District's Covered Employee Payroll *	\$ 25,148,020	\$ 25,264,163	\$ 25,198,195	\$ 26,459,999
Total OPEB Liability as a Percentage of Covered Employee Payroll	479%	410%	358%	556%

* - Covered payroll for the fiscal years ending June 30, 2017 through 2020 are based on the payroll on the June 30, 2016 through 2019 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, 2022

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020 while in the July 1, 2020 actuarial valuation the mortality improvement was based on Scale MP-2021.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 5.40% as of June 30, 2020 to 7.00% as of June 30, 2021.

In the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020 while in the July 1, 2020 actuarial valuation the mortality improvement was based on Scale MP-2021.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(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, 2020 was 2.21%. The discount rate for June 30, 2019 was 3.50%, a change of -129%.

The mortality rates in the valuation as of June 30, 2020 were based on the following:

Pre-retirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP) and “General” (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. 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-2020. 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-2020.

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, 2020 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

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, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
Local Tax Levy	\$ 47,984,601		\$ 47,984,601	\$ 47,984,601	
Tuition From Individuals	48,000		48,000	51,500	3,500
Tuition From Other LEAs Within the State	250,000		250,000	86,582	(163,418)
Transportation Fees From Other LEAs	75,000		75,000	153,774	78,774
Unrestricted Miscellaneous Revenues	164,400		164,400	114,255	(50,145)
Interest Earned on Capital Reserve Funds	1,900		1,900	1,090	(810)
Other Restricted Miscellaneous Revenues				49,350	49,350
Total Revenues from Local Sources	48,523,901		48,523,901	48,441,152	(82,749)
Revenues from State Sources:					
Categorical Transportation Aid	549,225		549,225	549,225	
Extraordinary Aid	250,000		250,000	720,455	470,455
Categorical Special Education Aid	1,678,301		1,678,301	1,678,301	
Equalization Aid	854,190		854,190	854,190	
Categorical Security Aid	50,153		50,153	50,153	
Securing our Children's Future Bond Act		\$ 120,479	120,479	120,479	
Nonpublic Transportation Aid				21,385	21,385
Military Impact Aid				320,582	320,582
TPAF Post Retirement Contributions (Non-Budgeted)				1,880,776	1,880,776
TPAF Pension Contributions (Non-Budgeted)				7,937,881	7,937,881
TPAF Non-Contributory Insurance (Non-Budgeted)				111,992	111,992
TPAF Long-Term Disability Insurance (Non-Budgeted)				2,995	2,995
Reimbursed TPAF Social Security Contributions				1,685,792	1,685,792
Total Revenues from State Sources	3,381,869	120,479	3,502,348	15,934,206	12,431,858
Revenues from Federal Sources:					
IMPACT AID - 8002 OR 8003 General	250,000		250,000	439,131	189,131
Medicaid Reimbursement	39,278		39,278	43,795	4,517
Total Revenues from Federal Sources	289,278		289,278	482,926	193,648

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
TOTAL REVENUE	\$ 52,195,048	\$ 120,479	\$ 52,315,527	\$ 64,858,284	\$ 12,542,757
GENERAL CURRENT EXPENSE					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	83,328	1,482	84,810	84,810	
Kindergarten - Salaries of Teachers	941,249	16,610	957,859	955,857	2,002
Grades 1-5 - Salaries of Teachers	7,423,727	184,971	7,608,698	7,608,692	6
Grades 6-8 - Salaries of Teachers	4,346,590	18,652	4,365,242	4,365,241	1
Regular Programs - Home Instruction:					
Salaries of Teachers	40,000	72,800	112,800	112,799	1
Purchased Professional-Educational Services	25,000		25,000	3,820	21,180
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	322,542	19,763	342,305	342,304	1
Unused Vacation Payment to Terminated/Retired Staff		20,104	20,104	20,104	
Purchased Professional-Educational Services	148,500	(14,778)	133,722	98,987	34,735
Other Purchased Services (400-500 series)	315,500	6,412	321,912	321,412	500
General Supplies	1,181,867	37,906	1,219,773	948,399	271,374
Textbooks	20,000	(3,500)	16,500		16,500
Total Regular Programs - Instruction	14,848,303	360,422	15,208,725	14,862,425	346,300
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	313,238	9,877	323,115	323,114	1
Other Salaries for Instruction	88,990	86,864	175,854	175,331	523
General Supplies	1,700	(527)	1,173	1,155	18
Total Learning and/or Language Disabilities	403,928	96,214	500,142	499,600	542

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Behavioral Disabilities:					
Salaries of Teachers	\$ 288,289	\$ (9,247)	\$ 279,042	\$ 279,042	
Other Salaries for Instruction	107,071	45,125	152,196	152,190	\$ 6
General Supplies	800	5,104	5,904	554	5,350
Total Behavioral Disabilities	396,160	40,982	437,142	431,786	5,356
Multiple Disabilities:					
Salaries of Teachers	233,580	(6,831)	226,749	226,749	
Other Salaries for Instruction	42,073	(31,365)	10,708	10,708	
General Supplies	3,317	(500)	2,817	2,018	799
Other Objects	1,400	(1,090)	310	310	
Total Multiple Disabilities	280,370	(39,786)	240,584	239,785	799
Resource Room/Resource Center:					
Salaries of Teachers	3,260,794	34,355	3,295,149	3,295,147	2
Other Salaries for Instruction	227,232	6,240	233,472	233,262	210
General Supplies	414		414	114	300
Total Resource Room/Resource Center	3,488,440	40,595	3,529,035	3,528,523	512
Autism:					
Salaries of Teachers	480,584	(10,890)	469,694	469,468	226
Other Salaries for Instruction	70,816	(33,469)	37,347	37,347	
General Supplies	11,850	3,787	15,637	14,572	1,065
Other Objects	1,400		1,400		1,400
Total Autism	564,650	(40,572)	524,078	521,387	2,691
Preschool Disabilities - Part-Time:					
Salaries of Teachers	231,952	(6,968)	224,984	224,983	1
Other Salaries for Instruction	162,484	60,423	222,907	222,906	1

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Preschool Disabilities - Part-Time: (Cont'd)					
General Supplies	\$ 2,324		\$ 2,324	\$ 2,031	\$ 293
Total Preschool Disabilities - Part-Time	396,760	\$ 53,455	450,215	449,920	295
Preschool Disabilities - Full-Time:					
Salaries of Teachers	73,290	6,783	80,073	80,073	
Other Salaries for Instruction	72,829	21,052	93,881	93,880	1
General Supplies	2,700		2,700	2,377	323
Total Preschool Disabilities - Full-Time	148,819	27,835	176,654	176,330	324
TOTAL SPECIAL EDUCATION - INSTRUCTION	5,679,127	178,723	5,857,850	5,847,331	10,519
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	908,878	(74,780)	834,098	834,098	
Total Basic Skills/Remedial - Instruction	908,878	(74,780)	834,098	834,098	
Bilingual Education - Instruction:					
Salaries of Teachers	224,153	4,323	228,476	228,476	
General Supplies	1,290		1,290		1,290
Total Bilingual Education - Instruction	225,443	4,323	229,766	228,476	1,290
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	31,000	(350)	30,650	26,668	3,982
Other Objects	29,200	(625)	28,575	2,425	26,150
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	60,200	(975)	59,225	29,093	30,132
School-Sponsored Athletics - Instruction:					
Salaries	14,450	350	14,800	14,800	
Supplies and Materials	8,000		8,000	740	7,260
Total School-Sponsored Athletics - Instruction	22,450	350	22,800	15,540	7,260

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
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
Total Before/after School Programs	6,300		6,300		6,300
Community Services Programs/Operations:					
Salaries	5,520		5,520	\$ 5,060	460
Supplies and Materials	1,000		1,000		1,000
Total Community Services Programs/Operations	6,520		6,520	5,060	1,460
TOTAL INSTRUCTION	21,757,221	\$ 468,063	22,225,284	21,822,023	403,261
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Special	311,020	(15,753)	295,267	196,839	98,428
Tuition to Priv. Sch. for the Handicap. W/I State	641,640	(2,498)	639,142	295,548	343,594
Total Undistributed Expenditures - Instruction	952,660	(18,251)	934,409	492,387	442,022
Undistributed Expend. - Attend. & Social Work:					
Salaries	1,600	400	2,000	2,000	
Purchased Professional and Technical Services	60,582	(3,563)	57,019	56,392	627
Total Undist. Expend. - Attendance and Social Work	62,182	(3,163)	59,019	58,392	627
Undistributed Expenditures - Health Services:					
Salaries	558,028	38,582	596,610	596,490	120
Purchased Professional and Technical Services	28,500	(4,454)	24,046	23,500	546
Other Purchased Services (400-500 series)	1,679		1,679	341	1,338
Supplies and Materials	34,625		34,625	27,859	6,766
Other Objects	1,600		1,600	460	1,140
Total Undist. Expenditures - Health Services	624,432	34,128	658,560	648,650	9,910

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Speech, OT, PT, Related Svcs:					
Salaries	\$ 3,825,405	\$ (457,814)	\$ 3,367,591	\$ 3,286,513	\$ 81,078
Purchased Professional - Educational Services	351,800	(1,700)	350,100	302,903	47,197
Supplies and Materials	8,800	11,334	20,134	17,444	2,690
Other Objects	2,900	147	3,047	2,346	701
Total Undist. Expend. - Speech, OT, PT, Related Svcs	4,188,905	(448,033)	3,740,872	3,609,206	131,666
Undist. Expend. - Other Supp. Serv. Students - Extra. Serv.:					
Purchased Professional - Educational Services	521,467	(15,287)	506,180	266,383	239,797
Total Undist. Expend. - Other Supp. Svcs. Students - Extra. Serv.	521,467	(15,287)	506,180	266,383	239,797
Undist. Expend. - Guidance:					
Salaries of Other Professional Staff	619,563	18,692	638,255	636,385	1,870
Salaries of Secretarial and Clerical Assistants	59,461	(200)	59,261	59,261	
Other Purchased Prof. and Tech. Services	4,000		4,000		4,000
Other Purchased Services (400-500 series)	950		950		950
Supplies and Materials	600		600		600
Total Undist Expend. - Guidance	684,574	18,492	703,066	695,646	7,420
Undist. Expend. - Child Study Team:					
Salaries of Other Professional Staff	1,617,764	24,124	1,641,888	1,620,336	21,552
Salaries of Secretarial and Clerical Assistants	130,106	(23)	130,083	121,938	8,145
Other Purchased Prof. and Tech. Services	33,000	(3,900)	29,100	23,975	5,125
Other Purchased Services (400-500 series)	13,850	(7,122)	6,728	5,451	1,277
Supplies and Materials	14,775	2,891	17,666	17,070	596
Total Undist Expend. - Child Study Team	1,809,495	15,970	1,825,465	1,788,770	36,695
Undist. Expend. - Improv. of Inst. Serv.:					
Salaries of Supervisors of Instruction	172,845		172,845	149,587	23,258
Salaries of Other Professional Staff	25,000		25,000	2,000	23,000

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Improv. of Inst. Serv.: (Cont'd)	\$ 57,433		\$ 57,433	\$ 47,642	\$ 9,791
Salaries of Secretarial and Clerical Assistants	25,900	(25,900)			
Purchased Professional - Educational Services	78,145	(500)	77,645	25,626	52,019
Other Purchased Services (400-500 series)	15,208		15,208	8,890	6,318
Supplies and Materials	4,124		4,124	1,604	2,520
Other Objects					
Total Undist. Expend.-Improv. of Inst. Serv.	378,655	(26,400)	352,255	235,349	116,906
Undist. Expend.-Edu. Media Serv./Sch. Library:					
Salaries	99,650	3,010	102,660	102,660	
Other Purchased Services (400-500 series)	10,560	(3,587)	6,973	5,094	1,879
Supplies and Materials	36,737	(1,784)	34,953	23,592	11,361
Total Undist Expend-Edu. Media Serv./Sch. Library	146,947	(2,361)	144,586	131,346	13,240
Undist. Expend.-Instructional Staff Training Services:					
Other Purchased Prof. And Tech. Services	22,000		22,000		22,000
Other Purchased Services (400-500 series)	14,450	100	14,550	5,153	9,397
Supplies and Materials	54,612	(36,337)	18,275	18,275	
Other Objects	160,566	14,990	175,556	168,705	6,851
Total Undist. Expend.-Instructional Staff Training Services	251,628	(21,247)	230,381	192,133	38,248
Undist. Expend.-Support Serv.-Gen. Admin.:					
Salaries	313,625	(10,582)	303,043	287,024	16,019
Legal Services	220,000		220,000	162,948	57,052
Audit Fees	50,000		50,000	49,000	1,000
Architectural/Engineering Services	32,975		32,975	400	32,575
Other Purchased Professional Services	12,000		12,000	8,353	3,647
Communications / Telephone	97,500	(313)	97,187	86,298	10,889
Other Purch. Serv. (400-500 series other than 530 & 585)	168,573	(460)	168,113	126,948	41,165

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Support Serv.-Gen. Admin.: (Cont'd)					
General Supplies	\$ 3,500	\$ (568)	\$ 2,932	\$ 1,391	\$ 1,541
BOE In-house training/ Meeting Supplies	2,500	1,078	3,578	3,313	265
Miscellaneous Expenditures	13,000	313	13,313	12,606	707
BOE Membership Dues and Fees	26,000	(50)	25,950	24,286	1,664
Total Undist. Expend.-Support Serv.-Gen. Admin.	939,673	(10,582)	929,091	762,567	166,524
Undist. Expend.-Support Serv.-School Admin.:					
Salaries of Principals/Assistant Principals/Prog Director	1,029,792	3,000	1,032,792	1,009,912	22,880
Salaries of Secretarial and Clerical Assistants	610,396	4,579	614,975	570,890	44,085
Purchased Professional and Technical Services	4,000	3,700	7,700	6,775	925
Other Purchased Services (400-500 series)	10,500	150	10,650	1,225	9,425
Supplies and Materials	39,725	(300)	39,425	23,482	15,943
Other Objects	25,020	1,300	26,320	18,261	8,059
Total Undist. Expend.-Support Serv.-School Adm.	1,719,433	12,429	1,731,862	1,630,545	101,317
Undist. Expend. - Central Services:					
Salaries	623,651	(3,607)	620,044	619,217	827
Purchased Technical Services	40,600	2,595	43,195	43,194	1
Miscellaneous Purchased Services (400-500 series other than 594)	5,900		5,900	1,108	4,792
Supplies and Materials	15,856	(2,595)	13,261	9,428	3,833
Other Objects	4,450		4,450	2,150	2,300
Total Undist. Expend. - Central Services	690,457	(3,607)	686,850	675,097	11,753
Undist. Expend. - Admin. Info. Technology:					
Salaries	488,718	(5,378)	483,340	439,496	43,844
Purchased Technical Services	65,373	4,388	69,761	69,761	
Other Purchased Services (400-500 series)	8,000	(4,986)	3,014	2,518	496
Supplies and Materials	64,682	3,518	68,200	68,200	
Total Undist. Expend. - Admin. Info. Technology	626,773	(2,458)	624,315	579,975	44,340

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Required Maintenance for School Facilities:					
Salaries	\$ 470,363	\$ (50,359)	\$ 420,004	\$ 411,997	\$ 8,007
Cleaning, Repair, and Maintenance Services	287,699	21,648	309,347	276,968	32,379
General Supplies	287,890	(40,853)	247,037	205,001	42,036
Other Objects	1,000		1,000	635	365
Total Undist. Expend.- Required Maint. for School Facilities	1,046,952	(69,564)	977,388	894,601	82,787
Undist. Expend.-Custodial Services:					
Salaries	1,416,430	(6,773)	1,409,657	1,405,057	4,600
Purchased Professional and Technical Services	125,000	56,970	181,970	181,381	589
Cleaning, Repair, and Maintenance Services	268,500	(53,837)	214,663	163,845	50,818
Rental of Land & Bldg. Oth. than Lease Pur. Agrmt.	1		1	1	1
Other Purchased Property Services	47,000		47,000	29,020	17,980
Insurance	250,000		250,000	249,802	198
Miscellaneous Purchased Services	2,500	400	2,900	2,860	40
General Supplies	110,000	28,755	138,755	135,984	2,771
Energy (Natural Gas)	289,120		289,120	285,980	3,140
Energy (Electricity)	418,000	(77,332)	340,668	263,825	76,843
Energy (Oil)	117,500	59,442	176,942	103,430	73,512
Other Objects		430	430	430	
Total Undist. Expend.-Custodial Services	3,044,051	8,055	3,052,106	2,821,614	230,492
Care and Upkeep of Grounds:					
General Supplies	30,000	(13,500)	16,500	14,066	2,434
Total Care And Upkeep Of Grounds	30,000	(13,500)	16,500	14,066	2,434
Security:					
Salaries	316,939	17,890	334,829	334,829	
General Supplies	20,940		20,940	18,185	2,755
Total Security	337,879	17,890	355,769	353,014	2,755

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Total Undist. Expend.-oper. And Maint. Of Plant Serv.	\$ 4,458,882	\$ (57,119)	\$ 4,401,763	\$ 4,083,295	\$ 318,468
Undist. Expend.-Student Transportation Serv.:					
Sal. for Pupil Trans. (Bet. Home and Sch) - Reg.	1,127,095	(46,919)	1,080,176	1,080,176	
Sal. for Pupil Trans. (Bet. Home and Sch) - Spl. Ed.	329,492	46,827	376,319	376,319	
Sal. for Pupil Trans. (Oth. than Bet. Home & Sch)	37,364	(10,330)	27,034	27,034	
Sal. For Pupil Trans. (Bet. Home & Sch) Non Public	54,000	46,132	100,132	100,132	
Cleaning, Repair, and Maint. Services	45,000	(35,613)	9,387	9,387	
Lease Purchase Payments - School Buses	315,315	(48,400)	266,915	247,199	19,716
Contract. Serv. - Aid in Lieu of Payments - Nonpublic Studis	90,000	(14,014)	75,986	71,151	4,835
Contract. Serv.(Spl. Ed. Students) - ESCs & CTSAAs	260,000	140,038	400,038	400,038	
Misc. Purchased Serv. - Transportation	47,000	(19,802)	27,198	27,198	
General Supplies	11,478	(4,090)	7,388	7,388	
Transportation Supplies	265,000	41,214	306,214	285,986	20,228
Other Objects	3,500	154	3,654	3,654	
Total Undist. Expend.-Student Trans. Serv.	2,585,244	95,197	2,680,441	2,635,662	44,779
UNALLOCATED BENEFITS					
Group Insurance	30,000		30,000		30,000
Social Security Contributions	811,125	9,887	821,012	821,012	
Other Retirement Contributions - PERS	795,000	(15,073)	779,927	778,394	1,533
Other Retirement Contributions - Regular	95,000	23,186	118,186	111,086	7,100
Unemployment Compensation	75,000	(1,963)	73,037		73,037
Workers Compensation	416,680		416,680	356,709	59,971
Health Benefits	9,223,084	(121,518)	9,101,566	6,707,846	2,393,720
Tuition Reimbursement	132,966		132,966	87,685	45,281
Other Employee Benefits	375,686	42,441	418,127	371,422	46,705
TOTAL UNALLOCATED BENEFITS	11,954,541	(63,040)	11,891,501	9,234,154	2,657,347

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Contributions (Non-Budgeted)			\$ 1,880,776	\$ 1,880,776	\$ (1,880,776)
TPAF Pension Contributions (Non-Budgeted)			7,937,881	7,937,881	(7,937,881)
TPAF Non-Contributory Insurance (Non-Budgeted)			111,992	111,992	(111,992)
TPAF Long-Term Disability Insurance (Non-Budgeted)			2,995	2,995	(2,995)
Reimbursed TPAF Social Security Contributions			1,685,792	1,685,792	(1,685,792)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)			11,619,436	11,619,436	(11,619,436)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	\$ 11,954,541	\$ (63,040)	\$ 11,891,501	20,853,590	(8,962,089)
TOTAL UNDISTRIBUTED EXPENDITURES	32,595,948	(495,332)	32,100,616	39,338,993	(7,238,377)
TOTAL GENERAL CURRENT EXPENSE	54,353,169	(27,269)	54,325,900	61,161,016	(6,835,116)
CAPITAL OUTLAY					
Equipment					
Grades 6-8	36,954		36,954	36,954	
Undistributed Expenditures - Admin. Info. Tech.	209,072	518	209,590	203,758	5,832
Undist. Expend. - Custodial Services	178,152	8,500	186,652	152,731	33,921
Undist. Expend.-Student Trans.- Non-Inst. Equip.	50,000		50,000	26,275	23,725
Total Equipment	474,178	9,018	483,196	419,718	63,478
Facilities Acquisition and Construction Serv.:					
Architectural/Engineering Services	78,090		78,090	47,260	30,830
Construction Services	4,580,000	510,557	5,090,557	3,157,444	1,933,113
Assessment for Debt Service on SDA Funding	1,830		1,830	1,830	
Total Facilities Acquisition and Const. Serv.	4,659,920	510,557	5,170,477	3,206,534	1,963,943

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY					
Assets Acquired Under Financed Purchases (Non-Budgeted):					
Transportation - School Buses			\$ 412,965	\$ 412,965	\$ (412,965)
Total Assets Acquired Under Financed Purchases (Non-Budgeted)				412,965	(412,965)
TOTAL CAPITAL OUTLAY	\$ 5,134,098	\$ 519,575	\$ 5,653,673	4,039,217	1,614,456
Transfer of Funds to Charter Schools	62,529	18,251	80,780	80,780	
TOTAL EXPENDITURES	59,549,796	510,557	60,060,353	65,281,013	(5,220,660)
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(7,354,748)	(390,078)	(7,744,826)	(422,729)	7,322,097
Other Financing Sources/(Uses):					
Financed Purchases (Non-budgeted)				412,965	(412,965)
Capital Reserve - Transfer to Capital Projects Fund		(638,028)	(638,028)	(638,028)	
Total Other Financing Sources/(Uses)		(638,028)	(638,028)	(225,063)	(412,965)
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(7,354,748)	(1,028,106)	(8,382,854)	(647,792)	7,735,062
Fund Balance, July 1	18,951,631		18,951,631	18,951,631	
Fund Balance, June 30	\$ 11,596,883	\$ (1,028,106)	\$ 10,568,777	\$ 18,303,839	\$ 7,735,062

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<u>Recapitulation:</u>					
Restricted Fund Balance:					
Excess Surplus - Restricted For 2023-2024	\$			2,150,000	
Excess Surplus - Restricted For 2022-2023				1,800,000	
Capital Reserve				7,553,438	
Maintenance Reserve				200,000	
Emergency Reserve				50,000	
Unemployment Compensation				559,688	
Assigned Fund Balance:					
Year End Encumbrances				2,234,737	
Designated for Subsequent Year's Expenditures				348,957	
Unassigned Fund Balance				3,407,019	
				<u>18,303,839</u>	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis				(309,703)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 17,994,136</u>	

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		\$ 61,855	\$ 61,855	\$ 61,855	
State Sources		53,680	53,680	52,889	\$ (791)
Federal Sources	\$ 617,035	1,075,034	1,692,069	1,329,737	(362,332)
Total Revenues	617,035	1,190,569	1,807,604	1,444,481	(363,123)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	61,800	87,660	149,460	78,492	70,968
Tuition	494,303	114,789	609,092	608,281	811
Purchased Professional and Technical Services		3,758	3,758	1,900	1,858
General Supplies	23,182	534,538	557,720	399,194	158,526
Textbooks		180	180	42	138
Total Instruction	579,285	740,925	1,320,210	1,087,909	232,301
Support Services:					
Salaries of Other Professional Staff		12,400	12,400	7,287	5,113
Purchased Professional - Educational Services	37,750	112,140	149,890	131,047	18,843
Other Purchased Professional Services		50,937	50,937	47,646	3,291
Supplies and Materials		230,062	230,062	126,487	103,575
Student Activities		48,562	48,562	48,562	
Total Support Services	37,750	454,101	491,851	361,029	130,822
Facilities Acquisition and Construction Services:					
Non-Instructional Equipment		5,400	5,400	5,400	
Total Facilities Acquisition and Construction Services		5,400	5,400	5,400	
Total Expenditures	\$ 617,035	\$ 1,200,426	\$ 1,817,461	\$ 1,454,338	\$ 363,123
(Deficit) of Revenue Under Expenditures	\$ -0-	\$ (9,857)	\$ (9,857)	\$ (9,857)	\$ -0-

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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	\$ 64,858,284	\$ 1,444,481
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		4,759
Current Year Encumbrances		(62,801)
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	305,059	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(309,703)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 64,853,640</u>	<u>\$ 1,386,439</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 65,281,013	\$ 1,454,338
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		4,759
Current Year Encumbrances		(62,801)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 65,281,013</u>	<u>\$ 1,396,296</u>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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, 2022, 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, 2022

	ESSER III	ARP Accelerated Learning	Beyond the Day School	Basic	I.D.E.A., Part B Preschool
REVENUE:					
Local Sources					
State Sources					
Federal Sources					
Total Revenue	\$ 224,703	\$ 3,144	\$ 207	\$ 576,149	\$ 32,132
	224,703	3,144	207	576,149	32,132
EXPENDITURES:					
Instruction:					
Salaries of Teachers	6,072	3,144		576,149	32,132
Tuition					
Purchased Professional and Technical Services					
General Supplies	95,709				
Textbooks					
Total Instruction	101,781	3,144		576,149	32,132
Support Services:					
Salaries of Other Professional Staff	84,980				
Purchased Professional - Educational Services					
Other Purchased Professional Services			207		
Supplies and Materials	37,942				
Student Activities					
Total Support Services	122,922		207		
Facilities Acquisition:					
Non-Instructional Equipment					
Total Facilities Acquisition					
Total Expenditures	\$ 224,703	\$ 3,144	\$ 207	\$ 576,149	\$ 32,132

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Elementary and Secondary Education Act					
	Title I	Title I - SIA	Title IIA	Title III Immigrant	Title III	Title IV
REVENUE:						
Local Sources						
State Sources						
Federal Sources	\$ 83,397	\$ 10,641	\$ 48,488	\$ 2,387	\$ 33,200	\$ 16,927
Total Revenue	<u>83,397</u>	<u>10,641</u>	<u>48,488</u>	<u>2,387</u>	<u>33,200</u>	<u>16,927</u>
EXPENDITURES:						
Instruction:						
Salaries of Teachers	47,265	4,102		1,932	7,472	
Tuition						
Purchased Professional and Technical Services					970	7,659
General Supplies	25,265	5,796	41	455	16,267	
Textbooks						
Total Instruction	<u>72,530</u>	<u>9,898</u>	<u>41</u>	<u>2,387</u>	<u>24,709</u>	<u>7,659</u>
Support Services:						
Salaries of Other Professional Staff	7,287					
Purchased Professional - Educational Services		67	46,000			
Other Purchased Professional Services					2,507	
Supplies and Materials	3,580	676	2,447		5,984	9,268
Student Activities						
Total Support Services	<u>10,867</u>	<u>743</u>	<u>48,447</u>		<u>8,491</u>	<u>9,268</u>
Facilities Acquisition:						
Non-Instructional Equipment						
Total Facilities Acquisition						
Total Expenditures	<u>\$ 83,397</u>	<u>\$ 10,641</u>	<u>\$ 48,488</u>	<u>\$ 2,387</u>	<u>\$ 33,200</u>	<u>\$ 16,927</u>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Nonpublic Textbook	Nonpublic Nursing	Nonpublic Handicapped Speech Correction	SDA Emergent & Capital Needs
REVENUE:				
Local Sources				
State Sources	\$ 42	\$ 334	\$ 930	\$ 51,583
Federal Sources				
Total Revenue	<u>42</u>	<u>334</u>	<u>930</u>	<u>51,583</u>
EXPENDITURES:				
Instruction:				
Salaries of Teachers				
Tuition			930	
Purchased Professional and Technical Services				
General Supplies	42	195		
Textbooks				
Total Instruction	<u>42</u>	<u>195</u>	<u>930</u>	
Support Services:				
Salaries of Other Professional Staff				
Purchased Professional - Educational Services				
Other Purchased Professional Services		139		51,583
Supplies and Materials				
Student Activities				
Total Support Services		<u>139</u>		<u>51,583</u>
Facilities Acquisition:				
Non-Instructional Equipment				
Total Facilities Acquisition				
Total Expenditures	<u>\$ 42</u>	<u>\$ 334</u>	<u>\$ 930</u>	<u>\$ 51,583</u>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	ESSER II	CRRSA Learning Acceleration	Mental Health	Local Donations	Student Activities	Total
REVENUE:						
Local Sources				\$ 23,150	\$ 38,705	\$ 61,855
State Sources	\$ 228,362	\$ 25,000	\$ 45,000			52,889
Federal Sources						1,329,737
Total Revenue	<u>228,362</u>	<u>25,000</u>	<u>45,000</u>	<u>23,150</u>	<u>38,705</u>	<u>1,444,481</u>
EXPENDITURES:						
Instruction:						
Salaries of Teachers	7,555			950		78,492
Tuition						608,281
Purchased Professional and Technical Services						1,900
General Supplies	220,807	25,000		2,000		399,194
Textbooks						42
Total Instruction	<u>228,362</u>	<u>25,000</u>		<u>2,950</u>		<u>1,087,909</u>
Support Services:						
Salaries of Other Professional Staff						7,287
Purchased Professional - Educational Services						131,047
Other Purchased Professional Services			45,000			47,646
Supplies and Materials				14,800		126,487
Student Activities					48,562	48,562
Total Support Services			<u>45,000</u>	<u>14,800</u>	<u>48,562</u>	<u>361,029</u>
Facilities Acquisition:						
Non-Instructional Equipment				5,400		5,400
Total Facilities Acquisition				<u>5,400</u>		<u>5,400</u>
Total Expenditures	<u>\$ 228,362</u>	<u>\$ 25,000</u>	<u>\$ 45,000</u>	<u>\$ 23,150</u>	<u>\$ 48,562</u>	<u>\$ 1,454,338</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, 2022

Revenue and Other Financing Sources:	
Transfer from Capital Reserve	\$ 638,028
	<hr/>
Total Revenue and Other Financing Sources	638,028
	<hr/>
Expenditures:	
Purchased Professional and Technical Services	7,390
Construction Services	598,438
	<hr/>
Total Expenditures	605,828
	<hr/>
Excess of Revenue and Other Financing Sources Over Expenditures	32,200
	<hr/>
Fund Balance - Beginning of Year	7,575
	<hr/>
Fund Balance - End of Year	\$ 39,775
	<hr/> <hr/>
<u>Recapitulation:</u>	
Total Committed Fund Balance - Budgetary/GAAP Basis	\$ 39,775
	<hr/> <hr/>

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, 2022

	<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	\$ 93,795	\$ 638,028	\$ 731,823	\$ 731,823
Total Revenue and Other Financing Sources	<u>93,795</u>	<u>638,028</u>	<u>731,823</u>	<u>731,823</u>
Expenditures:				
Purchased Professional and Technical Services	86,220	7,390	93,610	93,795
Construction Services		<u>598,438</u>	<u>598,438</u>	<u>638,028</u>
Total Expenditures	<u>86,220</u>	<u>605,828</u>	<u>692,048</u>	<u>731,823</u>
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 7,575</u>	<u>\$ 32,200</u>	<u>\$ 39,775</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	\$ 93,775
Additional Authorized Cost	<u>\$ 638,028</u>
Revised Authorized Cost	<u>\$ 731,803</u>
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	95%
Original Target Completion Date	09/20
Revised Target Completion Date	06/23

PROPRIETARY FUNDS

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2022

	Major Fund	Non-Major Funds		Totals
	Food Service	Summer Enrichment	After School	
ASSETS:				
Current Assets:				
Cash and Cash Equivalents	\$ 341,485	\$ 27,816	\$ 16,509	\$ 385,810
Intergovernmental Accounts Receivable:				
State	2,344			2,344
Federal	103,319			103,319
Inventories	23,322			23,322
Total Current Assets	470,470	27,816	16,509	514,795
Non-Current Assets:				
Capital Assets	600,738			600,738
Less: Accumulated Depreciation	(457,894)			(457,894)
Total Non-Current Assets	142,844			142,844
Total Assets	613,314	27,816	16,509	657,639
LIABILITIES:				
Current Liabilities:				
Accounts Payable	84,520			84,520
Unearned Revenue - Prepaid Sales	31,622	25,840		57,462
Unearned Revenue - Donated Commodities	3,992			3,992
Total Liabilities	120,134	25,840		145,974
NET POSITION:				
Investment in Capital Assets	142,844			142,844
Unrestricted	350,336	1,976	16,509	368,821
Total Net Position	\$ 493,180	\$ 1,976	\$ 16,509	\$ 511,665

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Major Fund	Non-Major Funds		Totals
	Food Service	Summer Enrichment	After School	
Operating Revenue:				
Daily Sales:				
Non-Reimbursable Programs	\$ 25,527			\$ 25,527
Charges for Services - Program Fees		\$ 27,600	\$ 24,215	51,815
Total Operating Revenue	25,527	27,600	24,215	77,342
Operating Expenses:				
Cost of Sales:				
Reimbursable Programs	393,837			393,837
Non-Reimbursable Programs	5,616			5,616
Salaries	291,143	21,046	22,082	334,271
Employee Benefits	78,861			78,861
Transportation		2,850		2,850
Other Purchased Services	48,001			48,001
Supplies and Materials	70,084	1,282	743	72,109
Miscellaneous Expenditures	20,515		351	20,866
Depreciation Expense	17,906			17,906
Total Operating Expenses	925,963	25,178	23,176	974,317
Operating Income/(Loss)	(900,436)	2,422	1,039	(896,975)
Non-Operating Revenue:				
Interest Income	15	1		16
State Sources:				
COVID-19 - Seamless Summer Option	24,691			24,691
Federal Sources:				
COVID-19 - Seamless Summer Option	1,064,704			1,064,704
Food Distribution Program	63,152			63,152
COVID-19 -Emergency Operational Cost Program	11,002			11,002
COVID-19 -Pandemic Electronic Benefit Transfer	1,242			1,242
Total Non-Operating Revenue	1,164,806	1		1,164,807
Change in Net Position	264,370	2,423	1,039	267,832
Net Position - Beginning of Year	228,810	(447)	15,470	243,833
Net Position/(Deficit) - End of Year	\$ 493,180	\$ 1,976	\$ 16,509	\$ 511,665

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Major Fund	Non-Major Funds		Totals
	Food Service	Summer Enrichment	After School	
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 22,498	\$ 26,440	\$ 24,215	\$ 73,153
Payments to Food Service Company	(759,645)			(759,645)
Payments to/for Employees		(21,046)	(22,082)	(43,128)
Payments to Suppliers	(52,512)	(4,132)	(1,094)	(57,738)
Net Cash Provided by/(Used for) Operating Activities	<u>(789,659)</u>	<u>1,262</u>	<u>1,039</u>	<u>(787,358)</u>
Cash Flows from Financing Activities:				
Interest Income	15	1		16
Net Cash Provided by Financing Activities	<u>15</u>	<u>1</u>		<u>16</u>
Cash Flows from Capital and Related Financing Activities:				
Purchase of Capital Assets	(6,790)			(6,790)
Net Cash (Used for) Capital and Related Financing Activities	<u>(6,790)</u>			<u>(6,790)</u>
Cash Flows by Noncapital Financing Activities:				
State Sources	26,640			26,640
Federal Sources	1,020,826			1,020,826
Net Cash Provided by Noncapital Financing Activities	<u>1,047,466</u>			<u>1,047,466</u>
Net Increase in Cash and Cash Equivalents	251,032	1,263	1,039	253,334
Cash and Cash Equivalents, July 1	90,453	26,553	15,470	132,476
Cash and Cash Equivalents, June 30	<u>\$ 341,485</u>	<u>\$ 27,816</u>	<u>\$ 16,509</u>	<u>\$ 385,810</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) by Operating Activities:				
Operating Income/(Loss)	\$ (900,436)	\$ 2,422	\$ 1,039	\$ (896,975)
Depreciation	17,906			17,906
Food Distribution Program	63,152			63,152
Changes in Assets and Liabilities:				
Decrease in Other Accounts Receivable	603			603
Increase in Accounts Payable	47,451			47,451
(Decrease) in Unearned Revenue - Donated Commodities	(2,379)			(2,379)
(Decrease) in Unearned Revenue - Prepaid Sales	(3,029)	(1,160)		(4,189)
(Increase) in Inventory	(12,927)			(12,927)
Net Cash Provided by/(Used for) by Operating Activities	<u>\$ (789,659)</u>	<u>\$ 1,262</u>	<u>\$ 1,039</u>	<u>\$ (787,358)</u>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$60,773 and utilized U.S.D.A. Commodities valued at \$63,152.

FIDUCIARY ACTIVITIES
(NOT APPLICABLE)

LONG-TERM DEBT

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
GENERAL LONG-TERM DEBT ACCOUNT GROUP
STATEMENT OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds				Retired or Matured	Balance July 1, 2021	Balance June 30, 2022
			Outstanding		Interest Rate	Amount			
			Date	June 30, 2022					
Refunding School Bonds	06/15/16	\$ 4,395,000	09/01/22	\$ 535,000	4.000%				
			09/01/23	560,000	4.000%				
			09/01/24	580,000	4.000%	\$ 515,000	\$ 2,190,000	\$ 1,675,000	
						\$ 515,000	\$ 2,190,000	\$ 1,675,000	

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES

Purpose	Interest Rate	Original Issue	Balance		Matured	Balance June 30, 2022
			June 30, 2021	Issued		
Two 54-passenger and Two 24-passenger Buses (#29)	3.260%	\$ 371,505	\$ 150,870		\$ 74,225	\$ 76,645
Two 54-passenger and Two 16-passenger Buses (#30)	1.740%	388,814	233,242		76,413	156,829
Two 54-passenger and Two 16-passenger Buses (#32)	3.027%	412,965		\$ 412,965	87,592	325,373
			<u>\$ 384,112</u>	<u>\$ 412,965</u>	<u>\$ 238,230</u>	<u>\$ 558,847</u>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 447,026		\$ 447,026	\$ 447,026	
State Sources:					
Debt Service Aid Type II	145,274		145,274	145,274	
Total Revenue	592,300		592,300	592,300	
EXPENDITURES:					
Regular Debt Service:					
Interest	77,300		77,300	77,300	
Redemption of Principal	515,000		515,000	515,000	
Total Regular Debt Service	592,300		592,300	592,300	
Total Expenditures	592,300		592,300	592,300	
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-	

STATISTICAL SECTION
(Unaudited)

This part of the School’s annual comprehensive 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 annual comprehensive 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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities:										
Net Investment in Capital Assets	\$ 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	\$ 25,415,001
Restricted	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	12,399,638
Unrestricted/(Deficit)	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)	(9,417,901)
Total Governmental Activities Net Position	\$ 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	\$ 28,396,738
Business-Type Activities:										
Investment in Capital Assets	\$ 167,865	\$ 159,690	\$ 113,012	\$ 88,777	\$ 172,442	\$ 189,907	\$ 193,810	\$ 162,914	\$ 153,960	\$ 142,844
Unrestricted	154,782	201,363	254,490	278,159	175,297	139,047	208,507	235,654	89,873	368,821
Total Business-Type Activities Net Position	\$ 322,647	\$ 361,053	\$ 367,502	\$ 366,936	\$ 347,739	\$ 328,954	\$ 402,317	\$ 398,568	\$ 243,833	\$ 511,665
District-Wide:										
Net Investment in Capital Assets	\$ 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	\$ 25,557,845
Restricted	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	12,399,638
Unrestricted/(Deficit)	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)	(9,049,080)
Total District Net Position	\$ 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	\$ 28,908,403

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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 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	\$ 25,210,183
Special Education	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	10,200,637
Other Special Education	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	1,816,055
Other Instruction	54,948	62,639	49,756	56,636	60,424	58,401	84,366	60,740	18,891	53,728
Support Services:										
Tuition	1,574,261								556,136	492,387
Student and Instruction Related Services	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	11,295,970
General Administrative Services	992,814	953,174	926,012	1,569,870	2,187,221	1,381,039	863,585	1,004,091	959,915	895,908
School Administrative Services	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	2,402,599
Central Services	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	796,323
Administrative Information Technology									833,523	626,685
Plant Operations and Maintenance	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	4,536,428
Pupil Transportation	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	3,108,825
Capital Outlay	1,830								1,830	
Charter Schools								85,963	62,529	80,780
Interest on Long-Term Debt	256,702	305,575	262,028	188,673	86,439	99,056	97,422		132,684	19,406
Unallocated Depreciation	655,345									
Total Governmental Activities Expenses	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	61,535,914
Business-Type Activities:										
Proprietary Funds	751,708	720,211	784,622	852,381	863,879	853,901	801,917	719,296	456,506	974,317
Total Business-Type Activities Expense	751,708	720,211	784,622	852,381	863,879	853,901	801,917	719,296	456,506	974,317
Total District Expenses	\$ 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	\$ 62,510,231
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Regular Instruction	\$ 20,323	\$ 136,697	\$ 283,766	\$ 247,926	\$ 235,004	\$ 170,800	\$ 134,642	\$ 138,506	\$ 22,080	\$ 51,500
Special Education									208,144	86,582
Student and Related Services									42,340	38,705
Pupil transportation	6,617	7,436	8,938	19,957	115,128	163,193	111,366	94,456	95,060	153,774
Operating Grants and Contributions	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	15,355,481
Capital Grants and Contributions		320,426	139,166	318,487	90,620	61,780				
Total Governmental Activities Program Revenues	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	15,686,042

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

UNAUDITED
(CONTINUED)

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Program Revenues: (Cont'd)										
Business-Type Activities:										
Charges for Services:										
Proprietary Funds	\$ 548,724	\$ 533,003	\$ 576,520	\$ 620,070	\$ 613,464	\$ 619,496	\$ 659,070	\$ 520,376	\$ 16,575	\$ 77,342
Operating Grants and Contributions	211,564	225,416	214,343	231,450	230,893	214,902	212,509	207,651	287,203	1,164,791
Total Business-Type Activities Program Revenues	760,288	758,419	790,863	851,520	844,357	834,398	871,579	728,027	303,778	1,242,133
Total District Program Revenues	\$ 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	\$ 16,928,175
Net (Expense)/Revenue:										
Governmental Activities	\$ (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)	\$ (45,849,872)
Business-Type Activities	8,580	38,208	6,241	(861)	(19,522)	(19,503)	69,662	8,731	(152,728)	267,816
Total District-Wide Net Expense	\$ (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)	\$ (45,582,056)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 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	\$ 47,984,601
Taxes Levied for Debt Service	462,334	451,164	436,296	425,275	410,560	409,259	408,913	394,353	449,140	447,026
Federal and State Aid not Restricted	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	1,759,204
Investment Earnings		13,036	15,118	14,779	19,945	28,999	108,389	127,637	1,878	1,090
Miscellaneous Income	299,499	181,862	245,334	544,113	351,544	264,163	138,788	269,936	523,703	163,605
Other Item							9,500			
Cancellation of Prior Year Accounts Payable	406,703									
Total Governmental Activities	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	50,355,526
Business-Type Activities:										
Investment Earnings	36	198	208	295	325	718	3,701	3,561	54	16
Other Item									(2,061)	
Total Business-Type Activities	36	198	208	295	325	718	3,701	3,561	(2,007)	16
Total District-Wide	\$ 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	\$ 50,355,542
Change in Net Position:										
Governmental Activities	\$ 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	\$ 4,505,654
Business-Type Activities	8,616	38,406	6,449	(566)	(19,197)	(18,785)	73,363	12,292	(154,735)	267,832
Total District	\$ 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	\$ 4,773,486

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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund:										
Restricted	\$ 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	\$ 12,313,126
Committed							260,621			
Assigned	374,802	371,703	426,892	740,061	895,319	590,851	208,273	304,425	761,285	2,583,694
Unassigned	1,161,679	632,449	701,389	722,563	1,075,772	822,221	881,823	1,564,216	2,847,509	3,097,316
Total General Fund	\$ 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	\$ 17,994,136
All Other Governmental Funds:										
Restricted	\$ 2	\$ 350,135	\$ 890,337	\$ (57,547)	\$ 12,485	\$ 12,485	\$ 414,912	\$ 99,017	\$ 96,369	\$ 86,512
Committed					(12,047)	(67,963)		136,256	7,575	39,775
Total All Other Governmental Funds	\$ 2	\$ 350,135	\$ 890,337	\$ (57,547)	\$ 438	\$ (55,478)	\$ 414,912	\$ 235,273	\$ 103,944	\$ 126,287

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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues:										
Tax Levy	\$ 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	\$ 48,431,627
Tuition Charges	20,323	136,697	283,766	247,926	235,004	170,800	134,642	138,506	230,224	138,082
Transportation Charges	6,617			19,957	115,128	163,193	111,366	94,456	95,060	153,774
Interest Earnings	6,910			14,779	19,945	28,999	27,982	54,885	1,878	1,090
Restricted Miscellaneous									208,477	88,055
Unrestricted Miscellaneous	306,739	211,234	278,078	544,813	352,544	265,163	229,545	352,757	398,207	138,248
State Sources	7,143,746	7,285,607	7,771,691	8,551,420	8,978,550	9,908,871	10,704,704	11,177,286	13,226,678	16,127,725
Federal Sources	1,650,446	1,019,478	1,100,862	1,215,029	1,116,367	1,118,217	1,168,927	1,198,333	1,426,214	1,753,778
Total Revenue	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	66,832,379
Expenditures:										
Instruction:										
Regular Instruction	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	15,305,621
Special Education Instruction	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	6,455,612
Other Special Instruction	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	1,062,574
Other Instruction	37,211	62,639	49,756	56,636	60,424	58,401	78,125	63,238	14,957	49,693
Support Services:										
Tuition	1,574,261								556,136	492,387
Student and Instruction Related Services	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	7,965,294
General Administrative Services	777,304	940,996	888,640	975,003	972,930	1,001,049	1,080,254	950,642	774,579	762,567
School Administrative Services	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	1,630,545
Central Services	473,185	673,698	694,708	701,830	723,448	711,275	726,260	1,764,370	622,683	675,097
Administration Information Technology	518,436	711,255	789,960	818,296	785,801	1,030,597	1,058,773		715,993	579,975
Plant Operations and Maintenance	3,652,809	4,746,539	4,454,309	4,405,955	4,423,198	4,416,473	4,442,750	4,573,382	3,769,303	4,083,295
Pupil Transportation	2,499,334	2,966,024	3,072,896	2,525,340	2,813,261	2,790,194	2,784,399	2,870,359	2,039,550	2,635,662
Unallocated Benefits	13,029,120								18,764,216	20,853,590
Debt Service:										
Principal	370,000	1,207,480	1,329,355	1,522,320	1,053,347	940,019	949,845	843,420	500,000	515,000
Interest and Other Charges	242,581	292,937	264,445	316,113	120,451	152,221	133,888	124,380	95,100	77,300
Capital Outlay	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	4,650,445
Transfer of Funds to Charter Schools									62,529	80,780
Total Expenditures	48,582,855	49,479,819	51,096,033	55,832,236	55,089,949	55,561,266	57,522,701	56,806,745	60,345,660	67,875,437
Excess (Deficiency) of revenues over (under) expenditures	1,640,187	656,547	593,823	(2,157,471)	(353,173)	882,087	529,806	2,774,913	2,747,785	(1,043,058)

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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Other Financing sources (uses)										
Capital Leases/Financed Purchases	\$ 379,419	\$ 418,682	\$ 542,628	\$ 1,301,653	\$ 406,633	\$	\$ 371,505	\$ 764,827	\$	\$ 412,965
Bond Premium				414,244						
Prior Year Accounts Payable Escrow Payment to Escrow Agent	406,703			(4,712,642)						
Serial Bonds Debt Issued				4,395,000						
Total other financing sources (uses)	<u>786,122</u>	<u>418,682</u>	<u>542,628</u>	<u>1,398,255</u>	<u>406,633</u>		<u>371,505</u>	<u>764,827</u>		<u>412,965</u>
Net Change in Fund Balances	\$ 2,426,309	\$ 1,075,229	\$ 1,136,451	\$ (759,216)	\$ 53,460	\$ 882,087	\$ 901,311	\$ 3,539,740	\$ 2,747,785	\$ (630,093)
Debt Service as a Percentage of Noncapital Expenditures	1.30 %	3.09 %	3.23 %	3.59 %	2.26 %	2.07 %	1.99 %	1.75 %	1.02 %	0.94 %

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>
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
2022	138,082	153,774	2,479	63,900	9,276	-0-	89,040	456,551

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		Qualified Farm		Commercial		Industrial		Apartment		Total Assessed Value		Tax-Exempt Property		Public Utilities ^a		Net Valuation Taxable		Direct School Tax Rate ^b		Estimated Actual (County Equalized Value)	
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	\$0	\$3,601,736,700	\$405,150,100	\$0	\$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	0	3,601,392,000	407,837,100	0	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	0	3,568,973,800	408,552,300	0	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	0	3,555,715,000	409,409,900	0	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	0	3,579,254,100	409,692,400	0	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	0	3,593,083,900	413,450,900	0	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	0	3,956,629,100	461,558,200	0	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	0	4,086,910,800	514,871,900	0	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	0	4,202,110,400	393,482,400	0	0	4,202,110,400	1,831	4,524,860,678								
2021	44,486,800	3,154,729,900	10,304,500	127,200	666,972,500	258,146,600	160,303,700	4,295,071,200	399,960,700	0	0	4,295,071,200	399,960,700	0	0	4,295,071,200	1,833	4,548,703,196								

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	
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
2021	1.816	0.017	1.833	0.728	0.275	2.836

* 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	2021	
	Taxable Assessed Value	% of Total District Net Assessed Value
Rockaway Center Associates/Corporate Property Investors, Inc	\$ 210,235,200	4.89 %
Tilcon	76,179,000	1.77 %
WPG Rockaway Commons LLC	68,896,200	1.60 %
Pondview Estates	58,197,800	1.35 %
Rustic Ridge, Inc.	38,153,400	0.89 %
Marketplace at Rockaway, LLC	36,127,800	0.84 %
Dover UE, LLC	30,200,000	0.70 %
100 Commons Way LLC c/o Gannett	27,450,000	0.64 %
Macy's	26,520,000	0.62 %
Target Corp	21,969,400	0.51 %
Total	<u>\$ 593,928,800</u>	<u>13.81 %</u>

Taxpayer	2012	
	Taxable Assessed Value	% of Total District Net Assessed Value
Rockaway Center Associates	\$ 170,000,000	4.72 %
Mt. Hope Rock Products, Inc. (Tilcon)	59,274,500	1.65 %
Marketplace at Rockaway, LLC	30,073,500	0.83 %
GIM PA Partners	30,121,400	0.84 %
Rustic Ridge, Inc.	26,099,800	0.72 %
Bergen Record	26,971,100	0.75 %
Dover VF	27,552,700	0.76 %
Macy's East, Inc.	25,346,900	0.70 %
Retail Property Trust	18,738,500	0.52 %
Target Corporation	19,445,300	0.54 %
Total	<u>\$ 433,623,700</u>	<u>12.03 %</u>

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	
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-
2022	48,431,627	48,431,627	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: Rockaway 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	Financed Purchases and Leases			
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 %	100
2022	1,675,000	558,847	2,233,847	0.08 %	86

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		
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 %	85
2022	1,675,000	-0-	1,675,000	0.04 %	65

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, 2021
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	\$ 20,440,266	100.00 %	\$ 20,440,266
Morris County General Obligation Debt	235,030,042	4.40 %	<u>10,342,322</u>
Subtotal, Overlapping Debt			30,782,588
Rockaway Township School District Direct Debt			<u>1,675,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 32,457,588</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 2022

	Equalized Valuation Basis
	2021 \$ 4,825,922,697
	2020 4,504,352,449
	2019 4,474,883,171
	\$ 13,805,158,317
Average Equalized Valuation of Taxable Property	\$ 4,601,719,439
Debt Limit (3% of Average Equalization Value)	\$ 138,051,583 ^a
Net Bonded School Debt	1,675,000
Legal Debt Margin	\$ 136,376,583

	Fiscal Year				
	2013	2014	2015	2016	2017
Debt Limit	\$ 119,286,503	\$ 115,829,425	\$ 114,705,189	\$ 115,894,648	\$ 77,559,806
Total Net Debt Applicable to Limit	5,740,000	5,370,000	5,005,000	4,395,000	3,950,000
Legal Debt Margin	\$ 113,546,503	\$ 110,459,425	\$ 109,700,189	\$ 111,499,648	\$ 73,609,806
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	4.81 %	4.64 %	4.36 %	3.79 %	5.09 %

	Fiscal Year				
	2018	2019	2020	2021	2022
Debt Limit	\$ 123,032,035	\$ 128,335,704	\$ 125,215,704	\$ 131,423,555	\$ 138,051,583
Total Net Debt Applicable to Limit	3,540,000	3,120,000	2,690,000	2,190,000	1,675,000
Legal Debt Margin	\$ 119,492,035	\$ 125,215,704	\$ 122,525,704	\$ 129,233,555	\$ 136,376,583
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	2.88 %	2.43 %	2.15 %	1.67 %	1.21 %

^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
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	102,227	2,663,422,258	7.60%
2021	25,869	102,227 **	2,644,510,263 ***	4.70%
2022	25,869 *	102,227 **	2,644,510,263 ***	N/A

* - Latest population data available (2021) was used for calculation purposes.

** - Latest Morris County per capita personal income available (2020) was used for calculation purposes.

*** - Latest Morris County personal income (2020) 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

	2021			2012		
	Employer	Employees	Percentage of Total Employment	Employer	Employees	Percentage of Total Employment
Atlantic Health System		7,642	2.91%	Novartis	6,200	2.29%
US Army Armament Research and Development		6,000	2.28%	Picatinny Arsenal	5,274	1.95%
Novartis		5,200	1.98%	Atlantic Health System	5,013	1.85%
Bayer		3,483	1.33%	United Parcel Service	2,332	0.86%
Barclays		2,560	0.97%	County of Morris	1,928	0.71%
Automatic Data Processing, Inc.		2,400	0.91%	Automatic Data Processing, Inc.	1,924	0.71%
Accenture		1,826	0.70%	St. Clare's Health System	1,841	0.68%
Honeywell		1,704	0.65%	AT&T	1,550	0.57%
St. Clare's Health System		1,638	0.62%	Chilton Memorial	1,440	0.53%
County of Morris		1,469	0.56%	BASF Corporation	1,400	0.52%
Total		<u>33,922</u>	<u>12.91%</u>	Total	<u>28,902</u>	<u>10.69%</u>
Total Employment		<u>262,719</u>		Total Employment	<u>270,282</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>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>2022</u>
Instruction										
Regular	181.0	176.5	169.5	178.5	177.5	183.0	180.0	184.0	187.0	191.0
Special Education	80.0	88.0	96.0	104.5	95.5	84.0	80.0	84.0	88.0	82.0
Other Special Education	8.0	8.0	18.5	14.5	18.5	19.5	18.5	18.5	21.0	21.0
Support Services:										
Student & Instruction Related Services	80.0	83.0	98.0	99.5	110.0	107.0	112.0	93.0	97.0	97.0
School Administrative Services	29.0	28.0	24.0	24.5	23.0	25.5	25.0	25.0	25.0	24.0
General Administrative Services	12.0	12.0	11.5	11.0	11.0	11.0	13.0	13.0	14.0	17.0
Plant Operations and Maintenance	33.0	31.0	31.0	31.0	32.5	33.5	31.0	34.0	34.0	36.0
Pupil Transportation	54.0	51.0	50.0	46.0	40.0	42.0	41.0	38.0	37.0	31.0
Total	<u>477.0</u>	<u>477.5</u>	<u>498.5</u>	<u>509.5</u>	<u>508.0</u>	<u>505.5</u>	<u>500.5</u>	<u>489.5</u>	<u>503.0</u>	<u>499.0</u>

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				
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 %
2022	2,384	62,632,692	26,272	-1.36 %	294	8:1	8:1	2,383	2,259	4.52 %	94.80 %

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<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	295	279	279	307	315	295	282	269	254	279
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	904	878	872	861	817	794	773	786	788	852
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	313	338	311	323	311	302	292	315	297	323
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	309	298	298	336	342	355	311	332	309	278
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	251	266	272	272	252	258	272	235	260
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	363	350	322	323	352	353	361	373	281	392
Number of Schools at June 30, 2022										
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,				
	2013	2014	2015	2016	2017
Birchwood	\$ 157,797	\$ 149,353	\$ 58,699	\$ 151,215	\$ 277,308
Copeland Middle	252,242	285,947	266,527	189,706	182,115
C.A Dwyer	137,748	126,282	210,800	187,533	131,494
Dennis B. O'Brien	177,410	196,161	146,150	156,618	113,782
K.D. Malone	160,401	156,643	195,985	231,627	245,389
Stony Brook	127,783	121,524	75,757	140,486	108,250
Grand Total	<u>\$ 1,013,381</u>	<u>\$ 1,035,910</u>	<u>\$ 953,918</u>	<u>\$ 1,057,185</u>	<u>\$ 1,058,338</u>

School Facilities	Fiscal Year Ended June 30,				
	2018	2019	2020	2021	2022
Birchwood	\$ 75,528	\$ 124,610	\$ 110,936	\$ 59,203	\$ 166,072
Copeland Middle	147,249	223,303	208,092	216,809	314,057
C.A Dwyer	198,184	158,370	210,549	137,825	82,937
Dennis B. O'Brien	53,669	157,437	131,459	222,344	62,702
K.D. Malone	260,808	132,899	120,180	144,474	183,132
Stony Brook	138,834	97,844	117,536	67,466	85,701
Grand Total	<u>\$ 874,272</u>	<u>\$ 894,463</u>	<u>\$ 898,752</u>	<u>\$ 848,121</u>	<u>\$ 894,601</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, 2022
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 Each Occurance	5,000,000		
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



Mount Arlington, NJ
 Newton, NJ
 Bridgewater, NJ
 973.298.8500
 nisivoccia.com
 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 "Office"), 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, 2022, 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 23, 2022. That report included a qualified opinion on the financial statements as the District's note disclosure on postemployment benefits other than pensions (OPEB) contains the June 30, 2020 information and not the June 30, 2021 information as the report for Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the State of New Jersey State Health Benefits Local Education Retired Employees Plan ("SHBP") has not been released by the Division of Pensions and Benefits, Department of the Treasury, State of New Jersey, as of the date of this report. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America.

Report on 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.

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

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 or significant deficiencies may exist that were not identified.

Report on 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 23, 2022
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 Required by the Uniform Guidance and NJOMB 15-08
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

Opinion on 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, 2022. 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.

In our opinion, the District complied, in all material respects, with the 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, 2022.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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*. Our responsibilities under those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal and state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 15-08, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey's OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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.

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

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 Auditor’s Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 New Jersey’s OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

November 23, 2022
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, 2022

Federal Grantor/Pass Through Grantor Program Title/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2021		Cash Received	Budgetary Expenditures	Adjustment	Balance at June 30, 2022		
					Budgetary Accounts Receivable	Budgetary Unearned Revenue				Budgetary Accounts Receivable	Budgetary Unearned Revenue	
U.S. Department of Education:												
Passed-through State Department of Education:												
Special Revenue Fund:												
Special Education Cluster:												
I.D.E.A. Part B, Basic	84.027	IDEA-1090-22	7/1/21-9/30/22	\$ 576,149			\$ 576,149	\$ (576,149)				
I.D.E.A. Part B, Basic	84.027	IDEA-1090-21	7/1/20-9/30/21	\$ 586,046	\$ (50,615)		50,615					
I.D.E.A. Part B, Preschool	84.173	IDEA-1090-22	7/1/21-9/30/22	32,132			(32,132)					
Total Special Education Cluster					(50,615)		658,896	(608,281)				
Elementary and Secondary Education Act:												
Title I	84.010	ESEA-1090-22	7/1/21-9/30/22	142,232			51,334	(83,397)		\$ (32,063)		
Title I	84.010	ESEA-1090-21	7/1/20-9/30/21	110,760			5,246					
Total Title I					(5,246)		56,580	(83,397)		(32,063)		
Title I - S/A	84.010	ESEA-1090-22	7/1/21-9/30/22	16,156			10,549	(10,641)		(92)		
Title I - S/A	84.010	ESEA-1090-21	7/1/20-9/30/21	16,391			1,272		\$ (1)			
Total Title I - S/A					(1,271)		11,821	(10,641)		(92)		
Title II, Part A	84.367A	ESEA-1090-22	7/1/21-9/30/22	57,525			40,374	(48,488)		(8,114)		
Title II, Part A	84.367A	ESEA-1090-20	7/1/19-9/30/20	43,147			246					
Total Title II, Part A					(246)		40,620	(48,488)		(8,114)		
Title III	84.365A	ESEA-1090-22	7/1/21-9/30/22	47,599			18,798	(33,200)		(14,402)		
Title III	84.365A	ESEA-1090-21	7/1/20-9/30/21	38,430			632					
Total Title III					(632)		19,430	(33,200)		(14,402)		
Title III - Immigrant	84.365A	ESEA-1090-22	7/1/21-9/30/22	8,303			1,932	(2,387)		(455)		
Title IV	84.424A	ESEA-1090-22	7/1/21-9/30/22	17,083				(16,927)		(16,927)		
Total Elementary and Secondary Education Act					(7,395)		130,383	(195,040)	(1)	(72,053)		
Education Stabilization Fund:												
COVID 19 - CRRSA - ESSER II	84.425D	S425D210027	3/13/20-9/30/23	245,807			245,807	(228,362)				
COVID 19 - CRRSA - Learning Acceleration	84.425D	S425D210027	3/13/20-9/30/23	25,000			25,000	(25,000)				
COVID 19 - CRRSA - Mental Health	84.425D	S425D210027	3/13/20-9/30/23	45,000			1,500	(45,000)		(43,500)		
COVID 19 - ARP - ESSER III	84.425U	S425U210027	3/13/20-9/30/24	552,435			213,766	(224,703)		(10,937)		
COVID 19 - ARP - Accelerated Learning	84.425U	S425U210027	3/13/20-9/30/24	199,926			1,304	(3,144)		(1,840)		
COVID 19 - ARP - Beyond the School Day	84.425U	S425U210027	3/13/20-9/30/24	40,000			207	(207)				
Total Education Stabilization Fund					(17,445)		487,584	(526,416)		(56,277)		
Total Special Revenue Fund					(75,455)		1,276,863	(1,329,737)	(1)	(128,330)		
General Fund:												
Impact Aid	84.041	N/A	7/1/21-6/30/22	439,131			439,131	(439,131)				
Total U.S. Department of Education					(75,455)		1,715,994	(1,768,868)	(1)	(128,330)		

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass Through Grantor Program Title/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2021		Cash Received	Budgetary Expenditures	Adjustment	Balance at June 30, 2022		Amount Provided to Subrecipients
					Budgetary Accounts Receivable	Budgetary Unearned Revenue				Budgetary Accounts Receivable	Budgetary Unearned Revenue	
U.S. Department of Health and Human Services:												
General Fund:												
Medicaid Cluster:												
Medical Assistance Program	93.778	N/A	7/1/21-6/30/22	\$ 43,795			\$ 43,795	\$ (43,795)				
Total U.S. Department of Health and Human Services / Medicaid Cluster							43,795	(43,795)				
U.S. Department of Agriculture:												
Passed-through State Department of Agriculture:												
Child Nutrition Cluster:												
Food Distribution Program	10.555	N/A	7/1/21-6/30/22	60,773			60,773	(56,781)			\$ 3,992	
Food Distribution Program	10.555	N/A	7/1/20-6/30/21	37,238				(6,371)				
COVID-19 - Seamless Summer Option	10.555	N/A	7/1/21-6/30/22	1,064,704			961,385	(1,064,704)		\$ (103,319)		
COVID-19 - Seamless Summer Option	10.555	N/A	7/1/20-6/30/21	240,420			47,197					
COVID-19 - Emergency Operational Cost Program	10.555	N/A	7/1/21-6/30/22	11,002			11,002	(11,002)				
Total Child Nutrition Cluster							1,080,357	(1,138,858)		(103,319)		3,992
COVID-19 - Pandemic Electronic Benefit Transfer	10.649	N/A	7/1/21-6/30/22	1,242			1,242	(1,242)				
Total U.S. Department of Agriculture							1,081,599	(1,140,100)		(103,319)		3,992
Total Federal Awards							\$ 2,841,388	\$ (2,952,763)	\$ (1)	\$ (231,649)	\$ 3,992	\$ -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, 2022

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2021		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2022		MEMO	
				Budgetary Accounts Receivable	Due to Grantor				GAAP Accounts Receivable	Due to Grantor		
New Jersey Department of Education:												
General Fund:												
Special Education Categorical Aid	22-495-034-5120-089	7/1/21-6/30/22	\$ 1,678,301			\$ 1,512,338	\$ (1,678,301)		\$ (165,963)	\$ 1,678,301		
Equalization Aid	22-495-034-5120-078	7/1/21-6/30/22	854,190			769,721	(854,190)		(84,469)	854,190		
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	50,153			45,193	(50,153)		(4,960)	50,153		
Military Impact Aid	22-495-034-5120-114	7/1/21-6/30/22	320,582				(320,582)		(320,582)	320,582		
Transportation Aid	22-495-035-5120-014	7/1/21-6/30/22	549,225			494,914	(549,225)		(54,311)	549,225		
Nonpublic Transportation Aid	22-495-035-5120-014	7/1/21-6/30/22	21,385				(21,385)		(21,385)	21,385		
Extraordinary Special Education Aid	22-495-034-5120-044	7/1/21-6/30/22	720,455				(720,455)		(720,455)	720,455		
Reimbursed TPAF Social Security Contributions	22-495-034-5094-003	7/1/21-6/30/22	1,685,792			1,603,739	(1,685,792)		(82,053)	1,685,792		
On-Behalf TPAF Post Retirement Medical Contributions	22-495-034-5094-001	7/1/21-6/30/22	1,880,776			1,880,776	(1,880,776)			1,880,776		
On-Behalf TPAF Pension Contributions	22-495-034-5094-002	7/1/21-6/30/22	7,937,881			7,937,881	(7,937,881)			7,937,881		
On-Behalf TPAF Non-Contributory Insurance	22-495-034-5094-004	7/1/21-6/30/22	111,992			111,992	(111,992)			111,992		
On-Behalf TPAF Long-Term Disability Insurance	22-495-034-5094-004	7/1/21-6/30/22	2,995			2,995	(2,995)			2,995		
Special Education Categorical Aid	21-495-034-5120-089	7/1/20-6/30/21	1,630,358	\$ (161,273)		161,273				1,630,358		
Equalization Aid	21-495-034-5120-078	7/1/20-6/30/21	854,190	(84,496)		84,496				854,190		
Security Aid	21-495-034-5120-084	7/1/20-6/30/21	50,153	(4,961)		4,961				50,153		
Transportation Aid	21-495-035-5120-014	7/1/20-6/30/21	549,225	(54,329)		54,329				549,225		
Additional Nonpublic Transportation Aid	21-495-035-5120-014	7/1/20-6/30/21	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		
Reimbursed TPAF Social Security Contributions	21-495-034-5094-003	7/1/20-6/30/21	1,594,748	(79,298)		79,298				1,594,748		
Total General Fund State Aid				(1,355,252)		15,714,801	(15,813,727)		(1,144,475)			
Special Revenue Fund:												
New Jersey Nonpublic Aid:												
Technology	22-100-034-5120-373	7/1/21-6/30/22	126			126				\$ 126		
Nursing Services	22-100-034-5120-070	7/1/21-6/30/22	336			336	(334)			2	334	
Textbook	22-100-034-5120-064	7/1/21-6/30/22	180			180	(42)			138	42	
Security	22-100-034-5120-509	7/1/21-6/30/22	525			525				525		
Nonpublic Handicapped Services:												
Examination & Classification	22-100-034-5120-066	7/1/21-6/30/22	930			930	(930)				930	
New Jersey Nonpublic Aid:												
Nursing Services	21-100-034-5120-070	7/1/20-6/30/21	510		\$ 2			\$ (2)			508	
Textbook	21-100-034-5120-064	7/1/20-6/30/21	305		46			(46)			259	
Security	21-100-034-5120-509	7/1/20-6/30/21	875		875			(875)				
Nonpublic Handicapped Services:												
Corrective Speech	21-100-034-5120-066	7/1/20-6/30/21	2,096		273			(273)			1,823	
Total Special Revenue Fund State Aid					1,196	2,097	(1,306)	(1,196)		791	6,293	

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2021		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2022		MEMO	
				Budgetary Accounts Receivable	Due to Grantor				GAAP Accounts Receivable	Due to Grantor		
New Jersey Department of Education:												
Debt Service Fund:												
Debt Service Aid - State Support	22-100-034-5120-125	7/1/21-6/30/22	\$ 145,274			\$ 145,274	\$ (145,274)				\$ 145,274	
Total Debt Service Fund						145,274	(145,274)				145,274	
New Jersey School Development Authority:												
General Fund:												
Securing Our Children's Future Bond Act	20E00289	7/1/20-6/30/22	120,479			14,690	(120,479)		\$ (105,789)	\$ (105,789)	(120,479)	
Special Revenue Fund:												
Emergent and Capital Needs	N/A	7/1/21-6/30/22	51,583			51,583	(51,583)				(51,583)	
Total Capital Projects Fund						66,273	(172,062)		(105,789)	(105,789)	(172,062)	
New Jersey Department of Agriculture:												
Enterprise Fund:												
COVID-19 Seamless Summer Option	22-100-010-3350-023	7/1/21-6/30/22	24,691			22,347	(24,691)		(2,344)	(2,344)	24,691	
COVID-19 Seamless Summer Option	21-100-010-3350-023	7/1/20-6/30/21	14,703	\$ (4,293)		4,293					14,703	
Total Enterprise Fund				(4,293)		26,640	(24,691)		(2,344)	(2,344)	47,350	
Total State Awards Subject to Single Audit Determination			\$ (1,359,545)	\$ 1,196	\$ 15,955,085	\$ (16,157,060)	\$ (1,196)	\$ (1,196)	\$ (1,252,608)	\$ 791	\$ 21,490,151	
Less: State Awards Not Subject to Single Audit Major Program Determination												
On-Behalf TPAF Pension System Contributions:												
On-Behalf TPAF Post Retirement Contributions	22-495-034-5094-001	7/1/20-6/30/21	(1,880,776)				1,880,776					
On-Behalf TPAF Pension Contributions	22-495-034-5094-002	7/1/20-6/30/21	(7,937,881)				7,937,881					
On-Behalf TPAF Non-Contributory Insurance	22-495-034-5094-004	7/1/20-6/30/21	(111,992)				111,992					
On-Behalf TPAF Long-Term Disability Insurance	22-495-034-5094-004	7/1/20-6/30/21	(2,995)				2,995					
Subtotal - On-Behalf TPAF Pension System Contributions							9,933,644					
Total State Awards Subject to Single Audit Major Program Determination							\$ (6,223,416)					

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, 2022

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, 2022. 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 (\$4,644) for the general fund and (58,042) (of which \$842 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, 2022

(Continued)

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 482,926	\$ 15,929,562	\$ 16,412,488
Special Revenue Fund	1,270,853	52,889	1,323,742
Debt Service Fund		145,274	145,274
Enterprise Fund	1,140,100	24,691	1,164,791
Total Financial Awards	<u>\$ 2,893,879</u>	<u>\$ 16,152,416</u>	<u>\$ 19,046,295</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, 2022. 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, 2022

Summary of Auditors' Results:

- The Independent Auditors' Report expresses a qualified opinion on the financial statements as the District's note disclosure on postemployment benefits other than pensions (OPEB) contains the June 30, 2020 information and not the June 30, 2021 information as the report for Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the State of New Jersey State Health Benefits Local Education Retired Employees Plan ("SHBP") has not been released by the Division of Pensions and Benefits, Department of the Treasury, State of New Jersey, as of the date of this report. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America.
- 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* Required by the Uniform Guidance and NJ OMB 15-08.
- 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>Program Title:</u>	<u>Assistance Listing/ State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
<u>Federal:</u>				
Child Nutrition Cluster:				
Food Distribution Program	10.555	7/1/21-9/30/22	\$ 60,773	\$ 56,781
Food Distribution Program	10.555	7/1/20-9/30/21	37,238	6,371
COVID 19 - Seamless Summer Option	10.555	7/1/21-6/30/22	1,064,704	1,064,704
COVID 19 - Emergency Operational Cost Program	10.555	7/1/21-6/30/22	11,002	11,002
<u>State:</u>				
Reimbursed TPAF				
Social Security Contributions	22-495-034-5094-003	7/1/21-6/30/22	1,685,792	1,685,792

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Summary of Auditors' Results: (Cont'd)

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

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

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

Findings and Questioned Costs for Federal Awards:

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

Findings and Questioned Costs for State Awards:

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022

Status of Prior Year Findings:

There were no findings or questioned costs for the year ended June 30, 2021.