

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Hibernia, New Jersey

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
of the
Rockaway Township School District
Hibernia, New Jersey
For The Fiscal Year Ended June 30, 2015**

**Prepared by
Business Office**

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INTRODUCTORY SECTION

ROCKAWAY TOWNSHIP PUBLIC SCHOOLS

DONNAMARIE PALMIERE
Business Administrator/
Board Secretary

Administration Building
16 School Road, P.O. Box 500
Hibernia, N.J. 07842
973-627-8200 ext. 207
FAX 973-627-8552
DPALMIERE@ROCKTWP.ORG



December 14, 2015

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

Dear Board Members:

The Comprehensive Annual Financial Report of the Rockaway Township School District (the "District") for the fiscal year ended June 30, 2015, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statement and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart, a roster of officials and a list of principal consultants and advisors. The financial section includes the Independent Auditor's Report, management's discussion and analysis, the financial statements and notes providing an overview of the financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected economic and demographic information, financial trends, and the fiscal capacity of the District, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' reports on the internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The 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 and all its schools constitute 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. The District completed the 2014-2015 fiscal year with an average daily enrollment of 2363 students, which is a decrease of 44 students from the previous year's enrollment.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percentage Change</u>
2014-2015	2363	-1.86%
2013-2014	2407	-1.27%
2012-2013	2438	-2.09%
2011-2012	2490	-2.82%
2010-2011	2562	-2.17%
2009-2010	2619	-3.54%

2) ECONOMIC CONDITION AND OUTLOOK:

Rockaway Township has experienced a period of slowing development and expansion but is expected to change in the next several years with the development of new housing construction projects. The Full Day Kindergarten initiative beginning in the 2015-2016 year will also increase our population.

3) MAJOR INITIATIVES:

During the 2014-2015 academic year, the District continued to implement state mandates such as Achieve NJ and PARCC (Partnership for Assessment of Readiness for College and Careers). The District purchased computers, laptops, Star Boards and wireless controllers. The District completed a partial roof replacement, electrical upgrades and boiler replacement projects at Dennis B. O'Brien school. These projects were partially funded using SDA (School Development Authority) grants.

4) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control 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 awards, the District also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control system is also subject to periodic evaluation by the District's management.

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as restrictions, commitments and assignments of fund balance at June 30, 2015.

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

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

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

The Board is a member of the School Alliance Insurance Fund (SAIF) and the New Jersey School Board Insurance Group (NJSBIG). The SAIF and NJSBIG are risk-sharing public entity risk pools that are both insured and self-administered groups of school districts established for the purpose of providing low-cost insurance coverage to their members. Additional information on the SAIF and NJSBIG is included in Note 4 to the Financial Statements.

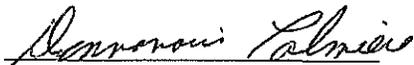
The Honorable President and Members
of the Board of Education
Rockaway Township School District
Page 4
December 14, 2015

9) OTHER INFORMATION:

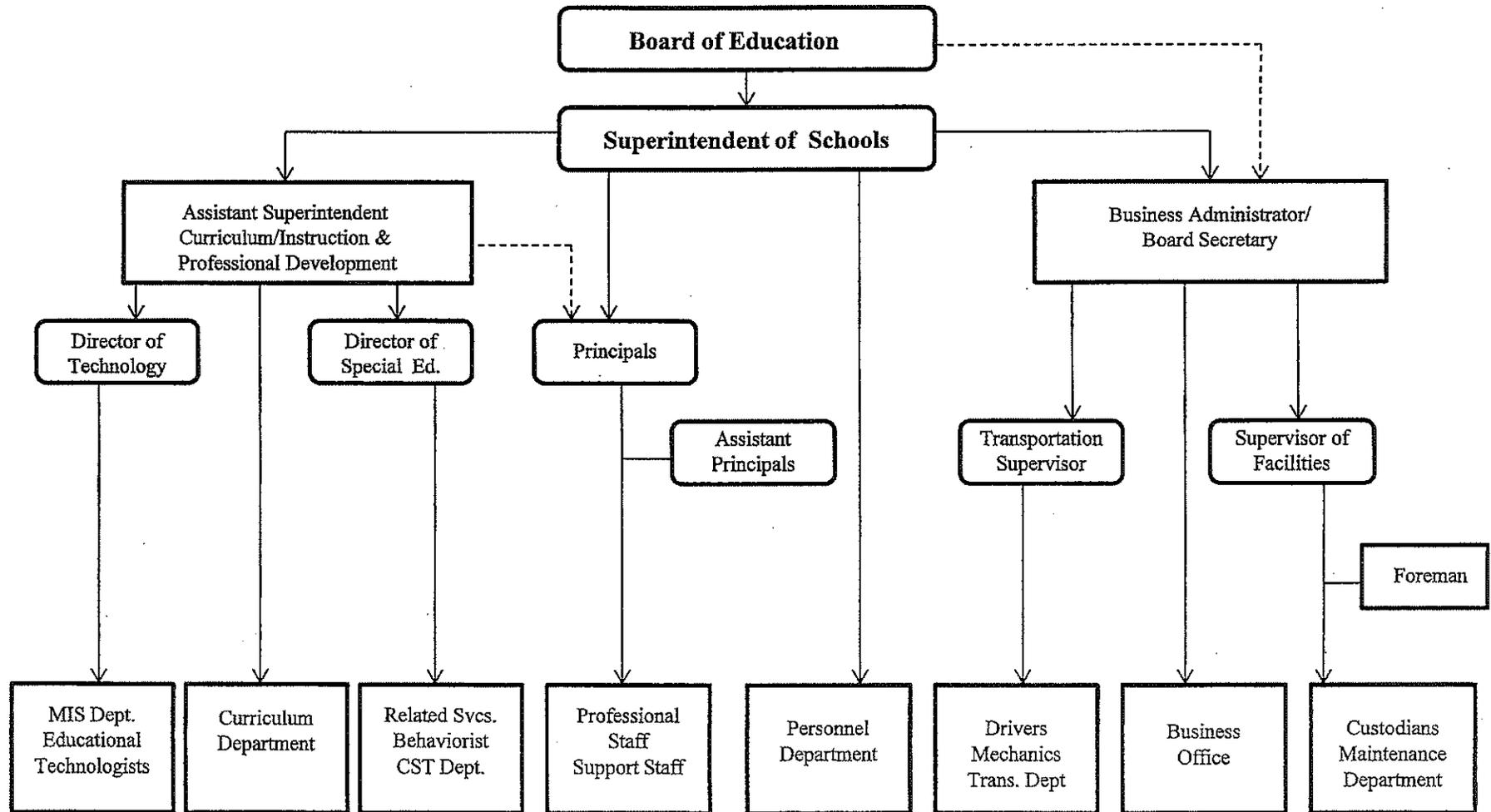
Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci & Higgins, LLP, CPAs, was selected by the Board of Education at its last organization meeting. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related Federal OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the financial statements and required supplementary information is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

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

Respectfully submitted,



Donnamarie Palmiere
Board Secretary/Business Administrator



**ROCKAWAY TOWNSHIP BOARD OF EDUCATION
ROCKAWAY, NEW JERSEY**

**Roster of Officials
June 30, 2015**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Dr. Robert Kurland, President	2017
Tara Maluszczyk, Vice President	2015
Rosemary Chabala	2015
Nancy Chirico	2016
Russell Babcock	2017
Nancy Helbourg	2015
Susan Shanik Salny	2016

Other Officials

Dr. Deborah J. Grefe	Superintendent of Schools
Donnamarie Palmiere	Board Secretary/Business Administrator.
Lisa Palmieri, Treasurer	Treasurer

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
Consultants and Advisors

Audit Firm

Lerch, Vinci & Higgins. LLP
17-17 Route 208
Fair Lawn, NJ 07410

Attorney

Ms. Nathanya G. Simon
Schwartz, Simon, Edelstein & Celso LLP
100 South Jefferson Road
Suite 200
Whippany, NJ 07981

Official Depository

PNC National Bank
East Main Street
Rockaway, New Jersey 07866

FINANCIAL SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
JULIUS B. CONSONI, CPA, PSA

DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
MARK SACO, CPA
SHERYL M. NICOLOSI, CPA
KATHLEEN WANG, CPA
ROBERT AMPONSAH, CPA

ELIZABETH A. SHICK, CPA, RMA, PSA
ANDREW PARENTE, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Rockaway Township School District, as of and for the fiscal year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Rockaway Township School District as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Adoption of New Accounting Pronouncement

As discussed in Note 1 to the financial statements, in the fiscal year ended June 30, 2015, the Rockaway Township School District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

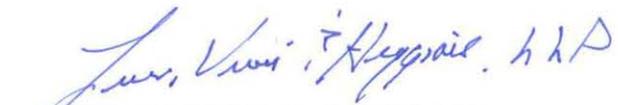
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Rockaway Township School District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards as required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and schedule of expenditures of state financial assistance as required by New Jersey 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 of the Rockaway Township School District.

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

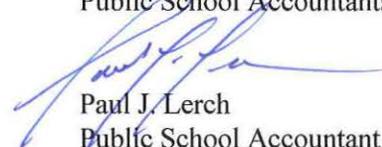
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated December 14, 2015 on our consideration of the Rockaway Township School 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Rockaway Township School District's internal control over financial reporting and compliance.



LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School Accountants



Paul J. Lerch
Public School Accountant
PSA Number CS01118

Fair Lawn, New Jersey
December 14, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
HIBERNIA, NEW JERSEY**

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015**

This discussion and analysis of the Rockaway Township School District's financial performance provides an overview of its financial activities for the fiscal year ended June 30, 2015. The intent of this is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2015 are as follows:

- District-Wide - Overall revenues were \$56,856,695. General revenues accounted for \$44,050,239 or 77 percent of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$12,806,456 or 23 percent of total revenues of \$56,856,695.
- District-Wide - The School District had \$55,256,094 in expenses; only \$12,806,456 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$44,050,239 were adequate to provide for these programs.
- Fund Financials - As of the close of the current fiscal year, the Rockaway Township School District's governmental funds reported combined ending fund balances of \$10,246,859 an increase of \$1,136,452 in comparison with the prior year.
- Fund Financials - At the end of June 30, 2015, the unassigned fund balance for the General Fund was \$701,389, an increase of \$68,940 in comparison with the prior year.

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
HIBERNIA, NEW JERSEY**

**Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2015**

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – Independent Auditor's Report, required supplementary information which includes the management's discussion and analysis (this section), the basic financial statements and supplemental 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 Rockaway Township School District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Rockaway Township School District, reporting the Rockaway Township School District's operation in more detail than the district-wide statements.
- The governmental fund statements tell how basic services were financed in short term as well as what remains for future spending.
- Proprietary fund statements offer short and long-term financial information about the activities the Rockaway Township School District operates like a business.
- Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom the resources belong.

Table A-1 summarizes the major features of the Rockaway Township School District's financial statements, including the portion of the Rockaway Township School 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 the structure and contents of each of the statements.

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
HIBERNIA, NEW JERSEY**

**Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2015**

Table A-1 Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance and food service	Activities the district operates similar to private businesses
Required financial statements	Statements of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures, and Changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenses, and Changes in Fund Net Position
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/deferred outflows/inflows of resources and liability information	All assets, deferred outflows of resources, deferred inflows of resources and liabilities, both financial and capital, short-term and long-term	Generally assets and deferred outflows of resources expected to be used up and deferred inflows of resources and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, deferred outflows/inflows of resources and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.

District-wide Statements

District-wide. The *District-wide financial statements* are designed to provide readers with a broad overview of the Rockaway Township School District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Rockaway Township School District's assets, deferred outflows/inflows of resource and liabilities, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. However, when assessing the overall health of the District, you need to consider additional non-financial factors, such as changes in the District's property tax base and the condition of the school buildings and other facilities.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*.

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
HIBERNIA, NEW JERSEY**

**Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2015**

District-wide Statements (Continued)

In the district-wide financial statements the District's activities are shown in two categories:

- *Governmental activities*- Most of the District's basic services are included here, such as regular and special education, transportation, maintenance and administration services. Property taxes and state aids finance most of these activities.
- *Business-type activities*- The District charges fees to customers to help it cover the costs of the District's Food Service Fund, Summer Enrichment Program and After School Program.

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 uses other funds, established in accordance with the State of New Jersey Uniform Chart of Accounts, to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal funds).

The District has three kinds of funds:

- **Governmental funds.** The District's basic services are included in the governmental funds, which generally focus on near-term inflows and outflows of spendable resources and the balances of spendable resources at year-end. Consequently, the governmental fund statements provide a detailed short-term view that helps to 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, we provide a reconciliation at the bottom of the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances to facilitate this comparison between governmental funds and governmental activities.

The District adopts an annual appropriated budget for the General Fund, Special Revenue Fund and Debt Service Fund. A budgetary comparison statement has been provided for the General Fund, Special Revenue Fund and Debt Service Fund.

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
HIBERNIA, NEW JERSEY**

**Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2015**

Fund Financial Statements (Continued)

- **Proprietary Funds.** The District maintains one type of Proprietary Fund, an Enterprise Fund, which is used to report the activity of the Food Service Fund, the Summer Enrichment Program and After School Program. Proprietary Funds provide the same type of information as the district-wide financial statements and is presented as business-type activities in the district-wide financial statements.

- **Fiduciary Funds.** Fiduciary Funds are used to account for resources held for the benefit of parties outside the government, such as the Payroll Agency Fund, Unemployment Trust Fund and the Student Activity Funds. Fiduciary Funds are *not* reflected in the district-wide financial statement because the resources of those funds are not available to support the District's own programs. The accounting used for Fiduciary Funds is much like that used for Proprietary Funds.

Notes to the 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.

DISTRICT-WIDE FINANCIAL ANALYSIS OF THE ROCKAWAY TOWNSHIP SCHOOL DISTRICT AS A WHOLE

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Table A-2 provides a summary of the school district's net position for fiscal years 2015 and 2014. For 2015 and 2014 net position were \$8,820,761 and \$7,220,160 respectively.

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide regular and special education, transportation, maintenance and administration services. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
HIBERNIA, NEW JERSEY**

**Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2015**

Table A-2
Statement of Net Position
As of June 30, 2015 and 2014

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u> (Restated)	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u> (Restated)
Current and Other Assets	\$ 10,843,140	\$ 9,599,102	\$ 357,376	\$ 290,818	\$ 11,200,516	\$ 9,889,920
Capital Assets	21,653,647	21,912,424	113,012	159,690	21,766,659	22,072,114
Total Assets	32,496,787	31,511,526	470,388	450,508	32,967,175	31,962,034
Deferred Amounts on Refunding of Debt	110,701	123,002			110,701	123,002
Deferred Amounts on Net Pension Liability	458,893	-	-	-	458,893	-
Total Deferred Outflows of Resources	569,594	123,002	-	-	569,594	123,002
Total Assets and Deferred Outflows of Resources	33,066,381	31,634,528	470,388	450,508	33,536,769	32,085,036
Long-Term Liabilities	22,713,402	24,207,995	-	-	22,713,402	24,207,995
Other Liabilities	660,297	567,426	101,632	88,666	761,929	656,092
Total Liabilities	23,373,699	24,775,421	101,632	88,666	23,475,331	24,864,087
Deferred Commodities Revenue			1,254	789	1,254	789
Deferred Amounts on Net Pension Liability	1,239,423	-	-	-	1,239,423	-
Total Deferred Inflows of Resources	1,239,423	-	1,254	789	1,240,677	789
Total Liabilities and Deferred Inflows of Resources	24,613,122	24,775,421	102,886	89,455	24,716,008	24,864,876
Net Position						
Net Investment in Capital Assets	15,244,110	14,482,456	113,012	159,690	15,357,122	14,642,146
Restricted	6,953,662	6,463,521			6,953,662	6,463,521
Unrestricted	(13,744,513)	(14,086,870)	254,490	201,363	(13,490,023)	(13,885,507)
Total Net Position- Restated	\$ 8,453,259	\$ 6,859,107	\$ 367,502	\$ 361,053	\$ 8,820,761	\$ 7,220,160

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
HIBERNIA, NEW JERSEY**

**Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2015**

Governmental activities. Governmental activities for 2015 increased the District's net position by \$1,594,152. Key elements of this increase are as follows:

**Table A-3
Changes in Net Position
For the Fiscal Years Ended June 30, 2015 and 2014**

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues						
Program Revenues						
Charges for Services	\$ 292,704	\$ 144,133	\$ 576,520	\$ 533,003	\$ 869,224	\$ 677,136
Operating Grants and Contributions	11,583,723	6,550,301	214,343	225,416	11,798,066	6,775,717
Capital Grants and Contributions	139,166	320,426			139,166	320,426
General Revenues						
Property Taxes	42,255,479	41,483,350			42,255,479	41,483,350
Unrestricted Federal/State Aid	1,534,100	1,443,258			1,534,100	1,443,258
Other	260,452	194,898	208	198	260,660	195,096
Total Revenues	<u>56,065,624</u>	<u>50,136,366</u>	<u>791,071</u>	<u>758,617</u>	<u>56,856,695</u>	<u>50,894,983</u>
Expenses						
Instruction						
Regular	19,361,831	16,548,211			19,361,831	16,548,211
Special Education	9,978,559	8,718,761			9,978,559	8,718,761
Other Instruction	1,404,875	1,031,408			1,404,875	1,031,408
School Sponsored Activities and Ath.	49,756	62,639			49,756	62,639
Support Services						
Student and Instruction Related Serv.	10,542,966	8,672,303			10,542,966	8,672,303
General Administrative Services	926,012	953,174			926,012	953,174
School Administrative Services	2,653,402	2,613,408			2,653,402	2,613,408
Administrative Information Technology	811,630	711,255			811,630	711,255
Central Services	749,794	704,301			749,794	704,301
Plant Operations and Maintenance	4,573,632	4,874,723			4,573,632	4,874,723
Pupil Transportation	3,156,987	3,238,690			3,156,987	3,238,690
Food Services			690,785	684,445	690,785	684,445
Summer Enrichment			93,837	35,766	93,837	35,766
Interest on Long-Term Debt	262,028	305,575	-	-	262,028	305,575
Total Expenses	<u>54,471,472</u>	<u>48,434,448</u>	<u>784,622</u>	<u>720,211</u>	<u>55,256,094</u>	<u>49,154,659</u>
Change in Net Position	1,594,152	1,701,918	6,449	38,406	1,600,601	1,740,324
Net Position, Beginning of Year	6,859,107	20,491,632	361,053	322,647	7,220,160	20,814,279
Prior Period Adjustment	-	(15,334,443)	-	-	-	(15,334,443)
Net Position, End of Year	<u>\$ 8,453,259</u>	<u>\$ 6,859,107</u>	<u>\$ 367,502</u>	<u>\$ 361,053</u>	<u>\$ 8,820,761</u>	<u>\$ 7,220,160</u>

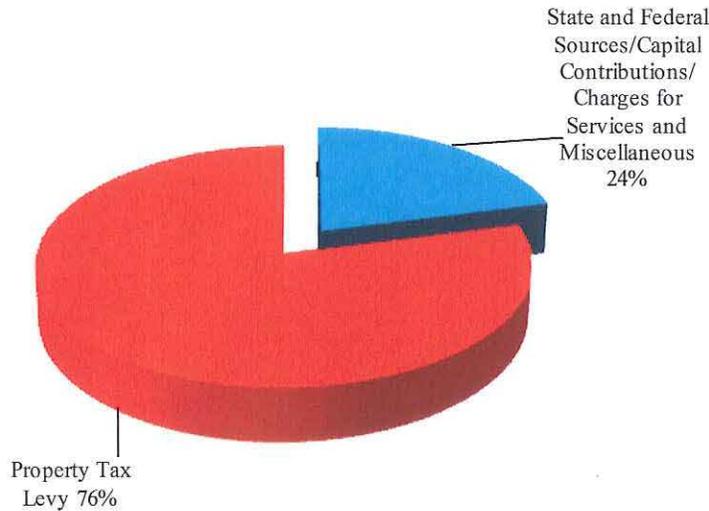
**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
HIBERNIA, NEW JERSEY**

**Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2015**

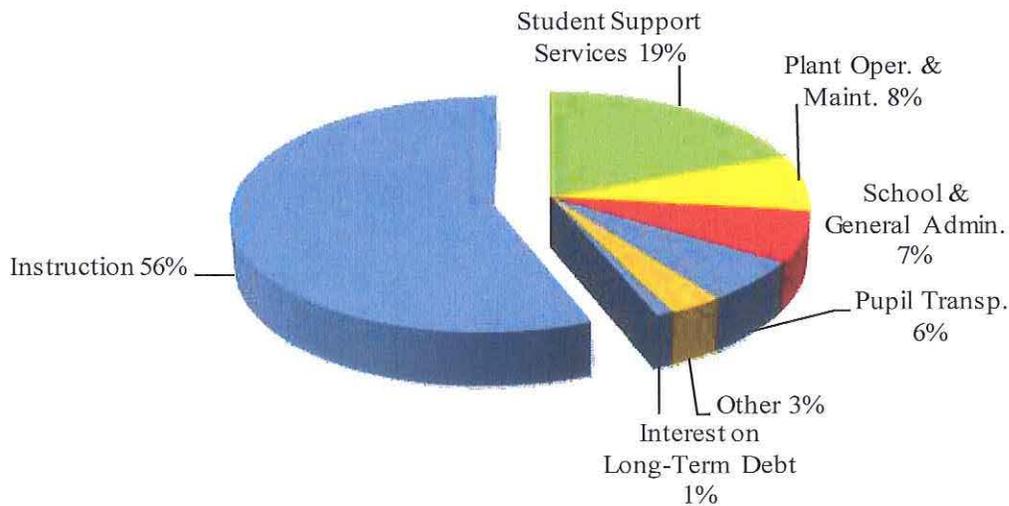
Governmental activities. The District's total governmental revenues were \$56,065,624. The general revenues that included property taxes, interest, unrestricted state aid and miscellaneous revenue, amounted to \$43,050,031 or 78% of total revenues. Funding from state and federal sources and capital contributions amounted to \$11,722,889 or 21%. In addition, charges for services from tuition and transportation fees of \$292,704 represent less than 1% of revenues.

The District's governmental expenses are predominantly related to instruction and support services. Instruction totaled \$30,795,021 (56%), student support services totaled \$23,414,423 (43%) and interest on long-term debt total \$262,028 (1%) of total expenditures. (See Table A-3.)

Revenues by Source- Governmental Activities
For Fiscal Year 2015



Expenditures by Type- Governmental Activities
For Fiscal Year 2015



**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
HIBERNIA, NEW JERSEY**

**Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2015**

Net Cost of Governmental Activities. The District's total cost of services was \$54,471,472. After applying program revenues, derived from operating and capital grants and contributions of \$11,722,889, and charges for services of \$292,704, the net cost of services of the District is \$42,455,879 for the fiscal year ended June 30, 2015.

**Table A-4
Total and Net Cost of Governmental Activities
For the Fiscal Years Ended June 30, 2015 and 2014**

<u>Functions/Programs</u>	<u>Total Cost of Services</u>		<u>Total Net Cost Services</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Governmental Activities				
Instruction				
Regular	\$ 19,361,831	\$ 16,548,211	\$ 15,122,263	\$ 14,702,684
Special Education	9,978,559	8,718,761	5,220,822	5,157,373
Other Instruction	1,404,875	1,031,408	1,072,590	906,978
School Sponsored Activities and Athletics	49,756	62,639	49,756	62,639
Support Services				
Student and Instruction Related Svcs.	10,542,966	8,672,303	8,595,916	7,910,870
General Administrative Services	926,012	953,174	926,012	953,174
School Administrative Services	2,653,402	2,613,408	2,309,533	2,438,745
Administrative Information Technology	811,630	711,255	811,630	711,255
Central Services	749,794	704,301	703,325	684,480
Plant Operations and Maintenance	4,573,632	4,874,723	4,390,800	4,510,888
Pupil Transportation	3,156,987	3,238,690	2,991,204	3,074,927
Interest on Long-Term Debt	262,028	305,575	262,028	305,575
 Total Governmental Activities	 \$ 54,471,472	 \$ 48,434,448	 \$ 42,455,879	 \$ 41,419,588

Business-Type Activities

The cost of Business-Type Activities for the fiscal year ended June 30, 2015 was \$784,622. These costs were funded by operating grants and charges for services (Detailed on Table A-3). The operations resulted in an increase in net position of \$6,449.

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
HIBERNIA, NEW JERSEY**

**Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2015**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental Funds. The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As the District completed the year, its governmental funds reported a combined fund balance of \$10,246,859. In 2013-2014 the fund balance was \$9,110,408. The District's Fund balance has increased due to revenues which exceeded budget estimates as well as expenditures which were less than amounts budgeted for the 2014/2015 school year.

The District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$51,689,876 and expenditures were \$51,096,053.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound fiscal management. The following schedule presents a summary of the governmental fund revenues for the fiscal year ended June 30, 2015 and 2014.

	<u>Year Ended</u> <u>June 30, 2015</u>	<u>Year Ended</u> <u>June 30, 2014</u>	<u>Amount of</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Change</u>
Local Sources	\$ 42,817,323	\$ 41,831,281	\$ 986,042	2.36%
State Sources	7,771,691	7,285,607	486,084	6.67%
Federal Sources	<u>1,100,862</u>	<u>1,019,478</u>	<u>81,384</u>	7.98%
 Total Revenues	 <u>\$ 51,689,876</u>	 <u>\$ 50,136,366</u>	 <u>\$ 1,553,510</u>	 3.10%

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
HIBERNIA, NEW JERSEY**

**Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2015**

The following schedule represents a summary of general fund, special revenue fund, capital projects fund, and debt service fund expenditures for the fiscal year ended June 30, 2015 and 2014.

	<u>Year Ended</u> <u>June 30, 2015</u>	<u>Year Ended</u> <u>June 30, 2014</u>	<u>Amount of</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Change</u>
Instruction	\$ 26,366,797	\$ 25,904,632	\$ 462,165	1.78%
Support Services	21,433,067	21,131,555	301,512	1.43%
Debt Service	1,593,800	1,500,417	93,383	6.22%
Capital Outlay	<u>1,702,389</u>	<u>943,215</u>	<u>759,174</u>	<u>80.49%</u>
 Total Expenditures	 <u>\$ 51,096,053</u>	 <u>\$ 49,479,819</u>	 <u>\$ 1,616,234</u>	 3.27%

General Fund Budgetary Highlights

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

Over the course of the year, the District revised the annual operating budget several times. These budget amendments were related to:

- Implementing budgets for specially funded projects, which include both Federal and State grants.
- Reinstating prior year purchase orders being carried over as encumbrance.
- Increases in appropriation for significant unbudgeted costs.

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
HIBERNIA, NEW JERSEY**

**Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2015**

Capital Assets. The Rockaway Township School District's investment in capital assets for its governmental and business type activities as of June 30, 2015 amounts to \$21,766,659 (net of accumulated depreciation). This investment in capital assets includes land improvements, buildings and building improvements, construction in progress and machinery and equipment.

**Table A-5
Capital Assets
(net of accumulated depreciation) at June 30**

	Governmental Activities		Business-Type Activities		Total	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Land	\$ 3,242,866	\$ 3,242,866			\$ 3,242,866	\$ 3,242,866
Construction in Progress	399,440	386,444			399,440	386,444
Buildings and Building Improvements	27,811,114	27,604,688			27,811,114	27,604,688
Machinery and Equipment	<u>8,431,865</u>	<u>8,203,614</u>	<u>\$ 420,118</u>	<u>\$ 397,115</u>	<u>8,851,983</u>	<u>8,600,729</u>
Total	39,885,285	39,437,612	420,118	397,115	40,305,403	39,834,727
Less: Accumulated Depreciation	<u>18,231,638</u>	<u>17,525,188</u>	<u>307,106</u>	<u>237,425</u>	<u>18,538,744</u>	<u>17,762,613</u>
Total	<u>\$ 21,653,647</u>	<u>\$ 21,912,424</u>	<u>\$ 113,012</u>	<u>\$ 159,690</u>	<u>\$ 21,766,659</u>	<u>\$ 22,072,114</u>

Additional information on Rockaway Township School District's capital assets can be found in Note 3 of this report.

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
HIBERNIA, NEW JERSEY**

**Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2015**

Debt Administration. As of June 30, 2015 the school district had long-term debt and outstanding long-term liabilities in the amount of \$22,713,402 as stated in Table A-6.

Long-Term Liabilities

**Table A-6
Long-Term Debt
Outstanding Long-Term Liabilities**

	Balance	Balance
	<u>June 30, 2015</u>	<u>June 30, 2014</u>
		(Restated)
General Obligation Bonds, Net	\$ 5,005,000	\$ 5,370,000
Obligations Under Capital Leases	1,515,238	1,936,966
Other Long-Term Liabilities	1,599,827	1,566,586
Net Pension Liability	<u>14,593,337</u>	<u>15,334,443</u>
 Total	 <u>\$ 22,713,402</u>	 <u>\$ 24,207,995</u>

Additional information on Rockaway Township School District's long-term debt can be found in Note 3 of this report.

Moody's Investors Service has assigned an Aa2 enhanced rating to the Rockaway Township School District's \$8,165,000 million Refunding School Bonds. These bonds are secured by New Jersey's Chapter 72 program. The Aa2 rating on this issue reflects: Chapter 72's highly liquid reserve that by statute is perpetually sized at 1.5% of New Jersey school district related indebtedness; significant ability to regenerate the fund in the case of a draw; and, Moody's anticipation that program mechanics will govern timely bond repayment in the case of a defaulting issuer. Additional information on this program follows:

CHAPTER 72 IS A CONSTITUTIONALLY CREATED FUND LOCATED IN THE STATE'S FUND FOR SUPPORT OF FREE PUBLIC SCHOOLS

The Chapter 72 reserves, authorized in 1980 (NJ 18A:56-19), to make scheduled debt service payments for a defaulting issuer are carved from the State of New Jersey's larger constitutionally created Fund for Support of Free Public Schools. Chapter 72 assets currently valued at \$62 million are recalculated annually, to comply with the statutory requirement that the reserve equal exactly 1.5% of the \$4.1 billion of outstanding school related debt. Currently, Chapter 72 assets comprise 41% of the Fund.

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
HIBERNIA, NEW JERSEY**

**Management's Discussion and Analysis (continued)
For the Fiscal Year Ended June 30, 2015**

FOR THE FUTURE

Currently, the District is in good financial condition. Everyone associated with the Rockaway Township School 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 flat state aid support, means an ever-increasing reliance on local property taxes.

In conclusion, the Rockaway Township School 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

If you have questions about this report or need additional information, contact the School Business Administrator at the Rockaway Township School District, Hibernia, NJ 07842.

FINANCIAL STATEMENTS

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
AS OF JUNE 30, 2015

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 10,000,595	\$ 335,303	\$ 10,335,898
Receivables, net	842,545	19,273	861,818
Inventory		1,888	1,888
Prepaid Expense		912	912
Capital Assets, net			
Not Being Depreciated	3,642,306		3,642,306
Being Depreciated	<u>18,011,341</u>	<u>113,012</u>	<u>18,124,353</u>
 Total Assets	 <u>32,496,787</u>	 <u>470,388</u>	 <u>32,967,175</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Refunding of Debt	110,701		110,701
Deferred Amounts on Net Pension Liability	<u>458,893</u>	<u>-</u>	<u>458,893</u>
 Total Deferred Outflows of Resources	 <u>569,594</u>	 <u>-</u>	 <u>569,594</u>
 Total Assets and Deferred Outflows of Resources	 <u>33,066,381</u>	 <u>470,388</u>	 <u>33,536,769</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	215,566	44,313	259,879
Unearned Revenue	380,715	57,319	438,034
Accrued Interest Payable	64,016		64,016
Noncurrent Liabilities			
Due Within One Year	2,039,358		2,039,358
Due Beyond One Year	<u>20,674,044</u>	<u>-</u>	<u>20,674,044</u>
 Total Liabilities	 <u>23,373,699</u>	 <u>101,632</u>	 <u>23,475,331</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Commodities Revenue		1,254	1,254
Deferred Amounts on Net Pension Liability	<u>1,239,423</u>	<u>-</u>	<u>1,239,423</u>
 Total Deferred Inflows of Resources	 <u>1,239,423</u>	 <u>1,254</u>	 <u>1,240,677</u>
 Total Liabilities and Deferred Inflows of Resources	 <u>24,613,122</u>	 <u>102,886</u>	 <u>24,716,008</u>
NET POSITION			
Net Investment in Capital Assets	15,244,110	113,012	15,357,122
Restricted for			
Debt Service	3		3
Capital Projects	6,953,659		6,953,659
Unrestricted	<u>(13,744,513)</u>	<u>254,490</u>	<u>(13,490,023)</u>
 Total Net Position	 <u>\$ 8,453,259</u>	 <u>\$ 367,502</u>	 <u>\$ 8,820,761</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Instruction							
Regular	\$ 19,361,831	\$ 81,865	\$ 4,157,703		\$ (15,122,263)		\$ (15,122,263)
Special Education	9,978,559	201,901	4,555,836		(5,220,822)		(5,220,822)
Other Instruction	1,404,875		332,285		(1,072,590)		(1,072,590)
School Sponsored Activities and Athletics	49,756				(49,756)		(49,756)
Support Services							
Student and Instruction Related Services	10,542,966		1,947,050		(8,595,916)		(8,595,916)
General Administrative Services	926,012				(926,012)		(926,012)
School Administrative Services	2,653,402		343,869		(2,309,533)		(2,309,533)
Administrative Information Technology	811,630				(811,630)		(811,630)
Central Services	749,794		46,469		(703,325)		(703,325)
Plant Operations and Maintenance	4,573,632		43,666	\$ 139,166	(4,390,800)		(4,390,800)
Pupil Transportation	3,156,987	8,938	156,845		(2,991,204)		(2,991,204)
Interest on Long-Term Debt	262,028	-	-	-	(262,028)	-	(262,028)
Total Governmental Activities	54,471,472	292,704	11,583,723	139,166	(42,455,879)	-	(42,455,879)
Business-Type Activities							
Food Service	690,785	475,353	214,343	-	-	\$ (1,089)	(1,089)
Non-Major	93,837	101,167	-	-	-	7,330	7,330
Total Business-Type Activities	784,622	576,520	214,343	-	-	6,241	6,241
Total Primary Government	\$ 55,256,094	\$ 869,224	\$ 11,798,066	\$ 139,166	(42,455,879)	6,241	(42,449,638)
General Revenues							
Taxes:							
Property Taxes, Levied for General Purposes, Net					41,819,183		41,819,183
Taxes Levied for Debt Service					436,296		436,296
Unrestricted State Aid					1,534,100		1,534,100
Miscellaneous Income					245,334		245,334
Interest					15,118	208	15,326
Total General Revenues					44,050,031	208	44,050,239
Change in Net Position					1,594,152	6,449	1,600,601
Net Position, Beginning of Year- Restated					6,859,107	361,053	7,220,160
Net Position, End of Year					\$ 8,453,259	\$ 367,502	\$ 8,820,761

FUND FINANCIAL STATEMENTS

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2015

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 9,524,669		\$ 475,923	\$ 3	\$ 10,000,595
Due from Other Funds	47,474		120,668		168,142
Other Receivables	25,409	\$ 8,187			33,596
Receivables from Other Governments	89,776	60,573	658,600	-	808,949
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 9,687,328</u>	<u>\$ 68,760</u>	<u>\$ 1,255,191</u>	<u>\$ 3</u>	<u>\$ 11,011,282</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 85,135	\$ 5,428			\$ 90,563
Accrued Salaries	125,003				125,003
Due to Other Funds	120,668	47,474			168,142
Unearned Revenue	-	15,858	\$ 364,857	-	380,715
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>330,806</u>	<u>68,760</u>	<u>364,857</u>	<u>-</u>	<u>764,423</u>
Fund Balances					
Restricted Fund Balance					
Excess Surplus	1,154,726				1,154,726
Excess Surplus - Designated for Subsequent Year's Expenditures	685,457				685,457
Capital Reserve	3,508,397				3,508,397
Capital Reserve - Designated for Subsequent Year's Expenditures	2,554,928				2,554,928
Maintenance Reserve - Designated for Subsequent Year's Expenditures	324,733				324,733
Capital Projects			890,334		890,334
Debt Service				\$ 3	3
Assigned Fund Balance					
Year-End Encumbrances	426,892				426,892
Unassigned Fund Balance					
General Fund	701,389	-	-	-	701,389
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>9,356,522</u>	<u>-</u>	<u>890,334</u>	<u>3</u>	<u>10,246,859</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 9,687,328</u>	<u>\$ 68,760</u>	<u>\$ 1,255,191</u>	<u>\$ 3</u>	

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2015**

Amounts reported for governmental activities in the statement of net Position (A-1) are different because:

\$ 10,246,859

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the net assets is \$39,885,285 and the accumulated depreciation is \$18,231,638.

21,653,647

The District has financial capital assets through the issuance of serial bonds. The interest accrual at year end is:

(64,016)

Certain amounts resulting from the measurement of the net pension liability are reported as either deferred inflows of resources or deferred outflows of resources on the statement of net position and deferred over future years.

Deferred Outflows of resources

\$ 458,893

Deferred Inflows of Resources

(1,239,423)

\$ (780,530)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:

Bonds Payable, net of Premium

(5,005,000)

Deferred Outflows of Resources- Deferred

Amounts on Refunding of Debt

110,701

Compensated Absences

(1,599,827)

Lease Payable

(1,515,238)

Net Pension Liability

(14,593,337)

(22,602,701)

Net Position (Exhibit A-1)

\$ 8,453,259

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 41,819,182			\$ 436,296	\$ 42,255,478
Tuition	283,766				283,766
Miscellaneous	269,392	\$ 8,687	-	-	278,079
Total - Local Sources	42,372,340	8,687	-	436,296	42,817,323
State Sources	7,487,942	2,797	\$ 139,166	141,786	7,771,691
Federal Sources	385,186	715,676	-	-	1,100,862
Total Revenues	50,245,468	727,160	139,166	578,082	51,689,876
EXPENDITURES					
Current					
Regular Instruction	16,345,482	62,947			16,408,429
Special Education Instruction	8,084,104	589,811			8,673,915
Other Instruction	1,226,510	8,187			1,234,697
School-Sponsored Activities and Athletics	49,756				49,756
Support Services and Undistributed Costs:					
Student and Instruction Related Services	9,084,200	66,215			9,150,415
General Administrative Services	888,640				888,640
School Administrative Services	2,382,139				2,382,139
Administrative Information Technology	789,960				789,960
Central Services	694,708				694,708
Plant Operations and Maintenance	4,454,309				4,454,309
Pupil Transportation	3,072,896				3,072,896
Debt Service					
Principal	964,355			365,000	1,329,355
Interest and Other Charges	51,364			213,081	264,445
Capital Outlay	1,302,949	-	399,440	-	1,702,389
Total Expenditures	49,391,372	727,160	399,440	578,081	51,096,053
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	854,096	-	(260,274)	1	593,823
OTHER FINANCING SOURCES (USES)					
Lease Proceeds	542,628				542,628
Transfers In			800,475		800,475
Transfers Out	(800,475)	-	-	-	(800,475)
Total Other Financing Sources and Uses	(257,847)	-	800,475	-	542,628
Net Change in Fund Balances	596,249	-	540,201	1	1,136,451
Fund Balance, Beginning of Year	8,760,273	-	350,133	2	9,110,408
Fund Balance, End of Year	\$ 9,356,522	\$ -	\$ 890,334	\$ 3	\$ 10,246,859

The accompanying Notes to the Financial Statements are an integral part of this statement

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE DISTRICT-WIDE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Total net change in fund balances - governmental funds (Exhibit B-2) \$ 1,136,451

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement and allocated over their estimated useful lives as annual depreciation expense. This is the amount by which depreciation exceeds capital outlays in the current period.

Capital Outlay	\$ 1,702,389	
Depreciation Expense	<u>(1,961,166)</u>	
		(258,777)

In the statement of activities, certain operating expenses - compensated absences and pension expense are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (paid):

Increase in Compensated Absences	(33,241)	
Increase in Pension Expense	<u>(39,424)</u>	
		(72,665)

Repayment of debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities.

Serial Bonds	365,000	
Lease Purchase Agreement	<u>964,355</u>	
		1,329,355

The issuance of long-term debt provides current financial resources to governmental funds, but it increases long-term liabilities in the statement of net position and does not affect the statement of activities.

Lease Purchase Proceeds		(542,628)
-------------------------	--	-----------

Governmental funds report the effect of premiums and other such items related to the refunding bonds when they are first issued, whereas these amounts are deferred and amortized in the statement of activities.

Amortization of Deferred Amounts on Refunding		(12,301)
---	--	----------

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

Decrease in Accrued Interest		<u>14,717</u>
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Change in net position of governmental activities (Exhibit A-2) \$ 1,594,152

The accompanying Notes to the Financial Statements are an integral part of this statement.

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
PROPRIETARY FUNDS
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2015**

	<u>Food Service Program</u>	<u>Non-Major Programs</u>	<u>Total</u>
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 280,013	\$ 55,290	\$ 335,303
Intergovernmental Receivable			
State	800		800
Federal	15,927		15,927
Other Receivables	2,546		2,546
Prepaid Expense		912	912
Inventories	<u>1,888</u>	<u>-</u>	<u>1,888</u>
 Total Current Assets	 <u>301,174</u>	 <u>56,202</u>	 <u>357,376</u>
Capital Assets			
Equipment	420,118		420,118
Less: Accumulated Depreciation	<u>(307,106)</u>	<u>-</u>	<u>(307,106)</u>
 Total Capital Assets, Net	 <u>113,012</u>	 <u>-</u>	 <u>113,012</u>
 Total Assets	 <u>414,186</u>	 <u>56,202</u>	 <u>470,388</u>
LIABILITIES			
Accounts Payable	44,313		44,313
Unearned Revenue	<u>11,204</u>	<u>46,115</u>	<u>57,319</u>
 Total Liabilities	 <u>55,517</u>	 <u>46,115</u>	 <u>101,632</u>
DEFERRED INFLOW OF RESOURCES			
Deferred Commodities Revenue	<u>1,254</u>	<u>-</u>	<u>1,254</u>
 Total Liabilities and Deferred Inflow of Resources	 <u>56,771</u>	 <u>46,115</u>	 <u>102,886</u>
NET POSITION			
Investment in Capital Assets	113,012		113,012
Unrestricted	<u>244,403</u>	<u>10,087</u>	<u>254,490</u>
 Total Net Position	 <u>\$ 357,415</u>	 <u>\$ 10,087</u>	 <u>\$ 367,502</u>

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
 PROPRIETARY FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Food Service Program</u>	<u>Non-Major Programs</u>	<u>Total</u>
OPERATING REVENUES			
Charges for Services			
Daily Sales			
Reimbursable Programs	\$ 295,504		\$ 295,504
Non - Reimbursable Programs	168,382		168,382
Special Functions	11,467		11,467
Program Fees	-	\$ 101,167	101,167
	<hr/>	<hr/>	<hr/>
Total Operating Revenues	475,353	101,167	576,520
OPERATING EXPENSES			
Cost of Sales	254,318		254,318
Salaries and Employee Benefits	304,604	87,065	391,669
Purchased Professional Services	61,342		61,342
Supplies and Materials	23,843	5,072	28,915
Transportation		1,700	1,700
Depreciation	46,678	-	46,678
	<hr/>	<hr/>	<hr/>
Total Operating Expenses	690,785	93,837	784,622
Operating Income/(Loss)	<hr/> (215,432)	<hr/> 7,330	<hr/> (208,102)
NONOPERATING REVENUES			
State Sources			
State School Lunch Program	6,767		6,767
Federal Sources			
National School Lunch Program	200,392		200,392
National School Breakfast Program	4,586		4,586
Special Milk Program	2,598		2,598
Local Sources			
Interest Income	203	5	208
	<hr/>	<hr/>	<hr/>
Total Nonoperating Revenues	214,546	5	214,551
Change in Net Position	(886)	7,335	6,449
Total Net Position, Beginning of Year	<hr/> 358,301	<hr/> 2,752	<hr/> 361,053
Total Net Position, End of Year	<u>\$ 357,415</u>	<u>\$ 10,087</u>	<u>\$ 367,502</u>

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Food Service Program</u>	<u>Non-Major Programs</u>	<u>Total</u>
Cash Flows from Operating Activities			
Cash Received from Customers	\$ 474,029	\$ 110,012	\$ 584,041
Cash Payments for Employees' Salaries and Benefits	(365,946)	(87,065)	(453,011)
Cash Payments to Suppliers for Goods and Services	<u>(236,456)</u>	<u>(6,254)</u>	<u>(242,710)</u>
Net Cash Provided by (Used for) by Operating Activities	<u>(128,373)</u>	<u>16,693</u>	<u>(111,680)</u>
Cash Flows from Investing Activities			
Interest Income	<u>203</u>	<u>5</u>	<u>208</u>
Net Cash Provided by Investing Activities	<u>203</u>	<u>5</u>	<u>208</u>
Cash Flows from Noncapital Financing Activities			
Cash Received from State and Federal Subsidy Reimbursements	<u>201,512</u>	<u>-</u>	<u>201,512</u>
Net Cash Provided by Noncapital Financing Activities	<u>201,512</u>	<u>-</u>	<u>201,512</u>
Net Increase in Cash and Cash Equivalents	73,342	16,698	90,040
Cash and Cash Equivalents, Beginning of Year	<u>206,771</u>	<u>38,592</u>	<u>245,363</u>
Cash and Cash Equivalents, End of Year	<u>\$ 280,113</u>	<u>\$ 55,290</u>	<u>\$ 335,403</u>
Reconciliation of Operating (Loss) to Net Cash Used by Operating Activities			
Operating Income/(Loss)	\$ (215,332)	\$ 7,330	\$ (208,002)
Adjustments to Reconcile Operating Income Gain/(Loss) to Net Cash Provided by (Used for) Operating Activities			
Depreciation	46,678		46,678
Federal Food Distribution Program - Non-Cash (USDA)	33,883		33,883
Change in Assets and Liabilities			
(Increase)/Decrease in Accounts Receivable, Other	(1,889)		(1,889)
(Increase)/Decrease in Prepaid Expenses	465	518	983
(Increase)/Decrease in Inventory	3,701		3,701
Increase/(Decrease) in Accounts Payable	3,378		3,378
Increase/(Decrease) in Unearned Revenue	<u>743</u>	<u>8,845</u>	<u>9,588</u>
Total Adjustments	<u>86,959</u>	<u>9,363</u>	<u>96,322</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (128,373)</u>	<u>\$ 16,693</u>	<u>\$ (111,680)</u>
Non-Cash Inventory Capital and Financing Activities			
Value Received - Food Distribution Program	<u>\$ 33,094</u>		

The accompanying Notes to the Basic Financial Statements are an integral part of this statement.

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2015**

	Unemployment Compensation <u>Trust Fund</u>	<u>Agency Fund</u>
ASSETS		
Cash and Cash Equivalents	\$ 339,522	\$ 346,936
Total Assets	<u>339,522</u>	<u>\$ 346,936</u>
LIABILITIES		
Payroll Deductions and Withholdings		\$ 201,844
Due to State of New Jersey	\$ 17,603	
Accrued Salaries and Wages		492
Due to Family Outreach		392
Due to Flex Spending		7,922
Due to Student Groups	<u>-</u>	<u>136,286</u>
Total Liabilities	<u>17,603</u>	<u>\$ 346,936</u>
NET POSITION		
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 321,919</u>	

The accompanying Notes to the Financial Statement are an integral part of this statement.

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Unemployment Compensation <u>Trust Fund</u>
ADDITIONS	
Contributions	
Employees	\$ 84,130
Investment Earnings	
Interest	<u>135</u>
Total Additions	<u>84,265</u>
DEDUCTIONS	
Unemployment Claims and Contributions	<u>78,697</u>
Total Deductions	<u>78,697</u>
Change in Net Position	5,568
Net Position, Beginning of Year	<u>316,351</u>
Net Position, End of Year	<u>\$ 321,919</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Rockaway Township School District (the "Board") is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of seven 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. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Rockaway Township School District this includes general operations, food service, summer enrichment, after school and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity as a component unit.

B. New Accounting Standards

During fiscal year 2015, the District adopted the following GASB statements:

- GASB 68, *Accounting and Financial Reporting for Pensions*. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria.
- GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, should be applied simultaneously with the provisions of Statement No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

Other accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB 72, *Fair Value Measurement and Application*, will be effective beginning with the fiscal year ending June 30, 2016. This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.
- GASB 73, *Accounting and Financial Reporting for Pensions and Related Assets that Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability.
- GASB 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.
- GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will be effective beginning with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.
- GASB 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, will be effective beginning with the fiscal year ending June 30, 2016. The objective of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

C. Basis of Presentation - Financial Statements

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the District's enterprise funds. Fiduciary funds are excluded from the district-wide financial statements.

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

District-Wide Financial Statements

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Board of Education. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. In the statement of net position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) reflect on a full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or other governmental entities, including other school districts, who purchase, use, or directly benefit from goods or services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes, unrestricted state aid, federal and other items not properly included among program revenues are reported instead as general revenues.

As a general rule the effect of interfund activity has been eliminated from the district-wide financial statements. Exceptions to this general rule are charges between the Board's proprietary and fiduciary funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

Separate fund financial statements are provided for governmental, proprietary, and fiduciary activities, even though the latter are excluded from the district-wide financial statements. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. The District considers all of its governmental and enterprise funds to be major funds.

The District reports the following major governmental funds:

The *general fund* is the School District's primary operating fund. It accounts for all financial resources of the District, except those to be accounted for in another fund.

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal, state and local financial programs, with the exception of grants for major capital projects and the child nutrition programs.

The *capital projects fund* accounts for the proceeds from the sale of bonds, lease purchases and other revenues used for the acquisition or construction of capital facilities and other capital assets, other than those financed by the proprietary funds.

The *debt service fund* accounts for the accumulation of resources that are restricted, committed or assigned for the payment of principal and interest on long-term general obligation debt of governmental funds.

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

The District reports the following major proprietary funds which are organized to be self-supporting through user charges:

The *food service fund* accounts for the activities of the school cafeteria, which provides food service to students as well as a la carte and catering services for teachers and special events.

The District reports the following non-major proprietary funds which are organized to be self-supporting through user charges:

The *summer enrichment fund* accounts for the activities of the District's summer programs which provides students with various instructional and non-instructional programs during the summer break.

The *after school fund* accounts for the activities of the District's after school program which provided for various after school services for district students.

Additionally, the government reports the following fund types:

The *fiduciary trust fund* is used to account for resources legally held in trust for the state unemployment insurance claims, payroll related activities and student related activities which are supported and controlled by student organizations and clubs. All resources of the fund, including any earnings on invested resources, may be used to support the intended purpose. There is no requirement that any portion of these resources be preserved as capital.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the district-wide financial statements as "internal balances".

Reclassifications

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements with the exception of the agency fund which does not have a measurement focus. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations (with the exception of the fiduciary funds) are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e. when they are both measurable and available). Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Board considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when a liability is incurred, as under accrual basis of accounting, with the exception of debt service expenditures as well as expenditures related to compensated absences and claims and judgments which are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, tuition, transportation fees, unrestricted state aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements (formula-type grants and aid) are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure-driven grants and similar awards (reimbursement-type grants and awards) are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements imposed by the grantor or provider have been met, and the amount is received during the period or within the availability period for this revenue source. All other revenue items are considered to be measurable and available only when cash is received by the District.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. *Cash Equivalents and Investments*

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value and are limited by N.J.S.A. 18A:20-37.

2. *Receivables*

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

3. *Inventories*

The cost of inventories of the governmental fund types are recorded as expenditures at the time individual inventory items are purchased.

Food Service Fund inventories, exclusive of the federal commodities, are valued at cost, using the first-in first-out (FIFO) method and consist of food and expendable supplies. The cost of such inventories is recorded as expenses when consumed rather than when purchased. The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by the USDA. It is valued at estimated market prices by the USDA. The amount of unused commodities at year-end is reported as deferred inflows of resources.

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

4. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both district-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

5. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Land and construction in progress are not depreciated. The other property, plant, and equipment of the District, is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Building Improvements	20-50
Machinery and Equipment	5-15

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has two items which arise only under the accrual basis of accounting that qualify for reporting in this category. One item is the deferred amounts on refunding of debt which results from the loss on a debt refunding reported in the district-wide statement of net position. Deferred amounts on debt refunding result from the loss on the transaction when the debt's reacquisition price is greater than the carrying value of the refunded debt. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

6. *Deferred Outflows/Inflows of Resources (Continued)*

In additions to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The government has only two types of items, which arise only under the accrual basis of accounting that qualify for reporting in this category. Accordingly, one item is the deferred commodities revenue, reported in both the district-wide and the proprietary funds statements of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed. The other item that qualifies for reporting in this category are the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years.

7. *Compensated Absences*

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused vacation and sick leave benefits. A long-term liability of accumulated personal and sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. Proprietary Funds accrue accumulated vacation and sick leave and salary related payments in the period that they are earned. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

8. *Pensions*

In the district-wide financial statements, 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 retirement systems sponsored and administered by the State of New Jersey and additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

In the governmental fund financial statements, net pension liabilities represent amounts normally expected to be liquidated with expendable available financial resources for required pension contributions that are due and payable at year end. Pension expenditures are recognized based on contractual pension contributions that are required to be made to the pension plan during the fiscal year.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

9. *Long-Term Obligations*

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Losses resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported net of the applicable bond premium. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

In the fund financial statements, governmental fund types recognize bond premiums, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

10. *Net Position/Fund Balance*

District-Wide Statements

In the district-wide statements, there are three classes of net position:

- **Net Investment in Capital Assets** – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction or improvement of those assets or related debt also should be included.
- **Restricted Net Position** – reports net position when constraints placed on the residual amount of noncapital assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** – any portion of net position not already classified as either net investment in capital assets or net position – restricted is classified as net position – unrestricted.

Governmental Fund Statements

Fund balance categories are designed to make the nature and extent of the constraints placed on the District's fund balance more transparent. These categories are comprised of a hierarchy based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

Restricted Fund Balance – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2015 audited excess surplus that is required to be appropriated in the 2016/2017 original budget certified for taxes.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

10. *Net Position/Fund Balance (Continued)*

Governmental Fund Statements (Continued)

Restricted Fund Balance (Continued)

Excess Surplus – Designated for Subsequent Year's Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2014 audited excess surplus that was appropriated in the 2015/2016 original budget certified for taxes.

Capital Reserve – This restriction was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures (See Note 2.)

Capital Reserve - Designated for Subsequent Year's Budget – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2015/2016 District budget certified for taxes.

Maintenance Reserve - Designated for Subsequent Year's Budget – This designation was created to dedicate the portion of maintenance reserve fund balance appropriated in the adopted 2015/2016 District budget certified for taxes

Capital Projects – Represents fund balance restricted specifically for capital acquisitions and improvements in the Capital Projects Fund.

Debt Service – Represents fund balance restricted specifically for the repayment of long-term debt principal and interest in the Debt Service Fund.

Assigned Fund Balance – Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Year-End Encumbrances – Represent outstanding purchase orders for goods or services approved by management for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

Unassigned Fund Balance – Represents fund balance that has not been restricted, committed or assigned to specific purposes within the governmental funds.

F. Revenues and Expenditures/Expenses

1. *Program Revenues*

Amounts reported as program revenues in the district-wide statement of activities include 1) charges to customers or applicants for goods or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, unrestricted State aid, investment earnings and miscellaneous revenues.

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

2. *Property Taxes*

Property taxes are levied pursuant to law and are collected by the municipality and are transferred to the District as requested. Property tax revenues are recognized in the year they are levied and become available. Property taxes collected in advance of the year-end for which they are levied and transferred to the District are reported as deferred inflows of resources. The tax bills are mailed annually in June by the municipal tax collector and are levied and due in four quarterly installments on August 1, November 1, February 1 and May 1 of the fiscal year. When unpaid, taxes or any other municipal lien, or part thereof, on real property, remains in arrears on April 1st in the year following the calendar year levy when the same became in arrears, the tax collector of the municipality shall, subject to the provisions of New Jersey Statute, enforce the lien by placing the property on a tax sale. The municipality may institute annual "in rem" tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property.

3. *Tuition Revenues and Expenditures*

Tuition Revenues - Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs are determined and certified by the State Department of Education.

Tuition Expenditures - Tuition charges for the fiscal years 2013-2014 and 2014-2015 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

4. *Proprietary Funds, Operating and Non-Operating Revenues and Expenses*

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the food service enterprise fund, the summer enrichment enterprise fund and after school enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

In accordance with the requirements of the New Jersey Department of Education ("the Department"), the District annually prepares its operating budget for the forthcoming year. The budget, except for the general fund and special revenue fund, which is more fully explained below and in the notes to the required supplementary information, is prepared in accordance with accounting principles generally accepted in the United States of America and serves as a formal plan for expenditures and the proposed means for financing them. Capital lease transactions are accounted for on the GAAP basis.

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. The annual budget is voted upon at the annual school election on the third Tuesday in April. On January 17, 2012, Chapter 202 of the Laws of P.L. 2011 was approved which established procedures for moving the date of a school district's annual school election from April to the general election in November. Under the new law, districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. On January 18, 2012, the Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account 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. The Board approved several budget transfers during 2014/2015. Also, during 2014/2015 the Board increased the original budget by \$590,813. The increase was funded by additional surplus appropriated, grant awards and the reappropriation of prior year general fund encumbrances.

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 accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described in the Notes to Required Supplementary Information (RSI). Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

Encumbrance accounting is employed in the governmental funds. 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 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 which are reappropriated and honored during the subsequent fiscal year.

B. Capital Reserve

A capital reserve account was established by the District. The accumulation of funds will be used for capital outlay expenditures in subsequent fiscal years. The capital reserve is maintained in the general fund and its activity is included in the general fund annual budget.

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Capital Reserve (Continued)

Funds placed in the capital reserve are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, 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-14.1(g), the balance in the reserve 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 fiscal year ended June 30, 2015 is as follows:

Balance, July 1, 2014		\$ 6,113,386
Increased by:		
Interest Earnings	\$ 13,476	
Unexpended Capital Outlay Appropriations	403,085	
Deposits Approved by Board Resolution	<u>1,600,000</u>	
		<u>2,016,561</u>
		8,129,947
Withdrawals:		
Approved in District Budget		<u>2,066,622</u>
Balance, June 30, 2015		<u>\$ 6,063,325</u>

The District's 2015/16 budget includes a withdrawal from the capital reserve account of \$2,554,928.

C. Maintenance Reserve

A maintenance reserve account was established by the District. The accumulation of funds will be used for required maintenance of school facilities expenditures in subsequent fiscal years. The maintenance reserve is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the maintenance reserve are restricted to required maintenance activities for a school facility as reported in the comprehensive maintenance plan. A District may appropriate funds into the maintenance reserve 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. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the reserve cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Maintenance Reserve (Continued)

The activity of the maintenance reserve for the fiscal year ended June 30, 2015 is as follows:

Balance, July 1, 2014		\$ 675,553
Increased by		
Interest earnings	\$ 1,642	
Unexpended Appropriations	<u>117,545</u>	
Total Increases		<u>119,187</u>
Withdrawals		
Approved in District Budget		<u>470,007</u>
Balance, June 30, 2015		<u>\$ 324,733</u>

The District's 2015/16 budget includes a withdrawal from the maintenance reserve account of \$324,733 to reduce the balance to the maximum permitted amount.

The June 30, 2015 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$1,859,778. The withdrawals from the maintenance reserve were for use in required maintenance activities for school facilities.

D. Transfers to Capital Outlay

During the 2014/2015 school year, the district transferred \$863,061 to the non-equipment capital outlay accounts. The transfer was made from the capital reserve account to supplement a capital projects and for the solar lease payments previously approved by the voters in the budget certified for taxes pursuant to N.J.A.C. 6A:23-8.4.

E. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Reserved Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance in excess of 2% of budget expenditures 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 excess fund balance at June 30, 2015 is \$1,840,183. Of this amount, \$685,457 was designated and appropriated in the 2015/2016 original budget certified for taxes and the remaining amount of \$1,154,726 will be appropriated in the 2016/2017 original budget certified for taxes.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC.

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2015, the book value of the Board's deposits were \$11,022,356 and bank and brokerage firm balances of the Board's deposits amounted to \$12,690,143. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account

Insured \$ 12,690,143

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2015 none of the Board's bank balances were exposed to custodial credit risk as follows:

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, 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, Local Government investment pools, and agreements or the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2015, the Board had no outstanding investments.

B. Receivables

Receivables as of June 30, 2015 for the district's individual major funds, in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Food Service Fund</u>	<u>Total</u>
Receivables:					
Intergovernmental					
Federal		\$ 60,573		\$ 15,927	\$ 76,500
State	\$ 89,776		\$ 658,600	800	749,176
Local		8,187			8,187
Other	<u>25,409</u>	<u>-</u>	<u>-</u>	<u>2,546</u>	<u>27,955</u>
Gross Receivables	<u>115,185</u>	<u>68,760</u>	<u>658,600</u>	<u>19,273</u>	<u>861,818</u>
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 115,185</u>	<u>\$ 68,760</u>	<u>\$ 658,600</u>	<u>\$ 19,273</u>	<u>\$ 861,818</u>

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

	<u>Total</u>
Special Revenue Fund	
Unencumbered Grant Draw Downs	\$ 9,176
Grant Draw Downs Reserved for Encumbrances	6,682
Capital Projects Fund	
Unrealized School Facility Grants	<u>364,857</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 380,715</u>

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2015 was as follows:

	<u>Balance, July 1, 2014</u>	<u>Increases</u>	<u>Deletions</u>	<u>Adjustments</u>	<u>Balance, June 30, 2015</u>
Governmental activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 3,242,866				\$ 3,242,866
Construction in Progress	<u>386,444</u>	\$ 399,440	-	\$ (386,444)	<u>399,440</u>
 Total Capital Assets, Not Being Depreciated	 <u>3,629,310</u>	 <u>399,440</u>	 <u>-</u>	 <u>(386,444)</u>	 <u>3,642,306</u>
Capital Assets, Being Depreciated:					
Buildings and Building Improvements	27,604,688	-		206,426	27,811,114
Machinery and Equipment	<u>8,203,614</u>	<u>1,302,949</u>	\$ (32,562)	<u>(1,042,136)</u>	<u>8,431,865</u>
 Total Capital Assets Being Depreciated	 <u>35,808,302</u>	 <u>1,302,949</u>	 <u>(32,562)</u>	 <u>(835,710)</u>	 <u>36,242,979</u>
Less Accumulated Depreciation for:					
Buildings and Building Improvements	(12,702,507)	(1,015,938)		180,018	(13,538,427)
Machinery and Equipment	<u>(4,822,681)</u>	<u>(945,228)</u>	<u>32,562</u>	<u>1,042,136</u>	<u>(4,693,211)</u>
 Total Accumulated Depreciation	 <u>(17,525,188)</u>	 <u>(1,961,166)</u>	 <u>32,562</u>	 <u>1,222,154</u>	 <u>(18,231,638)</u>
 Total Capital Assets, Being Depreciated, Net	 <u>18,283,114</u>	 <u>(658,217)</u>	 <u>-</u>	 <u>386,444</u>	 <u>18,011,341</u>
 Governmental Activities Capital Assets, Net	 <u>\$ 21,912,424</u>	 <u>\$ (258,777)</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 21,653,647</u>

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	<u>Balance, July 1, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	<u>Balance, June 30, 2015</u>
Business-Type activities:					
Capital Assets, Being Depreciated:					
Machinery and Equipment	\$ 397,115	-	-	23,003	\$ 420,118
Total Capital Assets Being Depreciated	<u>397,115</u>	<u>-</u>	<u>-</u>	<u>23,003</u>	<u>420,118</u>
Less Accumulated Depreciation for:					
Machinery and Equipment	<u>(237,425)</u>	\$ (46,678)	-	<u>(23,003)</u>	<u>(307,106)</u>
Total Accumulated Depreciation	<u>(237,425)</u>	<u>(46,678)</u>	<u>-</u>	<u>(23,003)</u>	<u>(307,106)</u>
Total Capital Assets, Being Depreciated, Net	<u>159,690</u>	<u>(46,678)</u>	<u>-</u>	<u>-</u>	<u>113,012</u>
Business-Type Activities Capital Assets, Net	<u>\$ 159,690</u>	<u>\$ (46,678)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 113,012</u>

Depreciation expense was charged to functions/programs of the District as follows:

Governmental Activities:

Instruction

Regular	\$ 749,404
Special	395,240
Other Special Instruction	<u>2,251</u>

Total Instruction 1,146,895

Support Services

Student Services - Students	412,952
School Administration	109,587
General Administration	18,839
Plant Operations and Maintenance	115,116
Pupil Transportation	105,098
Administrative Information Technology	21,670
Central Services	<u>31,009</u>

Total Support Services 814,271

Total Depreciation Expense - Governmental Activities \$ 1,961,166

Business-Type Activities:

Food Service Fund	<u>\$ 46,678</u>
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**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2015:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Birchwood Elementary - Window Replacement	\$ 66,184	\$ 596,316
Catherine Dwyer Elementary School Elevator	8,600	468,907
	<u>\$ 74,784</u>	<u>\$ 1,065,223</u>

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2015, is as follows:

Due to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 47,474
Capital Projects Fund	General Fund	<u>120,668</u>
		<u>\$ 168,142</u>

The above balances are the result of amounts received or other financing sources received in one fund which are due to another fund to cover cash balances which were in an overdraft position.

The District expects all interfund balances to be liquidated within one year.

Interfund transfers

	<u>Transfer In:</u>
	Capital Projects Fund
Transfer Out: General Fund	\$ <u>800,475</u>
Total Transfers Out	<u>\$ 800,475</u>

The above transfers are the result of revenues earned and/or other financing sources received in one fund to finance expenditures in another fund.

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases

Capital Leases

The District is leasing various vehicles, buses and solar panels totaling \$4,635,844 under capital leases. The leases are for terms of 5 years.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015 were as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2016	\$ 980,057
2017	280,390
2018	200,335
2019	<u>113,083</u>
Total minimum lease payments	1,573,865
Less: amount representing interest	<u>(58,627)</u>
Present value of minimum lease payments	<u>\$ 1,515,238</u>

G. Long-Term Debt

General Obligation Bonds

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets. The full faith and credit of the Board are irrevocably pledged for the payment of the principal of the bonds and the interest thereon.

Bonds payable at June 30, 2015 are comprised of the following issues:

\$8,165,000, Refunding School Bonds, due in annual installments of \$360,000 to \$675,000 through September 15, 2024, interest at 4.00% to 4.25%	<u>\$ 5,005,000</u>
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**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

The Board's schedule of principal and interest for long-term debt issued and outstanding is as follows:

Governmental Activities:

Year Ending June 30,	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2016	\$ 365,000	\$ 198,481	\$ 563,481
2017	360,000	183,981	543,981
2018	375,000	169,281	544,281
2019	390,000	153,981	543,981
2020	405,000	138,081	543,081
2021-2025	<u>3,110,000</u>	<u>339,239</u>	<u>3,449,239</u>
	<u>\$ 5,005,000</u>	<u>\$ 1,183,044</u>	<u>\$ 6,188,044</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2015 was as follows:

3% of Equalized Valuation Basis (Municipal)	\$ 115,829,425
Less: Net Debt	<u>5,005,000</u>
Remaining Borrowing Power	<u>\$ 110,824,425</u>

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2015, was as follows:

	Balance, July 1, 2014	Issued	Reductions	Balance, June 30, 2015	Due Within One Year
Governmental activities:					
Serial Bonds Payable	\$ 5,370,000		\$ 365,000	\$ 5,005,000	\$ 365,000
Less: Deferred Amount on Refunding	(123,002)	-	12,301	(110,701)	-
Total Serial Bonds Payable	5,246,998	-	377,301	4,894,299	365,000
Capital Leases Payable	1,936,966	\$ 542,628	964,356	1,515,238	838,623
Compensated Absences	1,566,586	219,714	186,473	1,599,827	150,000
Net Pension Liability	15,334,443	39,424	780,530	14,593,337	685,735
 Governmental Activity Long-Term Liabilities	 <u>\$24,084,993</u>	 <u>\$ 801,766</u>	 <u>\$ 2,308,660</u>	 <u>\$ 22,602,701</u>	 <u>\$ 2,039,358</u>

Compensated absences are generally liquidated by the General Fund.

NOTE 4 OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; student accident; termination of employees and natural disasters. The Board has obtained commercial insurance coverage to guard against these events to minimize the exposure to the District should they occur. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report.

The District is a member of the School Alliance Insurance Fund (SAIF) and the New Jersey School Boards' Association Insurance Group (NJSBAIG). The SAIF provides the District with comprehensive general liability, automobile liability, property, boiler and machinery and school board legal liability insurance. The NJSBAIG provides the District with worker's compensation insurance coverage. The Groups are a risk sharing public entity pool, established for the purpose of providing low cost insurance for its respective members in order to keep local property taxes to a minimum.

The relationship between the Board and the insurance funds is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Board is contractually obligated to make all annual and supplementary contributions to the funds, to report claims on a timely basis, cooperate with the management of the funds, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the funds. Members have a contractual obligation to fund any deficit of the funds attributable to a membership year during which they were a member.

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

SAIF and NJSBAIG provides its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the respective insurance funds are on file with the School's Business Administrator.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage's in any of the prior three years.

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 District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's fiduciary trust fund for the current and previous two years:

<u>Fiscal Year Ended</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015	None	\$ 84,130	\$ 78,697	\$ 321,919
2014	None	82,141	81,294	316,351
2013	200,000	79,660	74,373	315,351

B. Contingent Liabilities

The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2015, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2015, the District had not estimated its arbitrage earnings due to the IRS if any.

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all eligible Board employees:

Public Employees' Retirement System (PERS) – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage. PERS is a cost sharing multi-employer defined benefit pension plan.

Teachers' Pension and Annuity Fund (TPAF) – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage. TPAF is a cost sharing plan with special funding situations.

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Board employees who are eligible for pension coverage.

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected, certain appointed officials, and certain Board employees not eligible for enrollment in PERS or TPAF. Effective July 1, 2007 membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

Other Pension Funds

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local government employers do not appropriate funds to SACT.

The cost of living increase for PERS and TPAF, are funded directly by each of the respective systems but are currently suspended as a result of reform legislation.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

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 each of the above systems. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Basis of Accounting

The financial statements of the retirement systems are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the retirement systems. Benefits or refunds are recognized when due and payable in accordance with the terms of the retirement systems.

Investment Valuation

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial reports may be obtained in writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290 or at www.state.nj/treasury/doinvest.

Funding Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems including TPAF and PERS, is 62.8 percent with an unfunded actuarial accrued liability of \$51.0 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 54.2 percent and \$37.3 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and Police and Firemen's Retirement System ("PFRS") is 75.4 percent and \$13.7 billion, respectively.

The funded status and funding progress of the retirement systems is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the retirement systems in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at that point in time. The projection of benefits for financing reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

Actuarial Methods and Assumptions

In the July 1, 2013 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (a) an investment rate of return for the retirement systems of 7.90 percent and (b) projected salary increases of 4.24 percent for the PERS and 3.33 percent for TPAF.

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 6.9% for PERS, 6.9% for TPAF and 5.50% for DCRP of the employee's annual compensation.

Annual Pension Costs (APC)

Per the requirements of GASB Statement No. 27 *Accounting for Pensions by State and Local Government Employees*, for the fiscal year ended June 30, 2015 for TPAF, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

During the fiscal years ended June 30, 2015, 2014 and 2013 the Board was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended June 30,	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2015	\$ 642,768	\$ 1,030,764	\$ 58,818
2014	607,497	795,281	43,915
2013	683,209	1,337,447	33,556

For fiscal years 2014/2015 and 2012/2013, the state contributed \$1,030,764 and \$1,337,447, respectively for normal cost pension, accrued liability and the NCGI premium. For fiscal year 2013/2014 the State did not contribute to the TPAF for accrued liability but did contribute \$795,281 for normal cost pension and NCGI premium.

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 24. The DCRP contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure, as well as, the district-wide financial statements (accrual basis) as an expense.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,402,321 during the fiscal year ended June 30, 2015 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as a revenue and expense/expenditure in accordance with GASB No. 24.

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS)

At June 30, 2015, the District reported in the statement of net position (accrual basis) a liability of \$14,593,337 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share 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 governmental entities, actuarially determined. At June 30, 2014, the District's proportionate share was .07794 percent, which was a decrease of .00229 percent from its proportionate share measured as of June 30, 2013.

For the fiscal year ended June 30, 2015, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$682,192 for PERS. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions	\$ 458,893	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		\$ 869,684
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	-	369,739
Total	<u>\$ 458,893</u>	<u>\$ 1,239,423</u>

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

Fiscal Year Ending <u>June 30,</u>	<u>Total</u>
2016	\$ (201,032)
2017	(201,032)
2018	(201,032)
2019	(201,032)
2020	16,389
Thereafter	<u>7,209</u>
	<u>\$ (780,530)</u>

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources
 Related to Pensions (Continued)**

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Inflation Rate	3.01%
Salary Increases:	
2012-2021	2.15-4.40%
	Based on Age
Thereafter	3.15-5.40%
	Based on Age
Investment Rate of Return	7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	July 1, 2008 -
Study Upon Which Actuarial	June 30, 2011
Assumptions were Based	

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources
Related to Pensions (Continued)**

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans 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 the pension plans' target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

Discount Rate

The discount rate used to measure the total pension liabilities of the PERS plan was as follows:

<u>Plan</u>	<u>Discount Rate</u>
PERS	5.39%

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey is the only entity that has a legal obligation to make employer contributions to TPAF on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 68 is zero percent and the State's proportionate share is 100% for TPAF. Therefore, in addition, the District does not recognize any portion of the TPAF collective deferred outflows of resources and deferred inflows of resources.

For the fiscal year ended June 30, 2015, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$5,406,513 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 24.

At June 30, 2015 the State's proportionate share of the net pension liability attributable to the District is \$100,475,266. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer towards the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the year ended June 30, 2014.

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>TPAF</u>
Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	July 1, 2009 - June 30, 2012
Study Upon Which Actuarial Assumptions were Based	

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources
Related to Pensions (Continued)**

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans 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 the pension plans' target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds/Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the TPAF pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

E. Post-Retirement Medical Benefits

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for school districts. The Plans are classified as either single employer plans or cost sharing multiple employer defined benefit plans depending on the plan the eligible employee is covered under.

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans (OPEB)*, effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, and the PRM of the PERS are combined and reported as a Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF-Local are combined and reported as Health Benefits Program Fund –Local Government classified as a cost-sharing multiple-employer plan in the State's CAFR. The post-retirement benefit programs had a total of 590 state and local participating employers and contributing entities for Fiscal Year 2014.

The State of New Jersey sponsors and administers the following health benefit programs covering certain state and local government employees, including those Board employees and retirees eligible for coverage.

Health Benefits Program Fund (HBPF) – Local Education (including Prescription Drug Program Fund) – The State of New Jersey provides paid coverage to members of the Teachers' Pension and Annuity Fund who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of P.L. 1992, c.126, the State also provides paid coverage to members of the Public Employees' Retirement System and Alternate Benefits Program who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for state paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare parts A and B by paying the cost of the insurance for themselves and their covered dependents. Also, education employees are eligible for the PDP coverage after 60 days of employment.

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 above Fund. The financial reports may be accessed via the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Basis of Accounting

The financial statements of the health benefit programs are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the health benefit programs. Benefits or refunds are recognized when due and payable in accordance with the terms of the health benefit programs.

Significant Legislation

P.L. 2011, c.78, effective October 2011, sets new employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to this new legislation's effective date with a minimum contribution required to be at least 1.5% of salary.

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair values.

Funded Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the State had a \$53.0 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$19.7 billion for state active and retired members and \$33.3 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

The funded status and funding progress of the OPEB includes actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the OPEB in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at the point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

Actuarial Methods and Assumptions

In the July 1, 2013, OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Post-Retirement Medical Benefits Contributions

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2014, there were 103,432, retirees receiving post-retirement medical benefits and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State and in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

The State sets the contribution rate based on a pay as you go basis and not on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2015, 2014 and 2013 were \$1,636,338, \$1,303,962 and \$1,512,315, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

NOTE 5 RESTATEMENT

On July 1, 2014, the Rockaway Township School District implemented GASB Statement No. 68, "Accounting and Financial Reporting for Pensions. The Rockaway Township School District has determined that the effect of implementing this accounting change on the financial statements previously reported as of and for the fiscal year ended June 30, 2014 was to recognize the District's proportionate share of the Public Employees' Retirement System's (PERS) net pension liability, deferred outflows of resources and deferred inflows of resources with a corresponding reduction in the unrestricted component of net position in the amount of \$15,334,443. The result of this restatement is to reduce total net position of Governmental Activities at June 30, 2014 from \$22,193,550 as originally reported to \$6,859,107 as adjusted for the effects of the change in accounting principle.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES					
Local Sources					
Local Tax Levy	\$ 41,819,183		\$ 41,819,183	\$ 41,819,183	
Tuition	112,338		112,338	283,766	\$ 171,428
Transportation Fees - From Individuals	6,000		6,000	8,938	2,938
Interest Earned on Capital Reserve Funds	7,200		7,200	13,476	6,276
Interest Earned on Maintenance Reserve Funds	1,500		1,500	1,642	142
Miscellaneous	135,500	-	135,500	245,335	109,835
Total Revenues- Local Sources	42,081,721	-	42,081,721	42,372,340	290,619
State Sources					
Transportation Aid	136,876		136,876	136,876	
Special Education Aid	1,517,265		1,517,265	1,517,265	
Equalization Aid	883,819		883,819	883,819	
Security Aid	43,651		43,651	43,651	
Adjustment Aid	82,223		82,223	82,223	
PARCC Readiness	22,585		22,585	22,585	
Per Pupil Growth Aid	22,585		22,585	22,585	
Extraordinary Aid	350,000		350,000	585,065	235,065
Nonpublic Transportation Aid				19,921	19,921
On-behalf TPAF Pension System Contr. (Non-Budgeted)					
Normal Costs				961,583	961,583
NCGI Premium				69,181	69,181
Post-Retirement Medical Contribution				1,636,338	1,636,338
On-behalf TPAF Soc. Sec. (Non-Budgeted)	-	-	-	1,402,321	1,402,321
Total State Sources	3,059,004	-	3,059,004	7,383,413	4,324,409
Federal Sources					
Medicaid Reimbursement Program	27,880		27,880		(27,880)
Impact Aid	150,000	-	150,000	385,186	235,186
Total Federal Sources	177,880	-	177,880	385,186	207,306
Total Revenues	45,318,605	-	45,318,605	50,140,939	4,822,334
EXPENDITURES					
CURRENT EXPENDITURES					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool	65,745	\$ 45,271	111,016	111,015	1
Kindergarten	420,055	(5,356)	414,699	407,502	7,197
Grades 1-5	6,308,157	(41,209)	6,266,948	6,208,566	58,382
Grades 6-8	3,907,022	(6,023)	3,900,999	3,853,299	47,700
Regular Programs - Home Instruction					
Salaries of Teachers	25,000	2,506	27,506	25,085	2,421
Purchased Professional-Educational Services	4,000	19,600	23,600	22,910	690
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	60,633	18,040	78,673	78,672	1
Purchased Professional-Educational Services	13,400	(5,610)	7,790	4,311	3,479
General Supplies	525,138	306,556	831,694	599,357	232,337
Textbooks	74,400	(18,615)	55,785	17,153	38,632
Other Objects	25,000	(4,913)	20,087	16,904	3,183
Total Regular Programs	11,428,550	310,247	11,738,797	11,344,774	394,023

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
EXPENDITURES					
CURRENT EXPENDITURES					
Special Education - Instruction					
Learning and/or Language Disabilities					
Salaries of Teachers	\$ 379,494	\$ 1,382	\$ 380,876	\$ 380,876	
Other Salaries for Instruction	47,229	(22,581)	24,648	24,070	\$ 578
General Supplies	8,050	(2,400)	5,650	3,768	1,882
Total Learning and/or Language Disabilities	<u>434,773</u>	<u>(23,599)</u>	<u>411,174</u>	<u>408,714</u>	<u>2,460</u>
Auditory Impairments					
Salaries of Teachers	41,683	5,351	47,034	47,034	-
Total Auditory Impairments	<u>41,683</u>	<u>5,351</u>	<u>47,034</u>	<u>47,034</u>	<u>-</u>
Behavioral Disabilities					
Salaries of Teachers	388,375	(144,324)	244,051	241,162	2,889
Other Salaries for Instruction	46,355	(13,843)	32,512	31,830	682
General Supplies	900	-	900	593	307
Total Behavioral Disabilities	<u>435,630</u>	<u>(158,167)</u>	<u>277,463</u>	<u>273,585</u>	<u>3,878</u>
Multiple Disabilities					
Salaries of Teachers	93,825	109,428	203,253	203,201	52
Other Salaries for Instruction	68,890	5,306	74,196	74,164	32
General Supplies	4,675	(2,424)	2,251	1,054	1,197
Other Objects	200	-	200	54	146
Total Multiple Disabilities	<u>167,590</u>	<u>112,310</u>	<u>279,900</u>	<u>278,473</u>	<u>1,427</u>
Resource Room					
Salaries of Teachers	3,154,830	748	3,155,578	3,153,439	2,139
Other Salaries for Instruction	81,534	9,525	91,059	90,999	60
General Supplies	12,200	(3,691)	8,509	4,892	3,617
Total Resource Room	<u>3,248,564</u>	<u>6,582</u>	<u>3,255,146</u>	<u>3,249,330</u>	<u>5,816</u>
Autism					
Salaries of Teachers	330,395	(67,146)	263,249	261,954	1,295
Other Salaries for Instruction	68,985	(2,592)	66,393	61,211	5,182
General Supplies	11,025	(2,811)	8,214	5,867	2,347
Other Objects	200	-	200	-	200
Total Autism	<u>410,605</u>	<u>(72,549)</u>	<u>338,056</u>	<u>329,032</u>	<u>9,024</u>
Preschool Disabilities - Part - Time					
Salaries of Teachers	156,135	(60,037)	96,098	96,098	-
Other Salaries for Instruction	69,378	3,921	73,299	73,298	1
General Supplies	2,700	150	2,850	1,192	1,658
Other Objects	1,000	-	1,000	180	820
Total Preschool Disabilities - Part - Time	<u>229,213</u>	<u>(55,966)</u>	<u>173,247</u>	<u>170,768</u>	<u>2,479</u>
Preschool Disabilities - Full - Time					
Salaries of Teachers	60,170	(3,247)	56,923	56,087	836
Other Salaries for Instruction	25,025	(23,658)	1,367	34	1,333
General Supplies	5,472	528	6,000	5,205	795
Total Preschool Disabilities - Full - Time	<u>90,667</u>	<u>(26,377)</u>	<u>64,290</u>	<u>61,326</u>	<u>2,964</u>
Total Special Education - Instruction	<u>5,058,725</u>	<u>(212,415)</u>	<u>4,846,310</u>	<u>4,818,262</u>	<u>28,048</u>

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
EXPENDITURES					
CURRENT (Continued)					
Basic Skills/Remedial Salaries of Teachers	\$ 555,143	\$ 58,322	\$ 613,465	\$ 610,803	\$ 2,662
Total Basic Skills/Remedial	<u>555,143</u>	<u>58,322</u>	<u>613,465</u>	<u>610,803</u>	<u>2,662</u>
Bilingual Education Salaries of Teachers	<u>248,575</u>	<u>(10,767)</u>	<u>237,808</u>	<u>228,615</u>	<u>9,193</u>
Total Bilingual Education	<u>248,575</u>	<u>(10,767)</u>	<u>237,808</u>	<u>228,615</u>	<u>9,193</u>
School Sponsored Co/Extra Curricular Activities Salaries	<u>28,000</u>	<u>-</u>	<u>28,000</u>	<u>25,057</u>	<u>2,943</u>
Total School Sponsored Co/Extra Curricular Activities	<u>28,000</u>	<u>-</u>	<u>28,000</u>	<u>25,057</u>	<u>2,943</u>
Before/After School Programs Supplies and Materials	<u>8,000</u>	<u>(3,000)</u>	<u>5,000</u>	<u>1,705</u>	<u>3,295</u>
Total Before/After School Programs	<u>8,000</u>	<u>(3,000)</u>	<u>5,000</u>	<u>1,705</u>	<u>3,295</u>
Community Services Programs Salaries	9,500	-	9,500	7,040	2,460
Purchased Services	1,500	-	1,500	-	1,500
Supplies and Materials	<u>4,000</u>	<u>(1,500)</u>	<u>2,500</u>	<u>-</u>	<u>2,500</u>
Total Community Services Program	<u>15,000</u>	<u>(1,500)</u>	<u>13,500</u>	<u>7,040</u>	<u>6,460</u>
Total - Instruction	<u>17,341,993</u>	<u>140,887</u>	<u>17,482,880</u>	<u>17,036,256</u>	<u>446,624</u>
Undistributed Expenditures					
Instruction					
Tuition to Other LEA's Within the State - Special	447,849	(125,269)	322,580	321,655	925
Tuition to CSSD & Regional Day Schools	105,838	(67,500)	38,338	37,299	1,039
Tuition to Priv. School for the Disabled W/I State	<u>477,462</u>	<u>236,097</u>	<u>713,559</u>	<u>686,525</u>	<u>27,034</u>
Total Undistributed Expenditures - Instruction	<u>1,031,149</u>	<u>43,328</u>	<u>1,074,477</u>	<u>1,045,479</u>	<u>28,998</u>
Attendance and Social Work					
Salaries	<u>1,525</u>	<u>-</u>	<u>1,525</u>	<u>1,525</u>	<u>-</u>
Total Attendance and Social Work	<u>1,525</u>	<u>-</u>	<u>1,525</u>	<u>1,525</u>	<u>-</u>
Health Services					
Salaries	490,432	(20,007)	470,425	469,972	453
Purchased Professional and Technical Services	23,700	(1,700)	22,000	20,445	1,555
Other Purchased Services	700	2,200	2,900	974	1,926
Supplies and Materials	27,200	(1,225)	25,975	22,492	3,483
Other Objects	<u>2,600</u>	<u>-</u>	<u>2,600</u>	<u>504</u>	<u>2,096</u>
Total Health Services	<u>544,632</u>	<u>(20,732)</u>	<u>523,900</u>	<u>514,387</u>	<u>9,513</u>
Speech, OT, PT & Related Svcs					
Salaries	2,763,964	79,506	2,843,470	2,825,445	18,025
Purchased Professional -Educational Services	178,773	(49,684)	129,089	117,011	12,078
Supplies and Materials	18,000	(4,623)	13,377	9,061	4,316
Other Objects	<u>2,400</u>	<u>1,200</u>	<u>3,600</u>	<u>534</u>	<u>3,066</u>
Total Speech, OT, PT & Related Svcs	<u>2,963,137</u>	<u>26,399</u>	<u>2,989,536</u>	<u>2,952,051</u>	<u>37,485</u>

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
Other Support Services - Student - Extra Services					
Salaries	\$ 44,200		\$ 44,200	\$ 39,305	\$ 4,895
Purchased Professional-Educational Services	40,000	\$ 167	40,167	39,736	431
Total Other Support Services - Student - Extra Services	84,200	167	84,367	79,041	5,326
Guidance					
Salaries of Other Professional Staff	556,560	625	557,185	556,535	650
Salaries of Secretarial and Clerical Assistants	49,018		49,018	46,880	2,138
Other Purchased Professional -Technical Services	33,000		33,000	28,525	4,475
Other Purchased Services	950		950		950
Supplies and Materials	600	-	600	-	600
Total Guidance	640,128	625	640,753	631,940	8,813
Child Study Teams					
Salaries of Other Professional Staff	1,317,451	9,770	1,327,221	1,325,389	1,832
Salaries of Secretarial and Clerical Assistants	168,104	2,038	170,142	160,141	10,001
Purchased Professional-Educational Services	7,600	(7,600)			-
Other Purchased Professional and Technical Services	16,000	12,430	28,430	26,880	1,550
Other Purchased Services	1,500	10,900	12,400	11,275	1,125
Miscellaneous Purchased Services	1,000	(771)	229	228	1
Supplies and Materials	14,000	950	14,950	13,697	1,253
Other Objects	300	-	300	150	150
Total Child Study Teams	1,525,955	27,717	1,553,672	1,537,760	15,912
Improvement of Instruction Services					
Salaries of Supervisor of Instruction	164,750	(37,072)	127,678	120,795	6,883
Salaries of Other Professional Staff	10,000		10,000	3,916	6,084
Salaries of Secretarial and Clerical Assistants	66,495		66,495	58,996	7,499
Purchased Professional-Educational Services	32,000	4,000	36,000	20,825	15,175
Other Purchased Services	61,681		61,681	54,655	7,026
Supplies and Materials	5,000		5,000	1,502	3,498
Other Objects	5,000	150	5,150	4,028	1,122
Total Improvement of Instruction Services/ Other Support Services-Instructional Staff	344,926	(32,922)	312,004	264,717	47,287
Educational Media Services/School Library					
Salaries	296,665	-	296,665	278,487	18,178
Other Purchased Services	2,950	(428)	2,522	1,125	1,397
Supplies and Materials	30,100	3,550	33,650	31,594	2,056
Total Educational Media Services/School Library	329,715	3,122	332,837	311,206	21,631

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
Instructional Staff Training Services					
Other Purchased Services	\$ 21,200	\$ 696	\$ 21,896	\$ 10,638	\$ 11,258
Supplies and Materials	22,900	12,205	35,105	28,624	6,481
Other Objects	3,000	-	3,000	878	2,122
	<u>47,100</u>	<u>12,901</u>	<u>60,001</u>	<u>40,140</u>	<u>19,861</u>
Support Services General Administration					
Salaries	312,381		312,381	268,591	43,790
Legal Services	75,000	15,345	90,345	90,345	-
Audit Fees	50,000	(1,147)	48,853	43,353	5,500
Other Purchased Professional Services	39,300	1,084	40,384	15,988	24,396
Communications/Telephone	236,000	(20,908)	215,092	203,072	12,020
BOE Other Purchased Services	11,800		11,800	4,377	7,423
Miscellaneous Purchased Services	109,765	7,776	117,541	92,070	25,471
General Supplies	4,500		4,500	1,284	3,216
BOE In-House Training and Meeting Supplies	2,500		2,500	1,953	547
Miscellaneous Expenditures	20,000		20,000	9,928	10,072
BOE Membership Dues and Fees	25,000	-	25,000	22,340	2,660
	<u>886,246</u>	<u>2,150</u>	<u>888,396</u>	<u>753,301</u>	<u>135,095</u>
Support Services School Administration					
Salaries of Principals/Asst. Principals	941,997		941,997	890,623	51,374
Salaries of Secretarial and Clerical Assistants	678,765		678,765	671,737	7,028
Purchased Professional and Technical Services	19,500		19,500	6,250	13,250
Other Purchased Services	13,300	(6,678)	6,622	2,207	4,415
Supplies and Materials	53,050	(2,167)	50,883	39,018	11,865
Other Objects	32,400	356	32,756	27,698	5,058
	<u>1,739,012</u>	<u>(8,489)</u>	<u>1,730,523</u>	<u>1,637,533</u>	<u>92,990</u>
Central Services					
Salaries	444,543	(2,063)	442,480	442,085	395
Purchased Technical Services	21,000	3,539	24,539	24,539	-
Misc. Purchased Services	8,150	(3,275)	4,875	1,723	3,152
Supplies and Materials	16,300	(39)	16,261	7,931	8,330
Interest on Least Purchase Agreements	32,248		32,248	32,248	
Miscellaneous Expenditures	3,000	39	3,039	3,010	29
	<u>525,241</u>	<u>(1,799)</u>	<u>523,442</u>	<u>511,536</u>	<u>11,906</u>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Admin. Info. Tech					
Salaries	\$ 264,372	\$ 44,570	\$ 308,942	\$ 308,942	-
Purchased Technical Services	211,100	(46,153)	164,947	164,845	\$ 102
Other Purchased Services	4,000	(3,200)	800	489	311
Supplies and Materials	115,000	46,750	161,750	159,918	1,832
Other Objects	4,000	(1,064)	2,936	2,198	738
Total Admin. Info. Tech	<u>598,472</u>	<u>40,903</u>	<u>639,375</u>	<u>636,392</u>	<u>2,983</u>
Required Maintenance for School Facilities					
Salaries	414,920	(42,249)	372,671	363,791	8,880
Cleaning, Repair and Maintenance	358,150	115,881	474,031	335,406	138,625
General Supplies	295,000	16,244	311,244	254,723	56,521
Other Objects	3,395	-	3,395	-	3,395
Total Required Maintenance for School Facilities	<u>1,071,465</u>	<u>89,876</u>	<u>1,161,341</u>	<u>953,920</u>	<u>207,421</u>
Custodial Services					
Salaries	1,378,997	(11,328)	1,367,669	1,246,140	121,529
Purchased Professional & Technical Svcs.	100,252	(11,903)	88,349	79,285	9,064
Cleaning, Repair and Maintenance Services	374,950	(26,245)	348,705	303,050	45,655
Rental of Land and Bldg. Other than Lease Purchase Agreement	1	-	1	-	1
Other Purchased Property Services	49,975	-	49,975	34,949	15,026
Insurance	128,765	-	128,765	126,015	2,750
Miscellaneous Purchased Services	24,448	-	24,448	22,220	2,228
General Supplies	115,000	10,496	125,496	123,711	1,785
Energy (Natural Gas)	276,000	-	276,000	261,580	14,420
Energy (Electricity)	425,000	-	425,000	359,229	65,771
Energy (Oil)	110,000	-	110,000	87,042	22,958
Other Objects	3,150	-	3,150	250	2,900
Total Custodial Services	<u>2,986,538</u>	<u>(38,980)</u>	<u>2,947,558</u>	<u>2,643,471</u>	<u>304,087</u>
Care and Upkeep of Grounds					
General Supplies	30,000	2,000	32,000	28,241	3,759
Total Care and Upkeep of Grounds	<u>30,000</u>	<u>2,000</u>	<u>32,000</u>	<u>28,241</u>	<u>3,759</u>
Security					
Salaries	44,800	(13,472)	31,328	31,263	65
General Supplies	100	472	572	572	-
Total Security	<u>44,900</u>	<u>(13,000)</u>	<u>31,900</u>	<u>31,835</u>	<u>65</u>
Total Oper & Maint of Plant Services	<u>4,132,903</u>	<u>39,896</u>	<u>4,172,799</u>	<u>3,657,467</u>	<u>515,332</u>

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Student Transportation Services					
Salaries for Pupil Transportation					
(Between Home and School) - Regular	\$ 1,154,798	\$ (11,940)	\$ 1,142,858	\$ 1,142,837	\$ 21
Salaries for Pupil Transportation					
(Between Home and School) - Spec. Ed.	322,737	(35,344)	287,393	287,392	1
Salaries for Pupil Transportation					
(Other than Between Home and School)	41,893	(12,202)	29,691	29,690	1
Salaries for Pupil Transportation					
(Between Home and School) - Non-Public	50,000	(11,274)	38,726	38,422	304
Cleaning, Repair and Maintenance Services	30,000	25,445	55,445	50,430	5,015
Lease Purchase Payments - School Buses	390,576	7,052	397,628	397,628	-
Contracted Services - ESC & CTSA (Special Ed. Students)	200,000	106,215	306,215	305,945	270
Contracted Services-Aid in Lieu of Payments-Nonpublic	94,588	(15,390)	79,198	79,198	-
Miscellaneous Purchased Services - Transportation	52,575	(3,750)	48,825	48,451	374
General Supplies	10,000	(7,149)	2,851	2,497	354
Transportation Supplies	373,600	(3,439)	370,161	334,206	35,955
Other Objects	4,200	(1,016)	3,184	2,077	1,107
	<u>2,724,967</u>	<u>37,208</u>	<u>2,762,175</u>	<u>2,718,773</u>	<u>43,402</u>
Total Student Transportation Services					
	<u>2,724,967</u>	<u>37,208</u>	<u>2,762,175</u>	<u>2,718,773</u>	<u>43,402</u>
Unallocated Benefits					
Group Insurance	8,231,500	(54,562)	8,176,938	7,073,481	1,103,457
Social Security Contributions	685,000		685,000	675,034	9,966
Other Retirement Contributions - PERS	737,553	(8,818)	728,735	642,768	85,967
Other Retirement Contributions - DCRP	50,000	8,818	58,818	58,818	
Unemployment	25,000		25,000	80	24,920
Workers Comp	265,000	-	265,000	237,557	27,443
Tuition Reimbursement	100,000	9,137	109,137	91,585	17,552
Other Employee Benefits	324,850	(7,625)	317,225	263,520	53,705
	<u>10,418,903</u>	<u>(53,050)</u>	<u>10,365,853</u>	<u>9,042,843</u>	<u>1,323,010</u>
Total Unallocated Benefits					
	<u>10,418,903</u>	<u>(53,050)</u>	<u>10,365,853</u>	<u>9,042,843</u>	<u>1,323,010</u>
On-behalf TPAF Pension System Contr. (Non-Budgeted)					
Normal Costs				961,583	(961,583)
NCGI Premium				69,181	(69,181)
Post-Retirement Medical Contribution				1,636,338	(1,636,338)
On-behalf TPAF Soc. Sec. (Non-Budgeted)	-	-	-	1,402,321	(1,402,321)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,069,423</u>	<u>(4,069,423)</u>
Total On-Behalf TPAF					
	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,069,423</u>	<u>(4,069,423)</u>
Total Undistributed Expenditures	<u>28,538,211</u>	<u>117,424</u>	<u>28,655,635</u>	<u>30,405,514</u>	<u>(1,749,879)</u>
Total Expenditures - Current Expense	<u>45,880,204</u>	<u>258,311</u>	<u>46,138,515</u>	<u>47,441,770</u>	<u>(1,303,255)</u>

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
CAPITAL OUTLAY					
Instruction					
Equipment					
Grades 6-8	\$ 2,000		\$ 2,000		\$ 2,000
Multiple Disabilities		\$ 4,850	4,850	\$ 4,659	191
School Administration	2,000		2,000		2,000
Administrative Information Technology	30,000	-	30,000	28,182	1,818
Supp. Service - Related and Extra.		16,000	16,000	14,791	1,209
Required Maintenance for School Facilities	737,034	(62,017)	675,017	598,335	76,682
Student Transportation-Non-Instructional Equipment	16,000	(16,000)			-
Undistributed Expenditures - Non-Instructional Serv.	7,200	-	7,200	-	7,200
Total Equipment	<u>794,234</u>	<u>(57,167)</u>	<u>737,067</u>	<u>645,967</u>	<u>91,100</u>
Assets Acquired Under Capital Leases (Non-Budget)	-	-	-	542,628	(542,628)
Facilities Acquisition and Construction Services					
Construction Services		184,059	184,059	114,354	69,705
Lease Purchase Agreements - Principal	587,365	(13,500)	573,865	573,865	
Assessment for Debt Service on SDA Funding	1,830	-	1,830	1,830	-
Total Facilities Acquisition and Construction Services	<u>589,195</u>	<u>170,559</u>	<u>759,754</u>	<u>690,049</u>	<u>69,705</u>
Total Capital Outlay	<u>1,383,429</u>	<u>113,392</u>	<u>1,496,821</u>	<u>1,878,644</u>	<u>(381,823)</u>
Transfer of Funds to Charter Schools	72,851	-	72,851	70,958	1,893
Total Expenditures	<u>47,336,484</u>	<u>371,703</u>	<u>47,708,187</u>	<u>49,391,372</u>	<u>(1,683,185)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,017,879)</u>	<u>(371,703)</u>	<u>(2,389,582)</u>	<u>749,567</u>	<u>3,139,149</u>
Other Financing Sources/(Uses)					
Lease Proceeds (Non-Budget)				542,628	542,628
Transfer Out	(800,475)	-	(800,475)	(800,475)	-
Total Other Financing Sources/(Uses)	<u>(800,475)</u>	<u>-</u>	<u>(800,475)</u>	<u>(257,847)</u>	<u>542,628</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources	<u>(2,818,354)</u>	<u>(371,703)</u>	<u>(3,190,057)</u>	<u>491,720</u>	<u>3,681,777</u>
Fund Balances, Beginning of Year (Restatement)	<u>9,715,181</u>	<u>-</u>	<u>9,715,181</u>	<u>9,715,181</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 6,896,827</u>	<u>\$ (371,703)</u>	<u>\$ 6,525,124</u>	<u>\$ 10,206,901</u>	<u>\$ 3,681,777</u>
Recapitulation					
Restricted Fund Balance:					
Reserve for Excess Surplus				\$ 1,154,726	
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures				685,457	
Maintenance Reserve - Designated for Subsequent Year's Expenditures				324,733	
Capital Reserve				3,508,397	
Capital Reserve - Designated for Subsequent Year's Expenditures				2,554,928	
Assigned Fund Balance:					
Year-End Encumbrances				426,892	
Unassigned Fund Balance					
				<u>1,551,768</u>	
Budgetary Fund Balance				10,206,901	
Reconciliation to Governmental Funds Statements (GAAP)					
2014/2015 State Aid Payment Not Recognized on a GAAP Basis				(265,314)	
2014/2015 Extraordinary Aid Payments Not Recognized on a GAAP Basis				<u>(585,065)</u>	
Fund Balances per Governmental Funds (GAAP)				<u>\$ 9,356,522</u>	

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET (NON-GAAP) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Budgeted Amounts</u>			<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Adjustments</u>	<u>Final</u>		
REVENUES					
Local Sources		\$ 8,687	\$ 8,687	\$ 8,687	
Intergovernmental					
State		2,797	2,797	2,797	\$ -
Federal	\$ 581,979	207,626	789,605	717,629	(71,976)
Total Revenues	581,979	219,110	801,089	729,113	(71,976)
EXPENDITURES					
Instruction					
Salaries of Teachers	63,642	(3,041)	60,601	52,944	7,657
Purchased Prof. & Technical Services		3,415	3,415	3,415	-
Tuition	461,844	127,967	589,811	589,811	-
Textbooks		894	894	894	-
General Supplies	12,418	3,306	15,724	15,331	393
Total Instruction	537,904	132,541	670,445	662,395	8,050
Support Services					
Salaries of Other Professional Staff		23,507	23,507	17,123	6,384
Personal Services - Employee Benefits		5,808	5,808	4,733	1,075
Purchased Professional/Educational Services	44,075	45,486	89,561	38,298	51,263
Other Purchased Services		1,816	1,816	1,816	-
General Supplies	-	9,952	9,952	4,748	5,204
Total Support Services	44,075	86,569	130,644	66,718	63,926
Total Expenditures	581,979	219,110	801,089	729,113	71,976
Excess Revenues Over Expenditures	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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 accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described below. Encumbrance accounting is also employed as an extension of formal budgetary integration of the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

The following presents a reconciliation of the General and Special Revenue Funds from the budgetary basis of accounting as presented in the Budgetary Comparison Schedule - General Fund and Special Revenue Fund to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.

		<u>General Fund</u>		<u>Special Revenue Fund</u>
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (Exhibit C-2)	(C-1)	\$ 50,140,939	(C-2)	\$ 729,113
Differences - Budget to GAAP:				
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, whereas the GAAP Basis does not.				
State Aid Payment and Extraordinary Aid payment recognized for budgetary purposes, not recognized for GAAP statements (2013/2014 State Aid)		954,908		
State Aid Payment and Extraordinary Aid payment recognized for budgetary purposes, not recognized for GAAP statements (2014/2015 State Aid)		(850,379)		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				
Encumbrances, June 30, 2014				4,729
Encumbrances, June 30, 2015		-		(6,682)
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	(B-2)	<u>\$ 50,245,468</u>	(B-2)	<u>\$ 727,160</u>
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	(C-1)	\$ 49,391,372	(C-2)	\$ 729,113
Differences - Budget to GAAP				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for financial reporting purposes.				
Encumbrances, June 30, 2014				4,729
Encumbrances, June 30, 2015		-		(6,682)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	(B-2)	<u>\$ 49,391,372</u>	(B-2)	<u>\$ 727,160</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PENSION INFORMATION

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

Public Employees Retirement System

Last Two Fiscal Years*

	<u>2015</u>		<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.07794	%	0.08023 %
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 14,593,337		\$ 15,334,443
District's Covered-Employee Payroll	\$ 5,356,899		\$ 5,440,927
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	272.42	%	281.84 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08	%	48.72 %

* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT CONTRIBUTIONS**

Public Employees Retirement System

Last Two Fiscal Years

	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 642,768	\$ 604,552
Contributions in Relation to the Contractually Required Contribution	<u>642,768</u>	<u>604,552</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 5,356,899	\$ 5,440,927
Contributions as a Percentage of Covered-Employee Payroll	12.00 %	11.11 %

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

Teachers Pension and Annuity Fund

Last Two Fiscal Years*

	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0 %	0 %
District's Proportionate Share of the Net Pension Liability (Asset)	0 %	0 %
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 100,475,266</u>	<u>\$ 104,608,863</u>
Total	<u>\$ 100,475,266</u>	<u>\$ 104,608,863</u>
District's Covered-Employee Payroll	\$ 18,937,698	\$ 18,727,508
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0.00 %	0.00 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.64 %	33.76 %

* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Change of Benefit Terms: None.

Change of Assumptions: The discount rate changed from the District's rate as of June 30, 2014 to the District's rate as of June 30, 2015, in accordance with GASB Statement No. 67.

SCHOOL LEVEL SCHEDULES

(General Fund)

NOT APPLICABLE

SPECIAL REVENUE FUND

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Title I</u>	<u>Title IIA</u>	<u>Title III</u>	<u>Title III Immigrant</u>	<u>IDEA, Part B Basic</u>	<u>IDEA, Part B Preschool</u>	<u>Total Exhibit E-2A</u>	<u>Total 2015</u>
REVENUES								
Local							\$ 8,687	\$ 8,687
Intergovernmental								
State							2,797	2,797
Federal	\$ 72,845	\$ 33,035	\$ 11,731	\$ 4,799	\$ 563,886	\$ 31,333	-	717,629
Total Revenues	\$ 72,845	\$ 33,035	\$ 11,731	\$ 4,799	\$ 563,886	\$ 31,333	\$ 11,484	\$ 729,113
EXPENDITURES								
Instruction								
Salaries of Teachers	\$ 37,412		\$ 6,842	\$ 503			\$ 8,187	\$ 52,944
Purchased Professional & Technical Svcs.			3,415					3,415
Tuition					\$ 559,376	\$ 30,435	-	589,811
Textbooks							894	894
General Supplies	13,958	-	393	-	-	-	980	15,331
Total Instruction	51,370	-	10,650	503	559,376	30,435	10,061	662,395
Support Services								
Salaries of Other Professional Staff	14,791	\$ 2,332					-	17,123
Personal Services - Employee Benefits	3,994	178	523	38				4,733
Purchased Professional/ Educational Svcs.	2,600	30,290			4,510	898		38,298
Other Purchased Services		35	358				1,423	1,816
General Supplies	90	200	200	4,258	-	-	-	4,748
Total Support Services	21,475	33,035	1,081	4,296	4,510	898	1,423	66,718
Total Expenditures	\$ 72,845	\$ 33,035	\$ 11,731	\$ 4,799	\$ 563,886	\$ 31,333	\$ 11,484	\$ 729,113

Continued

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Nonpublic Technology <u>Aid</u>	Nonpublic Textbook <u>Aid</u>	Nonpublic Nursing <u>Aid</u>	Local <u>MSU</u>	MAC-After School <u>Program</u>	Total Exhibit <u>E-2A</u>
REVENUES						
Local				\$ 500	\$ 8,187	\$ 8,687
Intergovernmental						
State	\$ 480	\$ 894	\$ 1,423			2,797
Federal	-	-	-		-	-
Total Revenues	<u>\$ 480</u>	<u>\$ 894</u>	<u>\$ 1,423</u>	<u>\$ -</u>	<u>\$ 8,187</u>	<u>\$ 11,484</u>
EXPENDITURES						
Instruction						
Salaries of Teachers					\$ 8,187	\$ 8,187
Purchased Professional & Educational Svcs.						-
Tuition						-
Textbooks		\$ 894				894
General Supplies	\$ 480	-	-	\$ 500	-	980
Total Instruction	<u>480</u>	<u>894</u>	<u>-</u>	<u>500</u>	<u>8,187</u>	<u>10,061</u>
Support Services						
Salaries of Other Professional Staff						
Personal Services- Employee Benefits						
Purchased Professional/Educational Svcs.						-
Purchased Professional & Technical Svc.						-
Other Purchased Service			\$ 1,423			1,423
Supplies and Materials	-	-	-	-	-	-
Total Support Services	<u>-</u>	<u>-</u>	<u>1,423</u>	<u>-</u>	<u>-</u>	<u>1,423</u>
Total Expenditures	<u>\$ 480</u>	<u>\$ 894</u>	<u>\$ 1,423</u>	<u>\$ 500</u>	<u>\$ 8,187</u>	<u>\$ 11,484</u>

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL AID EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOT APPLICABLE

CAPITAL PROJECTS FUND

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<u>Issue/Project Title</u>	<u>Appropriation</u>	<u>Expenditures to Date</u>		<u>Unexpended Balance, June 30, 2015</u>
		<u>Prior Year</u>	<u>Current Year</u>	
Dennis O'Brien Elementary School - Roof and Electrical Upgrades - 2014	\$ 375,000	\$ 203,968	\$ 165,882	\$ 5,150
Dennis O'Brien Elementary School - Boiler Project - 2014	400,000	181,976	107,249	110,775
Catherine Dwyer Elementary School - Elevator - 2014/2015	468,907	500	8,600	459,807
Birchwood Elementary School - Windows - 2015	676,500	-	66,184	610,316
Birchwood Elementary School - HVAC - 2015/2016	48,816	-	17,525	31,291
Catherine Dwyer Elementary School - Pipe Insulation/ Ceiling Replacement/Lighting - 2016	<u>71,852</u>	<u>-</u>	<u>34,000</u>	<u>37,852</u>
Totals	<u>\$ 2,041,075</u>	<u>\$ 386,444</u>	<u>\$ 399,440</u>	<u>\$ 1,255,191</u>
Project Balance				\$ 1,255,191
Less Unrealized Grant Awards				<u>(364,857)</u>
Fund Balance - GAAP Basis				<u>\$ 890,334</u>
<u>Recapitulation of Fund Balance</u>				
Restricted for Capital Projects:				
Year End Encumbrances				\$ 1,150,348
Available for Capital Projects				<u>(260,014)</u>
Total Fund Balance - Restricted for Capital Projects				<u>\$ 890,334</u>

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Revenues and Other Financing Sources

State Sources - SDA Grant	\$ 270,600
Transfer from Capital Reserve	<u>800,475</u>
 Total Revenues	 <u>1,071,075</u>

Expenditures and Other Financing Uses

Architect Engineer	100,765
Construction Services	<u>298,675</u>
 Total Expenditures and Other Financing Uses	 <u>399,440</u>

Excess (Deficiency) of Revenues Over (Under) Expenditures	671,635
Fund Balance - Beginning of Year	<u>583,556</u>
Fund Balance - End of Year	<u>\$ 1,255,191</u>

Reconciliation to Governmental Fund Statements (GAAP)

Fund Balance - End of Year - Budgetary Basis	\$ 1,255,191
Less Unearned Revenue	<u>(364,857)</u>
Fund Balance - End of Year - GAAP	<u>\$ 890,334</u>

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGETARY BASIS
DENNIS O'BRIEN ELEMENTARY - ROOF and ELECTRICAL UPGRADES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 150,000		\$ 150,000	\$ 150,000
Transfer from Capital Reserve	<u>225,000</u>	<u>-</u>	<u>225,000</u>	<u>225,000</u>
Total Revenues	<u>375,000</u>	<u>-</u>	<u>375,000</u>	<u>375,000</u>
Expenditures and Other Financing Uses				
Architect Engineer	41,480	\$ 3,520	45,000	45,000
Construction Services	<u>162,488</u>	<u>162,362</u>	<u>324,850</u>	<u>330,000</u>
Total Expenditures	<u>203,968</u>	<u>165,882</u>	<u>369,850</u>	<u>375,000</u>
Excess (Deficiency) or Revenues Over (Under) Expenditures	<u>\$ 171,032</u>	<u>\$ (165,882)</u>	<u>\$ 5,150</u>	<u>\$ -</u>

Additional Project Information:

Project Number	N/A
Project Number	SDA #4490-025-13-2001-G04
Grant Date	2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Original Authorized Cost	\$ 375,000
Reduced Authorized Cost	
Revised Authorized Cost	\$ 375,000
Percentage Decrease Over Original Authorized Cost	
Percentage Completion	100 %
Original Target Completion Date	April 2015
Revised Target Completion Date	April 2015

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGETARY BASIS
DENNIS O'BRIEN ELEMENTARY - BOILER PROJECT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 160,000		\$ 160,000	\$ 160,000
Transfer from Capital Reserve	<u>240,000</u>	<u>-</u>	<u>240,000</u>	<u>240,000</u>
Total Revenues	<u>400,000</u>	<u>-</u>	<u>400,000</u>	<u>400,000</u>
Expenditures and Other Financing Uses				
Architect Engineer	24,380	\$ 1,620	26,000	26,000
Construction Services	<u>157,596</u>	<u>105,629</u>	<u>263,225</u>	<u>374,000</u>
Total Expenditures	<u>181,976</u>	<u>107,249</u>	<u>289,225</u>	<u>400,000</u>
Excess (Deficiency) or Revenues Over (Under) Expenditures	<u>\$ 218,024</u>	<u>\$ (107,249)</u>	<u>\$ 110,775</u>	<u>\$ -</u>

Additional Project Information:

Project Number	N/A
Project Number	SDA #4490-025-14-1006-G04
Grant Date	2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Original Authorized Cost	\$ 400,000
Reduced Authorized Cost	
Revised Authorized Cost	\$ 400,000
Percentage Decrease Over Original Authorized Cost	
Percentage Completion	100%
Original Target Completion Date	March 2015
Revised Target Completion Date	March 2015

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGETARY BASIS
CATHERINE DWYER ELEMENTARY SCHOOL - ELEVATOR
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 78,000		\$ 78,000	\$ 78,000
Transfer from Capital Reserve	<u>117,000</u>	<u>\$ 273,907</u>	<u>390,907</u>	<u>390,907</u>
Total Revenues	<u>195,000</u>	<u>273,907</u>	<u>468,907</u>	<u>468,907</u>
Expenditures and Other Financing Uses				
Architect Engineer	500	8,600	9,100	19,550
Construction Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>449,357</u>
Total Expenditures	<u>500</u>	<u>8,600</u>	<u>9,100</u>	<u>468,907</u>
Excess (Deficiency) or Revenues Over (Under) Expenditures	<u>\$ 194,500</u>	<u>\$ 265,307</u>	<u>\$ 459,807</u>	<u>\$ -</u>

Additional Project Information:

Project Number	N/A
Project Number	SDA #4490-019-14-1004-G04
Grant Date	2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Original Authorized Cost	\$ 195,000
Increased Authorized Cost	273,907
Revised Authorized Cost	\$ 468,907
Percentage Decrease Over Original Authorized Cost	
Percentage Completion	2%
Original Target Completion Date	October 2015
Revised Target Completion Date	October 2015

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGETARY BASIS
BIRCHWOOD ELEMENTARY SCHOOL - WINDOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant		\$ 270,600	\$ 270,600	\$ 270,600
Transfer from Capital Reserve	-	405,900	405,900	405,900
	-----	-----	-----	-----
Total Revenues	-	676,500	676,500	676,500
Expenditures and Other Financing Uses				
Architect Engineer		35,500	35,500	45,700
Construction Services	-	30,684	30,684	630,800
	-----	-----	-----	-----
Total Expenditures	-	66,184	66,184	676,500
Excess (Deficiency) or Revenues Over (Under) Expenditures				
	\$ -	\$ 610,316	\$ 610,316	\$ -
	-----	-----	-----	-----

Additional Project Information:

Project Number	N/A
Project Number	SDA #4490-010-14-1002-G04
Grant Date	2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Original Authorized Cost	\$ 676,500
Increased Authorized Cost	
Revised Authorized Cost	\$ 676,500
Percentage Decrease Over Original Authorized Cost	
Percentage Completion	10 %
Original Target Completion Date	June 2016
Revised Target Completion Date	June 2016

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGETARY BASIS
BIRCHWOOD ELEMENTARY SCHOOL - HVAC
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	-	\$ 48,816	\$ 48,816	\$ 48,816
Total Revenues	-	48,816	48,816	48,816
Expenditures and Other Financing Uses				
Architect Engineer		17,525	17,525	48,816
Construction Services	-	-	-	-
Total Expenditures	-	17,525	17,525	48,816
Excess (Deficiency) or Revenues Over (Under) Expenditures	\$ -	\$ 31,291	\$ 31,291	\$ -

Additional Project Information:

Project Number	N/A
Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Original Authorized Cost	\$ 400,000
Increased Authorized Cost	
Revised Authorized Cost	\$ 400,000

Percentage Decrease Over Original Authorized Cost	
Percentage Completion	5%
Original Target Completion Date	June 2016
Revised Target Completion Date	June 2016

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGETARY BASIS
CATHERINE DWYER ELEMENTARY SCHOOL-PIPE INSULATION/CEILING REPLACEMENT/LIGHTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	-	\$ 71,852	\$ 71,852	\$ 71,852
Total Revenues	-	71,852	71,852	71,852
Expenditures and Other Financing Uses				
Architect Engineer		34,000	34,000	71,852
Construction Services	-	-	-	-
Total Expenditures	-	34,000	34,000	71,852
Excess (Deficiency) or Revenues Over (Under) Expenditures	\$ -	\$ 37,852	\$ 37,852	\$ -

Additional Project Information:

Project Number	N/A
Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Original Authorized Cost	\$ 588,750
Increased Authorized Cost	
Revised Authorized Cost	\$ 588,750

Percentage Decrease Over Original

Authorized Cost

Percentage Completion

6%

Original Target Completion Date

June 2016

Revised Target Completion Date

June 2016

PROPRIETARY FUNDS

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS - NON-MAJOR
COMBINING STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Summer Enrichment</u>	<u>After School Program</u>	<u>Non-Major Enterprise Fund Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 52,655	\$ 2,635	\$ 55,290
Prepaid	<u>912</u>	<u>-</u>	<u>912</u>
Total Assets	<u>53,567</u>	<u>2,635</u>	<u>56,202</u>
LIABILITIES			
Unearned Revenue	<u>46,115</u>	<u>-</u>	<u>46,115</u>
Total Liabilities	<u>46,115</u>	<u>-</u>	<u>46,115</u>
NET POSITION			
Unrestricted	<u>7,452</u>	<u>2,635</u>	<u>10,087</u>
Total Net Position	<u>\$ 7,452</u>	<u>\$ 2,635</u>	<u>\$ 10,087</u>

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND - NON-MAJOR
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Summer Enrichment</u>	<u>After School Program</u>	<u>Non-Major Enterprise Fund Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	\$ 52,189	\$ 57,823	\$ 110,012
Cash Payments for Employees			
Salaries & Benefits	(34,812)	(52,253)	(87,065)
Cash Payments to Suppliers for Goods and Services	<u>(3,319)</u>	<u>(2,935)</u>	<u>(6,254)</u>
Net Cash Provided by Operating Activities	<u>14,058</u>	<u>2,635</u>	<u>16,693</u>
CASH FLOWS FROM INVESTING ACTIVITY			
Interest Income	<u>5</u>	<u>-</u>	<u>5</u>
Net Cash Provided by Investing Activities	<u>5</u>	<u>-</u>	<u>5</u>
Net Increase in Cash and Cash Equivalents	14,063	2,635	16,698
Cash and Cash Equivalents, Beginning of Year	<u>38,592</u>	<u>-</u>	<u>38,592</u>
Cash and Cash Equivalents, End of Year	<u>\$ 52,655</u>	<u>\$ 2,635</u>	<u>\$ 55,290</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating Income	\$ 4,695	\$ 2,635	\$ 7,330
Adjustments to Reconcile Operating Change in Assets and Liabilities			
(Increase)/Decrease in Prepaid Expenses	518		518
Increase/(Decrease) in Unearned Revenue	<u>8,845</u>	<u>-</u>	<u>8,845</u>
Total Adjustments	<u>9,363</u>	<u>-</u>	<u>9,363</u>
Net Cash Provided by Operating Activities	<u>\$ 14,058</u>	<u>\$ 2,635</u>	<u>\$ 16,693</u>

**INTERNAL SERVICE FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2015**

THIS STATEMENT IS NOT APPLICABLE

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

THIS STATEMENT IS NOT APPLICABLE

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

THIS STATEMENT IS NOT APPLICABLE

FIDUCIARY FUNDS

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING SCHEDULE OF AGENCY NET POSITION
AS OF JUNE 30, 2015**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds 2015</u>
ASSETS			
Cash and Cash Equivalents	\$ 136,678	\$ 210,258	\$ 346,936
Total Assets	<u>\$ 136,678</u>	<u>\$ 210,258</u>	<u>\$ 346,936</u>
 LIABILITIES			
Payroll Deductions and Withholdings		\$ 201,844	\$ 201,844
Accrued Salaries and Wages		492	492
Flex Spending Deposits		7,922	7,922
Due to Family Outreach	\$ 392		392
Due to Student Groups	<u>136,286</u>	<u>-</u>	<u>136,286</u>
Total Liabilities	<u>\$ 136,678</u>	<u>\$ 210,258</u>	<u>\$ 346,936</u>

EXHIBIT H-2

**COMBINING SCHEDULE OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

FINANCIAL STATEMENT IS PRESENTED ON EXHIBIT B-8

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Balance, July 1, <u>2014</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2015</u>
Elementary and Middle Schools				
Birchwood	\$ 3,941	\$ 1,724	\$ 234	\$ 5,431
Copeland Middle School	90,913	222,402	224,784	88,531
C.A. Dwyer	17,532	7,186	3,829	20,889
K.D. Malone	5,289	6,779	10,511	1,557
Dennis B. O'Brien	9,401	7,473	13,261	3,613
Stony Brook	<u>15,374</u>	<u>3,154</u>	<u>2,263</u>	<u>16,265</u>
Sub-Total All Schools	142,450	248,718	254,882	136,286
Family Outreach Program	<u>752</u>	<u>-</u>	<u>360</u>	<u>392</u>
Total Student Activities	<u>\$ 143,202</u>	<u>\$ 248,718</u>	<u>\$ 255,242</u>	<u>\$ 136,678</u>

**PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Balance, July 1, <u>2014</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2015</u>
Payroll Deductions and Withholdings	\$ 199,206	\$ 15,385,587	\$ 15,382,949	\$ 201,844
Accrued Salaries and Wages		17,052,305	17,052,305	
Summer Savings Deposits	694	846,876	847,078	492
Flex Spending Deposits	<u>7,233</u>	<u>48,212</u>	<u>47,523</u>	<u>7,922</u>
Total	<u>\$ 207,133</u>	<u>\$ 33,332,980</u>	<u>\$ 33,329,855</u>	<u>\$ 210,258</u>

LONG-TERM DEBT

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2014</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance, June 30, 2015</u>
Refunding School Bonds	05/01/05	\$ 8,165,000	9/1/2015	\$ 365,000	4.000 %	\$ 5,370,000	-	\$ 365,000	\$ 5,005,000
			9/1/2016	360,000	4.000				
			9/1/2017	375,000	4.000				
			9/1/2018	390,000	4.000				
			9/1/2019	405,000	4.000				
			9/1/2020	570,000	4.050				
			9/1/2021	595,000	4.125				
			9/1/2022	620,000	4.200				
			9/1/2023	650,000	4.250				
			9/1/2024	675,000	4.250				
						<u>\$ 5,370,000</u>	<u>-</u>	<u>\$ 365,000</u>	<u>\$ 5,005,000</u>
						<u>\$ 5,370,000</u>	<u>-</u>	<u>\$ 365,000</u>	<u>\$ 5,005,000</u>
									<u>\$ 365,000</u>

Paid By Budget Appropriation

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<u>Series</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Balance July 1, 2014</u>	<u>Issued Current Year</u>	<u>Payments</u>	<u>Balance June 30, 2015</u>
2011 Passenger Van and Passenger Van with Lift	2.75%	\$ 111,617	\$ 22,973		\$ 22,973	
2011 Jersey Shore Starcraft Bus	2.75%	57,078	11,734		11,734	
2011 Ford F450 Pickup Truck	2.75%	55,998	23,183		11,434	\$ 11,749
Solar Panels	2.75%	2,833,665	1,163,633		573,865	589,768
2012 Purchase of 3 Passenger Buses	2.75%	373,127	143,271		70,663	72,608
Sierra Pickup Truck	2.75%	32,328	13,205		6,513	6,692
2013 Bus Leases	2.75%	379,416	227,538		73,798	153,740
2014 Bus Leases	2.10%	418,682	331,429		80,293	251,136
2015 Bus Leases	2.10%	542,628	-	\$ 542,628	113,083	429,545
			<u>\$ 1,936,966</u>	<u>\$ 542,628</u>	<u>\$ 964,356</u>	<u>\$ 1,515,238</u>

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
DEBT SERVICE FUND BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
REVENUES					
Local Sources					
Local Tax Levy	\$ 436,296		\$ 436,296	\$ 436,296	
State Sources					
Debt Service State Aid Support	<u>141,786</u>	<u>-</u>	<u>141,786</u>	<u>141,786</u>	<u>-</u>
Total Revenues	<u>578,082</u>	<u>-</u>	<u>578,082</u>	<u>578,082</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Principal	365,000		365,000	365,000	
Interest	<u>213,082</u>	<u>-</u>	<u>213,082</u>	<u>213,081</u>	<u>\$ 1</u>
Total Expenditures	<u>578,082</u>	<u>-</u>	<u>578,082</u>	<u>578,081</u>	<u>1</u>
Excess /(Deficit) of Revenue and Other Expenditures	-	-	-	1	
Fund Balance, Beginning of Year	<u>2</u>	<u>-</u>	<u>2</u>	<u>2</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 3</u>	<u>\$ -</u>
				<u>\$ 3</u>	
Debt Service - Restricted				<u>\$ 3</u>	

STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

J-6 to J-9

Debt Capacity

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

J-10 to J-13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

J-14 and J-15

Operating Information

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

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011 (1)	2012	2013	2014 (2)	2015
Governmental Activities										
Investment in Capital Assets	\$ 9,529,327	\$ 9,860,277	\$ 10,669,833	\$ 11,476,650	\$ 11,884,590	\$ 11,737,679	\$ 12,834,344	\$ 13,981,031	\$ 14,482,456	\$ 15,244,110
Restricted	2,977,684	3,942,712	5,271,583	2,948,876	1,952,233	1,840,611	3,998,991	6,498,698	6,463,521	6,953,662
Unrestricted	234,507	1,023,079	(942,080)	(216,947)	(1,223,333)	(210,358)	128,593	11,903	(14,086,870)	(13,744,513)
Total Governmental Activities Net Position	\$ 12,741,518	\$ 14,826,068	\$ 14,999,336	\$ 14,208,579	\$ 12,613,490	\$ 13,367,932	\$ 16,961,928	\$ 20,491,632	\$ 6,859,107	\$ 8,453,259
Business-Type Activities										
Investment in Capital Assets	\$ 90,586	\$ 81,673	\$ 72,517	\$ 91,178	\$ 80,412	\$ 70,784	\$ 168,857	\$ 167,865	\$ 159,690	\$ 113,012
Restricted										
Unrestricted	75,206	96,189	96,892	59,881	121,401	188,357	145,174	154,782	201,363	254,490
Total Business-Type Activities Net Position	\$ 165,792	\$ 177,862	\$ 169,409	\$ 151,059	\$ 201,813	\$ 259,141	\$ 314,031	\$ 322,647	\$ 361,053	\$ 367,502
District-Wide										
Investment in Capital Assets	\$ 9,619,913	\$ 9,941,950	\$ 10,742,350	\$ 11,567,828	\$ 11,965,002	\$ 11,808,463	\$ 13,003,201	\$ 14,148,896	\$ 14,642,146	\$ 15,357,122
Restricted	2,977,684	3,942,712	5,271,583	2,948,876	1,952,233	1,840,611	3,998,991	6,498,698	6,463,521	6,953,662
Unrestricted	309,713	1,119,268	(845,188)	(157,066)	(1,101,932)	(22,001)	273,767	166,685	(13,885,507)	(13,490,023)
Total District Net Position	\$ 12,907,310	\$ 15,003,930	\$ 15,168,745	\$ 14,359,638	\$ 12,815,303	\$ 13,627,073	\$ 17,275,959	\$ 20,814,279	\$ 7,220,160	\$ 8,820,761

Source: District's Financial Records

Note 1 - Net Position at June 30, 2011 is restated to reflect the implementation of GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position" and GASB Statement No. 65, "Items Previously Reported in Assets and Liabilities".

Note 2 - Net Position at June 30, 2014 is restated to reflect the implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions" and for corrections of the capital assets.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities										
Instruction										
Regular	\$ 16,082,400	\$ 17,192,669	\$ 18,780,009	\$ 17,499,352	\$ 18,153,736	\$ 15,953,861	\$ 15,706,828	\$ 15,507,225	\$ 16,548,211	\$ 19,361,831
Special Education	6,852,900	7,550,650	7,749,465	7,728,645	7,580,303	7,509,447	7,304,807	7,567,684	8,718,761	9,978,559
Other Special Education	312,589	553,589	648,178	911,348	974,195	1,529,569	796,421	1,026,511	1,031,408	1,404,875
Other Instruction	337,130	259,030	267,922	404,031	291,245	166,522	42,632	54,948	62,639	49,756
Support Services:										
Tuition	795,888	631,302	592,350	762,478	1,484,917	1,144,983	1,292,990	1,574,261		
Student & Instruction related services	6716935	7,018,981	7,131,569	6,946,562	6,862,779	6,776,667	6,825,097	8,422,006	8,672,303	10,542,966
General Administration Services	950,582	981,167	1,193,729	1,044,082	1,008,390	777,294	1,073,342	992,814	953,174	926,012
School Administration Services	1,893,483	1,963,080	2,072,348	2,526,116	2,712,353	2,621,277	2,463,890	2,585,976	2,613,408	2,653,402
Administrative Information Technology	723,414	558,486	709,711	649,732	734,522	682,089	563,795	600,772	711,255	811,630
Central Services	703,108	650,014	701,698	679,380	690,917	765,825	742,618	647,484	704,301	749,794
Plant Operations and Maintenance	4,141,198	4,447,310	4,835,624	4,813,407	4,794,236	4,674,207	4,369,599	4,254,749	4,874,723	4,573,632
Pupil Transportation	3,042,972	3,092,908	3,314,695	3,010,754	3,126,101	2,933,411	3,056,000	2,951,734	3,238,690	3,156,987
Capital Outlay	27,359	7,232	109,257	51,639	272,212	75,657	1,333	1,830		
Special Schools	99,777	101,641	114,822	160,493	44,501					
Interest on Long-term Debt	328,270	212,193	323,182	310,670	297,501	284,346	271,222	256,702	305,575	262,028
Unallocated Depreciation	102,899	285,762	596,355	556,943	654,880	654,880	623,534	655,345	-	-
Total governmental activities expenses	43,110,904	45,506,014	49,140,914	48,055,632	49,682,788	46,550,035	45,134,108	47,100,041	48,434,448	54,471,472
Business-type activities:										
Proprietary Funds	768,558	833,703	885,928	875,247	814,667	772,656	804,046	751,708	720,211	784,622
Total business-type activities expense	768,558	833,703	885,928	875,247	814,667	772,656	804,046	751,708	720,211	784,622
Total district expenses	\$ 43,879,462	\$ 46,339,717	\$ 50,026,842	\$ 48,930,879	\$ 50,497,455	\$ 47,322,691	\$ 45,938,154	\$ 47,851,749	\$ 49,154,659	\$ 55,256,094
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	\$ 242,326	\$ 217,969	\$ 163,952	\$ 202,225	\$ 86,567	\$ 56,630	\$ 13,719	\$ 20,323	\$ 136,697	\$ 283,766
Pupil Transportation	5,600	10,931	22,277	3,895	4,479	1,768	1,093	6,617	7,436	8,938
Operating grants and contributions	6,585,954	8,137,208	8,210,379	6,293,411	6,763,967	5,688,248	6,999,824	7,785,153	6,550,301	11,583,723
Operating grants and contributions	-	-	-	-	-	-	-	-	320,426	139,166
Total governmental activities program revenues	6,833,880	8,366,108	8,396,608	6,499,531	6,855,013	5,746,646	7,014,636	7,812,093	7,014,860	12,015,593
Business-type activities:										
Charges for services	\$ 667,392	\$ 703,962	\$ 720,060	\$ 694,049	\$ 675,403	\$ 644,680	\$ 639,838	\$ 548,724	\$ 533,003	\$ 576,520
Operating grants and contributions	131,992	141,516	157,135	162,450	189,857	185,111	218,978	211,564	225,416	214,343
Total business type activities program revenues	799,384	845,478	877,195	856,499	865,260	829,791	858,816	760,288	758,419	790,863
Total district program revenues	\$ 7,633,264	\$ 9,211,586	\$ 9,273,803	\$ 7,356,030	\$ 7,720,273	\$ 6,576,437	\$ 7,873,452	\$ 8,572,381	\$ 7,773,279	\$ 12,806,456

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net (Expense)/Revenue										
Governmental activities	\$ (36,277,024)	\$ (37,139,906)	\$ (40,744,306)	\$ (41,556,101)	\$ (42,827,775)	\$(40,803,389)	\$ (38,119,472)	\$ (39,287,948)	\$ (41,419,588)	\$ (42,455,879)
Business-type activities	30,826	11,775	(8,733)	(18,748)	50,593	57,135	54,770	8,580	38,208	6,241
Total district-wide net expense	\$ (36,246,198)	\$ (37,128,131)	\$ (40,753,039)	\$ (41,574,849)	\$ (42,777,182)	\$(40,746,254)	\$ (38,064,702)	\$ (39,279,368)	\$ (41,381,380)	\$ (42,449,638)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied	\$ 35,907,798	\$ 36,816,712	\$ 38,968,817	\$ 38,308,060	\$ 38,637,775	\$ 40,194,736	\$ 40,547,065	\$ 40,625,927	\$ 41,032,186	\$ 41,819,183
Taxes Levied for Debt Service	532,268	513,346	472,978	484,344	471,605	486,551	476,644	462,334	451,164	436,296
Unrestricted state and Federal Aid	1,238,937	1,362,137	1,079,956	1,712,585	1,978,560	710,376	548,568	1,023,189	1,443,258	1,534,100
Miscellaneous income	301,585	532,261	395,823	260,355	144,746	166,168	141,191	299,499	181,862	245,334
Interest									13,036	15,118
Cancellation of Prior Year Accounts Payable								406,703		
Total governmental activities	37,980,588	39,224,456	40,917,574	40,765,344	41,232,686	41,557,831	41,713,468	42,817,652	43,121,506	44,050,031
Business-type activities:										
Investment earnings	235	295	280	398	161	193	120	36	198	208
Transfers	11,934	-	-	-	-	-	-	-	-	-
Total business-type activities	12,169	295	280	398	161	193	120	36	198	208
Total district-wide	\$ 37,992,757	\$ 39,224,751	\$ 40,917,854	\$ 40,765,742	\$ 41,232,847	\$ 41,558,024	\$ 41,713,588	\$ 42,817,688	\$ 43,121,704	\$ 44,050,239
Change in Net Position										
Governmental activities	\$ 1,703,564	\$ 2,084,550	\$ 173,268	\$ (790,757)	\$ (1,595,089)	\$ 754,442	\$ 3,593,996	\$ 3,529,704	\$ 1,701,918	\$ 1,594,152
Business-type activities	42,995	12,070	(8,453)	(18,350)	50,754	57,328	54,890	8,616	38,406	6,449
Total district	\$ 1,746,559	\$ 2,096,620	\$ 164,815	\$ (809,107)	\$ (1,544,335)	\$ 811,770	\$ 3,648,886	\$ 3,538,320	\$ 1,740,324	\$ 1,600,601

Source: District's Financial Records

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)**

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 2,977,684	\$ 3,942,712	\$ 5,271,583	\$ 2,948,876	\$ 1,367,449					
Unreserved	1,158,209	1,444,866	1,027,156	1,332,258	897,900					
Restricted						\$ 1,431,236	\$ 3,998,990	\$ 6,498,696	\$ 7,756,121	\$ 8,228,241
Assigned						409,374	625,271	374,802	371,703	426,892
Unassigned						1,036,691	984,611	1,161,679	632,449	701,389
Total general fund	<u>\$ 4,135,893</u>	<u>\$ 5,387,578</u>	<u>\$ 6,298,739</u>	<u>\$ 4,281,134</u>	<u>\$ 2,265,349</u>	<u>\$ 2,877,301</u>	<u>\$ 5,608,872</u>	<u>\$ 8,035,177</u>	<u>\$ 8,760,273</u>	<u>\$ 9,356,522</u>
All Other Governmental Funds										
Unreserved	\$ 20,456	\$ 20,456	\$ 1	\$ 1	\$ 1					
Assigned										
Restricted						\$ 1	\$ 1	\$ 2	\$ 350,135	\$ 890,337
Total All Other Governmental Funds	<u>\$ 20,456</u>	<u>\$ 20,456</u>	<u>\$ 1</u>	<u>\$ 2</u>	<u>\$ 350,135</u>	<u>\$ 890,337</u>				

Source: District's Financial Records

Beginning with Fiscal Year 2011, the District implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". The Statement provides more clearly defined fund balance categories to make the nature and extend of the constraints placed on a government's fund balance more transparent. This Statement established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Reclassification of prior year fund balance amounts to comply with Statement No. 54 is not required.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Tax levy	\$ 36,440,066	\$ 37,330,058	\$ 39,441,795	\$ 38,792,404	\$ 39,109,380	\$ 40,681,287	\$ 41,023,709	\$ 41,088,261	\$ 41,483,350	\$ 42,255,479
Tuition		217,969	163,952	202,225	86,567	56,630		20,323	136,697	283,766
Transportation Fees - Other LEAs	5,600	10,931	22,277	3,895	4,479	1,768	1,093	6,617		
Interest Earned - Capital Reserve	12,371	32,776	28,235	28,337	4,238	2,349		3,824	6,910	
Miscellaneous	531,540	504,495	371,588	232,018	140,508	163,819	151,086	306,739	211,234	278,078
State sources	6,652,086	8,051,958	8,172,495	7,161,176	6,822,610	5,219,073	6,365,013	7,143,746	7,285,607	7,771,691
Federal sources	1,172,805	1,442,387	1,113,840	844,820	1,919,917	1,179,551	1,183,379	1,650,446	1,019,478	1,100,862
Total revenue	44,814,468	47,590,574	49,314,182	47,264,875	48,087,699	47,304,477	48,728,104	50,223,042	50,136,366	51,689,876
Expenditures										
Instruction										
Regular Instruction	11,912,751	12,486,378	12,466,578	13,010,828	12,785,151	10,927,376	10,646,713	10,840,108	16,262,126	16,408,429
Special Education Instruction	4,961,332	5,230,467	5,305,687	5,794,144	5,260,078	4,957,083	4,832,609	5,036,368	8,549,832	8,673,915
Other Instruction	312,589	521,105	613,206	296,778	660,603	1,108,267	499,235	676,621	1,030,035	1,234,697
Other Special Instruction	299,635	259,030	267,922	630,204	215,817	32,172	29,208	37,211	62,639	49,756
Support Services:										
Tuition	795,888	631,302	592,350	762,478	1,484,917	1,144,983	1,292,990	1,574,261		
Student & Inst. Related Services	5,002,286	4,906,232	5,033,204	5,465,364	5,446,417	5,056,039	5,234,638	5,674,523	8,499,295	9,150,415
General Administration Services	849,744	788,934	879,325	928,443	831,929	926,991	901,539	777,304	940,996	888,640
School Administration Services	1,617,843	1,688,750	1,799,503	1,907,596	2,045,203	1,796,086	1,731,068	1,827,098	2,593,748	2,382,139
Admin. Information Technology	664,802	496,158	648,005	567,333	641,054	566,549	487,830	518,436	711,255	789,960
Central Services	577,912	514,271	497,597	522,642	515,889	553,876	559,664	473,185	673,698	694,708
Plant Operations and Maintenance	3,547,704	3,688,311	4,112,790	4,256,124	4,195,682	3,979,077	3,793,897	3,652,809	4,746,539	4,454,309
Pupil Transportation	2,372,091	2,461,383	2,653,038	2,748,111	2,775,026	2,647,174	2,756,846	2,499,334	2,966,024	3,072,896
Allocated Benefits	6,753,020	7,373,808	7,285,497							
Unallocated Benefits	2,863,387	4,313,005	4,364,216	10,648,181	11,622,564	12,287,118	11,658,391	13,029,120		
Debt Service										
Principal	465,000	390,000	385,000	385,000	380,000	375,000	375,000	370,000	1,207,480	1,329,355
Interest and Other Charges	262,692	323,519	308,300	295,788	282,881	269,669	256,543	242,581	292,937	264,445
Capital outlay	689,412	741,085	1,648,701	1,445,700	1,196,330	3,123,423	1,345,817	1,353,896	943,215	1,702,389
Special Schools	99,777	101,641	114,822	128,022	34,986	-	-	-	-	-
Total expenditures	44,047,865	46,915,379	48,975,741	49,792,736	50,374,527	49,750,883	46,401,988	48,582,855	49,479,819	51,096,053
Excess (Deficiency) of revenues over (under) expenditures	766,603	675,195	338,441	(2,527,861)	(2,286,828)	(2,446,406)	2,326,116	1,640,187	656,547	593,823
Other Financing sources (uses)										
Transfer to Food Service Fund										
Transfers In									582,000	800,475
Transfers Out									(582,000)	(800,475)
Prior Year Accounts Payable Cancelled								406,703		
Capital Leases (Non-Budget)	349,920	576,500	552,265	510,256	271,043	3,058,358	405,455	379,416	418,682	542,628
Payment to Escrow Agent										
Serial Bonds Debt Issued										
Total other financing sources (uses)	349,920	576,500	552,265	510,256	271,043	3,058,358	405,455	786,119	418,682	542,628
Net change in fund balances	\$ 1,116,523	\$ 1,251,695	\$ 890,706	\$ (2,017,605)	\$ (2,015,785)	\$ 611,952	\$ 2,731,571	\$ 2,426,306	\$ 1,075,229	\$ 1,136,451
Debt service as a percentage of noncapital expenditures	1.68%	1.55%	1.47%	1.41%	1.35%	1.38%	1.40%	1.30%	3.09%	3.23%

* Noncapital expenditures are total expenditures less capital outlay.
Source: District Financial Records

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Unaudited)**

<u>Fiscal Year Ended June 30,</u>	<u>Tuition</u>	<u>Interest on Investments</u>	<u>Transportation Fees</u>	<u>Rentals - Use of Facilities</u>	<u>Sale of SREC</u>	<u>Misc.</u>	<u>Total</u>
2006	\$242,326	\$ 261,661	\$ 5,600	\$ 6,361		\$ 33,563	\$ 549,511
2007	217,969	412,908	10,931			119,353	761,161
2008	163,952	299,691	22,277	514		95,618	582,052
2009	202,225	133,858	3,895			126,497	466,475
2010	86,567	40,487	4,479	3,325		100,934	235,792
2011	56,630	15,012	1,768			151,156	224,566
2012	13,719	12,853	10,076	1,093		118,262	156,003
2013	20,323	15,755	6,617	11,219		272,525	326,439
2014	136,697	13,036	7,436	6,277		175,585	339,031
2015	283,766	15,118	8,938	5,405	\$ 153,715	86,216	553,158

Source: District records (GAAP Basis)

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN YEARS
 (Unaudited)**

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Tax-Exempt Property	Total Direct School Tax Rate ^a
2006	\$ 66,597,800	\$ 2,153,129,000	\$ 3,613,000	\$ 153,700	\$ 492,312,500	\$ 170,170,500	\$ 35,514,500	\$ 2,921,491,000	\$ 3,518,948	\$ 2,925,009,948	\$ 4,176,109,351	\$ 933,659,300	\$ 1.27
2007	65,014,700	2,169,466,200	3,370,700	152,300	450,806,800	172,386,400	38,686,200	2,899,883,300	2,964,341	2,902,847,641	4,429,660,672	936,722,300	1.31
2008	73,980,100	2,175,843,900	3,526,800	157,600	440,184,300	166,746,900	40,661,200	2,901,100,800	3,170,052	2,904,270,852	4,591,732,572	937,428,400	1.35
2009	57,991,000	2,191,514,300	4,195,500	159,400	440,278,600	157,233,000	40,661,200	2,892,033,000	3,511,905	2,895,544,905	4,589,387,613	944,482,600	1.35
2010	51,655,300	2,192,005,300	4,195,500	157,600	439,785,000	153,274,200	40,661,200	2,881,734,100	3,973,869	2,885,707,969	4,773,710,605	945,762,000	1.38
2011	50,187,300	2,139,483,600	4,521,300	163,900	438,240,100	152,791,900	40,581,500	2,825,969,600	3,973,869	2,829,943,469	4,229,138,313	945,641,300	1.44
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	3,601,736,700	3,601,736,700	4,201,426,235	405,150,100	1.14
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	3,601,392,000	3,601,392,000	3,935,116,405	407,837,100	1.15
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	3,568,973,800	3,568,973,800	3,801,875,651	408,552,300	1.17
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	3,555,715,000	3,555,715,000	3,829,398,626	409,409,900	1.20

Source: County Abstract of Ratables

103

a Tax rates are per \$100

Note: The Borough underwent a revaluation of property effective January 1, 2005.

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX RATES DIRECT AND OVERLAPPING GOVERNMENTS
PER \$100 OF ASSESSED VALUATION
LAST TEN YEARS
(Unaudited)**

<u>Calendar Year</u>	<u>Total</u>	<u>Local School District</u>	<u>Municipality (1)</u>	<u>Regional School District</u>	<u>County (2)</u>
2006	\$ 3.020	\$ 1.270	\$ 0.680	\$ 0.710	\$ 0.360
2007	3.150	1.310	0.720	0.760	0.360
2008	3.280	1.350	0.780	0.790	0.360
2009	3.330	1.350	0.820	0.810	0.350
2010	3.480	1.380	0.860	0.860	0.380
2011	3.580	1.440	0.900	0.890	0.350
2012	2.870	1.140	0.760	0.690	0.280
2013	2.912	1.147	0.796	0.698	0.271
2014	3.003	1.174	0.839	0.718	0.272
2015	3.060	1.200	0.857	0.734	0.269

(1) Includes Open Space Tax and Library

(2) Includes County Open Space Tax

Note: The Borough underwent a revaluation of property effective January 1, 2012.

Source: Tax Duplicate, Borough of Rockaway

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS,
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)**

Taxpayer	2015	
	Taxable Assessed Value	% of Total District Net Assessed Value
Rockaway Center Associates/Corporate Property Investors, Inc.	\$ 170,041,500	4.78%
Tilcon	59,148,100	1.66%
Marvin F. Poer and Company	30,121,400	0.85%
MarketPlace at Rockaway, LLC	29,073,500	0.82%
Vornado Realty	27,869,500	0.78%
Rockaway 2014 LLC	26,971,100	0.76%
Rustic Ridge, Inc.	26,099,800	0.73%
Macy's East Inc.	25,346,900	0.71%
Highlands at Morris	19,228,200	0.54%
Realty Income Corp.	18,783,500	0.53%
	<u>\$ 432,683,500</u>	<u>12.16%</u>

2006	
Taxable Assessed Value	% of Total District Net Assessed Value
\$ 176,726,300	6.04%
36,804,000	1.26%
32,940,000	1.13%
25,581,600	0.87%
24,623,600	0.84%
20,722,300	0.71%
20,445,800	0.70%
20,424,100	0.70%
19,559,500	0.67%
19,000,000	0.65%
<u>\$ 396,827,200</u>	<u>13.57%</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		Collections in Subsequent Years
		Amount	Percentage of Levy	
2006	\$ 36,440,066	\$ 36,440,066	100.00%	-
2007	37,330,058	37,330,058	100.00%	-
2008	79,441,795	79,441,795	100.00%	-
2009	38,792,404	38,792,404	100.00%	-
2010	39,109,380	39,109,380	100.00%	-
2011	40,681,287	40,681,287	100.00%	-
2012	41,023,709	41,023,709	100.00%	-
2013	41,088,261	41,088,261	100.00%	-
2014	41,483,350	41,483,350	100.00%	-
2015	42,255,478	42,255,478	100.00%	-

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	<u>Governmental Activities</u>		<u>Total District</u>	<u>Population</u>	<u>Per Capita</u>
	<u>General Obligation Bonds</u>	<u>Capital Leases</u>			
2006	\$ 8,400,000	\$ 434,191	\$ 8,834,191	25,320	\$ 349
2007	8,010,000	712,218	8,722,218	25,267	345
2008	7,625,000	955,133	8,580,133	25,312	339
2009	7,240,000	1,074,765	8,314,765	25,438	327
2010	6,860,000	945,604	7,805,604	24,176	323
2011	6,485,000	3,479,570	9,964,570	24,290	410
2012	6,110,000	2,822,980	8,932,980	24,378	366
2013	5,740,000	2,355,765	8,095,765	24,493	331
2014	5,370,000	1,936,966	7,306,966	24,441	299
2015	5,005,000	1,515,238	6,520,238	24,441 *	267

Source: District records

*= Estimated

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	<u>General Bonded Debt Outstanding</u>		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2006	\$ 8,400,000		\$ 8,400,000	0.29%	\$ 332
2007	8,010,000		8,010,000	0.28%	113
2008	7,625,000		7,625,000	0.26%	301
2009	7,240,000		7,240,000	0.25%	285
2010	6,860,000		6,860,000	0.24%	284
2011	6,485,000		6,485,000	0.23%	267
2012	6,110,000		6,110,000	0.17%	251
2013	5,740,000		5,740,000	0.16%	235
2014	5,370,000		5,370,000	0.15%	299
2015	5,005,000		5,005,000	0.14%	267

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING BONDED DEBT
FOR YEAR ENDED DECEMBER 31, 2014
(UNAUDITED)**

	<u>Total Debt</u>
Debt:	
Morris Hills Regional	\$ 20,933,605
Morris County General Obligation Debt	10,002,190
Township of Rockaway	<u>27,609,881</u>
 Total Direct Debt	 58,545,676
 Overlapping Debt Apportioned to the Municipality:	
Rockaway School District Direct Debt	<u>6,520,238</u>
 Total Direct and Overlapping Debt	 <u>\$ 65,065,914</u>

- (A) The debt for this entity was apportioned to the Borough of Rockaway by dividing the Municipality's 2014 equalized value by the total 2014 equalized value for Morris County.
- (B) Overlapping debt was computed based upon municipal flow to the Authority.

Sources:

- (a) Borough of Rockaway 2014 Annual Debt Statement

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)**

Legal Debt Margin Calculation for Fiscal Year 2015

	Equalized valuation basis
	2014 \$ 3,833,484,211
	2013 3,825,570,427
	2012 <u>3,923,887,896</u>
	<u>\$ 11,582,942,534</u>
Average equalized valuation of taxable property	\$ 3,860,980,845
Debt limit (4 % of average equalization value)	115,829,425 ^a
Total Net Debt Applicable to Limit	<u>5,005,000</u>
Legal debt margin	<u>\$ 110,824,425</u>

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt limit	\$ 107,191,339	\$ 120,676,464	\$ 130,726,040	\$ 135,009,909	\$ 138,280,731	\$ 136,545,257	\$ 132,469,970	\$ 123,977,655	\$ 119,286,503	\$ 115,829,425
Total net debt applicable to limit	<u>8,400,000</u>	<u>8,010,000</u>	<u>7,625,000</u>	<u>7,240,000</u>	<u>6,860,000</u>	<u>6,485,000</u>	<u>6,110,000</u>	<u>5,740,000</u>	<u>5,370,000</u>	<u>5,005,000</u>
Legal debt margin	<u>\$ 98,791,339</u>	<u>\$ 112,666,464</u>	<u>\$ 123,101,040</u>	<u>\$ 127,769,909</u>	<u>\$ 131,420,731</u>	<u>\$ 130,060,257</u>	<u>\$ 126,359,970</u>	<u>\$ 118,237,655</u>	<u>\$ 113,916,503</u>	<u>\$ 110,824,425</u>
Total net debt applicable to the limit as a percentage of debt limit	7.84%	6.64%	5.83%	5.36%	4.96%	4.75%	4.61%	4.63%	4.50%	4.32%

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

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

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC STATISTICS
LAST TEN YEARS
(Unaudited)**

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income(1)</u>	<u>Township Unemployment Rate</u>	<u>Population</u>
2006	2.50%	\$ 67,918	2.50	25,320
2007	2.30%	71,191	2.30	25,267
2008	2.90%	74,025	2.90	25,312
2009	7.10%	97,614	7.10	25,438
2010	7.10%	69,811	7.10	24,176
2011	7.00%	71,730	7.00	24,290
2012	7.20%	74,057	7.20	24,378
2013	5.50%	75,054	5.50	24,493
2014	5.00%	75,054 *	5.00	24,441
2015	5.00% *	75,054 *	5.00 *	24,441 *

*= Estimated

(1) County of Bergen

Source: United States Bureau of Census
U.S. Dept. of Commerce

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND NINE YEARS AGO
 (Unaudited)

Employer	2015		2006	
	Employees	Percentage of Total Municipal Employment	Employees	Percentage of Total Municipal Employment

INFORMATION NOT AVAILABLE

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

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction										
Regular	174.0	176.0	185.0	190.0	184.0	182.0	181.5	181.0	176.5	169.5
Special Education	69.0	68.0	69.0	76.0	79.0	80.0	79.5	80.0	88.0	96.0
Other Special Education	16.0	18.0	19.0	25.0	25.0	26.0	8.5	8.0	8.0	18.5
Support Services:										
Student & Instruction Related Service	75.0	73.5	76.0	100.0	100.0	117.0	80.0	80.0	83.0	98.0
School Administrative Services	20.5	21.5	20.0	23.0	26.0	26.0	27.5	29.0	28.0	24.0
General and Business Administration	18.0	18.0	18.0	21.0	23.0	23.0	10.5	12.0	12.0	11.5
Plant Operations and Maintenance	39.0	39.0	45.0	43.0	52.0	52.0	32.5	33.0	31.0	31.0
Pupil Transportation	30.0	30.0	39.0	47.0	59.0	62.0	54.0	54.0	51.0	50.0
Total	<u>441.5</u>	<u>444.0</u>	<u>471.0</u>	<u>525.0</u>	<u>548.0</u>	<u>568.0</u>	<u>474.0</u>	<u>477.0</u>	<u>477.5</u>	<u>498.5</u>

Source: District Personnel Records

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
 OPERATING STATISTICS
 LAST TEN FISCAL YEARS
 (Unaudited)

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2006	2,850	\$ 42,630,761	\$ 14,958	17.63%	336	12:1	12:1	2,850	2,735	90.13%	95.96%
2007	2,844	45,460,775	15,985	6.87%	308	12:1	12:1	2,844	2,731	-0.21%	96.03%
2008	2,764	46,633,740	16,872	5.55%	297	10:1	12:1	2,747	2,638	-3.41%	96.03%
2009	2,724	47,666,248	17,499	3.72%	304	12:1	12:1	2,715	2,607	-1.16%	96.02%
2010	2,630	48,515,316	18,447	5.42%	301	12:1	12:1	2,619	2,522	-3.54%	96.30%
2011	2,578	45,982,791	17,837	-3.31%	317	12:1	12:1	2,562	2,459	-2.18%	95.98%
2012	2,527	44,424,628	17,580	-1.44%	296	12:1	12:1	2,490	2,397	-2.81%	96.27%
2013	2,475	46,616,378	18,835	7.14%	283	12:1	12:1	2,438	2,343	-2.09%	96.10%
2014	2,444	47,036,187	19,246	2.18%	273	12:1	12:1	2,407	2,314	-1.27%	96.14%
2015	2,364	47,799,864	20,220	5.06%	284	12:1	11:1	2,363	2,269	-1.83%	96.02%

Sources: District records

- Note:
- a Enrollment based on annual October district count.
 - b Operating expenditures equal total expenditures (modified accrual) less debt service and capital outlay.
 - c Cost per pupil represents operating expenditures divided by enrollment.

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>District Building</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	375	370	360	362	353	327	307	295	279	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	968	997	966	997	921	921	927	904	878	872
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	339	342	314	326	309	336	324	313	338	311
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	360	350	335	340	347	298	308	309	298	298
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	393	388	353	368	299	269	258	258	251	266
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	415	428	436	438	408	404	366	363	350	322
Number of Schools at June 30, 2015										
Elementary =	5									
Middle School =	1									
Senior High School =	0									
Other =	0									

Source: District Records

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN YEARS
(Unaudited)**

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

		<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
School Facilities	Project #(s)										
Birchwood	N/A	\$ 58,676	\$ 73,815	\$ 100,103	\$ 103,420	\$ 98,841	\$ 93,744	\$ 112,964	\$ 157,797	\$ 149,353	\$ 58,699
Copeland Middle	N/A	311,253	391,781	436,096	450,547	281,309	266,802	321,503	252,242	285,947	266,527
C.A. Dwyer	N/A	81,325	102,758	184,213	190,317	115,228	109,286	131,692	137,748	126,282	210,800
Dennis B. O'Brien	N/A	59,164	74,466	99,278	102,568	165,399	156,869	189,032	177,410	196,161	146,150
K.D. Malone	N/A	82,851	104,252	151,587	156,610	150,583	142,817	172,099	160,401	156,643	195,985
Stony Brook	N/A	53,305	66,764	111,942	115,651	149,096	141,407	170,399	127,783	121,524	75,757
Grand Total		\$ 646,574	\$ 813,836	\$ 1,083,219	\$ 1,119,113	\$ 960,456	\$ 910,925	\$ 1,097,689	\$ 1,013,381	\$ 1,035,910	\$ 953,918

Source: School District's Financial Statements

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF INSURANCE
JUNE 30, 2015
(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - School Alliance Insurance Fund:		
Property- Blanket Building and Contents	\$ 81,851,590	\$ 1,000
Property - Blanket Extra Expense	1,000,000	
Commercial General Liability	5,000,000	
Commercial Automotive Liability	5,000,000	
Boiler and Machinery - School Alliance Insurance Fund	81,851,590	1,000
Umbrella Liability - School Alliance Insurance Fund	5,000,000	10,000
Educators Legal Liability - School Alliance Insurance Fund	10,000,000	15,000
Workers' Compensation - NJ School Boards' Association Insurance Group	2,000,000 Statutory	
Public Employees Faithful Performance Blanket Position Bond - Selective Insurance		
Business Administrator/Board Secretary	300,000	
Treasurer	300,000	

Source: School District's records

SINGLE AUDIT SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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**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 AUDITOR'S REPORT

Honorable President and Members
of the Board of Trustees
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 audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Rockaway Township School District as of and for the fiscal year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the Rockaway Township School District's basic financial statements and have issued our report thereon dated December 14, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Rockaway Township School District's internal control over financial reporting (internal control) to determine the 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 Rockaway Township School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Rockaway Township School 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Rockaway Township School District's financial statements are free from 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

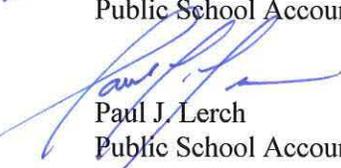
However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Rockaway Township School District in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated December 14, 2015

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Rockaway Township School 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 Rockaway Township School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School Accountants



Paul J. Lerch
Public School Accountant
PSA Number CS01118

Fair Lawn, New Jersey
December 14, 2015



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY
U.S. OMB CIRCULAR A-133 AND SCHEDULE OF EXPENDITURES OF STATE FINANCIAL
ASSISTANCE AS REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

INDEPENDENT AUDITOR’S REPORT

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

Report on Compliance for Each Major Federal and State Program

We have audited the Rockaway Township School District’s compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Rockaway Township School District’s major federal and state programs for the fiscal year ended June 30, 2015. The Rockaway Township School District’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the Rockaway Township School District’s major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; U.S. OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and Circulars require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Rockaway Township School District’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the Rockaway Township School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the Rockaway Township School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Rockaway Township School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with U.S. OMB Circular A-133 and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Rockaway Township School District's internal control over compliance.

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

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

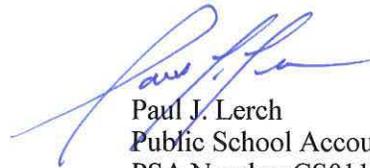
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of U.S. OMB Circular A-133 and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by U.S. OMB Circular A-133 and Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Rockaway Township School District, as of and for the fiscal year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We issued our report thereon dated December 14, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by U.S. OMB Circular A-133 and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 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 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 schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.



LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School Accountants



Paul J. Lerch
Public School Accountant
PSA Number CS01118

Fair Lawn, New Jersey
December 14, 2015

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance July 1, 2014	Deferred Revenue Carryover Amount	Accounts Payable Carryover Amount	Cash Received	Budgetary Expenditures	Refund of Prior Year's Balances	Adjustment	Balance, June 30, 2015			GAAP Receivable
											(Account Receivable)	Unearned Revenue	Due to Grantor	
U.S. Department of Education														
Passed-through State Department of Agriculture														
Child Nutrition Cluster														
Special Milk Program	10.556	7/1/14-6/30/15	\$ 2,598				\$ 2,378	\$ 2,598			\$ (220)			\$ (220)
Special Milk Program	10.556	7/1/13-6/30/14	2,762	\$ (575)			575							
Non-Cash Assistance (Food Distribution)	10.555	7/1/14-6/30/15	33,084				33,084	31,830			\$ 1,254			
Non-Cash Assistance (Food Distribution)	10.555	7/1/13-6/30/14	39,761	789				789						
National School Lunch Program	10.555	7/1/14-6/30/15	166,509				151,217	166,509			(15,292)			(15,292)
National School Lunch Program	10.555	7/1/13-6/30/14	163,012	(33,993)			33,993							-
School Breakfast Program	10.553	7/1/14-6/30/15	4,585				4,170	4,585			(415)			(415)
School Breakfast Program	10.553	7/1/13-6/30/14	6,703	(1,433)			1,433							-
Total U.S. Department of Agriculture				(35,212)			226,850	206,311			(15,927)	1,254		(15,927)
U.S. Department of Education														
General Fund:														
Impact Aid	84.041	7/1/13-6/30/14	334,304				385,186	385,186						
Total General Fund							385,186	385,186						
U.S. Department of Education														
Passed-through State Department of Education														
NCLB ConSoliated														
Title I	84.010	9/1/14-8/31/15	72,845				64,855	72,845			(7,990)			(7,990)
Title I	84.010	7/1/13-6/30/14	66,448	(8,579)			8,579							
Title II - Part A	84.281A	9/1/14-8/31/15	51,917		\$ 39,253	\$ (39,253)	12,809	33,035			(78,361)	58,135		(20,226)
Title II - Part A	84.281A	7/1/13-6/30/14	51,853		(39,253)	39,253								
Title III	84.365	9/1/14-8/31/15	15,349				3,325	(3,325)	10,050	11,731	(8,624)	6,943		(1,681)
Title III	84.365	7/1/13-6/30/14	12,876	(1,576)	(3,325)	3,325	1,576							
Title III Immigrant		9/1/14-8/31/15	6,992				4,704	(4,704)	481	4,799	(11,215)	6,897		(4,318)
Title III Immigrant		7/1/13-6/30/14	5,853	(235)	(4,704)	4,704	235							
I.D.E.A. Part B, Basic	84.027A	9/1/14-8/31/15	562,676				1,210	(1,210)	538,427	563,886	(25,459)			(25,459)
I.D.E.A. Part B, Basic	84.027A	9/1/13-8/31/14	546,777	(92,952)	(1,210)	1,210	92,952							
I.D.E.A. Part B, Preschool	84.173	9/1/14-8/31/15	30,435				898	(898)	30,434	31,333	(899)			(899)
I.D.E.A. Part B, Preschool	84.173	9/1/13-8/31/14	30,527		(898)	898								
Total U.S. Department of Education				(103,342)			760,398	717,629			(132,548)	71,975		(60,573)
Total				\$ (138,554)	\$ -	\$ -	\$ 1,372,434	\$ 1,309,126	\$ -	\$ -	\$ (148,475)	\$ 73,229	\$ -	\$ (76,500)

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2014			Cash Received	Budgetary Expenditures	Refund of		Balance, June 30, 2015			GAAP Receivable	Cumulative Total Expenditures
				(Accounts Receivable)	Deferred Revenue	Due to Grantor			Prior Year's Balances	Adjustments	(Accounts Receivable)	Unearned Revenue	Due to Grantor		
State Department of Education															
General Fund															
Equalization Aid	15-495-034-5120-078	7/1/14-6/30/15	\$ 883,819				\$ 797,260	\$ 883,819			\$ (86,559)			\$ 883,819	
Equalization Aid	14-495-034-5120-078	7/1/13-6/30/14	883,819	(86,870)			86,870								
Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	136,876				123,471	136,876			(13,405)			136,876	
Transportation Aid	14-495-034-5120-014	7/1/13-6/30/14	136,876	(13,453)			13,453								
Special Education Categorical Aid	15-495-034-5120-089	7/1/14-6/30/15	1,517,265				1,368,667	1,517,265			(148,598)			1,517,265	
Special Education Categorical Aid	14-495-034-5120-089	7/1/13-6/30/14	1,517,265	(149,131)			149,131								
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	43,651				39,376	43,651			(4,275)			43,651	
Security Aid	14-495-034-5120-084	7/1/13-6/30/14	43,651	(4,290)			4,290								
Additional Adjustment Aid	15-495-034-5120-085	7/1/14-6/30/15	82,223				74,170	82,223			(8,053)			82,223	
Additional Adjustment Aid	14-495-034-5120-085	7/1/13-6/30/14	82,223	(8,082)			8,082								
PARCC Readiness	15-495-034-5120-098	7/1/14-6/30/15	22,585				20,373	22,585			(2,212)			22,585	
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	22,585				20,373	22,585			(2,212)			22,585	
Nonpublic Transportation	15-495-034-5120-014	7/1/14-6/30/15	19,921					19,921			(19,921)		\$ (19,921)	19,921	
Nonpublic Transportation	14-495-034-5120-014	7/1/13-6/30/14	20,636	(20,636)			20,636								
Extraordinary Aid	15-495-034-5120-473	7/1/14-6/30/15	585,065					585,065			(585,065)			585,065	
Extraordinary Aid	14-495-034-5120-473	7/1/13-6/30/14	693,082	(693,082)			693,082								
On-Behalf Payments															
TPAF Pension Contribution	15-495-034-5094-006	7/1/14-6/30/15	961,583				961,583	961,583						961,583	
TPAF Pension -NCGI Premium	15-495-034-5094-007	7/1/14-6/30/15	69,181				69,181	69,181						69,181	
TPAF Pension - Post Retirement Medical Costs	15-495-034-5094-001	7/1/14-6/30/15	1,636,338				1,636,338	1,636,338						1,636,338	
TPAF Social Security Aid	15-495-034-5094-003	7/1/14-6/30/15	1,402,321				1,332,466	1,402,321			(69,855)		(69,855)	1,402,321	
TPAF Social Security Aid	15-495-034-5095-002	7/1/13-6/30/14	1,390,752	(69,804)			69,804								
Total General Fund				(1,045,348)			7,488,606	7,383,413			(940,155)			(89,776)	7,383,413
Special Revenue Fund															
New Jersey Nonpublic Aid															
Textbook Aid	15-100-034-5120-064	7/1/14-6/30/15	894				894	894						894	
Technology Aid	15-100-034-5120-373	7/1/14-6/30/15	480				480	480						480	
Nursing Services	15-100-034-5120-070	7/1/14-6/30/15	1,423				1,423	1,423						1,423	
Nursing Services	14-100-034-5120-070	7/1/13-6/30/14	464			\$ 232			\$ 232						
Total Special Revenue Fund						232	2,797	2,797	232						2,797
State of New Jersey Schools Development Authority:															
Capital Projects															
Catherine Dwyer Elementary - Elevator	4490-019-14-1004-G04	2014	78,000	(78,000)	\$ 77,800			3,440			(78,000)	\$ 74,360	(78,000)	3,440	
Dennis O'Brien Elementary - Boiler	4490-025-14-1006-G04	2014	160,000	(160,000)	87,210			42,900			(160,000)	44,310	(160,000)	42,900	
Dennis O'Brien Elementary - Roof & Electric	4490-010-14-1002-G04	2014	150,000	(150,000)	68,413			66,353			(150,000)	2,060	(150,000)	66,353	
Birchwood Elementary - Windows	4490-010-14-1002-G04	2014	270,600					26,473			(270,600)	244,127	(270,600)	26,473	
Total Capital Projects Fund				(388,000)	233,423			139,166			(658,600)	364,857	(658,600)	139,166	

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ROCKAWAY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2014			Cash Received	Budgetary Expenditures	Refund of Prior Year's Balances	Adjustments	Balance, June 30, 2015			GAAP Receivable	Cumulative Total Expenditures
				(Accounts Receivable)	Deferred Revenue	Due to Grantor					(Accounts Receivable)	Unearned Revenue	Due to Grantor		
Debt Service Fund															
Debt Service State Aid Support	15-495-034-5120-075	7/1/14-6/30/15	141,786	-	-	-	\$ 141,786	\$ 141,786	-	-	-	-	-	-	141,786
Total Debt Service Fund				-	-	-	141,786	141,786	-	-	-	-	-	-	141,786
Enterprise Fund															
State School Lunch Program	15-100-010-3350-023	9/1/14-6/30/15	6,767				5,967	6,767			\$ (800)			(800)	\$ 6,767
State School Lunch Program	14-100-010-3350-023	9/1/13-6/30/14	7,130	\$ (1,778)	-	-	1,778	-	-	-	-	-	-	-	-
Total Enterprise Fund				(1,778)	-	-	7,745	6,767	-	-	(800)	-	-	(800)	6,767
Total State Financial Assistance				\$ (1,435,126)	\$ 233,423	\$ 232	\$ 7,640,934	\$ 7,673,929	\$ 232	\$ -	\$ (1,599,555)	\$ 364,857	\$ -	\$ (749,176)	7,673,929
State Financial Assistance Not Subject to Single Audit Determination															
General Fund															
TPAF Pension Contribution								(961,583)							
TPAF Pension - NCGI Premium								(69,181)							
TPAF Pension - Post Retirement Medical Costs								(1,636,338)							
								(2,667,102)							
Total for State Single Audit Determination								\$ 5,006,827							

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 GENERAL

The accompanying schedules present the activity of all federal and state financial assistance programs of the Rockaway Township School District. The Board of Education is defined in Note 1(A) to the Board's financial statements. All federal financial assistance received directly from federal agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Notes 1(C) to the Board's financial statements. The information in these schedules is presented in accordance with requirements of U.S. OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations" and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements.

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

The 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 a modified accrual basis with the exception of the revenue recognition of the delayed 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 year due to the state deferral and recording of certain 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 revenues, which may include the delayed state aid payments, whereas the GAAP basis does not. The special revenue fund also recognizes the delayed state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is an increase of \$104,529 for the general fund and a decrease of \$1,953 for the special revenue fund. See the Notes to Required Supplementary Information 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 revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 385,186	\$ 7,487,942	\$ 7,873,128
Special Revenue Fund	715,676	2,797	718,473
Capital Projects Fund		139,166	139,166
Debt Service Fund		141,786	141,786
Food Service Fund	<u>207,576</u>	<u>6,767</u>	<u>214,343</u>
Total Awards Financial Assistance	<u>\$ 1,308,438</u>	<u>\$ 7,778,458</u>	<u>\$ 9,086,896</u>

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the District's fiscal year and grant program years.

NOTE 5 OTHER INFORMATION

Revenues and expenditures reported under the National School Lunch Program as non-cash assistance represent current year value received and current year distributions, respectively of the Federal Food Distribution Program. TPAF Social Security contributions in the amount of \$1,402,321 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2015. The amount reported as TPAF Pension System Contributions in the amount of \$1,030,764 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,636,338 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2015.

NOTE 6 ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's financial statements and the amount subject to State single audit and major program determination.

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditor's report issued on Financial Statements	<u>Unmodified</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	_____ yes <u> X </u> no
2) Were significant deficiencies identified that were not considered to be material weaknesses?	_____ yes <u> X </u> no
Noncompliance material to the basic financial statements noted?	_____ yes <u> X </u> no

Federal Awards Section

Internal Control over major programs:	
(1) Material weaknesses identified?	_____ yes <u> X </u> no
(2) Significant deficiencies identified that are not considered to be material weakness(es)?	_____ yes <u> X </u> none reported

Type of auditor's report issued on compliance for major programs	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133?	_____ yes <u> X </u> no

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program</u>
84.027A/84.173	IDEA Part B Basic/Preschool
84.041	Impact Aid

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 300,000</u>
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Auditee qualified as low-risk auditee?	___ yes <u> X </u> no
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**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Part I – Summary of Auditor’s Results

State Awards Section

Internal Control over major programs:

(1) Material weakness(es) identified _____ yes X no

(2) Significant deficiency identified that are not considered to be material weakness(es)? _____ yes X none reported

Type of auditor's report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with N.J. Circular Letter 15-08? _____ yes X no

Identification of major state programs:

GMIS Number(s)	Name of State Program
495-034-5094-003	TPAF Social Security
495-034-5120-089	Special Education Categorical Aid
495-034-5120-084	Security Aid
495-034-5120-078	Equalization Aid
495-034-5120-085	Adjustment Aid
495-034-5120-098	PARCC Readiness
495-034-5120-097	Per Pupil Growth Aid
100-034-5120-473	Extraordinary Aid

Dollar threshold used to distinguish between Type A and Type B programs: \$ 300,000

Auditee qualified as low-risk auditee? _____ yes X no

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Part 2 – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements in accordance with Government Auditing Standards.

There are none.

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 15-08.

CURRENT YEAR FEDERAL AWARDS

There were none.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 15-08.

CURRENT YEAR STATE AWARDS

There were none.

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (Section .315(a)(b)) and New Jersey OMB's Circular 04-04.

STATUS OF PRIOR YEAR FINDINGS

Finding 2014-001

Condition

Travel and expenditure reimbursements were not always charged to the proper object code (580),

Current Status

Corrective action has been taken.

Finding 2014-002

Condition

The Extraordinary Aid Application had incorrect costs-calculated in the reporting of student teachers and/or aides.

Current Status

Corrective action has been taken.