

**SCHOOL DISTRICT OF THE
BOROUGH OF ROCKAWAY
COUNTY OF MORRIS, NEW JERSEY
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2024**

**BOARD OF EDUCATION
BOROUGH OF ROCKAWAY
STATE OF NEW JERSEY**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2024**

**PREPARED BY
ROCKAWAY BOARD OF EDUCATION
FINANCE OFFICE**

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INTRODUCTORY SECTION



ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT

**BOARD OF EDUCATION BUSINESS OFFICE
103 EAST MAIN STREET
ROCKAWAY, NEW JERSEY 07866**

TEL: 973-625-8600

FAX: 973-625-7355

Honorable President and
Members of the Board of Education
Rockaway Borough Public Schools
103 East Main Street
Rockaway, New Jersey 07866

Dear Board Members:

The annual comprehensive financial report of the Rockaway Borough Public School District for the fiscal year ended June 30, 2024, 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 (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 financial position and results of operation of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, "Audit of States, Local Governments and Non-Profit Organizations", and the state Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments". Information related to the single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The Rockaway Borough Board of Education is an independent reporting entity within the criteria adopted by the GASB as established by GASB-14. All funds and account groups of the district are included in this report. The Rockaway Borough Board of Education and all its schools constitute the District's reporting entity. The district provides a full range of educational services appropriate to grade levels Pre- K through 8. These include regular, and special education for handicapped young men and women. The district completed the 2023-2024

fiscal year with an enrollment of 566 students. The following details the changes in student enrollment over the last ten years:

| <u>Fiscal Year</u> | <u>Student Enrollment</u> | <u>Percent Change</u> |
|---------------------------|----------------------------------|------------------------------|
| 2023-2024 | 566 | +1.6% |
| 2022-2023 | 557 | +2.7% |
| 2021-2022 | 542 | +3.4% |
| 2020-2021 | 524 | (5.9%) |
| 2019-2020 | 557 | (0.7%) |
| 2018-2019 | 561 | (2.3%) |
| 2017-2018 | 574 | (2.2%) |
| 2016-2017 | 587 | +3.8% |
| 2015-2016 | 565 | (2.5%) |
| 2014-2015 | 579 | (6.7%) |

2) ECONOMIC CONDITIONS AND OUTLOOK: The Rockaway area is not experiencing any significant development or expansion, however there are a few development projects being discussed at the town planning board level that could impact student enrollment for the district. These developments have been put on hold due to the weak economy and the COVID-19 worldwide pandemic, but as of late that trend appears to be reversing. While enrollment has been trending downward in recent years, the borough does have land available for new and redevelopment of existing lots. The last district demographic study, completed on April 17, 2018, (before the passage of a 12.5M dollar district school buildings referenda on September 24, 2019) projected a total of 607 students, which is compatible with a total district functional capacity of 601, before the completion of Lincoln's 3 kindergarten classroom addition, which was opened on September 1, 2021, and added more functional student capacity.

3) MAJOR INITIATIVES:

Academic Programs

The district continues to expand its multi-tiered system of supports (MTSS) for all students including enrichment opportunities for those that exceed expectations, as well as a comprehensive intervention and special education program that provides tiered supports for students who struggle to meet grade-level standards.

Enrichment opportunities include accelerated offerings in Language Arts and Mathematics at the middle school that are now offered on a differentiated basis, advanced math classes for 8th graders at Morris Hills or Morris Knolls High Schools, a K-8 Gifted and Talented program, and numerous after school activities like Solar Cars, Cube Club and Art Club.

All students that struggle to meet grade-level standards are eligible for Tier 2 and/or Tier 3 interventions via the schools' various programs. Most of this is determined through the I&RS process. ELLs (English Language Learners) have access to an ESL program during the school day, as there is one full-time teacher in each school. The district continues to have enrichment and homework help both before and after regular school hours, by utilizing various grant funds, including Title I.

Our Special Education offerings include in-class support, resource room, LLD, MD and Pre-K programs. We have a full-time Occupational Therapist and full-time Speech Therapist on staff. We contract for a Physical Therapist and Behaviorist for those students deemed eligible or in need of services. Wherever possible, all special education students are given exposure to the mainstream and/or least restrictive environment through individualized programming and scheduling. Specific students are also exposed to community-based instruction opportunities.

From a curriculum, instruction and assessment perspective, our district has continually updated and improved curricula to follow an articulated annual program for all subjects where the NJSLs are addressed via four curricular units per year to follow the marking period. In addition to regular formative and summative assessment in the classroom, students are benchmarked multiple times in the year to identify their reading levels. Standard-based report cards are used at the elementary level. Students in grades 1-8 also participate in three universal screenings three times/year using Linkit and STAR Assessments from Renaissance Learning, for Reading and Math. Once their reading levels are identified, students further their reading skills by participating in the Accelerated Reading (AR) program which allows them to meet their individualized reading goals utilizing high-interest texts. Student performance data is monitored by all staff, including administrative staff. Performance data is then organized into individual data pictures, which include results from classroom grading, local standardized assessments, state assessments and other sources as applicable. These data pictures for each student are continually monitored by our intervention teams, whereas student intervention needs are identified, reviewed, and altered on an on-going basis. We also began initial training for a literacy initiative, based on Orton Gillingham methodology, which has been slowly implemented, starting in 2021-2022. We are now in full implementation.

Underlying all academic areas, is the movement towards preparing students to be “future ready” through the integration of technology and the implementation of a 1:1 Chromebook initiative that is now available through leasing opportunities, for all students in K-8.

In the area of mental health, the district continues to employ two full-time counselors, one in each school. Both positions were extensively used throughout the pandemic, to check-in/deliver services to students and families. The district continues to focus on social and emotional professional development for staff and parents, as well as support services/programs in place for students.

Facilities and Security

While our population has not grown substantially, our increase in programming as well as the age of our buildings has put a substantial strain on our school buildings. As a result, the district went out to the voters for a 12.5 million dollar building referenda in September of 2019 (2nd attempt) to address and update major infrastructure items for both school buildings and was successful. The summer of 2021 witnessed, at Lincoln Elementary School, the completion of the new kindergarten wing, new main office, and boiler and unit ventilator replacement for the entire school. Work at Thomas Jefferson Middle school entailed the complete replacement of the boilers and unit ventilators also. More work at both buildings continued into the summers of 2022 and 2023.

Our Emergency Management (EM) Team investigates opportunities to improve the safety and security of our schools. Our district currently has an excellent security camera system as well as door magnets in all classrooms that ensure teachers can quickly lock their door in the event of an emergency. We

have AEDs available in the buildings in compliance with code, and each school has an AED Team that is trained to follow our district protocol in the event of a targeted incident. We conduct all mandated security drills annually, including AED drills. We also update our Emergency Management Manual frequently, in consultation with the local police department. Further, our EM team has worked with our local law enforcement to train both staff and students in regard to ALICE (Alert Lockdown Inform Communicate Evacuate) training as well as set up live streaming of our in-house video surveillance to squad cars to enhance response to potential emergencies. In response to the growing number of security issues both national and local, we utilize the services of two Class III officers in conjunction with the Rockaway Borough Police, installed a computer-based identification system in each school building, and extended the scope of our monitoring of student computer use. Other future security initiatives, like upgraded doors and locks are being addressed through grants and future bonding projects.

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line-item basis. Open encumbrances at year-end are either canceled or are included as re-appropriation of fund balance in the subsequent year. Those amounts are to be re-appropriated are reported as reservations of fund balance at June 30, 2024.

6) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups 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 2. The District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from loss of funds on deposit with failed banking institutions 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.

9) OTHER INFORMATION: Independent Audit- State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Wielkottz & Company, LLC., was selected by the Board's audit committee. 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 Federal Uniform Guidance and State Treasurer Circular Letter 15-08 OMB. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

10) ACKNOWLEDGEMENT: We would like to express our appreciation to the members of the Rockaway Borough 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. Also, the preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,



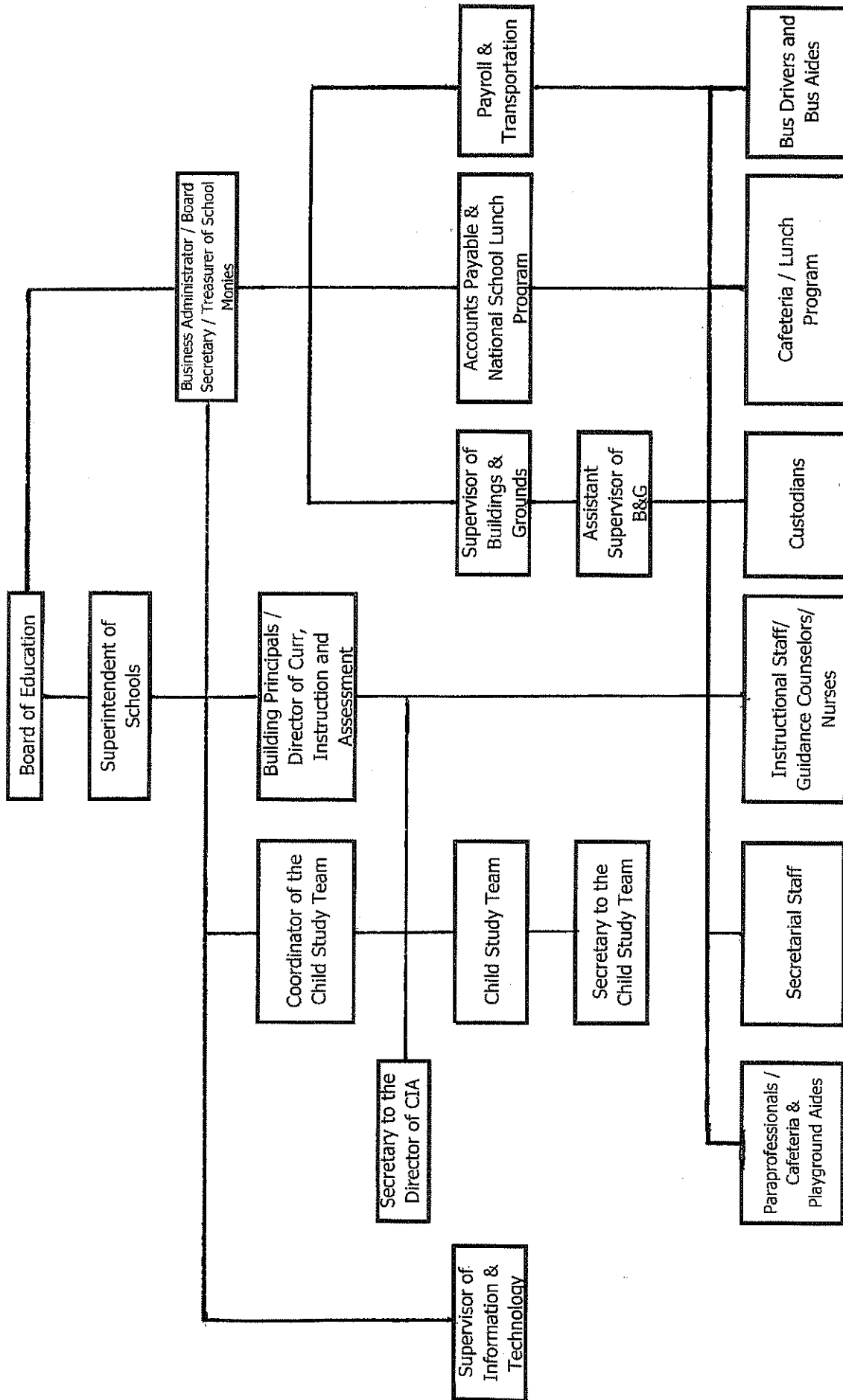
Mr. William T. Stepka, RSBA
District Business Administrator/
Secretary of the Board of Education



Mr. Anthony Grieco
Superintendent of Schools/
Chief School Administrator

Rockaway Borough Board of Education Organization Chart

Policy #1110



Adopted: 9/1/1994 (Inception of district.)
Revised: 8/29/2023

**Rockaway Borough School District
Borough of Rockaway, New Jersey**

**Roster of Officials
June 30, 2024**

Members of the Board of Education

Term Expires

Edward Graf, President

December 2026

Karen Walter, Vice President

December 2024

Jennifer Dahl

December 2026

Brian Rivieccio, Trustee

December 2025

Jefferey Tobias

December 2024

Superintendent of Schools

Anthony Grieco

Business Administrator/Board Secretary

William Stepka

Treasurer of School Moneys

William Stepka

**Rockaway Borough School District
Borough of Rockaway, New Jersey**

**Consultants and Advisors
June 30, 2024**

Architect

Parette Somjen Architects
439 US-46, Suite 4
Rockaway, New Jersey 07866

Audit Firm

Wielkottz & Company, LLC
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442

Board Attorney

Cornell, Merlino, McKeever & Osborne, LLC
238 St. Paul Street
Westfield, NJ 07090

Offical Depository

Santander Bank
110 East Main Street
Rockaway, New Jersey 07866

FINANCIAL SECTION



WIELKOTZ & COMPANY ^{LLC}

CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA
MATTHEW B. WIELKOTZ, CPA, PSA
DAVID BOTTGE, CPA, RMA, PSA
PAUL J. CUVA, CPA, RMA, PSA
KARI FERGUSON, CPA, RMA, CMFO, PSA
ROBERT C. MCNINCH, CPA, CFE, PSA
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INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Borough of Rockaway School District
County of Morris, New Jersey

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Board of Education of the Borough of Rockaway School District, in the County of Morris, State of New Jersey, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities and each major fund of the Borough of Rockaway Board of Education, in the County of Morris, State of New Jersey, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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



Responsibilities of Management 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, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, 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 misstatements, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey and Government Auditing Standards, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with generally accepted auditing standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey and Government Auditing Standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Honorable President and
Members of the Board of Education
Page 3.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Rockaway Board of Education's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Rockaway Board of Education's ability to continue as a going concern for a reasonable period of time.

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

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, Schedules Related to Accounting and Reporting for Pensions, and Other Post Employment Benefits identified in the table of contents 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 the 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.



Honorable President and
Members of the Board of Education
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Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Rockaway Board of Education's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are the responsibility of management and were derived from and relates 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, schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical data section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.



Honorable President and
Members of the Board of Education
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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2025 on our consideration of the Borough of Rockaway Board of Education'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 Borough of Rockaway Board of Education's internal control over financial reporting and compliance.

Steven D. Wielkatz

Steven D. Wielkatz, C.P.A.
Licensed Public School Accountant
No. 816

Wielkatz & Company, LLC

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

January 13, 2025



**REQUIRED SUPPLEMENTARY
INFORMATION - PART I**

ROCKAWAY BOROUGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(UNAUDITED)

The discussion and analysis of the Rockaway Borough School District's ("District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the District's financial performance.

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

Using this Annual Comprehensive Financial Report ("ACFR")

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the District as a financial whole. The statements then provide an increasingly detailed look at specific financial activities. The District's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Reporting the District as a Whole

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

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole District, presenting an aggregate view of the District's finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of the District, the General Fund is by far the most significant fund.

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, “How did we do financially during 2023/24?” The Statement of Net Position and the Statement of Activities help answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into consideration all of the current year’s revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Position and the Statement of Activities, the District’s operations are divided into two distinct kinds of activities:

- ◆ Governmental activities – all of the District’s programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- ◆ Business-Type Activities – this service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service enterprise funds are reported as a business activity.

Reporting the District’s Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the District’s major funds. Although the District uses many funds to account for a multitude of financial transactions, these financial statements focus on the District’s most significant funds. These funds include the General Fund, Special Revenue Fund and Capital Projects Fund.

Governmental Funds

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

Enterprise Fund

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

Financial Highlights

Key financial highlights for 2023/24 are as follows:

- ◆ General revenues on the Schedule of Activities (Exhibit A-2) accounted for \$15,213,933 in revenue or 91.53% of all revenues. Program specific revenues in the form of operating grants and charges for services accounted for \$1,408,702 or 8.47% of total revenues of \$16,622,635.
- ◆ The District had \$16,883,988 in expenses related to Governmental Activities and Business-Type Activities; \$1,408,702 of these expenses were offset by charges for services, grants or contributions. General revenues, comprised primarily of property taxes and federal and state aid in the amounts of \$9,391,896 and \$5,755,613, respectively, were adequate to provide for these programs.
- ◆ Among governmental funds, the General Fund had \$13,877,469 in revenues and other financing sources and \$14,731,307 in expenditures and transfers. As a result, the General Fund's balance decreased \$(853,838) over 2023.

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The District as a Whole

Recall that the Statement of Net Position provides a perspective of the District as a whole. The following provides a summary of the District's net position as of June 30, 2024, as compared to the prior year.

Table 1
Net Position

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|--------------------------------|--------------------|---------------------------------|--------------------|--------------------|--------------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Assets: | | | | | | |
| Current and Other Assets | \$1,752,109 | \$3,708,546 | \$108,436 | \$110,271 | \$1,860,545 | \$3,818,817 |
| Capital Assets, Net | <u>14,541,480</u> | <u>14,411,907</u> | <u>35,082</u> | <u>5,876</u> | <u>14,576,562</u> | <u>14,417,783</u> |
| Total Assets | <u>16,293,589</u> | <u>18,120,453</u> | <u>143,518</u> | <u>116,147</u> | <u>16,437,107</u> | <u>18,236,600</u> |
| Deferred Outflows | | | | | | |
| Deferred Outflows of Resources Related to PERS | <u>265,645</u> | <u>378,131</u> | <u>-</u> | <u>-</u> | <u>265,645</u> | <u>378,131</u> |
| Liabilities: | | | | | | |
| Current Liabilities | 738,712 | 1,699,686 | 18,246 | 5,070 | 756,958 | 1,704,756 |
| Noncurrent Liabilities | <u>11,078,118</u> | <u>11,660,885</u> | <u>-</u> | <u>-</u> | <u>11,078,118</u> | <u>11,660,885</u> |
| Total Liabilities | <u>11,816,830</u> | <u>13,360,571</u> | <u>18,246</u> | <u>5,070</u> | <u>11,835,076</u> | <u>13,365,641</u> |
| Deferred Inflows | | | | | | |
| Deferred Inflows of Resources Related to PERS | <u>303,109</u> | <u>423,169</u> | <u>-</u> | <u>-</u> | <u>303,109</u> | <u>423,169</u> |
| Net Position | | | | | | |
| Invested in Capital Assets | 4,847,052 | 4,332,846 | 35,082 | 5,876 | 4,882,134 | 4,338,722 |
| Restricted | 1,530,803 | 2,465,881 | - | - | 1,530,803 | 2,465,881 |
| Unrestricted | <u>(1,938,561)</u> | <u>(2,083,883)</u> | <u>90,191</u> | <u>105,201</u> | <u>(1,848,370)</u> | <u>(1,978,682)</u> |
| Total Net Position | <u>\$4,439,295</u> | <u>\$4,714,844</u> | <u>\$125,271</u> | <u>\$111,077</u> | <u>\$4,564,567</u> | <u>\$4,825,921</u> |

The following shows the changes in net position in the fiscal years ended June 30, 2024 and 2023, respectively.

Table 2
Changes in Net Position

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|--------------------------------|--------------------|---------------------------------|--------------------|--------------------|--------------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Revenues: | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services | \$84,826 | \$100,917 | \$173,501 | \$132,061 | \$258,327 | \$232,978 |
| Operating Grants and Contributions | 1,023,644 | 1,084,436 | 126,730 | 149,761 | 1,150,375 | 1,234,198 |
| General Revenues: | | | | | | |
| Taxes: | | | | | | |
| Property Taxes | 9,391,869 | 9,371,917 | - | - | 9,391,869 | 9,371,917 |
| Grants | 5,755,613 | 5,274,144 | - | - | 5,755,613 | 5,274,144 |
| Other | <u>66,451</u> | <u>49,178</u> | <u> </u> | <u> </u> | <u>66,451</u> | <u>49,178</u> |
| Total Revenues | <u>16,322,404</u> | <u>15,880,592</u> | <u>300,231</u> | <u>281,822</u> | <u>16,622,635</u> | <u>16,162,415</u> |
| Functions/Programs: | | | | | | |
| Support Services: | | | | | | |
| Instruction | 9,121,961 | 8,798,380 | - | - | 9,121,961 | 8,798,380 |
| Student & Instruction Related Services | 3,591,581 | 3,363,848 | - | - | 3,591,581 | 3,363,848 |
| Administration, Business and Other Support Services | 1,511,132 | 1,503,308 | - | - | 1,511,132 | 1,503,308 |
| Operations and Maintenance of Facilities | 1,648,555 | 1,709,550 | - | - | 1,648,555 | 1,709,550 |
| Pupil Transportation | 340,319 | 482,139 | - | - | 340,319 | 482,139 |
| Interest on Debt | 384,405 | 402,655 | - | - | 348,405 | 402,655 |
| Charter Schools | - | 44,579 | - | - | - | 44,579 |
| Food Service | <u>-</u> | <u> </u> | <u>286,036</u> | <u>272,809</u> | <u>286,036</u> | <u>312,376</u> |
| Total Expenditures | <u>16,597,953</u> | <u>16,304,459</u> | <u>286,036</u> | <u>272,809</u> | <u>16,883,989</u> | <u>16,577,268</u> |
| Increase or (Decrease) In Net Position | <u>\$(275,549)</u> | <u>\$(423,867)</u> | <u>\$14,196</u> | <u>\$9,013</u> | <u>\$(261,354)</u> | <u>\$(414,854)</u> |

Governmental Activities

The unique nature of property taxes and school funding in New Jersey creates the need to periodically seek voter approval for District operations. Property taxes made up 56.50% percent of revenues for governmental activities for the District for the fiscal year ended June 30, 2024. Federal, state and local grants accounted for another 34.63%, while the balance came from interest and other sources. The District's total revenues were \$16,622,635 for the fiscal year ended June 30, 2024.

Exhibit A-2, “Statement of Activities”, shows the cost of program services and the charges for services and grants offsetting those services, which are summarized below. The net cost reflects the net financial burden that was placed on the District’s taxpayers for each of these functions.

| | Total cost of services, Year ended June 30, | | Net cost of services, Year ended June 30, | |
|--|--|-----------------------------|--|-----------------------------|
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| Instruction | \$9,121,960 | \$8,798,380 | \$(8,519,437) | \$(8,190,327) |
| Support services: | | | | |
| Student and instruction related services | 3,591,581 | 3,363,848 | (3,147,913) | (2,871,118) |
| Administration, business and other support services | 1,511,132 | 1,503,308 | (1,491,710) | (1,478,313) |
| Operation and maintenance of facilities | 1,648,555 | 1,709,550 | (1,605,698) | (1,649,975) |
| Pupil transportation | 340,319 | 482,139 | (340,319) | (482,139) |
| Interest on Debt | 384,405 | 402,655 | (384,405) | (402,655) |
| Charter School | - | 44,579 | - | (44,579) |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total expenses | <u>\$16,597,953</u> | <u>\$16,304,459</u> | <u>\$(15,489,482)</u> | <u>\$(15,119,106)</u> |

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

Student and instruction related services include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

Administrative, business and other support services include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, as provided by state law.

Business-Type Activities

Revenues for the District’s Food Service Program were comprised of charges for services and federal and state reimbursements.

- ◆ In the fiscal year ended June 30, 2024, food service revenues exceeded expenses by \$14,196.

Business-Type Activities (Continued)

- ◆ Charges for services represented \$173,501 of revenue in the year ended June 30, 2024, compared to \$132,061 in the prior fiscal year. This represents amounts paid by patrons for daily food services.
- ◆ Federal and state reimbursement for meals, including payments for free and reduced lunches and donated commodities, was \$126,730 and \$149,761 in the fiscal years ended June 30, 2024 and 2023, respectively.

The District's Funds

The District's funds are accounted for using a modified accrual basis of accounting. All governmental funds (i.e., general, special revenue presented in the fund-based statements) had total revenues of \$15,436,571 and expenditures of \$16,407,414 for the fiscal year ended June 30, 2024.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the revenues of governmental funds for the fiscal years ended June 30, 2024 and 2023 respectively:

| | Year ended June 30, 2024 | | Year ended June 30, 2023 | |
|-----------------|---------------------------------|-------------------|---------------------------------|-------------------|
| | Amount | % of total | Amount | % of total |
| Local sources | \$9,867,580 | 63.92% | \$9,934,458 | 65.78% |
| State sources | 5,044,527 | 32.68% | 4,653,883 | 30.82% |
| Federal sources | <u>524,464</u> | <u>3.40%</u> | <u>513,835</u> | <u>3.40%</u> |
| Total revenues | <u>\$15,436,571</u> | <u>100.0%</u> | <u>\$15,102,176</u> | <u>100.00%</u> |

The following schedule presents a summary of the expenditures of governmental funds for the fiscal years ended June 30, 2024 and 2023, respectively:

| | Year ended June 30, 2024 | | Year ended June 30, 2023 | |
|-------------------|---------------------------------|-------------------|---------------------------------|-------------------|
| | Amount | % of total | Amount | % of total |
| Instruction | \$5,719,716 | 34.86% | \$5,730,973 | 31.89% |
| Support services | 9,416,979 | 57.39% | 9,221,982 | 51.32% |
| Capital outlay | 514,794 | 3.14% | 2,217,765 | 12.34% |
| Charter School | - | 0.00% | 44,579 | 0.25% |
| Principal on Debt | 375,000 | 2.29% | 355,000 | 1.98% |
| Interest on Debt | <u>380,925</u> | <u>2.32%</u> | <u>399,175</u> | <u>2.22%</u> |
| Total expenses | <u>\$16,407,414</u> | <u>100.00%</u> | <u>\$17,969,474</u> | <u>100.00%</u> |

General Fund Budgeting Highlights

The District's budget is prepared according to New Jersey law, and is accounted for using a modified accrual basis and encumbrance accounting. The most significant budgeted fund is the General Fund.

During the course of the fiscal year, the District amended its General Fund budget as needed. The District uses program-based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for financial management.

Capital Assets

At the end of the fiscal year, the District had \$14,576,562 invested in land, construction in progress, buildings, furniture and equipment, and vehicles net of depreciation. The following shows capital asset balances, net of accumulated depreciation, as of June 30, 2024 and 2023, respectively:

| | Capital Assets June 30, | | | | | |
|-------------------------|---------------------------------------|----------------------------|--|-----------------------|----------------------------|----------------------------|
| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total</u> | |
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Land | \$177,000 | \$177,000 | \$ - | \$ - | \$177,000 | \$177,000 |
| Land Improvements | 502,687 | 530,808 | - | - | 502,687 | 530,808 |
| Construction | | | | | | |
| In Progress | 9,394,151 | 9,292,088 | - | - | 9,394,151 | 9,292,088 |
| Building and | | | | | | |
| Improvements | 3,827,870 | 3,906,311 | - | - | 3,827,870 | 3,906,311 |
| Machinery and Equipment | <u>639,772</u> | <u>505,700</u> | <u>35,082</u> | <u>5,876</u> | <u>674,854</u> | <u>511,576</u> |
| TOTAL | <u>\$14,541,480</u> | <u>\$14,411,907</u> | <u>\$35,082</u> | <u>\$5,876</u> | <u>\$14,576,562</u> | <u>\$14,417,783</u> |

Debt Administration

At year end, the District had \$9,665,000 in Bonds Outstanding. These bonds were issued on March 11, 2020 at an interest rate ranging between 3.00% and 5.00%. The final maturity date is December 30, 2040.

Other long-term debt includes liabilities for compensated absences of \$196,538 and \$185,000 as of June 30, 2024 and 2023, respectively, financed purchases obligations totaling \$29,428 and \$39,061 as of June 30, 2024 and 2023, respectively, and net pension liability for PERS of \$1,592,338 and \$1,781,457 as of June 30, 2024 and 2023, respectively.

For the Future

The Rockaway Borough School District is presently in good financial condition. Everyone associated with the Rockaway Borough School District is grateful for the community support.

The School Funding and Reform Act (SFRA) was enacted in 2008 and established a statewide, weighted student funding formula. The Funding Formula is being underfunded by the State and the shortfall is thereby absorbed by the taxpayers. A major concern of the District is its increasing reliance on property taxes.

The Rockaway Borough School District has committed itself to continue its system of financial planning, budgeting and internal financial controls to meet the challenges of the future.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, contact the Business Administrator/Board Secretary at the Rockaway Borough School District, 103 East Main Street, Rockaway, New Jersey 07866.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

BOROUGH OF ROCKAWAY BOARD OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2024

| | Governmental Activities | Business-type Activities | Total |
|--|----------------------------|-----------------------------|-------------------------|
| ASSETS | | | |
| Cash and cash equivalents | 818,918 | 73,567 | 892,485 |
| Receivables, net | 251,312 | 33,083 | 284,394 |
| Inventory | - | 1,786 | 1,786 |
| Restricted assets: | | | |
| Capital reserve account - cash | 401,880 | - | 401,880 |
| Emergency reserve account - cash | 250,000 | - | 250,000 |
| Maintenance reserve account - cash | 30,000 | - | 30,000 |
| Capital assets: | | | |
| Construction in progress | 9,394,151 | - | 9,394,151 |
| Land | 177,000 | - | 177,000 |
| Other capital assets, net | 4,970,329 | 35,082 | 5,005,411 |
| Total Assets | <u>16,293,589</u> | <u>143,518</u> | <u>16,437,107</u> |
| DEFERRED OUTFLOWS | | | |
| Deferred Outflows of Resources Related to PERS | <u>265,645</u> | <u>-</u> | <u>265,645</u> |
| LIABILITIES | | | |
| Accounts payable: | | | |
| Other | 46,089 | 13,270 | 59,359 |
| Related to Pensions | 155,852 | - | 155,852 |
| Contracts Payable | 94,715 | - | 94,715 |
| Payable to state government | 36,870 | - | 36,870 |
| Unearned revenue | - | 4,976 | 4,976 |
| Noncurrent liabilities: | | | |
| Due within one year | 405,186 | - | 405,186 |
| Due beyond one year | 11,078,118 | - | 11,078,118 |
| Total liabilities | <u>11,816,830</u> | <u>18,246</u> | <u>11,835,076</u> |
| DEFERRED INFLOWS | | | |
| Deferred Inflows of Resources Related to PERS | <u>303,109</u> | <u>-</u> | <u>303,109</u> |
| NET POSITION | | | |
| Net Investment in Capital Assets | 4,847,052 | 35,082 | 4,882,134 |
| Restricted for: | | | |
| Capital projects | 780,846 | - | 780,846 |
| Emergency Reserve | 250,000 | - | 250,000 |
| Maintenance Reserve | 30,000 | - | 30,000 |
| Unemployment Compensation | 140,313 | - | 140,313 |
| Other Purposes | 294,011 | - | 294,011 |
| Scholarships | 4,201 | - | 4,201 |
| Student Activities | 31,433 | - | 31,433 |
| Unrestricted | <u>(1,938,561)</u> | <u>90,191</u> | <u>(1,848,370)</u> |
| Total net position | <u><u>4,439,295</u></u> | <u><u>125,273</u></u> | <u><u>4,564,568</u></u> |

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

BOROUGH OF ROCKAWAY BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

| Functions/Programs | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | |
|--|------------------|------------------------------|----------------------|---|-------------------------|--------------------------|
| | Expenses | Indirect Expenses Allocation | Charges for Services | Operating Grants and Contributions | Governmental Activities | Business-type Activities |
| Governmental activities: | | | | | | |
| Instruction: | | | | | | |
| Regular | 3,807,998 | 2,204,192 | - | 541,755 | (5,470,436) | - |
| Special education | 1,338,540 | 967,119 | - | 49,308 | (2,256,351) | - |
| Other special instruction | 311,131 | 230,934 | - | 11,461 | (530,603) | - |
| Other instruction | 262,047 | - | - | - | (262,047) | - |
| Support services: | | | | | | |
| Tuition | 121,807 | - | - | - | (121,807) | - |
| Student & instruction related services | 2,440,346 | 1,011,929 | 84,826 * | 341,341 * | (3,026,107) | - |
| General administrative services | 423,898 | 424,821 | - | 15,615 | (833,103) | - |
| School administrative service | 103,318 | 53,892 | - | 3,806 | (153,404) | - |
| Central Services and Admin. Infor. Tech. | 308,703 | 196,501 | - | - | (505,203) | - |
| Plant operations and maintenance | 1,163,420 | 485,136 | - | 42,857 | (1,605,698) | - |
| Pupil transportation | 307,540 | 32,779 | - | - | (340,319) | - |
| Capital Outlay - Non Depreciable | 3,480 | - | - | - | (3,480) | - |
| Interest on Long term debt | 380,925 | - | - | - | (380,925) | - |
| Total governmental activities | 10,973,152 | 5,607,301 | 84,826 | 1,006,144 | (15,489,482) | - |
| Business-type activities: | | | | | | |
| Food Service | 286,036 | | 173,501 | 126,730 | - | 14,196 |
| Total business-type activities | 286,036 | | 173,501 | 126,730 | - | 14,196 |
| Total primary government | 11,259,187 | | 258,327 | 1,132,875 | (15,489,482) | (15,475,286) |
| General revenues: | | | | | | |
| Taxes: | | | | | | |
| Property taxes, levied for general purposes, net | | | | | 8,875,854 | - |
| Taxes Levied for debt service | | | | | 516,015 | - |
| Federal and State aid not restricted | | | | | 5,496,563 | - |
| State Aid - Restricted for Debt Service | | | | | 239,910 | - |
| Federal Aid - Capital Outlay | | | | | 55,140 | - |
| Miscellaneous Income | | | | | 66,451 | - |
| Total general revenues | | | | | 15,249,933 | - |
| Change in Net Position | | | | | (239,549) | 14,196 |
| Net Position, July 1 | | | | | 4,714,844 | 111,077 |
| Net Position - June 30 | | | | | 4,475,295 | 125,273 |

* Student Activities revenue is reported as "charges for services"; Scholarship revenue is reported as "operating grants and contributions"

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

FUND FINANCIAL STATEMENTS

BOROUGH OF ROCKAWAY BOARD OF EDUCATION

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

| | General Fund | Special Revenue Fund | Capital Projects Fund | Debt Service Fund | Total Governmental Funds |
|---|------------------|----------------------------|-----------------------------|-------------------------|--------------------------------|
| ASSETS | | | | | |
| Cash and cash equivalents | 349,418 | 35,634 | 433,866 | - | 818,918 |
| Due from other funds | 2,217 | - | - | - | 2,217 |
| Receivable from state government | 172,409 | - | 39,815 | - | 212,225 |
| Receivable from federal government | - | 39,087 | - | - | 39,087 |
| Restricted cash and cash equivalents | 681,880 | - | - | - | 681,880 |
| Total assets | <u>1,205,924</u> | <u>74,721</u> | <u>473,681</u> | <u>-</u> | <u>1,754,326</u> |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Interfund Loans Payable | - | 2,217 | - | - | 2,217 |
| Accounts payable: | | | | | |
| Payroll Deductions and Withholdings Payable | 46,089 | - | - | - | 46,089 |
| Contracts payable | - | - | 94,715 | - | 94,715 |
| Payable to state government | - | 36,870 | - | - | 36,870 |
| Total liabilities | <u>46,089</u> | <u>39,087</u> | <u>94,715</u> | <u>-</u> | <u>179,891</u> |
| Fund Balances: | | | | | |
| Restricted for: | | | | | |
| Capital Reserve Account | 401,880 | - | - | - | 401,880 |
| Emergency Reserve Account | 250,000 | - | - | - | 250,000 |
| Maintenance Reserve Account | 30,000 | - | - | - | 30,000 |
| Excess Surplus | 26,617 | - | - | - | 26,617 |
| Excess Surplus Designated for for Subsequent Year's Expenditures | 260,225 | - | - | - | 260,225 |
| Capital Projects Fund | - | - | 378,966 | - | 378,966 |
| Unemployment Compensation | 140,313 | - | - | - | 140,313 |
| Scholarships | - | 4,201 | - | - | 4,201 |
| Student Activities | - | 31,433 | - | - | 31,433 |
| Assigned to: | | | | | |
| Year-end Encumbrances | 7,169 | - | - | - | 7,169 |
| Unassigned: | | | | | |
| General Fund | 43,631 | - | - | - | 43,631 |
| Total fund balances | <u>1,159,835</u> | <u>35,634</u> | <u>378,966</u> | <u>-</u> | <u>1,574,435</u> |
| Total liabilities and fund balances | <u>1,205,924</u> | <u>74,721</u> | <u>473,681</u> | <u>-</u> | |
| Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because: | | | | | |
| Accounts Payable for subsequent Pension payment is not a payable in the funds | | | | | (155,852) |
| Deferred Outflows and Inflows of resources are applicable to future periods and therefore are not reported in the funds. | | | | | |
| Deferred Outflows of Resources Related to PERS Pension Liability | | | | | 265,645 |
| Deferred Inflows of Resources Related to PERS Pension Liability | | | | | (303,109) |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$18,368,689 and the accumulated depreciation is \$3,827,209. | | | | | 14,541,480 |
| 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. | | | | | (11,483,304) |
| Net position of governmental activities | | | | | <u>4,439,295</u> |

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

BOROUGH OF ROCKAWAY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

| | General Fund | Special Revenue Fund | Capital Projects Fund | Debt Service Fund | Total Governmental Funds |
|--|-----------------|----------------------------|-----------------------------|-------------------------|--------------------------------|
| REVENUES | | | | | |
| Local sources: | | | | | |
| Local Tax Levy | 8,875,854 | - | - | 516,015 | 9,391,869 |
| Tuition - Other LEA's Within the State | 272,434 | - | - | - | 272,434 |
| Tuition - Individuals | 52,000 | - | - | - | 52,000 |
| Miscellaneous Income | 66,451 | 84,826 | - | - | 151,277 |
| Total - Local Sources | 9,266,739 | 84,826 | - | 516,015 | 9,867,580 |
| State sources | 4,610,730 | 193,886 | - | 239,910 | 5,044,527 |
| Federal sources | - | 542,964 | - | - | 542,964 |
| Total revenues | 13,877,469 | 821,677 | - | 755,925 | 15,455,071 |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| Regular instruction | 3,391,166 | 416,833 | - | - | 3,807,998 |
| Special education instruction | 1,338,540 | - | - | - | 1,338,540 |
| Other special instruction | 311,131 | - | - | - | 311,131 |
| Other instruction | 262,047 | - | - | - | 262,047 |
| Support services and undistributed costs: | | | | | |
| Tuition | 121,807 | - | - | - | 121,807 |
| Student & instruction related services | 2,075,699 | 364,647 | - | - | 2,440,346 |
| General administrative services | 423,898 | - | - | - | 423,898 |
| School administrative services | 103,318 | - | - | - | 103,318 |
| Central Services and Admin. Infor. Tech. | 308,703 | - | - | - | 308,703 |
| Plant operations and maintenance | 1,163,420 | - | - | - | 1,163,420 |
| Pupil transportation | 307,540 | - | - | - | 307,540 |
| Unallocated employee benefits | 4,530,449 | - | - | - | 4,530,449 |
| Capital outlay | 393,591 | 55,140 | 102,063 | - | 550,794 |
| Debt service: | | | | | |
| Principal | - | - | - | 375,000 | 375,000 |
| Interest | - | - | - | 380,925 | 380,925 |
| Total expenditures | 14,731,307 | 836,619 | 102,063 | 755,925 | 16,425,914 |
| Excess (Deficiency) of revenues over expenditures | (853,838) | (14,942) | (102,063) | - | (970,844) |
| Fund balance—July 1 | 2,013,673 | 50,576 | 481,029 | - | 2,545,278 |
| Fund balance—June 30 | 1,159,835 | 35,634 | 378,966 | - | 1,574,435 |

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

**BOROUGH OF ROCKAWAY BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Total net change in fund balances - governmental funds (from B-2) (970,844)

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current fiscal year.

| | | |
|-----------------------------|-----------|---------|
| Depreciation Expense | (381,741) | |
| Depreciable Capital Outlays | 511,314 | |
| | | 129,573 |

Repayment of long-term debt is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. In the current year, these amounts consist of:

| | |
|--------------------------------------|---------|
| Principal Payments on Bonds Payable | 375,000 |
| Principal Payments on Capital Leases | 9,633 |

District pension contributions are reported as expenditures in the governmental funds when made.

However, per GASB No. 68 they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

| | | |
|--|----------|---------|
| District Pension Contributions | 146,931 | |
| Less: Pension Expense | (45,695) | |
| (Increase)/Decrease in Pension Expense | | 192,626 |

Per GASB No. 68 Non-employer contributing entities are required to record an increases in revenue and expense for On-behalf TPAF pension payments paid by the State of New Jersey on the Statement of Activities that are in excess of those amounts reported in the fund financial statements

| | |
|--|-------------|
| Decrease in On-behalf TPAF Pension Revenue | (1,118,657) |
| Decrease in On-behalf TPAF Pension Expense | 1,118,657 |

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount exceeds the earned amount the difference is an addition to the reconciliation (+).

| | |
|---|----------|
| (Increase)/Decrease in Compensated Absences Payable | (11,538) |
|---|----------|

Per GASB No. 75 Non-employer contributing entities are required to record an increases in revenue and expense for On-behalf TPAF post employment medical payments paid by the State of New Jersey on the Statement of Activities that are in excess of those amounts reported in the fund financial statements

| | |
|--|-----------|
| Increase in On-behalf State Aid TPAF Post Employment Medical Revenue | 232,824 |
| Increase in On-behalf State Aid TPAF Post Employment Medical Expense | (232,824) |

Change in net position of governmental activities (275,549)

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

BOROUGH OF ROCKAWAY BOARD OF EDUCATION
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

| | Business-type Activities - Enterprise Funds |
|---|--|
| | <u>Food Service</u> |
| Assets: | |
| Current Assets: | |
| Cash and Cash Equivalents | 73,567 |
| Intergovernmental Receivables: | |
| Federal | 5,197 |
| State | 272 |
| Other Accounts Receivable | 27,614 |
| Inventories | 1,786 |
| Total Current Assets | <u>108,436</u> |
| Noncurrent Assets: | |
| Furniture, Machinery & Equipment | 180,156 |
| Less Accumulated Depreciation | <u>(145,074)</u> |
| Total Noncurrent Assets | <u>35,082</u> |
| Total Assets | <u><u>143,518</u></u> |
| Liabilities: | |
| Current Liabilities: | |
| Accounts Payable | 13,270 |
| Unearned Revenue: | |
| Prepaid Sales | 4,537 |
| Federal Food Distribution Program | 439 |
| Total Current Liabilities | <u>18,246</u> |
| Net Position: | |
| Invested in Capital Assets Net of Related Debt | 35,082 |
| Unrestricted | <u>90,191</u> |
| Total Net Position | <u><u>125,273</u></u> |

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

BOROUGH OF ROCKAWAY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

| | Business-type Activities - Enterprise Fund |
|---|---|
| | Food Service |
| Operating Revenues: | |
| Charges for Services: | |
| Daily Sales - Reimbursable Lunch Programs | 83,267 |
| Daily Sales - Non-Reimbursable Lunch Programs | 15,756 |
| Miscellaneous | 74,479 |
| Total Operating Revenues | <u>173,501</u> |
| Operating Expenses: | |
| Purchased Professional/Technical Services | 138,622 |
| Other Purchased Services | 19,179 |
| Supplies and Materials | 8,925 |
| Depreciation | 996 |
| Cost of Sales- Reimbursable | 83,266 |
| Cost of Sales- Non- Reimbursable | 34,496 |
| Miscellaneous | 552 |
| Total Operating Expenses | <u>286,036</u> |
| Operating Income/(Loss) | <u>(112,535)</u> |
| Nonoperating Revenues/(Expenses): | |
| State Sources: | |
| State School Lunch Program | 4,920 |
| State Breakfast Program | 204 |
| Federal Sources: | |
| National School Lunch Program | 86,419 |
| Breakfast Program | 2,261 |
| Food Distribution Program | 15,679 |
| SCA Minimally Processed Food | 17,247 |
| Total Nonoperating Revenues/(Expenses) | <u>126,730</u> |
| Income/(Loss) before Contributions and Transfers | 14,196 |
| Total Net Assets - Beginning | <u>111,077</u> |
| Total Net Position - Ending | <u><u>125,273</u></u> |

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

**BOROUGH OF ROCKAWAY BOARD OF EDUCATION
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

| | Business-type Activities - Enterprise Funds |
|--|--|
| | Food Service |
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Cash Receipts from Customers | 145,685 |
| Cash Payments to Suppliers for Goods and Services | (268,476) |
| Net Cash Provided by/(Used for) Operating Activities | (122,791) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | |
| State Sources | 5,137 |
| Federal Sources | 122,422 |
| Net Cash Provided by/(Used for) Non-Capital Financing Activities | 127,559 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | |
| Purchases of capital assets | 30,202 |
| Net cash provided by (used for) capital and related financing activities | 30,202 |
| Net Increase/(Decrease) in Cash and Cash Equivalents | (25,434) |
| Balances—Beginning of Year | 99,002 |
| Balances—End of Year | 73,567 |
| Reconciliation of Operating Income/(Loss) to Net Cash Provided by (Used for) Operating Activities: | |
| Operating Income/(Loss) | (112,535) |
| Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities: | |
| Depreciation | 996 |
| (Increase) decrease in accounts receivable, net | (27,614) |
| (Increase)/Decrease in Inventories | 3,294 |
| (Increase)/Decrease in Prepaid Sales | (202) |
| Increase/(Decrease) in Accounts Payable | 13,270 |
| Total Adjustments | (10,256) |
| Net Cash Provided by/(Used for) Operating Activities | (122,791) |

Noncash Noncapital Financing Activities:

During the year, the district received \$15,679 of food commodities from the U.S. Department of Agriculture.

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

NOTES TO THE FINANCIAL STATEMENTS

**Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The Board of Education (“Board”) of the Borough of Rockaway School District (“District”) is an instrumentality of the State of New Jersey, established to function as an educational institution. The Borough of Rockaway School District is a Type II district located in the County of Morris, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of five members elected to three-year terms. The purpose of the district is to educate students in grades K-8. 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.

Governmental Accounting Standards Board publication, Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, “Defining the Financial Reporting Entity” establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency and a resulting financial benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e. benefit of economic resources, access/entitlement to economic resources, and significance) should be included in the financial reporting entity. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include an elementary school located in the Borough of Rockaway. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

**Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Basis of Presentation

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. Currently the District does not have any fiduciary funds.

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 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 funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements

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

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions of the Board are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Board's governmental funds:

General Fund - The General Fund is the general operating fund of the Board. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay subfund.

As required by the New Jersey State Department of Education, the Board includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from grants, temporary notes, serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, or from the general fund by way of transfers from capital outlay or the capital reserve account.

Debt Service Fund - The debt service fund is used to account for the accumulation of resources for and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

PROPRIETARY FUNDS

The focus of Proprietary Fund measurement is upon determination of net income, changes in net position, financial position and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. Proprietary funds are classified as enterprise or internal service; the Board has no internal service funds. The following is a description of the Proprietary Funds of the Board:

Enterprise Funds - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the Board is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the Board has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The Board's Enterprise Fund is comprised of the Food Service Fund.

FIDUCIARY FUNDS

Fiduciary Fund - Fiduciary Fund reporting focuses on net position and changes in net position. The Fiduciary Funds are used to account for assets held by the Board on behalf of individuals, private organizations, other governments and/or other funds. The District does not have any activities that are required to be included in the Fiduciary Fund.

B. Measurement Focus

District-wide Financial Statements

The District-wide statements (i.e., the statement of net position and the statement of activities) are prepared using the economic resources measurements focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the Board are included on the statement of net position, except for fiduciary funds.

**Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the District-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the District-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Board finances and meets the cash flow needs of its proprietary activities.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The District-wide financial statements and the financial statements of the proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions

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

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

**Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenues - Exchange and Non-exchange Transactions (continued)

from nonexchange transactions must also be available before it can be recognized. Under GAAP, in accordance with GASB No. 33, Accounting and Financial Reporting for Nonexchange Transactions, the last state aid payment is not considered revenue to the school district if the state has not recorded the corresponding expenditure, even though state law dictates recording the revenue.

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

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

The measurement of focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

D. Budgets/Budgetary Control

Annual appropriated budgets are adopted in the spring of the preceding year for the general, and special revenue funds. The budgets are submitted to the county superintendent's office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2(g)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

**Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Encumbrances

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

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

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

F. Cash, Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the Board has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

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

**Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Tuition Revenues/Receivable

Tuition charges were established by the Board of Education based on estimated costs. The provisions of N.J.A.C. 6A:23A-17.1(F)3 are not applicable.

H. Tuition Payable

Tuition charges were established by the receiving district. The charges are subject to adjustment when the final costs have been determined.

I. Inventories

On District-wide financial statements, inventories are presented at cost, which approximates market on a first-in, first-out basis and are expensed when used.

On fund financial statements inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Inventories of proprietary funds consist of food and goods held for resale, as well as supplies, and are expensed when used.

J. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2024, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

K. Short-Term Interfund Receivables/Payables

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

L. Capital Assets

General capital assets are those assets not specifically related to activities reported in the enterprise fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the district -wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the enterprise fund are reported both in the business-type activity column of the District-wide statement of net position and in the fund.

Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Capital Assets (continued)

All capital assets acquired or constructed during the year are recorded at actual cost. Donated capital assets are valued at their acquisition value on the date received. The capital assets acquired or constructed prior to June 30, 1993 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. The Board maintains a capitalization threshold of \$2,000.00. The Board does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

| <u>Description</u> | Governmental Activities <u>Estimated Lives</u> | Business-Type Activity <u>Estimated Lives</u> |
|-----------------------------------|---|--|
| Sites and Improvements | 20 years | N/A |
| Building and Improvements | 7-50 years | N/A |
| Furniture, Equipment and Vehicles | 5-20 years | 5-20 years |

M. Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Board and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Board and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

N. Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Unearned revenue in the special revenue fund represents cash that has been received but not yet earned. See Note 2(E) regarding the special revenue fund.

**Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the District-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgements, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds, long-term obligations, and capital leases that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

P. Accounting and Financial Reporting for Pensions

In fiscal year 2015, the District implemented GASB 68. This Statement amends GASB Statement No. 27. It improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension 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. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement.

The District has also implemented GASB Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date-an amendment to GASB 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.

Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

**Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. Accounting and Financial Reporting for Pensions (continued)

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

Q. 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. Currently, the District has only one item that qualifies for reporting in this category, deferred amounts related to pension.

In addition 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 a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies in this category, deferred amounts related to pension.

R. Fund Balances:

Fund balance is divided into five classifications based primarily on the extent to which the Board is bound to observe constraints imposed upon the resources in the governmental funds. The classifications are as follows:

Nonspendable fund balance includes amounts that are not in a spendable form (inventory, for example) or are required to be maintained intact (the principal of an endowment fund, for example).

**Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

R. Fund Balances: (continued)

Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use). Effectively, restrictions may be changed or lifted only with the consent of resource providers.

Committed fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Board's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.

Assigned fund balance comprises amounts *intended* to be used by the Board for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

Unassigned fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund.

In the general operating fund and other governmental funds (special revenue, capital projects and debt service fund types), it is the District's policy to consider restricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted (i.e., committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

S. Net Position

Net position represent the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

The Board applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

**Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

T. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Board, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

U. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the fiscal year.

V. Allocation of Indirect Expenses

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

W. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect certain reports, amounts and disclosures. Accordingly, actual results could differ from those estimates.

X. Recently Issued Accounting Pronouncements

The GASB has issued the following statements that will become effective for the School District for fiscal years ending June 30, 2025 and 2026:

GASB Statement No. 101, Compensated Absences, will be effective beginning with the fiscal year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the School District.

Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

X. Recently Issued Accounting Pronouncements (continued)

In December 2023, the Government Accounting Standards Board issued GASB Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the District.

In April 2024, the Government Accounting Standards Board issued GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its' effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter, though, earlier application is encouraged. Management is currently reviewing the provisions of this Statement and plans to implement, as needed, before the effective date.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash

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 District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2024, \$0- of the District's bank balance of \$1,790,615 was exposed to custodial credit risk.

Investments

Investment Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 18A:20-37 limits the length of time for most investment to 397 days.

Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (continued)

Credit Risk

New Jersey Statutes 18A:20-37 limits school district investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the school districts or bonds or other obligations of the local unit or units within which the school district is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk

The district places no limit on the amount the District may invest in any one issuer.

NOTE 4. RECEIVABLES

Receivables at June 30, 2024 consisted of accounts and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of receivables follows:

| | Governmental Fund Financial Activities | Enterprise Fund | District Wide Financial Statements |
|-----------------------------------|--|--------------------|--|
| State Aid | \$212,224 | \$272 | \$212,496 |
| Federal Aid | 39,087 | 5,197 | 44,284 |
| Other | - | 27,614 | 27,614 |
| Interfunds | <u>2,217</u> | <u>-</u> | <u>-</u> |
| Gross Receivables | 253,528 | 33,083 | 284,394 |
| Less Allowance for Uncollectables | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Receivables Net | <u>\$253,528</u> | <u>\$33,083</u> | <u>\$284,394</u> |

NOTE 5. INTERFUND BALANCES AND ACTIVITY

Balances due to/from other funds at June 30, 2024 consist of the following:

| | |
|--|----------------|
| Due to General Fund from Special Revenue Fund. | <u>\$2,217</u> |
|--|----------------|

It is anticipated that all interfunds will be liquidated within the fiscal year.

Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2024 was as follows:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Adjustments</u> | <u>Ending Balance</u> |
|---|------------------------------|------------------|--------------------|---------------------------|
| Governmental Activities: | | | | |
| Capital Assets Not Being Depreciated | | | | |
| Land | \$ 177,000 | \$ - | \$ - | \$177,000 |
| Construction in Progress | <u>9,292,088</u> | <u>102,063</u> | <u> </u> | <u>9,394,151</u> |
| Total Capital Assets Not Being Depreciated | <u>4,469,088</u> | <u>102,063</u> | <u> </u> | <u>9,571,151</u> |
| Building and Building Improvements | 6,171,793 | 150,413 | - | 6,322,206 |
| Land Improvements | 848,347 | - | - | 848,347 |
| Machinery and Equipment | <u>1,368,147</u> | <u>258,838</u> | <u>(257,068)</u> | <u>1,626,985</u> |
| Totals at Historical Costs | <u>8,388,287</u> | <u>409,251</u> | <u>(257,068)</u> | <u>8,797,538</u> |
| Less Accumulated Depreciation for: | | | | |
| Land Improvements | (317,539) | (28,121) | - | (345,660) |
| Building and Improvements | (2,265,482) | (228,854) | - | (2,494,336) |
| Machinery and Equipment | <u>(862,447)</u> | <u>(124,766)</u> | <u>72,379</u> | <u>(987,213)</u> |
| Total Accumulated Depreciation | <u>(3,445,468)</u> | <u>(381,741)</u> | <u>72,379</u> | <u>(3,827,209)</u> |
| Total Capital Assets Being Depreciated | | | | |
| Net of Accumulated Depreciation | <u>4,942,819</u> | <u>27,510</u> | <u>(185,229)</u> | <u>4,970,329</u> |
| Governmental Activities Capital Assets, Net | <u>\$14,411,907</u> | <u>\$129,573</u> | <u>\$(185,229)</u> | <u>\$14,541,480</u> |
| Business-type Activities: | | | | |
| Equipment | \$149,954 | \$30,202 | \$ - | \$180,156 |
| Less Accumulated Depreciation for: | | | | |
| Equipment | <u>(144,078)</u> | <u>(996)</u> | <u> </u> | <u>(145,074)</u> |
| Business-type Activities Capital Assets, Net | <u>\$5,876</u> | <u>\$29,206</u> | <u>\$ -</u> | <u>\$35,082</u> |

Depreciation expense was charged to governmental functions as follows:

| | |
|--|------------------|
| Instruction | \$62,988 |
| General and Business Administrative Services | 233,052 |
| Plant Operations and Maintenance | 52,922 |
| Pupil Transportation | <u>32,779</u> |
| | <u>\$381,741</u> |

Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 7. LONG-TERM OBLIGATION ACTIVITY

Changes in long-term obligations for the fiscal year ended June 30, 2024 are as follows:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> | <u>Amount Due Within One Year</u> | <u>Long-term Portion</u> |
|---------------------------------|------------------------------|------------------|--------------------|---------------------------|---|------------------------------|
| Governmental Activities: | | | | | | |
| Bonds Payable | \$10,040,000 | \$ - | \$375,000 | \$9,665,000 | \$395,000 | \$9,270,000 |
| Total bonds payable | | | | | | |
| Other Liabilities: | | | | | | |
| Obligations under capital lease | 39,061 | - | (9,633) | 29,428 | 10,186 | 19,242 |
| Net Pension Liability PERS | 1,781,457 | - | (189,119) | 1,592,338 | - | 1,592,338 |
| Compensated absences payable | <u>185,000</u> | <u>11,538</u> | <u>-</u> | <u>196,538</u> | <u>-</u> | <u>196,538</u> |
| Long - Term Liabilities | <u>\$12,045,518</u> | <u>\$11,538</u> | <u>\$(573,752)</u> | <u>\$11,483,304</u> | <u>\$405,186</u> | <u>\$11,078,118</u> |

(1) The amount of increase is net of days allowed and days used.

A. Bonds Payable:

The Board issued Governmental Loan Revenue Bonds to provide funds for the construction of major capital facilities and other capital assets.

Bonds are authorized in accordance with State Law by voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are General Obligation Bonds.

Outstanding Bonds Payable at June 30, 2024 consisted of the following:

| <u>Issue</u> | <u>Issue Date</u> | <u>Amount Issued</u> | <u>Interest Rates</u> | <u>Principal Balance at June 30, 2024</u> |
|--|-----------------------|--------------------------|---------------------------|---|
| Governmental Loan Revenue Bonds Series 2020 | 3/11/2020 | 10,935,000 | 3.00 - 5.00% | <u>\$9,665,000</u> |

Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 7. LONG-TERM OBLIGATION ACTIVITY (continued)

Principal and interest due on Serial Bonds Outstanding is as follows:

| <u>Fiscal Year Ending –</u> <u>June 30 ,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---|------------------|------------------|-------------------|
| 2025 | 395,000 | 361,675 | 756,675 |
| 2026 | 415,000 | 341,425 | 756,425 |
| 2027 | 435,000 | 320,175 | 755,175 |
| 2028 | 455,000 | 297,925 | 752,925 |
| 2029 | 480,000 | 274,550 | 754,550 |
| 2030-2034 | 2,765,000 | 1,004,375 | 3,769,375 |
| 2035-2039 | 3,300,000 | 466,500 | 3,766,500 |
| 2040-2041 | <u>1,420,000</u> | <u>42,600</u> | <u>1,462,600</u> |
| | <u>9,665,000</u> | <u>3,109,225</u> | <u>12,774,225</u> |

B. Financed Purchases Payable:

In 2022-2023, the District financed copiers through a financed purchase agreement. Payments began in 2023 and will be made monthly through 2027 with a state rate of 5.60%. The following is a schedule of the future minimum lease payments under these capital leases and the present value of the net minimum lease payment at June 30, 2024:

| <u>Fiscal Year Ending June 30,</u> | <u>Amount</u> |
|---|-----------------|
| 2025 | \$11,574 |
| 2026 | 11,574 |
| 2027 | <u>8,681</u> |
| Total minimum lease payables | 31,829 |
| Less: Amount representing interest | <u>(2,400)</u> |
| Present value of net minimum lease payments | <u>\$29,428</u> |

The General Fund will be used to liquidate the financed purchases.

**Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

NOTE 8. PENSION PLANS

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

http://www.state.nj.us/treasury/pensions/annrpts_archive.htm.

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

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**Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

NOTE 8. PENSION PLANS (continued)

Teachers' Pension and Annuity Fund (TPAF) (continued)

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

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

Borough of Rockaway School District
Notes to the Basic Financial
for the fiscal year ended June 30, 2024

NOTE 8. PENSION PLANS (continued)

Public Employees' Retirement System (PERS) (continued)

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

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

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

Defined Contribution Retirement Program

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

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

Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 8. PENSION PLANS (continued)

Defined Contribution Retirement Program (continued)

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

Contributions Requirements Fund Based Statements

The Board's contribution to PERS AND DCRP, equal to the required contributions for each year as reported in the fund based statements, were as follows:

| <u>Year Ending</u> | <u>PERS</u> | <u>DCRP</u> |
|--------------------|-------------|-------------|
| 6/30/24 | \$151,785 | \$32,824 |
| 6/30/23 | 153,654 | 29,990 |
| 6/30/22 | 146,466 | 22,602 |

The State of New Jersey contribution to TPAF (paid on-behalf of the District) for normal and post retirement benefits have been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13, as follows:

| <u>Year Ending</u> | <u>Pension</u> <u>Contributions</u> | <u>Post-Retirement</u> <u>Medical</u> <u>Contributions</u> | <u>NCGI</u> <u>Premium</u> | <u>LTD</u> <u>Liability</u> |
|--------------------|--|--|-------------------------------|--------------------------------|
| 6/30/24 | \$1,584,201 | \$436,079 | \$18,067 | \$850 |
| 6/30/23 | 1,576,926 | 420,002 | 21,878 | 806 |
| 6/30/22 | 1,559,285 | 369,452 | 21,999 | 777 |

In addition, the post-retirement medical benefits are included in the district-wide financial statements.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$379,183 during the year ended June 30, 2024 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13.

Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 8. PENSION PLANS (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68

Public Employees Retirement System (PERS)

At June 30, 2024, the District had a liability of \$1,592,338 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2023, 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 proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2023, the District's proportion was 0.0008109765 percent, which was a decrease of 0.0109934907 percent from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the District recognized pension expense of \$(45,695). At June 30, 2024, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Difference between expected and actual experience | \$15,225 | \$6,509 |
| Changes of assumptions | 3,498 | 96,503 |
| Net difference between projected and actual earnings on pension plan investments | 7,333 | - |
| Changes in proportion and differences between the District's contributions and proportionate share of contributions | 83,737 | 200,097 |
| District contributions subsequent to the measurement date | <u>155,852</u> | <u>-</u> |
| Total | <u>\$265,645</u> | <u>\$303,109</u> |

Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 8. PENSION PLANS (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)

Public Employees Retirement System (PERS) (continued)

The \$155,852 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2024, the plan measurement date is June 30, 2023) will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

| Year ended June 30: | |
|---------------------|------------|
| 2024 | (\$84,070) |
| 2025 | (46,924) |
| 2026 | 65,574 |
| 2027 | (11,735) |
| 2028 | 200 |

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.08, 5.04, 5.13, 5.16, 5.21 and 5.63 years for 2023, 2022, 2021, 2020, 2019 and 2018 amounts, respectively.

Additional Information

Local Group Collective balances at June 30, 2023 and June 30, 2022 are as follows:

| | <u>June 30, 2023</u> | <u>June 30, 2022</u> |
|---|----------------------|----------------------|
| Collective deferred outflows of resources | \$1,660,772,008 | \$1,660,772,008 |
| Collective deferred inflows of resources | 3,236,303,935 | 3,236,303,935 |
| Collective net pension liability | 15,219,184,920 | 15,219,184,920 |
| District s Proportion | 0.0109934907% | 0.0118044672% |

Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 8. PENSION PLANS (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)

Public Employees Retirement System (PERS) (continued)

Actuarial Assumptions

The collective total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which rolled forward to June 30, 2023. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

| | |
|---------------------------|--|
| Inflation Rate: | |
| Price | 2.75% |
| Wage | 3.25% |
| Salary Increases | 2.75-6.55% (based on years of service) |
| Investment Rate of Return | 7.00% |

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. It is likely that future experience will not exactly conform to these assumptions.

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and a 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 8. PENSION PLANS (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)

Public Employees Retirement System (PERS) (continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2023 are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|----------------------------------|--------------------------|---|
| U.S. Equity | 28.00% | 8.98% |
| Non-U.S. Developed Market Equity | 12.75% | 9.22% |
| International Small Cap Equity | 1.25% | 9.22% |
| Emerging Market Equity | 5.50% | 11.13% |
| Private Equity | 13.00% | 12.50% |
| Real Estate | 8.00% | 8.58% |
| Real Assets | 3.00% | 8.40% |
| High Yield | 4.50% | 6.97% |
| Private Credit | 8.00% | 9.20% |
| Investment Grade Credit | 7.00% | 5.19% |
| Cash Equivalents | 2.00% | 3.31% |
| U.S. Treasuries | 4.00% | 3.31% |
| Risk Mitigation Strategies | 3.00% | 6.21% |

Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 8. PENSION PLANS (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)

Public Employees Retirement System (PERS) (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2023, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 - percentage point lower or 1- percentage-point higher than the current rate:

| | 1% Decrease <u>6.00%</u> | <u>June 30, 2023</u> At Current Discount Rate <u>7.00%</u> | 1% Increase <u>8.00%</u> |
|--|--------------------------------|---|--------------------------------|
| District's proportionate share of the pension liability | \$2,090,362 | \$1,592,338 | \$1,193,305 |

**Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

NOTE 8. PENSION PLANS (continued)

**ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE
STATEMENTS PER - GASB NO. 68,** (continued)

Public Employees Retirement System (PERS) (continued)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The financial report may be accessed at www.state.nj.us/treasury/pensions.

Teachers Pensions and Annuity Fund (TPAF)

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2024 was as follows:

Net Pension Liability:

| | |
|---|--|
| District's proportionate share | \$ -0- |
| State's proportionate share associated with the District | <u>19,685,310</u> <u>\$19,685,310</u> |

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023. The net pension liability associated with the District 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 school districts and the State, actuarially determined. At June 30, 2023, the proportion of the TPAF net pension liability associated with the District was 0.0385739371%.

Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 8. PENSION PLANS (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)

Teachers Pensions and Annuity Fund (TPAF) (continued)

For the year ended June 30, 2024, the District recognized on-behalf pension expense and revenue of \$483,611 for contributions provided by the State in the District-Wide Financial Statements.

Actuarial Assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

| | |
|---------------------------|--|
| Inflation Rate: | |
| Price | 2.75% |
| Wage | 3.25% |
| Salary Increases | 2.75-4.25% (based on years of service) |
| Investment Rate of Return | 7.00% |

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with an 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and a 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 8. PENSION PLANS (continued)

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68, (continued)

Teachers Pensions and Annuity Fund (TPAF) (continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2023 are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|----------------------------------|--------------------------|---|
| U.S. Equity | 28.00% | 8.98% |
| Non-U.S. Developed Market Equity | 12.75% | 9.22% |
| International Small Cap Equity | 1.25% | 9.22% |
| Emerging Market Equity | 5.50% | 11.13% |
| Private Equity | 13.00% | 12.50% |
| Real Estate | 8.00% | 8.58% |
| Real Assets | 3.00% | 8.40% |
| High Yield | 4.50% | 6.97% |
| Private Credit | 8.00% | 9.20% |
| Investment Grade Credit | 7.00% | 5.19% |
| Cash Equivalents | 2.00% | 3.31% |
| U.S. Treasuries | 4.00% | 3.31% |
| Risk Mitigation Strategies | 3.00% | 6.21% |

**Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

NOTE 8. PENSION PLANS (continued)

**ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE
STATEMENTS PER - GASB NO. 68,** (continued)

Teachers Pensions and Annuity Fund (TPAF) (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

Because the District's proportionate share of the net pension liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

NOTE 9. POST-RETIREMENT BENEFITS

General Information about the OPEB Plan

State Health Benefit State Retired Employees Plan

Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2022 the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability. The State's share of the net pension liability, based on a measurement date of June 30, 2021, which is required to be recorded on the financial statements, is \$75.1 billion. The Fiscal Year 2023

Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 9. POST-RETIREMENT BENEFITS (continued)

projected aggregate State contribution to the pension plans of \$6.8 billion represents 104 percent of the actuarially determined contribution. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2022, the State paid PRM benefits for 161,238 State and local retirees. The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State has appropriated \$2.1 billion in Fiscal Year 2023 as the State's contribution to fund increases in prescription drugs and medical claims costs. In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent from the \$101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Total OPEB Liability

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability of the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education. Note that actual numbers will be published in the NJ State ACFR on the Office of Management and Budget's Financial Publications webpage: nj.gov/treasury/omb/fr.shtml.

The portion of the OPEB Liability that was associated with the District recognized at June 30, 2024 was as follows:

| | |
|--------------------------------|---------------------|
| OPEB Liability: | |
| District's proportionate share | \$ -0- |
| State's proportionate share | |
| associated with the District | |
| | <u>20,178,566</u> |
| | <u>\$20,178,566</u> |

Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 9. POST-RETIREMENT BENEFITS (continued)

Actual Assumptions and Other Imputes

The total OPEB liability in the June 30, 2023 actuarial valuation reported by the State in the State's Report of Total Nonemployer OPEB Liability for the State Health Benefit Local Education Retired Employee's Plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

| | <u>TPAF/ABP</u> | <u>PERS</u> |
|-------------------|------------------------|------------------------|
| Salary increases: | 2.75 – 4.25% | 2.75 - 6.55% |
| | based on service years | based on service years |

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP). “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of the TPAF, PERS and PFRS actuarial experience studies prepared for July 1, 2018 to June 30, 2021.

**Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

NOTE 9. POST-RETIREMENT BENEFITS (continued)

(a) *Health Care Trend Assumptions*

For per-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO, the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long-term trend rate after seven years. For Medicare Part B reimbursements, the trend rate is 5.00%.

(b) *Discount Rate*

The discount rate used to measure the total OPEB Liability was 3.65%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

Because the District's proportionate share of the OPEB liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

Sensitivity of the Total Nonemployer OPEB Liability to Changes in the Healthcare Cost Trend Rates

Because the District's proportionate share of the OPEB liability is zero, consideration of potential changes in the healthcare cost trend rates is not applicable to the District.

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

For the year ended June 30, 2024, the board of education/board of trustees recognized on-behalf OPEB expense of \$668,903 in the district-wide financial statements as determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75 and in which there is a special funding situation.

In accordance with GASB No. 75, the Borough of Rockaway School District proportionate share of school retirees OPEB is zero; therefore, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources.

**Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

NOTE 10. RISK MANAGEMENT

The District is exposed to various risks of loss related to general liability, automobile coverage; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board has obtained insurance coverage to guard against these events to minimize the exposure to the District should they occur.

The District is a member of the New Jersey School Boards Association Insurance Group, Educational Risk and Insurance Consortium. (the Consortium). The Consortium is both an insured and self-administered group of school districts established for the purpose of providing certain low-cost workers' compensation, employees' liability, automobile and equipment liability, general liability and boiler and machinery insurance coverage for member school districts in order to keep local property taxes at a minimum. The District pays an annual assessment to the Consortium and should it be determined that payments received by the Consortium are deficient, additional assessments may be levied. Additionally, the Consortium maintains a contract of excess insurance with a commercial reinsurer to secure the payment of benefits.

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

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

| <u>Fiscal Year</u> | <u>School Contributions</u> | <u>Employee Contributions</u> | <u>Amount Reimbursed</u> | <u>Ending Balance</u> |
|------------------------|---------------------------------|-----------------------------------|------------------------------|---------------------------|
| 2023-2024 | \$0.00 | \$17,185 | \$4,814 | \$140,313 |
| 2022-2023 | 0.00 | 14,642 | 15,229 | 127,942 |
| 2021-2022 | 0.00 | 12,609 | 0.00 | 128,529 |

NOTE 11. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Borough of Rockaway Board of Education by inclusion of \$100.00 on October 3, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 11. CAPITAL RESERVE ACCOUNT (continued)

Funds placed in the capital reserve account are restricted to capital projects in the district’s approved Long Range Facilities Plan (LRFP). A district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfers 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. 6A:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for July 1, 2023 to June 30, 2024 fiscal year is as follows:

| | |
|---------------------------------|------------------|
| Beginning balance, July 1, 2023 | \$531,250 |
| Board Authorized Transfer | |
| Budgeted withdrawal | <u>(129,370)</u> |
| Ending balance June 30, 2024 | <u>\$401,880</u> |

The balance in the capital reserve account at June 30, 2024 does not exceed the balance of local support costs of uncompleted capital projects in its LFRP. Withdrawals from the capital reserve, where applicable, are for use in a DOE approved facilities project, consistent with the District’s Long Range Facilities Plan.

NOTE 12. EMERGENCY RESERVE ACCOUNT

Pursuant to *N.J.S.A. 18A:7F-41* a Board of Education may establish a current expense emergency reserve account by board resolution. A Board of Education may appropriate funds to establish or supplement the reserve account in the District’s annual budget or through a transfer by board resolution at year end.

Commissioner approval is required for a district to withdraw funds from an established emergency reserve account. Withdrawals may only be made for “unanticipated general fund current expense.” A District must submit a request to withdraw funds to the executive county superintendent (ECS). The ECS will review the information to determine whether the withdrawal is needed for T&E or to finance school security improvements, including improvements to school facilities, or if other options are available. The ECS will forward his/her recommendation to the Commissioner and a decision will be made on an expedited basis. The only exceptions where Commissioner approval is not required are:

Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 12. EMERGENCY RESERVE ACCOUNT (continued)

- 1) For a withdrawal that is necessary to meet an increase in total health care costs in excess of four percent and the District did not receive an automatic adjustment for health care costs pursuant to N.J.A.C. 6A:23A-11.4; or
- 2) For a withdrawal that was included in the original budget certified for taxes to finance school security improvements, including improvements to school facilities.

Commissioner approvals will only be granted for withdrawals necessary to finance unanticipated general fund current expenditures necessary to provide a thorough and efficient (T&E) education or to finance school security improvements, including improvements to school facilities.

The activity of the Emergency Reserve for July 1, 2023 to June 30, 2024 fiscal year is as follows:

| | |
|---------------------------------|------------------|
| Beginning balance, July 1, 2023 | \$250,000 |
| Board Authorized Transfer | <u>-</u> |
| Ending balance, June 30, 2024 | <u>\$250,000</u> |

NOTE 13. MAINTENANCE RESERVE ACCOOUNT

A maintenance reserve account was established by the Board of Education resolution adopted on June 20, 2023, with an overall lifetime maximum amount of \$460,681. The account is maintained in the general fund. The account is used to accumulate funds to be used to implement required maintenance of the district's facilities in accordance with N.J.S.A. 6A:23A-14.2.

The activity of the maintenance reserve account for the 2023-24 fiscal year is as follows:

| | |
|---------------------------|-----------------|
| Beginning balance | \$30,000 |
| Deposit: Board Resolution | <u>-</u> |
| Ending balance | <u>\$30,000</u> |

NOTE 14. CALCULATION OF EXCESS SURPLUS

In accordance with *N.J.S.A. 18A:7F-7*, as amended, the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in the subsequent years' budget. The excess fund balance at June 30, 2024 is \$286,842, of this amount \$26,617 is the result of current year's operations.

**Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

NOTE 15. FUND BALANCE APPROPRIATED

General Fund (B-1) - Of the \$1,159,835 General Fund fund balance at June 30, 2024, \$7,169 is reserved for encumbrances, \$286,842 is reserved as excess surplus in accordance with *N.J.S.A. 18A:7F-7*, \$260,225 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2025; \$401,880 has been reserved in the Capital Reserve Account, \$250,000 has been reserved in the Emergency Reserve Account; \$30,000 has been reserved in the Maintenance Reserve Account; \$140,313 has been reserved for unemployment claims; \$43,631 is unreserved and undesignated.

Special Revenue Fund (B-1) - \$35,634 has been restricted for student activities and scholarships.

Capital Projects Fund (B-1) - \$378,966 has been restricted for Thomas Jefferson Middle School, School Improvements. These funds are the balance of debt issuances and local funds relative to the 2020 Referendum.

NOTE 16. CONTINGENT LIABILITIES

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

Litigation - The Board's attorney is unaware of any potential claims against the District that would materially affect the financial condition of the District.

NOTE 17. SUBSEQUENT EVENTS

The District has evaluated subsequent events through January 13, 2025, the date which the financial statements were available to be issued and no additional items were noted for disclosure.

**REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

BUDGETARY COMPARISON SCHEDULES

**BOROUGH OF ROCKAWAY BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Exhibit C-1
Page 1 of 5**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|-----------------|------------|-----------------------------|
| Revenues: | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | 8,875,854 | - | 8,875,854 | 8,875,854 | - |
| Tuition From Individuals | 39,600 | - | 39,600 | 52,000 | 12,400 |
| Tuition From Other LEA's Within the State | 367,183 | (117,453) | 249,730 | 272,434 | 22,704 |
| Private Contributions | 12,500 | - | 12,500 | 54,080 | 41,580 |
| Unrestricted Miscellaneous Revenue | 50,000 | 36,000 | 86,000 | 12,371 | (73,629) |
| Total - Local Sources | 9,345,137 | (81,453) | 9,263,684 | 9,266,739 | 3,054 |
| State Sources: | | | | | |
| Categorical Transportation Aid | 60,781 | - | 60,781 | 60,781 | - |
| Extraordinary Aid | 218,469 | - | 218,469 | 144,949 | (73,520) |
| Categorical Special Education Aid | 513,091 | - | 513,091 | 513,091 | - |
| Equalization Aid | 1,419,270 | - | 1,419,270 | 1,419,270 | - |
| Categorical Security Aid | 74,022 | - | 74,022 | 74,022 | - |
| Non Public Transportation Aid | 1,000 | 7,645 | 8,645 | 8,645 | - |
| On-behalf TPAF Pension and Annuity Fund | - | - | - | 1,584,201 | 1,584,201 |
| On-behalf TPAF NCGI Premium | - | - | - | 18,067 | 18,067 |
| On-behalf TPAF Post-Retirement Medical | - | - | - | 436,079 | 436,079 |
| On-behalf TPAF Long-Term Disability Insurance | - | - | - | 850 | 850 |
| TPAF Social Security Reimbursement | - | - | - | 379,183 | 379,183 |
| Total State Sources | 2,286,633 | 7,645 | 2,294,278 | 4,639,138 | 2,344,860 |
| Total Revenues | 11,631,770 | (73,808) | 11,557,962 | 13,905,877 | 2,347,915 |
| Expenditures: | | | | | |
| Current Expense: | | | | | |
| Regular Programs - Instruction: | | | | | |
| Preschool - Salaries of Teachers | 90,930 | (805) | 90,125 | 90,125 | - |
| Kindergarten - Salaries of Teachers | 230,362 | 17,090 | 247,452 | 247,451 | 0.90 |
| Grades 1-5 - Salaries of Teachers | 1,626,649 | (51,513) | 1,575,136 | 1,575,136 | 0 |
| Grades 6-8 - Salaries of Teachers | 1,027,611 | 53,296 | 1,080,907 | 1,080,905 | 2 |
| Regular Programs - Home Instruction: | | | | | |
| Salaries of Teachers | 5,000 | (5,000) | - | - | - |
| Purchased Professional-Educational Services | 5,000 | 200 | 5,200 | 1,288 | 3,912 |
| Regular Programs - Undistributed Instruction: | | | | | |
| Purchased Professional-Educational Services | 3,100 | - | 3,100 | 2,980 | 120 |
| Purchased Technical Services | 139,272 | (90,220) | 49,052 | 49,052 | 0 |
| Other Purchased Service (400-500 Series) | 66,170 | (5,000) | 61,170 | 57,986 | 3,184 |
| General Supplies | 143,489 | 2,123 | 145,612 | 136,576 | 9,036 |
| Textbooks | 225,196 | (77,000) | 148,196 | 147,774 | 422 |
| Other Objects | 2,740 | (825) | 1,915 | 1,893 | 22 |
| Total Regular Programs - Instruction | 3,565,519 | (157,654) | 3,407,865 | 3,391,166 | 16,699 |
| Special Education - Instruction: | | | | | |
| Learning and/or Language Disabilities | | | | | |
| Salaries of Teachers | 61,170 | 74,849 | 136,019 | 136,019 | - |
| Other Salaries for Instruction | 48,667 | (14,505) | 34,162 | 34,162 | 0 |
| General Supplies | 500 | - | 500 | 252 | 248 |
| Total Learning and/or Language Disabilities | 110,337 | 60,344 | 170,681 | 170,433 | 248 |
| Multiple Disabilities: | | | | | |
| Salaries of Teachers | 212,440 | 12,162 | 224,602 | 224,600 | 1 |
| Other Salaries for Instruction | 81,962 | (6,697) | 75,265 | 75,265 | - |
| General Supplies | 1,400 | 293 | 1,693 | 1,692 | 1 |
| Total Multiple Disabilities | 295,802 | 5,758 | 301,560 | 301,558 | 2 |
| Resource Room/Resource Center: | | | | | |
| Salaries of Teachers | 481,305 | 6,961 | 488,266 | 488,266 | - |
| Other Salaries for Instruction | 198,965 | 5,663 | 204,628 | 204,530 | 98 |
| General Supplies | 2,000 | (1,400) | 600 | 158 | 442 |
| Total Resource Room/Resource Center | 682,270 | 11,224 | 693,494 | 692,954 | 540 |
| Preschool Disabilities - Part-Time: | | | | | |
| Salaries of Teachers | 61,950 | 7,047 | 68,997 | 68,997 | 0 |
| Other Salaries for Instruction | 130,515 | (28,962) | 101,553 | 101,553 | - |
| General Supplies | 3,000 | (1,200) | 1,800 | 1,626 | 174 |
| Total Preschool Disabilities - Part-Time | 195,465 | (23,115) | 172,350 | 172,176 | 174 |
| Home Instruction: | | | | | |
| Salaries of Teachers | 8,000 | (6,500) | 1,500 | 1,420 | 80 |
| Purchased Professional - Educational Services | 1,250 | (830) | 420 | - | 420 |
| Total Home Instruction | 9,250 | (7,330) | 1,920 | 1,420 | 500 |
| Total Special Education - Instruction | 1,293,124 | 46,880 | 1,340,004 | 1,338,540 | 1,464 |

**BOROUGH OF ROCKAWAY BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Exhibit C-1
Page 2 of 5**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--|--------------------|---------------------|-----------------|-----------|-----------------------------|
| Basic Skills/Remedial - Instruction | | | | | |
| Salaries of Teachers | 156,570 | 156 | 156,726 | 156,726 | 0 |
| General Supplies | 1,400 | (500) | 900 | 506 | 394 |
| Total Basic Skills/Remedial - Instruction | 157,970 | (344) | 157,626 | 157,232 | 394 |
| Bilingual Education - Instruction | | | | | |
| Salaries of Teachers | 140,945 | 12,905 | 153,850 | 153,850 | - |
| Purchased Professional - Educational Services | 1,250 | (1,000) | 250 | - | 250 |
| General Supplies | 2,550 | (2,000) | 550 | 49 | 501 |
| Total Bilingual Education - Instruction | 144,745 | 9,905 | 154,650 | 153,899 | 751 |
| School-Spon. Co/Extra Curr. Actvts. -Inst | | | | | |
| Salaries | 25,934 | 13,191 | 39,125 | 39,124 | 1 |
| Supplies and Materials | 1,000 | (750) | 250 | - | 250 |
| Other Objects | 300 | - | 300 | - | 300 |
| Total School-Spon. Co/Extra Curr. Actvts.- Inst | 27,234 | 12,441 | 39,675 | 39,124 | 551 |
| School-Sponsored Athletics - Instruction | | | | | |
| Salaries | 23,597 | 2,543 | 26,140 | 26,140 | 0 |
| Purchased Services (300-500 series) | 9,000 | - | 9,000 | 8,935 | 65 |
| Supplies and Materials | 4,000 | 3,429 | 7,429 | 7,428 | 1 |
| Other Objects | 2,300 | (748) | 1,552 | 1,215 | 337 |
| Total School-Sponsored Athletics - Instruction | 38,897 | 5,224 | 44,121 | 43,718 | 403 |
| Other Suppl/At- Risk Prog - Instruction | | | | | |
| Salaries Reading Specialists | 179,075 | (611) | 178,464 | 178,002 | 462 |
| General Supplies | 2,000 | (657) | 1,343 | 1,203 | 140 |
| Total Other Suppl/ At - Risk Prog - Instruction | 181,075 | (1,268) | 179,807 | 179,205 | 602 |
| Total Instruction | 5,408,564 | (84,816) | 5,323,748 | 5,302,883 | 20,865 |
| Undistributed Expenditures - Instruction (Tuition) | | | | | |
| Tuition to Other LEAS Within the State - Special | 45,000 | (45,000) | - | - | - |
| Tuition to Priv.Sch. For the Disabled W/I State | 113,770 | 23,587 | 137,357 | 121,807 | 15,550 |
| Total Undistributed Expenditures - Instruction (Tuition) | 158,770 | (21,413) | 137,357 | 121,807 | 15,550 |
| Undist. Expenditures - Health Services | | | | | |
| Salaries | 189,561 | (4,814) | 184,747 | 184,746 | 1 |
| Purchased Professional and Technical Services | 13,500 | 6,191 | 19,691 | 19,691 | 0 |
| Supplies and Materials | 5,000 | (395) | 4,605 | 4,565 | 40 |
| Total Undist. Expenditures - Health Services | 208,061 | 982 | 209,043 | 209,002 | 41 |
| Undist. Expend.-Speech, OT, PT and Related Svcs | | | | | |
| Salaries | 187,700 | (452) | 187,248 | 187,248 | - |
| Purchased Professional - Educational Services | 82,000 | (10,687) | 71,313 | 70,812 | 501 |
| Supplies and Materials | 1,500 | - | 1,500 | 692 | 808 |
| Total Undist. Expend.-Speech, OT, PT and Related Svcs | 271,200 | (11,139) | 260,061 | 258,752 | 1,309 |
| Undist Expend-Oth Supp Serv Std-Extra Serv | | | | | |
| Salaries | 277,822 | (22,404) | 255,419 | 255,418 | 0 |
| Purchased Professional - Educational Services | 87,100 | 82,494 | 169,594 | 169,593 | 1 |
| Supplies and Materials | 1,000 | - | 1,000 | 857 | 143 |
| Total Undist Expend-Oth Supp Serv Std-Extra Serv | 365,922 | 60,091 | 426,013 | 425,868 | 144 |
| Undist. Expenditures - Guidance | | | | | |
| Salaries of Other Professional Staff | 124,720 | 307 | 125,027 | 125,026 | 1 |
| Supplies and Materials | 1,000 | - | 1,000 | 497 | 503 |
| Total Undist. Expenditures - Guidance | 125,720 | 307 | 126,027 | 125,523 | 504 |
| Undist. Expenditures- Child Study Teams | | | | | |
| Salaries of Secretarial and Clerical Assistants | 33,271 | (1,121) | 32,150 | 32,150 | - |
| Purchased Professional - Educational Services | 342,287 | 10,403 | 352,690 | 352,526 | 164 |
| Supplies and Materials | 3,450 | 1,000 | 4,450 | 4,292 | 158 |
| Total Undist. Expenditures - Child Study Teams | 379,008 | 10,282 | 389,290 | 388,969 | 322 |
| Undist. Expend.-Improv. Of Inst. Serv. | | | | | |
| Sal of Supervisor of Instruction | 348,167 | (19,334) | 328,833 | 328,833 | - |
| Sal of Other Professional Staff | 4,864 | (1,557) | 3,307 | 3,307 | - |
| Sal of Secr and Clerical Assist. | 144,429 | (776) | 143,653 | 143,653 | - |
| Other Objects | 2,570 | (500) | 2,070 | 1,719 | 351 |
| Total Undist. Expend.-Improv. Of Inst. Serv. | 500,030 | (22,167) | 477,863 | 477,512 | 351 |

**BOROUGH OF ROCKAWAY BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Exhibit C-1
Page 3 of 5**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|--------------------|---------------------|-----------------|-----------|-----------------------------|
| Undist. Expend.-Edu. Media Serv./Library | | | | | |
| Salaries | 74,275 | (575) | 73,700 | 73,700 | - |
| Salaries of Technology Coordinators | 109,664 | 447 | 110,111 | 110,111 | - |
| Purchased Professional and Technical Services | 3,200 | - | 3,200 | 2,103 | 1,097 |
| Other Purchased Services (400-500 Series) | 1,875 | - | 1,875 | 1,399 | 476 |
| Supplies and Materials | 1,750 | 2,500 | 4,250 | 241 | 4,009 |
| Total Undist. Expend.-Edu. Media Serv./Library | 190,764 | 2,372 | 193,136 | 187,554 | 5,582 |
| Undist. Expend.-Instr. Staff Training Serv. | | | | | |
| Other Purchased Services (400-500 series) | 11,650 | 8,447 | 20,097 | 2,519 | 17,578 |
| Total Undist. Expend.-Instr. Staff Training Serv. | 11,650 | 8,447 | 20,097 | 2,519 | 17,578 |
| Undist. Expend.-Support Serv.-Gen. Admin. | | | | | |
| Salaries | 253,904 | 4,000 | 257,904 | 257,904 | - |
| Legal Services | 10,000 | 277 | 10,277 | 10,277 | 1 |
| Audit Fees | 23,700 | - | 23,700 | 23,700 | - |
| Other Purchased Professional Services | 26,433 | (2,713) | 23,721 | 22,146 | 1,574 |
| Purchased Technical Services | 1,300 | (200) | 1,100 | 1,100 | - |
| Communications / Telephone | 26,650 | 12,066 | 38,716 | 38,170 | 546 |
| BOE Other Purchased Services | 4,500 | (620) | 3,880 | 3,584 | 296 |
| Misc. Purch Serv (400-500)[Other than 530 & 585] | 99,720 | (34,347) | 65,373 | 53,702 | 11,671 |
| Supplies and Materials | 3,500 | 11 | 3,511 | 2,533 | 978 |
| Miscellaneous Expenditures | 3,380 | 500 | 3,880 | 3,620 | 260 |
| BOE Membership Dues and Fees | 4,741 | 2,421 | 7,162 | 7,162 | 0 |
| Total Undist. Expend.-Support Serv.-Gen. Admin. | 457,828 | (18,605) | 439,224 | 423,898 | 15,326 |
| Undist. Expend. - Support Serv. - School Admin. | | | | | |
| Salaries of Principals/Asst. Principals/Prog Dir | 48,213 | 9,433 | 57,646 | 57,646 | 0.31 |
| Salaries of Secretarial and Clerical Assistants | 28,672 | (884) | 27,788 | 27,788 | 0 |
| Other Purchased Services (400-500 series) | 12,715 | (1,432) | 11,283 | 11,283 | 0 |
| Supplies and Materials | 2,680 | 1,540 | 4,220 | 3,608 | 612 |
| Other Objects | 2,960 | 33 | 2,993 | 2,993 | 0 |
| Total Undist. Expend. - Support Serv. - School Admin. | 95,240 | 8,690 | 103,930 | 103,318 | 612 |
| Undist. Expend. - Central Services | | | | | |
| Salaries | 255,965 | 8,303 | 264,268 | 264,268 | 0 |
| Unused Vacation Payments to Terminated/Retired Staff | 15,000 | (15,000) | - | - | - |
| Purchased Technical Services | 33,267 | 682 | 33,949 | 33,949 | - |
| Misc. Purchased Services (400-500 series)[O/T 594] | 2,750 | (682) | 2,068 | 1,104 | 964 |
| Supplies and Material | 2,730 | 108 | 2,838 | 2,837 | 1 |
| Misc. Expenditures | 2,895 | 3,650 | 6,545 | 6,544 | 1 |
| Total Undist. Expend. - Central Services | 312,607 | (2,939) | 309,668 | 308,703 | 965 |
| Undist. Expend.-Required Maint For Sch Fac. | | | | | |
| Cleaning, Repair and Maintenance Services | 25,000 | 13,680 | 38,680 | 37,681 | 999 |
| Lead Testing of Drinking Water | 2,570 | (2,570) | - | - | - |
| General Supplies | 4,500 | (826) | 3,674 | 2,893 | 781 |
| Total Undist. Expend.-Required Maint For Sch Fac. | 32,070 | 10,284 | 42,354 | 40,573 | 1,781 |
| Undist. Expend. - Custodial Services | | | | | |
| Salaries | 456,380 | (4,177) | 452,203 | 452,202 | 1 |
| Salaries of Non-Instructional Aides | 129,069 | - | 129,069 | 129,069 | - |
| Purchased Professional and Technical Services | 9,600 | 1,526 | 11,126 | 11,125 | 1 |
| Cleaning, Repair, and Maintenance Services | 78,173 | 13,554 | 91,727 | 83,913 | 7,815 |
| Other Purchased Property Services | 8,250 | 2,829 | 11,079 | 11,078 | 1 |
| Insurance | 11,355 | 44,290 | 55,645 | 55,645 | - |
| General Supplies | 71,000 | 18,063 | 89,063 | 87,920 | 1,143 |
| Energy (Natural Gas) | 95,370 | (10,000) | 85,370 | 76,380 | 8,990 |
| Energy (Electricity) | 80,300 | (470) | 79,830 | 77,807 | 2,023 |
| Energy (Gasoline) | 3,000 | 195 | 3,195 | 3,195 | 0 |
| Other Objects | 2,450 | 1,329 | 3,779 | 3,479 | 301 |
| Total Undist. Expend. - Custodial Services | 944,947 | 67,139 | 1,012,087 | 991,812 | 20,275 |
| Undist Expend.-Care and Upkeep of Grounds | | | | | |
| Cleaning, Repair, and Maintenance Services | 5,000 | 4,856 | 9,856 | 9,856 | - |
| General Supplies | 5,000 | 3,909 | 8,909 | 8,510 | 399 |
| Total Undist. Expend.-Care and Upkeep of Grounds | 10,000 | 8,765 | 18,765 | 18,366 | 399 |
| Security | | | | | |
| Purchased Professional and Technical Services | 121,000 | (8,331) | 112,669 | 112,669 | 0 |
| Total Security | 121,000 | (8,331) | 112,669 | 112,669 | 0 |
| Total Undist. Expend.-Oper. And Maint. Of Plant Serv. | 1,108,017 | 77,857 | 1,185,875 | 1,163,420 | 22,455 |

**BOROUGH OF ROCKAWAY BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Exhibit C-1
Page 4 of 5**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--|--------------------|---------------------|-----------------|------------|-----------------------------|
| Undist. Expend. - Student Transportation Serv. | | | | | |
| Salaries of Non-Instructional Aides | 25,187 | (4,000) | 21,187 | 21,187 | 0 |
| Sal for Pupil Trans (Bet Home & Sch) - Reg. | 5,000 | (3,577) | 1,423 | 1,125 | 298 |
| Sal for Pupil Trans (Bet Home & Sch) - Sp. Ed. | 66,844 | 8,085 | 74,929 | 74,929 | - |
| Sal for Pupil Trans (Other than Bet Home & Sch) | 5,000 | - | 5,000 | 1,874 | 3,127 |
| Management Fee - ESC & CTSA Trans. Program | 2,280 | (1,000) | 1,280 | 500 | 780 |
| Cleaning, Repair, & Maint. Services | 7,500 | (1,000) | 6,500 | 4,413 | 2,087 |
| Contract. Serv. - Aid in Lieu Pymts-NonPub Sch | 20,000 | 1,844 | 21,844 | 21,844 | 0 |
| Contr Serv(Oth. Than Bet Home & Sch)-Vend | 5,000 | 13,134 | 18,134 | 18,134 | - |
| Contract. Serv. (Reg. Students)-ESCs & CTSA | 2,100 | (1,600) | 500 | - | 500 |
| Contract. Serv.(Spl. Ed. Students)-ESCs & CTSA | 118,383 | 39,993 | 158,376 | 158,376 | 0 |
| General Supplies | 500 | - | 500 | 88 | 412 |
| Transportation Supplies | 4,500 | 324 | 4,824 | 4,824 | - |
| Other Objects | 1,000 | (300) | 700 | 248 | 452 |
| Total Undist. Expend. - Student Transportation Serv. | 263,294 | 51,903 | 315,197 | 307,540 | 7,657 |
| Unallocated Benefits: | | | | | |
| Social Security Contributions | 190,000 | 4,743 | 194,743 | 194,743 | - |
| Other Retirement Contributions - PERS | 191,500 | (6,891) | 184,609 | 184,609 | 0 |
| Workmen's Compensation | 62,500 | (3,549) | 58,951 | 58,951 | - |
| Health Benefits | 1,665,829 | (80,879) | 1,584,950 | 1,584,950 | 0 |
| Tuition Reimbursement | 19,000 | - | 19,000 | 19,000 | - |
| Other Employee Benefits | 66,600 | 3,218 | 69,818 | 69,815 | 3 |
| Total Unallocated Benefits | 2,195,429 | (83,357) | 2,112,072 | 2,112,068 | 3 |
| On-Behalf Contributions: | | | | | |
| On-behalf TPAF Pension and Annuity Fund (non-budgeted) | - | - | - | 1,584,201 | (1,584,201) |
| On-behalf TPAF NCGI Premium (non-budgeted) | - | - | - | 18,067 | (18,067) |
| On-behalf TPAF Post Retirement Medical (non-budgeted) | - | - | - | 436,079 | (436,079) |
| On-behalf TPAF Long-Term Disability Insurance | - | - | - | 850 | (850) |
| Reimbursed TPAF Social Security Contributions (non-budgeted) | - | - | - | 379,183 | (379,183) |
| Total On-Behalf Contributions | - | - | - | 2,418,380 | (2,418,380) |
| Total Personal Services - Employee Benefits | 2,195,429 | (83,357) | 2,112,072 | 4,530,449 | (2,418,377) |
| Total Undistributed Expenditures | 6,643,540 | 61,312 | 6,704,852 | 9,034,833 | (2,329,980) |
| Total General Expenses | 12,052,104 | (23,504) | 12,028,601 | 14,337,716 | (2,309,115) |
| Capital Outlay: | | | | | |
| Equipment | | | | | |
| Grades 1-5 | 38,300 | (7,513) | 30,787 | 30,787 | - |
| School Buses - Regular | 181,647 | - | 181,647 | 181,647 | - |
| Undistributed Expenditures - Non-Inst. Serv | 57,000 | (4,671) | 52,329 | 52,329 | - |
| Total Equipment | 276,947 | (12,184) | 264,763 | 264,763 | - |
| Facilities Acquisition and Const. Serv. | | | | | |
| Construction Services | 133,031 | (7,683) | 125,348 | 125,348 | 0 |
| Assesment for Debt Service on SDA Funding | 3,480 | - | 3,480 | 3,480 | - |
| Total Facilities Acquisition and Const. Serv. | 136,511 | (7,683) | 128,828 | 128,828 | 0 |
| Total Capital Outlay | 413,458 | (19,867) | 393,591 | 393,591 | 0 |
| Transfer to Charter School | 30,437 | (30,437) | - | - | - |
| Total Expenditures | 12,496,000 | (73,808) | 12,422,192 | 14,731,307 | (2,309,115) |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (864,230) | - | (864,230) | (825,430) | 38,800 |
| Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses) | (864,230) | - | (864,230) | (825,430) | 38,800 |
| Fund Balance, July 1 | 2,191,634 | - | 2,191,634 | 2,191,634 | - |
| Fund Balance, June 30 | 1,327,404 | - | 1,327,404 | 1,366,204 | 38,800 |
| Recapitulation of Excess (Deficiency) of Revenues Under Expenditures: | | | | | |
| Adjustment for Prior Year Encumbrances | (229,352) | - | (229,352) | (229,352) | - |
| Budgeted Fund Balance | (505,508) | - | (505,508) | (466,708) | 38,800 |
| Withdrawal from Capital Reserve | (129,370) | - | (129,370) | (129,370) | - |
| | (864,230) | - | (864,230) | (825,430) | 38,800 |

**BOROUGH OF ROCKAWAY BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Exhibit C-1
Page 5 of 5**

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|--|----------------------------|-----------------------------|-------------------------|-------------------------|-------------------------------------|
| Recapitulation: | | | | | |
| Assigned Fund Balance: | | | | | |
| Year-end Encumbrances | | | | 7,169 | |
| Restricted Fund Balance: | | | | | |
| Excess Surplus: | | | | | |
| Prior Year - Designated for Subsequent Year's Expenditures | | | | 260,225 | |
| Current Year | | | | 26,617 | |
| Capital Reserve | | | | 401,880 | |
| Maintenance Reserve | | | | 30,000 | |
| Emergency Reserve | | | | 250,000 | |
| Unemployment | | | | 140,313 | |
| Unassigned Fund Balance | | | | <u>250,000</u> | |
| | | | | 1,366,204 | |
| Reconciliation to Governmental Fund Statements (GAAP): | | | | | |
| Last State Aid Payments not Recognized on GAAP Basis | | | | <u>(206,369)</u> | |
| Fund Balance per Governmental Funds (GAAP) | | | | <u><u>1,159,835</u></u> | |

**BOROUGH OF ROCKAWAY BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|--|--------------------|---------------------|-----------------|----------------------|-----------------------------|
| Revenues: | | | | | |
| Local Sources | 12,550 | (2,500) | 10,050 | 84,826 | 74,776 * |
| State Sources | 176,768 | 53,988 | 230,756 | 193,886 | (36,870) |
| Federal Sources | 370,962 | 218,250 | 589,212 | 541,315 | (47,897) |
| Total Revenues | <u>560,280</u> | <u>269,738</u> | <u>830,018</u> | <u>820,028</u> | <u>(9,990)</u> |
| Expenditures: | | | | | |
| Instruction: | | | | | |
| Salaries | 32,061 | 54,663 | 86,724 | 86,724 | - |
| Purchased services | 93,883 | 52,335 | 146,218 | 108,800 | 37,418 |
| Other purchased services | 129,166 | 46,760 | 175,926 | 175,926 | - |
| Instructional Supplies | 80,263 | (34,653) | 45,610 | 45,383 | 227 |
| Total Instruction | <u>335,373</u> | <u>119,105</u> | <u>454,478</u> | <u>416,833</u> | <u>37,645</u> |
| Support Services: | | | | | |
| Salaries | - | 8,000 | 8,000 | 8,000 | - |
| Employee benefits | - | 9,696 | 9,696 | 7,887 | 1,809 |
| Other Purchased Services | 159,389 | 58,669 | 218,058 | 172,746 | 45,313 |
| Supplies and materials | 55,468 | 3,277 | 58,745 | 58,745 | - |
| Scholarships awarded | - | - | - | 50 | (50) * |
| Student activities | 10,050 | - | 10,050 | 99,719 | (89,669) * |
| Total Support Services | <u>224,907</u> | <u>79,642</u> | <u>304,549</u> | <u>347,147</u> | <u>(42,598)</u> |
| Facilities Acquisition and Construction Services: | | | | | |
| Buildings | - | 51,851 | 51,851 | 51,851 | - |
| Instructional equipment | - | 7,500 | 7,500 | 7,500 | - |
| Noninstructional equipment | - | 11,640 | 11,640 | 11,640 | - |
| Total Facilities Acquisition and Construction Services | <u>-</u> | <u>70,991</u> | <u>70,991</u> | <u>70,991</u> | <u>-</u> |
| Total Expenditures | <u>560,280</u> | <u>269,738</u> | <u>830,018</u> | <u>834,970</u> | <u>(4,952)</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>(14,942)</u> | <u>(14,942)</u> |
| Fund Balance, July 1 | | | | <u>50,576</u> | |
| Fund Balance, June 30 | | | | <u><u>35,634</u></u> | |
| Recapitulation: | | | | | |
| Restricted | | | | | |
| Scholarships | | | | 4,201 | |
| Student Activities | | | | 31,433 | |
| Total Fund Balance | | | | <u><u>35,634</u></u> | |

* Not required to budget for these funds

**BOROUGH OF ROCKAWAY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGET COMPARISON SCHEDULES
BUDGET - TO - GAAP RECONCILIATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Note A - Explanation of Difference between Budgetary Inflows and
GAAP Revenues and Expenditures**

| | | <u>General Fund</u> | | <u>Special Revenue Fund</u> |
|--|-------|--------------------------|-------|-------------------------------------|
| Sources/inflows of resources | | | | |
| Actual amounts (budgetary basis) "revenue" | | | | |
| from the budgetary comparison schedule | [C-1] | 13,905,877 | [C-2] | 820,028 |
| Difference - budget to GAAP: | | | | |
| Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized. | | | | |
| Add: Prior Year Encumbrances | | - | | 17,500 |
| Less: Current Year Encumbrances | | - | | (15,851) |
| The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognized the related expense (GASB 33): | | | | |
| State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year. | | (206,369) | | - |
| State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes. | | 177,961 | | - |
| Total revenue as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds. | [B-2] | <u><u>13,877,469</u></u> | [B-2] | <u><u>821,677</u></u> |
| Uses/outflows of resources | | | | |
| Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule | [C-1] | 14,731,307 | [C-2] | 834,970 |
| Differences - budget to GAAP. | | | | |
| Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes: | | | | |
| Add: Prior Year Encumbrances | | - | | 17,500 |
| Less: Current Year Encumbrances | | - | | (15,851) |
| Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds | [B-2] | <u><u>14,731,307</u></u> | [B-2] | <u><u>836,619</u></u> |

**REQUIRED SUPPLEMENTARY
INFORMATION - PART III**

Exhibit L-1

ROCKAWAY BOROUGH SCHOOL DISTRICT
Schedules of Required Supplementary Information
Schedule of District's Proportionate Share of Net Pension Liability - PERS
Last 10 Fiscal Years

| Fiscal Year Ending June 30, | District's Proportion Share of the Net | | District's Proportion Share of the Net | | District's Covered Payroll -PERS Employee's | District's Proportion Share of the Net | | Plan Fiduciary Net Position as a percentage of the total Pension Liability |
|--------------------------------|--|------------------------------|--|------------------------------|---|--|---------------------------------|--|
| | Proportion Liability (Asset) | Pension Liability (Asset) | Proportion Liability (Asset) | Pension Liability (Asset) | | Proportion Liability (Asset) as a percentage of its Covered Payroll | Proportion Liability (Asset) | |
| 2015 | 0.0112636614% | \$ | 2,108,865 | \$ | 798,905 | 263.97% | | 52.08% |
| 2016 | 0.0118371799% | | 2,657,210 | | 827,170 | 321.24% | | 47.93% |
| 2017 | 0.0116478690% | | 3,449,765 | | 766,200 | 450.24% | | 59.86% |
| 2018 | 0.0122384318% | | 2,848,911 | | 822,539 | 346.36% | | 48.10% |
| 2019 | 0.0115423408% | | 2,272,629 | | 847,022 | 268.31% | | 53.60% |
| 2020 | 0.0118277328% | | 2,131,178 | | 887,514 | 240.13% | | 56.27% |
| 2021 | 0.0116105901% | | 1,893,384 | | 855,619 | 221.29% | | 58.32% |
| 2022 | 0.0125065298% | | 1,481,586 | | 881,477 | 168.08% | | 70.33% |
| 2023 | 0.0118044672% | | 1,781,457 | | 861,154 | 206.87% | | 62.91% |
| 2024 | 0.0109934907% | | 1,592,338 | | 868,206 | 183.41% | | 65.23% |

Exhibit L-2

ROCKAWAY BOROUGH SCHOOL DISTRICT
Schedules of Required Supplementary Information
Schedule of District's Contributions - PERS
Last 10 Fiscal Years

| Fiscal Year Ending June 30, | Contributions in Relation to the | | Contribution Deficiency (Excess) | District's PERS Covered- Employee Payroll | Contributions as a Percentage of PERS Covered- Employee Payroll |
|--------------------------------|---|--|--|--|--|
| | Contractually Required Contribution | Contractually Required Contributions | | | |
| 2015 | \$ 92,856 | \$ 92,856 | \$ - | \$ 798,905 | 11.62% |
| 2016 | 101,768 | 101,768 | - | 827,170 | 12.30% |
| 2017 | 103,478 | 103,478 | - | 766,200 | 13.51% |
| 2018 | 113,376 | 113,376 | - | 822,539 | 13.78% |
| 2019 | 114,809 | 114,809 | - | 847,022 | 13.55% |
| 2020 | 115,049 | 115,049 | - | 887,514 | 12.96% |
| 2021 | 127,014 | 127,014 | - | 855,619 | 14.84% |
| 2022 | 146,466 | 146,466 | - | 881,477 | 16.62% |
| 2023 | 148,860 | 148,860 | - | 861,154 | 17.29% |
| 2024 | 146,931 | 146,931 | - | 868,206 | 16.92% |

ROCKAWAY BOROUGH SCHOOL DISTRICT
Schedules of Required Supplementary Information
Schedule of District's Proportionate Share of Net Pension Liability - TPAF
Last 10 Fiscal Years

| Fiscal Year Ending June30, | District's | | District's | | State's | | District's | | Plan Fiduciary Net Position as a percentage of the total Pension Liability |
|-------------------------------|--|--|--|--|---|---|------------|-------|--|
| | Proportion Share of the Net Pension Liability (Asset) | Proportion Share of the Net Pension Liability (Asset) | Proportion Share of the Net Pension Liability (Asset) | Proportionate Share of the Net Pension Liability Associated with the District (Asset) | District's Covered Payroll -TPAF Employee's | Proportion Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll | | | |
| | | | | | | | | | |
| 2015 | 0.3249568860% | \$ | - | \$ | 16,239,371 | \$ | 3,082,348 | 0.00% | 33.64% |
| 2016 | 0.0312148670% | | - | | 19,729,129 | | 3,271,256 | 0.00% | 28.71% |
| 2017 | 0.0274073223% | | - | | 21,560,345 | | 3,258,734 | 0.00% | 28.75% |
| 2018 | 0.0303136088% | | - | | 20,438,528 | | 3,422,549 | 0.00% | 34.07% |
| 2019 | 0.0316116509% | | - | | 20,110,653 | | 3,850,735 | 0.00% | 26.49% |
| 2020 | 0.0326288800% | | - | | 20,024,652 | | 4,280,292 | 0.00% | 26.95% |
| 2021 | 0.0329029323% | | - | | 21,666,185 | | 4,353,282 | 0.00% | 24.60% |
| 2022 | 0.0371676169% | | - | | 17,868,402 | | 4,337,514 | 0.00% | 35.52% |
| 2023 | 0.0378774725% | | - | | 19,542,661 | | 4,751,034 | 0.00% | 32.29% |
| 2024 | 0.0385739371% | | - | | 19,685,310 | | 5,210,105 | 0.00% | 34.68% |

ROCKAWAY BOROUGH SCHOOL DISTRICT
Note to Required Schedules of Supplementary Information - Part III
For the fiscal year ended June 30, 2024

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

None

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms

None

Change in assumptions

None

ROCKAWAY BOROUGH SCHOOL DISTRICT
Schedule of Required Supplementary Information
Schedule of Changes in the District's Proportionate Share of the State OPEB Liability
*Last 10 Fiscal Years**

| | 2023 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total OPEB Liability | | | | | | | |
| Service Costs | \$ 901,760 | \$ 1,184,411 | \$ 1,377,362 | \$ 735,519 | \$ 687,125 | \$ 751,849 | \$ 905,881 |
| Interest on Total OPEB Liability | 710,664 | 498,966 | 585,907.00 | 568,462 | 701,721 | 742,379 | 639,925 |
| Change of Benefit Terms | - | - | (24,040.00) | - | - | - | - |
| Difference Between Expected and Actual Experience | 233,102 | 87,880 | (3,842,355.00) | 3,764,491 | (3,117,354) | (1,543,485) | - |
| Changes in Assumptions | 40,672 | (5,050,815) | 22,283.00 | 4,550,834 | 234,308 | (2,028,528) | (2,655,234) |
| Gross Benefit Payments | (553,974) | (494,241) | (461,530.00) | (433,723) | (482,396) | (472,678) | (468,133) |
| Contribution from the Member | 18,212 | 15,855 | 14,979.00 | 13,146 | 14,300 | 16,336 | 17,238 |
| Net Changes in total Share of OPEB Liability | <u>1,350,436</u> | <u>(3,757,944)</u> | <u>(2,327,394)</u> | <u>9,198,729</u> | <u>(1,962,296)</u> | <u>(2,534,127)</u> | <u>(1,560,323)</u> |
| Total OPEB Liability - Beginning | <u>18,828,130</u> | <u>22,586,074</u> | <u>24,913,468</u> | <u>15,714,739</u> | <u>17,677,035</u> | <u>20,211,162</u> | <u>21,771,485</u> |
| Total OPEB Liability - Ending | <u>\$ 20,178,566</u> | <u>\$ 18,828,130</u> | <u>\$ 22,586,074</u> | <u>\$ 24,913,468</u> | <u>\$ 15,714,739</u> | <u>\$ 17,677,035</u> | <u>\$ 20,211,162</u> |
| District's Proportionate Share of OPEB Liability | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| State's Proportionate Share of OPEB Liability | 20,178,566 | 18,828,130 | 22,586,074 | 15,714,739 | 15,714,739 | 17,677,035 | 20,211,162 |
| Total OPEB Liability - Ending | <u>\$ 20,178,566</u> | <u>\$ 18,828,130</u> | <u>\$ 22,586,074</u> | <u>\$ 15,714,739</u> | <u>\$ 15,714,739</u> | <u>\$ 17,677,035</u> | <u>\$ 20,211,162</u> |
| District's Covered Employee Payroll | \$ 6,078,311 | \$ 5,612,188 | \$ 6,078,311 | \$ 5,208,901 | \$ 5,167,806 | \$ 4,697,757 | \$ 4,245,088 |
| Districts' Proportionate Share of the | | | | | | | |
| Total OPEB Liability as a Percentage of its | | | | | | | |
| Covered Payroll | 0% | 0% | 0% | 0% | 0% | 0% | 0% |

Notes to Schedule:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

Change in benefit terms

Decrease in liability due to implementation of P.L. 2020c.44

Change in assumptions

Assumptions used in calculating the OPEB liability are presented in Note 8.

* GASB requires that ten years of information be presented. However, since fiscal year 2018 was the first year of GASB 75 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

Other Supplementary Information

SPECIAL REVENUE FUND

BOROUGH OF ROCKAWAY BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

| | Total Brought Forward From (Ex. E-1a) | Title I Part - A Improving Basic Programs | Title II Part - A Teacher/Parent Training & Recruiting | Title III | Title III Immigrant | Title IV Safe & Drug Free Schools | Total 2024 |
|---|--|---|--|--------------|------------------------|--|----------------|
| Revenues: | | | | | | | |
| Federal Sources | 404,836 | 95,980 | 25,183 | 3,895 | 1,167 | 10,254 | 541,315 |
| State Sources | 193,886 | - | - | - | - | - | 193,886 |
| Local Sources | 84,826 | - | - | - | - | - | 84,826 |
| Total Revenues | 683,548 | 95,980 | 25,183 | 3,895 | 1,167 | 10,254 | 820,028 |
| Expenditures: | | | | | | | |
| Instruction: | | | | | | | |
| Salaries of Teachers | 34,988 | 51,736 | - | - | - | - | 86,724 |
| Purchased Services | 105,903 | 1,150 | - | 1,746 | - | - | 108,800 |
| Other Purchased Services | 175,926 | - | - | - | - | - | 175,926 |
| Instructional Supplies | 29,620 | 13,614 | - | 2,149 | - | - | 45,383 |
| Total Instruction | 346,437 | 66,500 | - | 3,895 | - | - | 416,833 |
| Support Services: | | | | | | | |
| Salaries | 8,000 | - | - | - | - | - | 8,000 |
| Employee Benefits | - | 6,720 | - | - | 1,167 | - | 7,887 |
| Other Purchased Services | 122,049 | 15,260 | 25,183 | - | - | 10,254 | 172,746 |
| Supplies and Materials | 58,745 | - | - | - | - | - | 58,745 |
| Scholarships Awarded | 50 | - | - | - | - | - | 50 |
| Student Activities | 99,719 | - | - | - | - | - | 99,719 |
| Total Support Services | 288,562 | 21,980 | 25,183 | - | 1,167 | 10,254 | 347,147 |
| Facilities Acquisition and Construction Services: | | | | | | | |
| Buildings | 51,851 | - | - | - | - | - | 51,851 |
| Instructional Equipment | - | 7,500 | - | - | - | - | 7,500 |
| Non-Instructional Equipment | 11,640 | - | - | - | - | - | 11,640 |
| Total Facilities Acquisition and Construction Services | 63,491 | 7,500 | - | - | - | - | 70,991 |
| Total Expenditures | 698,491 | 95,980 | 25,183 | 3,895 | 1,167 | 10,254 | 834,970 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (14,942) | - | - | - | - | - | (14,942) |
| Fund Balance, July 1 | 50,576 | - | - | - | - | - | 50,576 |
| Fund Balance, June 30 | 35,634 | - | - | - | - | - | 35,634 |

BOROUGH OF ROCKAWAY BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

| | Total Brought Forward From (Ex. E-1b) | I.D.E.A. | | C.R.R.S.A. | | A.R.P. | Total Carried Forward To (Ex. E-1) |
|--|--|----------------|---------------|---------------|-------------------------|---------------|---|
| | | Basic | Preschool | E.S.S.E.R. II | Accelerated Learning | E.S.S.E.R. | |
| Revenues: | | | | | | | |
| Federal Sources | 34,755 | 209,367 | 15,825 | 42,930 | 15,057 | 86,902 | 404,836 |
| State Sources | 193,886 | - | - | - | - | - | 193,886 |
| Local Sources | 84,826 | - | - | - | - | - | 84,826 |
| Total Revenues | 313,468 | 209,367 | 15,825 | 42,930 | 15,057 | 86,902 | 683,548 |
| Expenditures: | | | | | | | |
| Instruction: | | | | | | | |
| Salaries of Teachers | 10,000 | - | - | 16,181 | 8,807 | - | 34,988 |
| Purchased Services | 105,903 | - | - | - | - | - | 105,903 |
| Other Purchased Services | 11,273 | 164,653 | - | - | - | - | 175,926 |
| Instructional Supplies | 535 | 19,924 | - | - | - | 9,161 | 29,620 |
| Total Instruction | 127,711 | 184,577 | - | 16,181 | 8,807 | 9,161 | 346,437 |
| Support Services: | | | | | | | |
| Salaries | - | - | - | - | - | 8,000 | 8,000 |
| Employee Benefits | - | - | - | - | - | - | - |
| Other Purchased Services | 43,462 | 24,790 | 15,825 | 26,133 | 6,250 | 5,589 | 122,049 |
| Supplies and Materials | 57,468 | - | - | 616 | - | 661 | 58,745 |
| Scholarships Awarded | 50 | - | - | - | - | - | 50 |
| Student Activities | 99,719 | - | - | - | - | - | 99,719 |
| Total Support Services | 200,699 | 24,790 | 15,825 | 26,749 | 6,250 | 14,250 | 288,562 |
| Facilities Acquisition and Construction Services: | | | | | | | |
| Buildings | - | - | - | - | - | 51,851 | 51,851 |
| Instructional equipment | - | - | - | - | - | - | - |
| Non-Instructional Equipment | - | - | - | - | - | 11,640 | 11,640 |
| Total Facilities Acquisition and Construction Services | - | - | - | - | - | 63,491 | 63,491 |
| Total Expenditures | 328,410 | 209,367 | 15,825 | 42,930 | 15,057 | 86,902 | 698,491 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (14,942) | - | - | - | - | - | (14,942) |
| Fund Balance, July 1 | 50,576 | - | - | - | - | - | 50,576 |
| Fund Balance, June 30 | 35,634 | - | - | - | - | - | 35,634 |

BOROUGH OF ROCKAWAY BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

| | Total Brought Forward From (Ex. E-1c) | Accelerated Learning | A.R.P. Beyond the School Day | Mental Health | Technology | Non Public Textbooks | Total Carried Forward To (Ex. E-1a) |
|--|--|-------------------------|------------------------------------|------------------|--------------|-------------------------|--|
| Revenues: | | | | | | | |
| Federal Sources | - | 12,124 | 10,535 | 12,096 | - | - | 34,755 |
| State Sources | 173,058 | - | - | - | 9,555 | 11,273 | 193,886 |
| Local Sources | 84,826 | - | - | - | - | - | 84,826 |
| Total Revenues | 257,885 | 12,124 | 10,535 | 12,096 | 9,555 | 11,273 | 313,468 |
| Expenditures: | | | | | | | |
| Instruction: | | | | | | | |
| Salaries of Teachers | - | - | 10,000 | - | - | - | 10,000 |
| Purchased Services | 96,153 | 9,750 | - | - | - | - | 105,903 |
| Other Purchased Services | - | - | - | - | - | 11,273 | 11,273 |
| Instructional Supplies | - | - | 535 | - | - | - | 535 |
| Total Instruction | 96,153 | 9,750 | 10,535 | - | - | 11,273 | 127,711 |
| Support Services: | | | | | | | |
| Salaries | - | - | - | - | - | - | - |
| Employee Benefits | - | - | - | - | - | - | - |
| Other Purchased Services | 23,400 | - | - | 10,507 | 9,555 | - | 43,462 |
| Supplies and Materials | 53,505 | 2,374 | - | 1,589 | - | - | 57,468 |
| Scholarships Awarded | 50 | - | - | - | - | - | 50 |
| Student Activities | 99,719 | - | - | - | - | - | 99,719 |
| Total Support Services | 176,674 | 2,374 | - | 12,096 | 9,555 | - | 200,699 |
| Facilities Acquisition and Construction Services: | | | | | | | |
| Buildings | - | - | - | - | - | - | - |
| Instructional equipment | - | - | - | - | - | - | - |
| Non-Instructional Equipment | - | - | - | - | - | - | - |
| Total Facilities Acquisition and Construction Services | - | - | - | - | - | - | - |
| Total Expenditures | 272,827 | 12,124 | 10,535 | 12,096 | 9,555 | 11,273 | 328,410 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (14,942) | - | - | - | - | - | (14,942) |
| Fund Balance, July 1 | 50,576 | - | - | - | - | - | 50,576 |
| Fund Balance, June 30 | 35,634 | - | - | - | - | - | 35,634 |

BOROUGH OF ROCKAWAY BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

| | Total Brought Forward From (Ex. E-1d) | Non Public | | | Non Public Handicapped Services Chapter 193 | | | Total Carried Forward To (Ex. E-1b) |
|--|--|------------|----------|---------------------------------|--|-----------------------------|----------|--|
| | | Nursing | Security | Examination & Classification | Corrective Speech | Supplemental Instruction | | |
| Revenues: | | | | | | | | |
| Federal Sources | - | - | - | - | - | - | - | - |
| State Sources | 53,723 | 23,400 | 53,505 | 18,015 | 8,556 | 15,859 | 173,058 | |
| Local Sources | 84,826 | - | - | - | - | - | 84,826 | |
| Total Revenues | 138,549 | 23,400 | 53,505 | 18,015 | 8,556 | 15,859 | 257,885 | |
| Expenditures: | | | | | | | | |
| Instruction: | | | | | | | | |
| Salaries of Teachers | - | - | - | - | - | - | - | - |
| Purchased Services | 53,723 | - | - | 18,015 | 8,556 | 15,859 | 96,153 | |
| Other Purchased Services | - | - | - | - | - | - | - | - |
| Instructional Supplies | - | - | - | - | - | - | - | - |
| Total Instruction | 53,723 | - | - | 18,015 | 8,556 | 15,859 | 96,153 | |
| Support Services: | | | | | | | | |
| Salaries | - | - | - | - | - | - | - | - |
| Employee Benefits | - | - | - | - | - | - | - | - |
| Other Purchased Services | - | 23,400 | - | - | - | - | 23,400 | |
| Supplies and Materials | - | - | 53,505 | - | - | - | 53,505 | |
| Scholarships Awarded | 50 | - | - | - | - | - | 50 | |
| Student Activities | 99,719 | - | - | - | - | - | 99,719 | |
| Total Support Services | 99,769 | 23,400 | 53,505 | - | - | - | 176,674 | |
| Facilities Acquisition and Construction Services: | | | | | | | | |
| Buildings | - | - | - | - | - | - | - | - |
| Instructional equipment | - | - | - | - | - | - | - | - |
| Non-Instructional Equipment | - | - | - | - | - | - | - | - |
| Total Facilities Acquisition and Construction Services | - | - | - | - | - | - | - | - |
| Total Expenditures | 153,491 | 23,400 | 53,505 | 18,015 | 8,556 | 15,859 | 272,827 | |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (14,942) | - | - | - | - | - | (14,942) | |
| Fund Balance, July 1 | 50,576 | - | - | - | - | - | 50,576 | |
| Fund Balance, June 30 | 35,634 | - | - | - | - | - | 35,634 | |

Exhibit E-1d

BOROUGH OF ROCKAWAY BOARD OF EDUCATION

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

| | Non Public Aux Services Chapter 192 Comp. Ed. | Scholarship Fund | Student Activity/ Athletics Fund | Total Carried Forward To (Ex. E-1b) |
|--|--|---------------------|---|--|
| Revenues: | | | | |
| Federal Sources | - | - | - | - |
| State Sources | 53,723 | - | - | 53,723 |
| Local Sources | - | 4 | 84,822 | 84,826 |
| Total Revenues | 53,723 | 4 | 84,822 | 138,549 |
| Expenditures: | | | | |
| Instruction: | | | | |
| Salaries of Teachers | - | - | - | - |
| Purchased Services | 53,723 | - | - | 53,723 |
| Other Purchased Services | - | - | - | - |
| Instructional Supplies | - | - | - | - |
| Total Instruction | 53,723 | - | - | 53,723 |
| Support Services: | | | | |
| Salaries | - | - | - | - |
| Employee Benefits | - | - | - | - |
| Other Purchased Services | - | - | - | - |
| Supplies and Materials | - | - | - | - |
| Scholarships Awarded | - | 50 | - | 50 |
| Student Activities | - | - | 99,719 | 99,719 |
| Total Support Services | - | 50 | 99,719 | 99,769 |
| Facilities Acquisition and Construction Services: | | | | |
| Buildings | - | - | - | - |
| Instructional equipment | - | - | - | - |
| Non-Instructional Equipment | - | - | - | - |
| Total Facilities Acquisition and Construction Services | - | - | - | - |
| Total Expenditures | 53,723 | 50 | 99,719 | 153,491 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | (46) | (14,897) | (14,942) |
| Fund Balance, July 1 | - | 4,247 | 46,329 | 50,576 |
| Fund Balance, June 30 | - | 4,201 | 31,433 | 35,634 |

CAPITAL PROJECTS FUND

**BOROUGH OF ROCKAWAY BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

| PROJECT DESCRIPTION | APPROPRIATION | EXPENDITURES | | UNEXPENDED BALANCE |
|--|---------------|--------------|--------------|-----------------------|
| | | PRIOR YEARS | CURRENT YEAR | |
| THOMAS JEFFERSON MIDDLE SCHOOL IMPROVEMENTS | 5,213,000 | 4,731,971 | 102,063 | 378,966 |
| | 5,213,000 | 4,731,971 | 102,063 | 378,966 |

**BOROUGH OF ROCKAWAY BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Expenditures and Other Financing Uses:

| | |
|--|-----------------------|
| Purchased Professional and Technical Services | 83,650 |
| Construction Services | <u>18,414</u> |
| Total Expenditures | <u>102,063</u> |
| Excess/(Deficiency) of Revenue Over/(Under) Expenditures | (102,063) |
| Fund Balance - Beginning | <u>481,029</u> |
| Fund Balance - Ending | <u><u>378,966</u></u> |

**BOROUGH OF ROCKAWAY BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
AND PROJECT STATUS - BUDGETARY BASIS
THOMAS JEFFERSON MIDDLE SCHOOL IMPROVEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

| | Prior Periods | Current Year | Totals | Revised Authorized Cost |
|--|---------------------|------------------|------------------|-------------------------------|
| Revenues and Other Financing Sources: | | | | |
| Bond Proceeds | 4,820,000 | - | 4,820,000 | 4,820,000 |
| Transferred - Capital Reserve Fund | 393,000 | - | 393,000 | 393,000 |
| Total Revenues | <u>5,213,000</u> | <u>-</u> | <u>5,213,000</u> | <u>5,213,000</u> |
| Expenditures and Other Financing Uses: | | | | |
| Purchase Professional and Technical Services | 237,034 | 83,650 | 320,684 | 325,000 |
| Constructions Services | 4,494,937 | 18,414 | 4,513,351 | 4,888,000 |
| Total Expenditures | <u>4,731,971</u> | <u>102,063</u> | <u>4,834,034</u> | <u>5,213,000</u> |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | <u>481,029</u> | <u>(102,063)</u> | <u>378,966</u> | <u>-</u> |
| Additional Project Information: | | | | |
| Project Number | 27-4480-050-19-1000 | | | |
| Bond Authorization Date | 2/19/2020 | | | |
| Bonds Authorized | 4,820,000 | | | |
| Bonds Issued | 4,820,000 | | | |
| Original Authorized Cost | 5,213,000 | | | |
| Additional Authorized Cost | - | | | |
| Revised Authorized Cost | 5,213,000 | | | |
| Percentage Increase Over Original Authorized Cost | 0.00% | | | |
| Percentage Completion | 92.73% | | | |
| Original Target Completion Date | 11/19/2020 | | | |
| Revised Target Completion Date | 6/30/2024 | | | |

| |
|--------------------------|
| PROPRIETARY FUNDS |
|--------------------------|

**BOROUGH OF ROCKAWAY BOARD OF EDUCATION
ENTERPRISE FUND
STATEMENT OF NET POSITION
AS OF JUNE 30, 2024**

| | Business-type Activities Enterprise Fund Food Service Program |
|---|--|
| | <hr/> |
| <u>ASSETS</u> | |
| CURRENT ASSETS: | |
| Cash and cash equivalents | 73,567 |
| Accounts receivable: | |
| Intergovernmental - Federal | 5,197 |
| Intergovernmental - State | 272 |
| Other | 27,614 |
| Inventories | 1,786 |
| | <hr/> |
| Total current assets | 108,436 |
| | <hr/> |
| NONCURRENT ASSETS: | |
| CAPITAL ASSETS: | |
| Equipment | 180,156 |
| Less: accumulated depreciation | (145,074) |
| | <hr/> |
| Total Capital Assets (Net of Accumulated Depreciation) | 35,082 |
| | <hr/> |
| TOTAL ASSETS | 143,518 |
| | <hr/> <hr/> |
| <u>LIABILITIES</u> | |
| CURRENT LIABILITIES: | |
| Accounts payable | 13,270 |
| Unearned Revenue: | |
| Prepaid Sales | 4,537 |
| Federal Food Distribution Program | 439 |
| | <hr/> |
| TOTAL LIABILITIES | 18,246 |
| | <hr/> |
| <u>NET POSITION</u> | |
| Investment in Capital Assets Net of Related Debt | 35,082 |
| Unreserved (Deficit) | 90,191 |
| | <hr/> |
| TOTAL NET POSITION | 125,273 |
| | <hr/> <hr/> |

**BOROUGH OF ROCKAWAY BOARD OF EDUCATION
ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

| | Business-type Activities <u>Enterprise Fund</u> Food Service Program |
|---|---|
| OPERATING REVENUES: | |
| Charges for services: | |
| Daily sales reimbursable programs | 83,267 |
| Daily Sales - non-reimbursable programs | 15,756 |
| Miscellaneous | 74,479 |
| | <hr/> |
| Total operating revenues | 173,501 |
| | <hr/> |
| OPERATING EXPENSES: | |
| Cost of sales- reimbursable | 83,266 |
| Cost of sales- non- reimbursable | 34,496 |
| Purchased professional/technical services | 138,622 |
| Other purchased services | 19,179 |
| Supplies and materials | 8,925 |
| Depreciation | 996 |
| Miscellaneous | 552 |
| | <hr/> |
| Total operating expenses | 286,036 |
| | <hr/> |
| OPERATING INCOME (LOSS) | (112,535) |
| | <hr/> |
| NON-OPERATING REVENUES (EXPENSES): | |
| State sources: | |
| State school lunch program | 4,920 |
| State breakfast program | 204 |
| Federal sources: | |
| National school lunch program | 86,419 |
| Breakfast program | 2,261 |
| Food distribution program | 15,679 |
| SCA minimally processed food | 17,247 |
| | <hr/> |
| Total non-operating revenues (expenses) | 126,730 |
| | <hr/> |
| CHANGE IN NET POSITION | 14,196 |
| | <hr/> |
| Total Net Position - Beginning of year | 111,077 |
| | <hr/> |
| Net Position - End of year | 125,273 |
| | <hr/> <hr/> |

**BOROUGH OF ROCKAWAY BOARD OF EDUCATION
ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

| | <u>Business-type Activities Enterprise Fund Food Service Program</u> |
|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES: | |
| Receipts from customers | 145,685 |
| Payments to suppliers for goods and services | <u>(268,476)</u> |
| Net cash provided by (used for) operating activities | <u>(122,791)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | |
| State Sources | 5,137 |
| Federal Sources | <u>122,422</u> |
| Net cash provided by (used for) non-capital financing activities | <u>127,559</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | |
| Purchase of equipment | <u>30,202</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (25,434) |
| CASH AND CASH EQUIVALENTS, July 1 | <u>99,002</u> |
| CASH AND CASH EQUIVALENTS, June 30 | <u><u>73,567</u></u> |
| Reconciliation of operating (loss) to net cash provided (used) by operating activities: | |
| Operating Income (Loss) | (112,535) |
| Adjustments to reconcile operating income (loss) to net cash provided (used for) operating activities: | |
| Depreciation | 996 |
| Changes in assets and liabilities: | |
| (Increase)/decrease in other accounts receivable | (27,614) |
| (Increase)/decrease in inventory | 3,294 |
| Increase/(decrease) in accounts payable | 13,270 |
| Increase/(decrease) in prepaid sales | <u>(202)</u> |
| Total adjustments | <u>(10,256)</u> |
| Net cash provided by (used for) operating activities | <u><u>(122,791)</u></u> |

| |
|-----------------------|
| LONG-TERM DEBT |
|-----------------------|

**BOROUGH OF ROCKAWAY BOARD OF EDUCATION
GENERAL LONG TERM DEBT
STATEMENT OF SERIAL BONDS
FOR THE YEAR ENDED JUNE 30, 2024**

| Issue | Date of Issue | Amount of Issue | Annual Maturities Date | Amount | Interest Rate | Balance July 1, 2023 | Retired | Balance June 30, 2024 |
|---|------------------|--------------------|---------------------------|---------|------------------|-------------------------|---------|--------------------------|
| Governmental Loan Revenue Bond Series 2020 | 3/11/2020 | 10,935,000 | 12/30/2024 | 395,000 | 5.000% | | | |
| | | | 12/30/2025 | 415,000 | 5.000% | | | |
| | | | 12/30/2026 | 435,000 | 5.000% | | | |
| | | | 12/30/2027 | 455,000 | 5.000% | | | |
| | | | 12/30/2028 | 480,000 | 5.000% | | | |
| | | | 12/30/2029 | 505,000 | 5.000% | | | |
| | | | 12/30/2030 | 530,000 | 5.000% | | | |
| | | | 12/30/2031 | 555,000 | 4.000% | | | |
| | | | 12/30/2032 | 575,000 | 4.000% | | | |
| | | | 12/30/2033 | 600,000 | 4.000% | | | |
| | | | 12/30/2034 | 620,000 | 3.000% | | | |
| | | | 12/30/2035 | 640,000 | 3.000% | | | |
| | | | 12/30/2036 | 660,000 | 3.000% | | | |
| | | | 12/30/2037 | 680,000 | 3.000% | | | |
| | | | 12/30/2038 | 700,000 | 3.000% | | | |
| | | | 12/30/2039 | 710,000 | 3.000% | | | |
| | | | 12/30/2040 | 710,000 | 3.000% | | | |
| | | | | | | 10,040,000 | 375,000 | 9,665,000 |

**BOROUGH OF ROCKAWAY BOARD OF EDUCATION
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE YEAR ENDED JUNE 30, 2024**

| | Interest Rate Payables | Amount of Original Issue | Balance July 1, 2023 | Retired | Balance June 30, 2024 |
|-------------------------|------------------------------|--------------------------------|-------------------------|--------------|--------------------------|
| 5 Savin Digital Copiers | 5.60% | 41,387 | 39,061 | 9,633 | 29,428 |
| | | <u>41,387</u> | <u>39,061</u> | <u>9,633</u> | <u>29,428</u> |

**BOROUGH OF ROCKAWAY BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2024**

| | Original Budget | Final Budget | Actual | Variance Positive (Negative) Final to Actual |
|---|--------------------|-----------------|----------------|--|
| Revenues: | | | | |
| Local Sources: | | | | |
| Local Tax Levy | 516,015 | 516,015 | 516,015 | - |
| Total Revenues - Local Sources | 516,015 | 516,015 | 516,015 | - |
| State Sources: | | | | |
| Debt Service Aid Type II | 239,910 | 239,910 | 239,910 | - |
| Total State Sources | 239,910 | 239,910 | 239,910 | - |
| Total Revenues | 755,925 | 755,925 | 755,925 | - |
| Expenditures: | | | | |
| Regular Debt Service: | | | | |
| Interest on Bonds | 380,925 | 380,925 | 380,925 | - |
| Redemption of Principal | 375,000 | 375,000 | 375,000 | - |
| Total regular debt service | 755,925 | 755,925 | 755,925 | - |
| Total Expenditures | 755,925 | 755,925 | 755,925 | - |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | - | - | - | - |

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED)

Introduction to the Statistical Section

Financial Trends

- J-1 Net Assets/Position by Component
- J-2 Changes in Net Assets/Position
- J-3 Fund Balances - Governmental Funds
- J-4 Changes in Fund Balances - Governmental Funds
- J-5 General Fund Other Local Revenue by Source

Revenue Capacity

- J-6 Assessed Value and Estimated Actual Value of Taxable Property
- J-7 Direct and Overlapping Property Tax Rates
- J-8 Principal Property Taxpayers
- J-9 Property Tax Levies and Collections

Debt Capacity

- J-10 Ratios of Outstanding Debt by Type
- J-11 Ratios of General Bonded Debt Outstanding
- J-12 Direct and Overlapping Governmental Activities Debt
- J-13 Legal Debt Margin Information

Demographic and Economic Information

- J-14 Demographic and Economic Statistics
- J-15 Principal Employers

Operating Information

- J-16 Full-time Equivalent District Employees by Function/Program
- J-17 Operating Statistics
- J-18 School Building Information*
- J-19 Schedule of Allowable Maintenance Expenditures by School Facility
- J-20 Insurance Schedule

STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

J SERIES

| <u>Contents</u> | <u>Page</u> |
|--|---------------------|
| Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changes over time. | J-1 to J-5 |
| Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue sources, the property tax. | J-6 to J-9 |
| Debt Capacity These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future. | J-10 to J-13 |
| Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place. | J-14 to J-15 |
| Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs. | J-16 to J-20 |
| Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports (ACFR) for the relevant year. | |

ROCKAWAY BOROUGH BOARD OF EDUCATION

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

UNAUDITED

| | Fiscal Year Ended June 30, | | | | | | | | | |
|---|----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Governmental activities | | | | | | | | | | |
| Invested in capital assets, net of related debt | 1,250,541 | 1,230,651 | 1,218,157 | 1,216,989 | 1,241,046 | (3,286,995) | 801,904 | 2,350,620 | 4,332,846 | 4,847,052 |
| Restricted | 922,766 | 1,001,867 | 1,224,510 | 1,578,866 | 2,040,046 | 8,507,833 | 5,245,683 | 4,231,167 | 2,465,881 | 1,530,803 |
| Unrestricted | (2,080,216) | (2,273,057) | (2,491,005) | (2,618,215) | (2,609,563) | (2,422,136) | (2,357,488) | (1,257,847) | (2,083,883) | (1,938,561) |
| Total governmental activities net position | 93,091 | (40,539) | (48,337) | 177,640 | 671,528 | 2,798,701 | 3,690,099 | 5,323,940 | 4,714,844 | 4,439,295 |
| Business-type activities | | | | | | | | | | |
| Invested in capital assets, net of related debt | 8,072 | 10,980 | 10,856 | 10,258 | 28,006 | 34,326 | 33,927 | 32,931 | 5,876 | 35,082 |
| Unrestricted | 30,654 | 32,737 | 49,363 | 63,719 | 53,009 | 53,846 | 44,300 | 95,192 | 105,201 | 90,191 |
| Total business-type activities net position | 38,726 | 43,717 | 60,219 | 73,978 | 81,014 | 88,172 | 78,227 | 128,123 | 111,077 | 125,273 |
| District-wide | | | | | | | | | | |
| Invested in capital assets, net of related debt | 1,258,613 | 1,241,631 | 1,229,013 | 1,227,248 | 1,269,052 | (3,252,670) | 835,831 | 2,383,551 | 4,338,722 | 4,882,134 |
| Restricted | 922,766 | 1,001,867 | 1,224,510 | 1,578,866 | 2,040,046 | 8,507,833 | 5,245,683 | 4,231,167 | 2,465,881 | 1,530,803 |
| Unrestricted | (2,049,561) | (2,240,320) | (2,441,642) | (2,554,496) | (2,556,555) | (2,368,290) | (2,313,188) | (1,162,655) | (1,978,682) | (1,848,370) |
| Total district net position | 131,818 | 3,178 | 11,882 | 251,618 | 752,543 | 2,886,873 | 3,768,326 | 5,452,063 | 4,825,921 | 4,564,567 |

Source: ACFR Schedule A-1

ROCKAWAY BOROUGH BOARD OF EDUCATION
Changes in Net Position, Last Ten Fiscal Years
Last Ten Fiscal Years
(accrual basis of accounting)

UNAUDITED

| | Fiscal Year Ended June 30, | | | | | | | | | |
|---|----------------------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Expenses | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Regular | 3,513,154 | 3,638,231 | 4,108,295 | 4,250,365 | 4,402,464 | 4,244,894 | 4,955,863 | 5,044,437 | 6,098,916 | 6,012,190 |
| Special education | 1,623,662 | 1,619,006 | 1,719,317 | 1,819,231 | 1,707,310 | 1,680,520 | 1,940,633 | 1,842,778 | 2,043,510 | 2,305,659 |
| School Sponsored/ other instructional | 503,554 | 508,913 | 613,015 | 599,297 | 448,742 | 439,391 | 520,538 | 390,121 | 412,347 | 542,064 |
| Other instruction | - | - | - | - | 132,611 | 208,423 | 200,030 | 236,243 | 243,606 | 262,047 |
| Support Services: | | | | | | | | | | |
| Tuition | 382,457 | 488,985 | 218,548 | 321,942 | 336,736 | 219,307 | 120,957 | 178,613 | 89,244 | 121,807 |
| Student & instruction related services | 1,977,833 | 2,040,760 | 2,314,460 | 2,415,434 | 2,450,182 | 2,604,841 | 2,694,247 | 3,017,290 | 3,274,604 | 3,469,774 |
| General and business administrative services | 591,643 | 718,366 | 759,934 | 629,022 | 448,513 | 340,385 | 731,292 | 784,524 | 843,781 | 848,719 |
| School administrative services | 552,630 | 584,089 | 646,645 | 468,637 | 689,106 | 595,108 | 178,495 | 163,298 | 182,935 | 157,210 |
| Central Services and Admin. Info. Tech. | - | - | - | 367,770 | 392,758 | 383,421 | 423,089 | 432,435 | 476,593 | 505,203 |
| Plant operations and maintenance | 1,014,603 | 946,075 | 986,155 | 1,071,027 | 1,203,032 | 1,078,355 | 1,115,631 | 1,249,388 | 1,709,550 | 1,648,555 |
| Pupil transportation | 366,176 | 315,167 | 318,560 | 232,822 | 285,063 | 254,432 | 206,254 | 418,095 | 482,139 | 340,319 |
| Capital Outlay - Non-depreciable | 3,480 | 3,480 | 3,480 | 18,480 | 3,480 | 3,480 | 3,480 | 3,607 | 3,480 | 3,480 |
| Charter Schools | - | - | 14,850 | 55,436 | 46,931 | 47,778 | 44,250 | 13,922 | 44,579 | - |
| Interest on Long term debt | - | - | - | - | - | - | 531,178 | 421,550 | 399,175 | 380,925 |
| Total governmental activities expenses | 10,529,191 | 10,843,073 | 11,673,259 | 12,249,462 | 12,546,927 | 12,100,335 | 13,665,939 | 14,196,303 | 16,304,459 | 16,597,952 |
| Business-type activities: | | | | | | | | | | |
| Food service | 189,962 | 196,379 | 194,816 | 195,720 | 208,272 | 151,729 | 97,481 | 312,683 | 272,809 | 286,036 |
| Total business-type activities expense | 189,962 | 196,379 | 194,816 | 195,720 | 208,272 | 151,729 | 97,481 | 312,683 | 272,809 | 286,036 |
| Total district expenses | 10,719,153 | 11,039,452 | 11,868,074 | 12,445,182 | 12,755,199 | 12,252,065 | 13,763,419 | 14,508,986 | 16,577,268 | 16,883,988 |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Instruction (tuition) | 159,165 | 81,128 | 201,658 | - | - | 749,403 | - | - | - | - |
| Support Services | - | - | - | - | - | - | 15,926 | 65,631 | 100,917 | 84,826 |
| Operating grants and contributions | 2,639,309 | 2,695,638 | 3,053,947 | 655,166 | 689,987 | - | 725,227 | 1,246,538 | 1,084,436 | 1,023,644 |
| Total governmental activities program revenues | 2,798,474 | 2,776,766 | 3,255,604 | 655,166 | 689,987 | 749,403 | 741,153 | 1,312,169 | 1,185,353 | 1,108,470 |
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Food service | 113,834 | 119,945 | 128,827 | 129,890 | 130,756 | 89,229 | - | 36,351 | 132,061 | 173,501 |
| Operating grants and contributions | 78,677 | 81,424 | 85,734 | 79,588 | 84,553 | 69,658 | 87,536 | 326,228 | 149,761 | 126,730 |
| Total business type activities program revenues | 192,511 | 201,369 | 214,561 | 209,478 | 215,309 | 158,887 | 87,536 | 362,579 | 281,822 | 300,231 |
| Total district program revenues | 2,990,985 | 2,978,135 | 3,470,165 | 864,645 | 905,296 | 908,290 | 828,689 | 1,674,747 | 1,467,175 | 1,408,701 |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental activities | (7,730,717) | (8,066,307) | (8,417,654) | (11,594,295) | (11,856,940) | (11,350,932) | (12,924,786) | (12,884,134) | (15,119,106) | (15,489,482) |
| Business-type activities | 2,549 | 4,990 | 19,745 | 13,758 | 7,037 | 7,157 | (9,945) | 49,896 | 9,013 | 14,196 |
| Total district-wide net expense | (7,728,168) | (8,061,317) | (8,397,909) | (11,580,537) | (11,849,903) | (11,343,775) | (12,934,730) | (12,834,239) | (15,110,093) | (15,475,286) |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Property taxes levied for general purposes, net | 7,499,347 | 7,700,021 | 7,900,691 | 8,106,108 | 8,539,308 | 8,539,307 | 9,241,271 | 9,371,917 | 9,371,917 | 9,391,869 |
| Federal and state aid not restricted | 168,240 | 131,503 | 455,979 | 3,649,203 | 3,650,641 | 3,329,234 | 4,440,778 | 4,561,315 | 5,000,504 | 5,496,563 |
| Investment earnings | 3,258 | 3,412 | 4,286 | - | 3,684 | - | 2,725 | - | - | - |
| Restricted federal and state aids | - | - | - | - | - | - | - | 510,752 | 273,640 | 259,050 |
| Miscellaneous income | 24,003 | 13,111 | 48,900 | 64,962 | 157,195 | 64,565 | 28,088 | 73,991 | 49,178 | 66,451 |
| Special Item- Accounts payable canceled | - | 965 | - | - | - | - | - | - | - | - |
| Special Item- Prior year adj. | (1,434) | - | - | - | - | - | - | - | - | - |
| Premium on Bond Sale | - | - | - | - | - | 1,545,000 | - | - | - | - |
| Total governmental activities | 7,693,414 | 7,849,011 | 8,409,856 | 11,820,272 | 12,350,828 | 13,478,105 | 13,712,862 | 14,517,975 | 14,695,239 | 15,213,933 |

ROCKAWAY BOROUGH BOARD OF EDUCATION
Changes in Net Position, Last Ten Fiscal Years
Last Ten Fiscal Years
(accrual basis of accounting)

| | Fiscal Year Ended June 30, | | | | | | | | | |
|--|----------------------------|-----------|-----------|------------|------------|------------|------------|------------|------------|------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Business-type activities: | | | | | | | | | | |
| Special item- Accounts receivable canceled | - | - | (3,242) | - | - | - | - | - | - | - |
| Total business-type activities | 7,693,414 | 7,849,011 | 8,406,614 | 11,820,272 | 12,350,828 | 13,478,105 | 13,712,862 | 14,517,975 | 14,695,239 | 15,213,933 |
| Total district-wide | | | | | | | | | | |
| Change in Net Position | | | | | | | | | | |
| Governmental activities | (37,303) | (217,295) | (7,798) | 225,977 | 493,888 | 2,127,173 | 788,077 | 1,633,841 | (423,867) | (275,549) |
| Business-type activities | 2,949 | 4,990 | 16,503 | 13,758 | 7,037 | 7,157 | (9,945) | 49,896 | 9,013 | 14,196 |
| Total district | (34,754) | (212,305) | 8,705 | 239,736 | 500,925 | 2,134,330 | 778,132 | 1,683,737 | (414,854) | (261,353) |

Source: ACFR Schedule A-2

ROCKAWAY BOROUGH BOARD OF EDUCATION**Fund Balances, Governmental Funds,****Last Ten Fiscal Years***(modified accrual basis of accounting)***UNAUDITED**

| | Fiscal Year Ended June 30, | | | | | | | | | |
|------------------------------------|----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| General Fund | | | | | | | | | | |
| Restricted | 958,623 | 951,724 | 1,194,448 | 1,491,431 | 1,994,785 | 2,143,028 | 2,260,737 | 1,948,991 | 1,499,416 | 1,109,035 |
| Assigned | 47,815 | 50,143 | 30,062 | 87,435 | 45,261 | 4,485 | 431,192 | 618,685 | 434,860 | 7,169 |
| Unassigned | 216,941 | 211,396 | 216,321 | 192,415 | 203,506 | 133,169 | 376,536 | 1,140,022 | 79,397 | 43,631 |
| Total general fund | <u>1,223,378</u> | <u>1,213,263</u> | <u>1,440,831</u> | <u>1,771,281</u> | <u>2,243,553</u> | <u>2,280,682</u> | <u>3,068,465</u> | <u>3,707,699</u> | <u>2,013,673</u> | <u>1,159,835</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Unreserved, reported in: | | | | | | | | | | |
| Special revenue fund | - | - | - | - | - | - | 46,225 | 37,059 | 50,576 | 35,634 |
| Capital projects fund | - | - | - | - | - | 6,610,320 | 2,507,530 | 1,626,452 | 481,029 | 378,966 |
| Total all other governmental funds | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>6,610,320</u> | <u>2,553,755</u> | <u>1,663,511</u> | <u>531,605</u> | <u>414,600</u> |

Source: ACFR Schedule B-1

ROCKAWAY BOROUGH BOARD OF EDUCATION
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)
UNAUDITED

| | Fiscal Year Ended June 30, | | | | | | | | | |
|---|----------------------------|-----------|------------|------------|------------|-------------|-------------|------------|-------------|------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Revenues | | | | | | | | | | |
| Tax levy | 7,499,347 | 7,700,021 | 7,900,691 | 8,106,108 | 8,539,308 | 8,539,307 | 9,241,271 | 9,371,917 | 9,371,917 | 9,391,869 |
| Tuition charges | 159,165 | 81,128 | 201,658 | 253,565 | 378,715 | 376,732 | 231,768 | 277,927 | 412,442 | 324,434 |
| Interest earnings | 3,258 | 3,412 | 4,286 | - | 3,684 | - | - | - | - | - |
| Miscellaneous | 24,003 | 13,111 | 48,900 | 98,530 | 157,195 | 67,365 | 47,949 | 139,628 | 150,100 | 151,277 |
| State sources | 1,505,311 | 1,483,954 | 1,585,784 | 1,852,175 | 2,684,758 | 2,882,708 | 3,452,129 | 5,097,760 | 4,653,883 | 5,044,527 |
| Federal sources | 257,392 | 158,547 | 324,181 | 265,878 | 194,132 | 227,200 | 337,027 | 852,266 | 513,834 | 524,464 |
| Total revenue | 9,448,476 | 9,420,172 | 10,045,500 | 10,576,256 | 11,957,792 | 12,093,311 | 13,310,145 | 15,739,497 | 15,102,176 | 15,436,571 |
| Expenditures | | | | | | | | | | |
| Instruction | | | | | | | | | | |
| Regular Instruction | 2,381,963 | 2,354,326 | 2,499,185 | 2,552,070 | 2,854,626 | 2,832,988 | 3,126,574 | 3,601,482 | 4,042,291 | 3,807,998 |
| Special education instruction | 1,091,449 | 1,020,160 | 1,146,634 | 975,299 | 1,009,745 | 1,052,405 | 1,119,904 | 1,181,202 | 1,204,730 | 1,338,540 |
| School sponsored/other instructional | 326,547 | 311,332 | 331,944 | 373,787 | 265,071 | 274,563 | 296,038 | 246,917 | 240,345 | 311,131 |
| Other instruction | - | - | - | - | 132,611 | 208,423 | 200,030 | 236,243 | 243,606 | 262,047 |
| Support Services: | | | | | | | | | | |
| Tuition | 382,457 | 468,985 | 218,548 | 321,942 | 336,736 | 219,307 | 120,957 | 178,613 | 89,244 | 121,807 |
| Student & instruction related services | 1,466,472 | 1,428,625 | 1,514,459 | 1,578,603 | 1,741,955 | 1,950,009 | 1,813,021 | 2,305,548 | 2,361,116 | 2,457,846 |
| General and business administrative services | 351,027 | 451,599 | 415,923 | 426,503 | 472,350 | 387,887 | 422,353 | 435,350 | 425,809 | 423,898 |
| School Administrative services | 428,322 | 439,350 | 467,102 | 257,852 | 270,512 | 221,022 | 110,706 | 109,071 | 114,643 | 103,318 |
| Central Services | - | - | - | 207,957 | 246,930 | 250,283 | 255,118 | 294,861 | 293,294 | 308,703 |
| Plant operations and maintenance | 789,564 | 693,936 | 692,800 | 745,963 | 966,030 | 835,820 | 784,081 | 952,609 | 1,288,107 | 1,163,420 |
| Pupil transportation | 306,069 | 251,548 | 249,815 | 225,170 | 271,754 | 237,106 | 174,193 | 369,464 | 422,273 | 307,540 |
| Employee Benefits | 1,860,689 | 1,991,767 | 2,229,320 | 2,461,547 | 2,762,086 | 2,892,843 | 3,397,181 | 3,796,681 | 4,227,496 | 4,530,449 |
| Charter Schools | - | - | 14,850 | 55,436 | 46,931 | 47,778 | 44,250 | 13,922 | 44,579 | - |
| Capital outlay | 578,366 | 16,144 | 33,871 | 60,197 | 104,702 | 6,511,950 | 4,286,664 | 1,307,015 | 2,217,765 | 514,794 |
| Debt Service | 3,480 | 3,480 | 3,480 | 3,480 | 3,480 | 3,480 | 531,178 | 961,550 | 754,176 | 755,925 |
| Total expenditures | 9,966,406 | 9,431,252 | 9,817,931 | 10,245,806 | 11,485,521 | 17,925,862 | 16,682,247 | 15,990,527 | 17,969,474 | 16,407,414 |
| Excess (Deficiency) of revenues over (under) expenditures | (517,930) | (11,081) | 227,569 | 330,449 | 472,272 | (5,832,551) | (3,372,102) | (251,030) | (2,867,298) | (970,843) |
| Other Financing sources (uses) | | | | | | | | | | |
| Financed Purchases (non-budgeted) | - | - | - | - | - | - | - | - | 41,387 | - |
| Bond proceeds | - | - | - | - | - | 10,935,000 | - | - | - | - |
| Bond Premium | - | - | - | - | - | 1,545,000 | - | - | - | - |
| Transfers in | - | - | - | - | - | 393,000 | - | - | - | - |
| Transfers out | - | - | - | - | - | (393,000) | - | - | - | - |
| Total other financing sources (uses) | - | 965 | - | - | - | 12,480,000 | - | - | 41,387 | - |
| Net change in fund balances | (517,930) | (10,116) | 227,569 | 330,449 | 472,272 | 6,647,449 | (3,372,102) | (251,030) | (2,825,911) | (970,843) |
| Debt service as a percentage of noncapital expenditures | 0.037% | 0.037% | 0.036% | 0.034% | 0.031% | 0.030% | 4.477% | 7.007% | 5.029% | 4.994% |

Source: ACFR Schedule B-2

ROCKAWAY BOROUGH BOARD OF EDUCATION
General Fund - Other Local Revenue by Source
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
UNAUDITED

| <u>Fiscal Year Ended June 30,</u> | <u>Interest on Investments</u> | <u>Tuition Revenue</u> | <u>Other</u> | <u>Misc. Refunds</u> | <u>Total</u> |
|---------------------------------------|------------------------------------|----------------------------|--------------|--------------------------|--------------|
| 2015 | 3,258 | 159,165 | - | 11,390 | 173,813 |
| 2016 | 3,412 | 81,128 | 2,847 | 6,181 | 93,568 |
| 2017 | 4,286 | 201,658 | 11,678 | 9,416 | 227,038 |
| 2018 | - | 253,565 | 64,962 | - | 318,527 |
| 2019 | 3,684 | 378,715 | 157,195 | - | 539,594 |
| 2020 | - | 376,732 | 64,565 | - | 441,297 |
| 2021 | - | 231,768 | 30,813 | - | 262,581 |
| 2022 | - | 277,927 | 73,992 | - | 351,919 |
| 2023 | - | 412,442 | 49,178 | - | 461,620 |
| 2024 | - | 324,434 | 66,451 | - | 390,885 |

Source: District Records

ROCKAWAY BOROUGH BOARD OF EDUCATION
Assessed Value and Estimated Actual Value of Taxable Property.
Last Ten Fiscal Years
Unaudited

| Fiscal Year Ended June 30, | Vacant Land | Residential | Qfarm | Commercial | Industrial | Apartment | Total Assessed Value | Public Utilities ^a | Net Valuation Taxable | Total Direct School Tax Rate ^b | Estimated Actual (County Equalized Value) |
|-------------------------------------|-------------|-------------|-------|-------------|------------|------------|-------------------------|-------------------------------|--------------------------|---|---|
| 2015 | 7,207,500 | 564,302,030 | - | 153,387,425 | 31,102,600 | 22,292,400 | 778,291,955 | 1,257,313 | 779,549,268 | 0.751 | 842,984,783 |
| 2016 | 6,698,100 | 565,692,330 | - | 153,560,925 | 31,102,600 | 22,816,100 | 779,870,055 | - | 779,870,055 | 1.000 | 897,743,910 |
| 2017 | 6,308,400 | 567,433,330 | 1,700 | 153,269,525 | 29,990,700 | 22,816,100 | 779,819,755 | 92 | 779,819,847 | 1.032 | 842,775,143 |
| 2018 | 6,103,200 | 567,645,730 | 1,700 | 151,240,275 | 31,694,400 | 22,816,100 | 779,501,405 | 92 | 779,501,497 | 1.062 | 849,574,967 |
| 2019 | 6,556,300 | 568,187,700 | - | 151,432,200 | 36,330,300 | 22,896,100 | 785,402,600 | 92 | 785,402,692 | 1.088 | 817,446,595 |
| 2020 | 5,622,000 | 568,788,600 | - | 153,073,300 | 36,726,200 | 24,315,600 | 788,525,700 | 92 | 788,525,792 | 1.162 | 826,842,253 |
| 2021 | 5,622,000 | 570,027,400 | - | 152,901,300 | 36,881,200 | 24,315,600 | 789,747,500 | 92 | 789,747,592 | 1.176 | 846,420,981 |
| 2022 | 5,491,500 | 570,738,500 | - | 153,243,600 | 36,881,200 | 25,108,100 | 791,462,900 | 92 | 791,462,992 | 1.186 | 859,261,778 |
| 2023 | 5,978,300 | 571,783,200 | - | 152,789,600 | 36,911,200 | 25,153,100 | 792,615,400 | 87 | 792,615,487 | 1.168 | 909,832,050 |
| 2024 | 6,047,300 | 572,390,900 | - | 150,696,600 | 36,876,000 | 25,044,200 | 791,055,000 | - | 791,055,000 | 1.220 | 987,190,771 |

Source: Morris County, Abstract of Ratables and Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when County Board of Taxation requests Treasury to order a reassessment.

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

b Tax rates are per \$100

ROCKAWAY BOROUGH BOARD OF EDUCATION
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed value)
Unaudited

| Fiscal Year Ended June 30, | Rockaway Borough Board of Education | | | Overlapping Rates | | | Total Direct and Overlapping Tax Rate |
|-------------------------------------|-------------------------------------|--|--------------|------------------------|--------------------------------|---------------|---|
| | Basic Rate ^a | General Obligation Debt Service ^b | Total Direct | Borough of Rockaway | Regional School District | Morris County | |
| 2015 | 0.751 | | 0.751 | 0.799 | 0.980 | 0.274 | 2.804 |
| 2016 | 1.000 | | 1.000 | 0.810 | 0.760 | 0.280 | 2.850 |
| 2017 | 1.032 | | 1.032 | 0.824 | 0.789 | 0.303 | 2.948 |
| 2018 | 1.062 | | 1.062 | 0.849 | 0.862 | 0.284 | 3.057 |
| 2019 | 1.088 | | 1.088 | 0.867 | 0.859 | 0.274 | 3.088 |
| 2020 | 1.162 | | 1.162 | 0.881 | 0.830 | 0.273 | 3.146 |
| 2021 | 1.114 | 0.062 | 1.176 | 0.896 | 0.848 | 0.282 | 3.202 |
| 2022 | 1.121 | 0.065 | 1.186 | 0.913 | 0.848 | 0.282 | 3.229 |
| 2023 | 1.119 | 0.065 | 1.168 | 0.930 | 0.856 | 0.296 | 3.250 |
| 2024 | 0.880 | 0.065 | 0.945 | 1.220 | 0.851 | 0.309 | 3.325 |

Source: District Records and Municipal Tax Collector

Note:

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

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

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

ROCKAWAY BOROUGH BOARD OF EDUCATION
Principal Property Tax Payers,
Current Year and Ten Years Ago
Unaudited

| Taxpayer | 2024 | | | | 2015 | | | |
|---------------------------------|----------------------|--------------------|--|--|------------------------------|--------------------|--|--|
| | Assessed Value | Rank [Optional] | % of Total District Net Assessed Value | | Taxable Assessed Value | Rank [Optional] | % of Total District Net Assessed Value | |
| ROCKAWAY COMMONS, LLC | \$ 12,500,000 | 1 | 1.58% | | \$ 13,026,250 | 1 | 1.67% | |
| CONN. STORAGE DEPT PT NJ 23608 | 6,704,000 | 2 | 0.85% | | 6,704,000 | 2 | 0.86% | |
| HIGHWAY ENTERPRISE INC | 5,700,000 | 3 | 0.72% | | 6,400,000 | 3 | 0.82% | |
| HS GARDENS LLC | 4,983,000 | 4 | 0.63% | | 4,983,000 | 5 | 0.64% | |
| WITHINVESTORS ROCKAWAY LLC | 4,640,000 | 5 | 0.59% | | 4,640,000 | 6 | 0.60% | |
| KTB REALTY LIMITED LIABILITY CO | 4,639,900 | 6 | 0.59% | | | | | |
| E & W REALTY ASSOCIATES LLC | 4,450,500 | 7 | 0.56% | | 4,090,200 | 8 | 0.52% | |
| MC WILLIAMS FORGE COMPANY | 4,260,500 | 8 | 0.54% | | 4,250,000 | 7 | 0.55% | |
| MORETRENCH CORP | 4,197,400 | 9 | 0.53% | | 4,042,200 | 9 | 0.52% | |
| LM FRANKLIN LLC | 4,045,200 | 10 | 0.51% | | | | | |
| MC WILLIAMS DEVELOPMENT | | | | | 5,212,500 | 4 | 0.67% | |
| RONED REALTY, LP | | | | | 4,000,000 | 10 | 0.51% | |
| Total | <u>\$ 56,120,500</u> | | <u>7.09%</u> | | <u>\$ 57,348,150</u> | | <u>7.36%</u> | |

Source: Municipal Tax Assessor's Office.

ROCKAWAY BOROUGH BOARD OF EDUCATION
Property Tax Levies and Collections,
Last Ten Fiscal Years
Unaudited

| Fiscal Year Ended June 30, | Taxes Levied for the Fiscal Year | Collected within the Fiscal Year of the Levy ^a | | Collections in Subsequent Years |
|-------------------------------------|-------------------------------------|--|-----------------------|--|
| | | Amount | Percentage of Levy | |
| 2015 | 7,499,347 | 7,499,347 | 100.00% | - |
| 2016 | 7,700,021 | 7,700,021 | 100.00% | - |
| 2017 | 7,900,691 | 7,900,691 | 100.00% | - |
| 2018 | 8,106,108 | 8,106,108 | 100.00% | - |
| 2019 | 8,539,307 | 8,539,307 | 100.00% | - |
| 2020 | 8,539,307 | 8,539,307 | 100.00% | - |
| 2021 | 8,710,093 | 8,710,093 | 100.00% | - |
| 2022 | 9,371,917 | 9,371,917 | 100.00% | - |
| 2023 | 9,371,917 | 9,371,917 | 100.00% | - |
| 2024 | 9,391,869 | 9,391,869 | 100.00% | - |

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

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

ROCKAWAY BOROUGH BOARD OF EDUCATION
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited

| Fiscal Year Ended June 30, | Governmental Activities | | | Percentage of Personal Income ^a | Per Capita ^a |
|-------------------------------------|-----------------------------|-------------------|----------------|--|-------------------------|
| | General Obligation Bonds | Capital Leases | Total District | | |
| 2015 | - | 10,332 | 10,332 | 0.001821% | 1.61 |
| 2016 | - | - | - | 0.000000% | - |
| 2017 | - | - | - | 0.000000% | - |
| 2018 | - | - | - | 0.000000% | - |
| 2019 | - | - | - | 0.000000% | - |
| 2020 | 10,935,000 | - | 10,935,000 | 1.713130% | 1,751.28 |
| 2021 | 10,935,000 | - | 10,935,000 | 1.540442% | 1,660.09 |
| 2022 | 10,395,000 | - | 10,395,000 | 1.413041% | 1,576.91 |
| 2023 | 10,040,000 | 39,062 | 10,079,062 | *** | 1,528.06 |
| 2024 | 9,665,000 | | 9,665,000 | *** | *** |

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

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

ROCKAWAY BOROUGH BOARD OF EDUCATION
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
Unaudited

| General Bonded Debt Outstanding | | | | | |
|-------------------------------------|-----------------------------|------------|---|--|-------------------------|
| Fiscal Year Ended June 30, | General Obligation Bonds | Deductions | Net General Bonded Debt Outstanding | Percentage of Actual Taxable Value ^a of Property | Per Capita ^b |
| 2015 | - | - | - | | |
| 2016 | - | - | - | | |
| 2017 | - | - | - | | |
| 2018 | - | - | - | | |
| 2019 | - | - | - | | |
| 2020 | 10,935,000 | - | 10,935,000 | 1.39% | 1,751 |
| 2021 | 10,935,000 | - | 10,935,000 | 1.38% | 1,660 |
| 2022 | 10,395,000 | - | 10,395,000 | 1.31% | 1,577 |
| 2023 | 10,040,000 | - | 10,040,000 | 1.27% | 1,528 |
| 2024 | 9,665,000 | | 9,665,000 | 1.22% | *** |

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

a See Exhibit NJ J-6 for property tax data.

b Population data can be found in Exhibit NJ J-14.

| |
|--|
| Deductions are allowable for resources that are restricted to repaying the principal of debt outstanding |
|--|

ROCKAWAY BOROUGH BOARD OF EDUCATION
Direct and Overlapping Governmental Activities Debt
As of June 30, 2024
Unaudited

| <u>Governmental Unit</u> | <u>Debt Outstanding (1)</u> | <u>Estimated Percentage Applicable ^a</u> | <u>Estimated Share of Overlapping Debt</u> |
|--|--|--|---|
| Debt repaid with property taxes | | | |
| Borough of Rockaway | 5,432,168 | 0.85272% | 46,321 |
| Other debt | | | |
| Morris County | 175,543,454 | 0.85272% | 1,496,898 |
| Rockaway Valley Regional Sewerage Authority | 33,543,450 | 0.85272% | 286,032 |
| Subtotal, overlapping debt | | | 1,543,219 |
| Borough of Rockaway School District Direct Debt | | | 9,665,000 |
| Total direct and overlapping debt | | | \$ 11,208,219 |

Sources: Borough of Rockaway Finance Officer, Morris County Finance Office and Utility Authorities

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

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

(1) Debt Information as of December 31, 2023.

ROCKAWAY BOROUGH BOARD OF EDUCATION**Legal Debt Margin Information,****Last Ten Fiscal Years****Unaudited****Legal Debt Margin Calculation for Fiscal Year 2023**

| | |
|---------------------------|----------------------|
| Equalized valuation basis | |
| 2021 | 859,261,778 |
| 2022 | 909,832,050 |
| 2023 | 987,190,771 |
| | <u>2,756,284,599</u> |
| | \$ 918,761,533 |
| | 36,750,461 |
| | <u>9,665,000</u> |
| Legal debt margin | <u>\$ 27,085,461</u> |

Fiscal Year Ended June 30,

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Debt limit | \$ 34,340,134 | \$ 25,324,858 | \$ 25,714,242 | \$ 34,299,624 | 33,987,286 | 33,987,286 | 32,965,266 | 33,641,723 | 34,873,530 | 36,750,461 |
| Total net debt applicable to limit | - | - | - | - | - | 10,935,000 | 10,935,000 | 10,395,000 | 10,040,000 | 9,665,000 |
| Legal debt margin | <u>34,340,134</u> | <u>25,324,858</u> | <u>25,714,242</u> | <u>34,299,624</u> | <u>33,987,286</u> | <u>23,052,286</u> | <u>22,030,266</u> | <u>23,246,723</u> | <u>24,833,530</u> | <u>27,085,461</u> |
| Total net debt applicable to the limit as a percentage of debt limit | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 32.17% | 33.17% | 30.90% | 28.79% | 26.30% |

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

ROCKAWAY BOROUGH BOARD OF EDUCATION
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

| <u>Year Ended June 30</u> | <u>School District Population ^a</u> | <u>Personal Income in (thousands of dollars) ^b</u> | <u>Per Capita Income ^c</u> | <u>Unemployment Rate ^d</u> |
|-----------------------------------|--|---|---|---|
| 2014 | 6,432 | 542,133,984 | 84,287 | 4.80% |
| 2015 | 6,425 | 567,314,650 | 88,298 | 4.20% |
| 2016 | 6,431 | 586,841,612 | 91,252 | 4.10% |
| 2017 | 6,413 | 599,897,672 | 93,544 | 3.50% |
| 2018 | 6,356 | 618,082,864 | 97,244 | 3.10% |
| 2019 | 6,272 | 621,806,080 | 99,140 | 2.70% |
| 2020 | 6,244 | 638,305,388 | 102,227 | 8.40% |
| 2021 | 6,587 | 709,861,229 | 107,767 | 5.10% |
| 2022 | 6,592 | 735,647,424 | 111,597 | 3.10% |
| 2023 | 6,596 | *** | *** | 3.70% |

Source:

^a U.S. Bureau of the Census, Population Division, (Estimates April 1, 2014 to July 1, 2024)

^b Personal income of the District is Based on the County Information.

^c U.S. Department of Commerce, County Information 2013-2024

^d N.J. Department of Labor.

**ROCKAWAY BOROUGH BOARD OF EDUCATION
Principal Employers,
Current Year and Ten Years Ago**

| <u>Employer</u> | <u>2024</u> | | <u>2015</u> | |
|-----------------|------------------|----------------------------|---|---|
| | <u>Employees</u> | <u>Rank (Optional)</u> | <u>Percentage of Total Employment</u> | <u>Percentage of Total Employment</u> |

Information is Not Available

ROCKAWAY BOROUGH BOARD OF EDUCATION
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years
Unaudited

| <u>Function/Program</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Instruction | | | | | | | | | | |
| Regular | 34 | 40 | 40 | 42 | 45 | 45 | 47 | 48 | 50 | 50 |
| Special education | 22 | 12 | 8 | 10 | 12 | 12 | 13 | 14 | 17 | 18 |
| Other Instruction | 5 | 3 | 2 | 2 | 3 | 3 | 3 | 3 | 4 | 5 |
| Support Services: | | | | | | | | | | |
| Student & instruction related services | 20 | 29 | 25 | 30 | 33 | 40 | 42 | 42 | 43 | 43 |
| General administrative services | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| School administrative services | 3 | 2 | 2 | 2 | 2 | 5 | 5 | 5 | 5 | 5 |
| Other administrative services | - | - | - | - | - | - | - | - | - | - |
| Central Services | 3 | 3 | 3 | 3 | 3 | 4 | 4 | 4 | 4 | 4 |
| Administrative Information Technology | - | - | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Plant operations and maintenance | 9 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Pupil transportation | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 2 | 2 | 2 |
| Other support services | - | - | - | - | - | - | - | - | - | - |
| Total | 102 | 102 | 94 | 103 | 112 | 123 | 128 | 129 | 136 | 138 |

Source: District Budget Records

ROCKAWAY BOROUGH BOARD OF EDUCATION**Operating Statistics****Last Ten Fiscal Years****Unaudited**

| Fiscal Year | Enrollment | Operating Expenditures ^a | Cost Per Pupil | Percentage Change | Teaching Staff ^b | Pupil/Teacher Ratio | | Average Daily Enrollment (ADE) ^c | Average Daily Attendance (ADA) ^c | % Change in Average Daily Enrollment | Student Attendance Percentage |
|-------------|------------|-------------------------------------|----------------|-------------------|-----------------------------|---------------------|---------------|---|---|--------------------------------------|-------------------------------|
| | | | | | | Elementary | Middle School | | | | |
| 2014-2015 | 579 | 9,384,560 | 16,208 | 19.54% | 46.10 | 16.5 | 13.6 | 579.2 | 534.9 | -7.16% | 92.35% |
| 2015-2016 | 565 | 9,411,628 | 16,658 | 2.77% | 55.00 | 20.2 | 16.5 | 582.9 | 544.9 | 0.64% | 93.49% |
| 2016-2017 | 587 | 9,780,581 | 16,662 | 0.03% | 50.00 | 10.0 | 14.1 | 600.5 | 574.4 | 3.02% | 95.65% |
| 2017-2018 | 574 | 10,182,129 | 17,739 | 6.46% | 56.00 | 21.2 | 15.7 | 580.3 | 550.1 | -3.36% | 94.80% |
| 2018-2019 | 561 | 11,362,558 | 20,254 | 14.18% | 58.00 | 20.1 | 15.3 | 560.9 | 528.3 | -3.34% | 94.19% |
| 2019-2020 | 557 | 11,410,432 | 20,486 | 15.48% | 57.00 | 19.1 | 15.1 | 551.8 | 520.0 | -1.62% | 94.24% |
| 2020-2021 | 524 | 11,864,405 | 22,642 | 11.79% | 59.00 | 18.1 | 14.1 | 513.9 | 496.2 | -6.87% | 96.56% |
| 2021-2022 | 542 | 13,721,963 | 25,317 | 23.59% | 60.00 | 19.1 | 15.1 | 542.5 | 501.3 | 5.57% | 92.41% |
| 2022-2023 | 557 | 14,997,533 | 26,926 | 18.92% | 62.00 | 18.1 | 14.1 | 555.0 | 533.4 | 2.30% | 96.11% |
| 2023-2024 | 566 | 15,136,697 | 26,743 | 5.63% | 62.00 | 19.1 | 15.1 | 565.5 | 542.5 | 1.70% | 95.93% |

Sources: District Records**Note:** Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures on J-4, less debt service and capital outlay.
b Teaching staff are reported as Full time equivalents of certificated staff & includes High School Staff shared with the Morris County School of Technology Academy for Law Public Safety.
c Average daily enrollment and average daily attendance are obtained from the School Register Summary at June 30.

ROCKAWAY BOROUGH BOARD OF EDUCATION

School Building Information

Last Ten Fiscal Years

Unaudited

| <u>District Building</u> | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <u>Elementary</u> | | | | | | | | | | |
| Lincoln School (1912 and 2001 addition plus 5050 sq ft) | | | | | | | | | | |
| Square Feet | 28,464 | 28,464 | 28,464 | 28,464 | 28,464 | 28,464 | 28,464 | 33,514 | 33,514 | 33,514 |
| Capacity (students) | 223 | 223 | 223 | 223 | 223 | 223 | 223 | 284 | 284 | 284 |
| Enrollment | 241 | 249 | 237 | 235 | 235 | 235 | 235 | 273 | 281 | 274 |
| <u>Middle School</u> | | | | | | | | | | |
| Thomas Jefferson School (1958) | | | | | | | | | | |
| Square Feet | 42,620 | 42,620 | 42,620 | 42,620 | 42,620 | 42,620 | 42,620 | 42,620 | 42,620 | 42,620 |
| Capacity (students) | 378 | 378 | 378 | 378 | 378 | 378 | 378 | 378 | 378 | 378 |
| Enrollment | 338 | 334 | 364 | 339 | 339 | 339 | 281 | 270 | 274 | 292 |
| <u>Other</u> | | | | | | | | | | |
| Field House (1954) | | | | | | | | | | |
| Square Feet | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 |
| Administration Building (1900) | | | | | | | | | | |
| Square Feet | 2,832 | 2,832 | 2,832 | 2,832 | 2,832 | 2,832 | 2,832 | 2,832 | 2,832 | 2,832 |

Number of Schools at June 30, 2024

Elementary = 1

Middle School = 1

High School = 0

Other = 2

Source: District Facilities Office

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions.

ROCKAWAY BOROUGH BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF ALLOWABLE MAINTENANCE EXPENDITURES BY SCHOOL FACILITY
UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
11-000-261-XXX
Unaudited

| | Project # (s) | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|------------------------------|---------------|--------|--------|--------|--------|--------|---------|---------|---------|---------|---------|
| *School Facilities | | | | | | | | | | | |
| Thomas Jefferson Admin Bldg. | N/A | 15,847 | 68,296 | 12,379 | 14,154 | 42,569 | 56,986 | 68,826 | 100,811 | 90,557 | 117,029 |
| Lincoln School | N/A | 24,726 | 17,181 | 13,315 | 15,085 | 16,687 | 50,519 | 115,128 | 67,327 | 60,479 | 103,556 |
| Whitehouse | N/A | - | - | - | 300 | - | 7,147 | 3,299 | 6,698 | 6,017 | 2,537 |
| Total School Facilities | | 40,573 | 85,477 | 25,694 | 29,539 | 59,256 | 114,652 | 187,253 | 174,836 | 157,053 | 223,122 |

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

ROCKAWAY BOROUGH BOARD OF EDUCATION
INSURANCE SCHEDULE
June 30, 2024
Unaudited

| | <u>Coverage</u> | <u>Deductible</u> |
|--|----------------------|---------------------------|
| School Alliance Insurance Fund- Package Policy | | |
| Property-Blanket Building and Contents | \$ 30,110,199.00 | \$ 2,500.00 |
| Boiler and Machinery | \$100,000,000.00 | \$ 2,500.00 |
| General Liability | \$ 5,000,000.00 | |
| Each Occurrence | \$ 5,000,000.00 | |
| General Aggregate | \$ 5,000,000.00 | |
| General Automotive Liability | \$ 5,000,000.00 | 1,000 PO/2,500 All Others |
| Excess Liability | \$ 5,000,000.00 | |
| NJ | | |
| Workers Compensation/Employers liability | \$ 3,000,000.00 | Policy Limit |
| QBE Insurance Company/U.S. Fire Insurance Co. | | |
| Student Accident | \$ 5,000,000.00 | Total Limit |
| Surety Bonds | | |
| Board Secretary/Business Administrator | \$ 200,000.00 | |
| School Alliance Insurance Fund | | |
| School Board Legal Liability | \$ 5,000,000.00 | \$ 5,000.00 |
| NJ Unshare Excess Program | | |
| Over GL, AL, SBL,EPL,EL | \$ 30,000,000.00 | |
| NJ School Board Insurance Group | | |
| Supplemental Workers Compensantion | 7 Day waiting period | |
| School Alliance Insurance Fund | | |
| Cyber Liability | | |
| First Party Coverage | \$ 750,000.00 | \$ 50,000.00 |
| Third Party Liability | \$ 2,000,000.00 | |

Source: District Records

SINGLE AUDIT SECTION



WIELKOTZ & COMPANY LLC

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**INDEPENDENT AUDITOR'S 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**

Honorable President and
Members of the Board of Education
Borough of Rockway School District
County of Morris, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Borough of Rockaway School District, in the County of Morris, New Jersey, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 13, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit on the financial statements, we considered the Borough of Rockaway Board of Education'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 Borough of Rockaway Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Rockaway Board of Education'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 Borough of Rockaway Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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 or the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

We noted certain matters that were required to be reported to the Board of Education of the Borough of Rockaway School District in the separate Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance dated January 13, 2025.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Steven D. Wielkotz

Steven D. Wielkotz, C.P.A.
Licensed Public School Accountant
No. 816

Wielkotz & Company, LLC

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

January 13, 2025





WIELKOTZ & COMPANY LLC

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE AS REQUIRED BY THE UNIFORM GUIDANCE
AND N.J. OMB CIRCULAR 15-08**

Honorable President and
Members of the Board of Education
Borough of Rockaway School District
County of Morris, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Board of Education of the Borough of Rockaway School District in the County of Morris, New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplements* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Borough of Rockaway Board of Education's major federal and state programs for the year ended June 30, 2024. The Borough of Rockaway Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Borough of Rockaway Board of Education 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 state programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and N.J. OMB Circular 15-08. Our



responsibilities under those standards and the Uniform Guidance and N.J. OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance and N.J. OMB Circular 15-08, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Borough of Rockaway Board of Education's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.



- Obtain an understanding of Borough of Rockaway Board of Education's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and N.J. OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of Borough of Rockaway Board of Education's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and N.J. OMB Circular 15-08 and which are described in the accompanying schedule of findings and questioned costs as Finding 2023-001. Our opinion on each major state program is not modified with respect to these matters.

The Borough of Rockaway Board of Education's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Borough of Rockaway Board of Education's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on these responses.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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 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 state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses,



as defined above. However, we identified certain deficiencies in internal control over compliance as described in the accompanying schedule of findings and questioned costs as Finding 2023-001 that we consider to be a significant deficiency.

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

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

Steven D. Wielkotz

Steven D. Wielkotz, C.P.A.
Licensed Public School Accountant
No. 816

Wielkotz & Company, LLC

WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

January 13, 2025



Rockaway Borough School District
Schedule of Expenditures of Federal Awards
for the Fiscal Year Ending June 30, 2024

| Federal Grantor/Pass- Through Grantor/ Program Title | Federal CFDA Number | Federal Award Identification Number (FAIN) | Grant State Project Number | Award Amount | Grant Period From / To | June 30, 2023 | | Budgetary Expenditures | June 30, 2024 | | MEMO Cumulative Total Expenditures |
|---|---------------------------|--|----------------------------------|-----------------|------------------------------|--------------------------|---------------------|---------------------------|--------------------------|---------------------|---|
| | | | | | | (Accounts Receivable) | Unearned Revenue | | (Accounts Receivable) | Unearned Revenue | |
| U.S. Department of Agriculture | | | | | | | | | | | |
| Passed - through State Department of Agriculture: | | | | | | | | | | | |
| Enterprise Fund: | | | | | | | | | | | |
| U.S.D.A. Commodities Program | 10.550 | 241NJ304N1099 | N/A | | 9/1/23-8/31/24 | - | 331 | (15,679) | | 439 | 15,680 |
| National School Lunch Program | 10.555 | 231NJ304N1099 | N/A | 92,148 | 9/1/22-8/31/23 | (5,834) | - | | - | - | 92,148 |
| National School Lunch Program | 10.555 | 241NJ304N1099 | N/A | 86,419 | 9/1/23-8/31/24 | - | | (86,419) | (5,046) | - | 86,419 |
| School Breakfast Program | 10.553 | 231NJ304N1099 | N/A | 749 | 9/1/22-8/31/23 | (71) | - | - | - | 749 | |
| School Breakfast Program | 10.553 | 241NJ304N1099 | N/A | 2,261 | 9/1/23-8/31/24 | - | 2,110 | (2,261) | (151) | - | 2,261 |
| Total Enterprise Fund | | | | | | (5,905) | 331 | (104,359) | (5,197) | 439 | 197,257 |
| U.S. Department of Education | | | | | | | | | | | |
| Passed - through State Department of Education: | | | | | | | | | | | |
| Special Revenue Fund: | | | | | | | | | | | |
| Title I - Improving Basic Programs | 84.010 | S010A210030 | ESEA4480-23 | 163,667 | 9/1/22-8/31/23 | (162,560) | - | 162,560 | - | - | 162,560 |
| Title I - Improving Basic Programs | 84.010 | S010A220030 | ESEA4480-24 | 95,980 | 9/1/23-8/31/24 | - | - | 95,980 | - | - | 95,980 |
| | | | | | | (162,560) | - | (95,980) | - | - | 258,540 |
| Title II - A -Teacher & Principal Training & Recruiting | 84.367 | S367A210029 | ESEA4480-23 | 29,994 | 9/1/22-8/31/23 | (9,134) | - | 8,864 | - | - | - |
| Title II - A -Teacher & Principal Training & Recruiting | 84.367 | S367A220029 | ESEA4480-24 | 32,028 | 9/1/23-8/31/24 | - | - | 16,472 | (8,711) | - | 25,183 |
| | | | | | | (9,134) | - | 25,336 | (8,711) | - | 25,183 |
| Title III | 84.365 | S367A210032 | ESEA4480-24 | 3,895 | 9/1/23-8/31/24 | - | - | - | (3,895) | - | 3,895 |
| Title III - Immigrant | 84.365 | S367A210032 | ESEA4480-24 | 1,167 | 9/1/23-8/31/24 | - | - | - | (1,167) | - | 1,167 |
| Title IV - Student Support and Academic Enrichment | 84.424 | S424A210031 | ESEA4480-22 | 20,000 | 9/1/22-8/31/23 | (18,859) | - | 18,859 | - | - | 18,859 |
| Title IV - Student Support and Academic Enrichment | 84.424 | S424A220031 | ESEA4480-24 | 11,414 | 9/1/23-8/31/24 | - | - | - | (10,254) | - | 10,254 |
| | | | | | | (18,859) | - | 18,859 | (10,254) | - | 29,113 |
| I.D.E.A. Part B, Basic Regular | 84.027 | H027A210100 | IDEA4480-23 | 226,565 | 9/1/22-8/31/23 | (187,765) | - | 187,765 | - | - | 226,565 |
| I.D.E.A. Part B, Basic Regular | 84.027 | H027A220100 | IDEA4480-24 | 229,523 | 9/1/23-8/31/24 | - | - | 196,568 | (12,799) | - | 209,367 |
| I.D.E.A. Part B, Preschool | 84.173 | H173A220114 | IDEA4480-23 | 16,956 | 9/1/22-8/31/23 | (9,912) | - | 9,912 | - | - | 16,956 |
| I.D.E.A. Part B, Preschool | 84.173 | H173A220114 | IDEA4480-24 | 15,825 | 9/1/23-8/31/24 | - | - | 13,585 | (2,260) | - | 15,825 |
| | | | | | | (197,677) | - | 407,810 | (15,059) | - | 468,713 |
| C.A.R.E.S. - E.S.S.E.R. I | 84.425D | S425D200027 | N/A | 61,787 | 3/13/20-9/30/22 | (11,226) | - | 11,226 | - | - | 61,787 |
| C.R.R.S.A. - E.S.S.E.R. II | 84.425D | S425D200027 | N/A | 190,354 | 3/13/20-9/30/23 | (9,000) | - | 51,930 | - | - | 190,354 |
| C.R.R.S.A. - E.S.S.E.R. II - Learning Acceleration | 84.425D | S425D200027 | N/A | 25,000 | 3/13/20-9/30/23 | (1,936) | - | 16,993 | (15,057) | - | 25,000 |
| | | | | | | (10,936) | - | 68,923 | (57,987) | - | 215,354 |
| A.R.P. - E.S.S.E.R. | 84.425U | S425U210027 | N/A | 427,809 | 3/13/20-9/30/24 | (19,841) | - | 90,892 | (86,902) | - | 86,902 |
| A.R.P. - Accelerated Learning | 84.425U | S425U210027 | N/A | 50,000 | 3/13/20-9/30/24 | (11,587) | - | 12,124 | (12,124) | - | 12,124 |
| A.R.P. - Beyond the Schoolday | 84.425U | S425U210027 | N/A | 40,000 | 3/13/20-9/30/24 | - | - | 10,535 | (10,535) | - | 10,535 |
| A.R.P. - Mental Health | 84.425U | S425U210027 | N/A | 45,000 | 3/13/20-9/30/24 | - | - | 12,096 | (12,096) | - | 12,096 |
| | | | | | | (31,428) | - | 137,234 | (15,851) | - | 121,657 |
| Total Special Revenue Fund | | | | | | (441,819) | - | 927,928 | (51,042) | - | 1,185,409 |
| Total Federal Financial Awards | | | | | | (447,724) | 331 | 1,033,102 | (56,239) | 439 | 1,382,666 |

Note: This schedule was not subject to an audit in accordance with the Federal OMB's Uniform Guidance.

ROCKAWAY BOROUGH SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year Ending June 30, 2024

| State Grantor/Program Title | Grant or State Project Number | Program or Award Amount | Grant Period From / To | June 30, 2023 | | Cash Received | Budgetary Expenditures | Repayment of Prior Years' Balances | June 30, 2024 | | Cumulative Total Expenditures |
|--|-------------------------------|-------------------------|------------------------|-----------------------|----------------|---------------|------------------------|------------------------------------|-----------------------|----------------------|-------------------------------|
| | | | | (Accounts Receivable) | Due to Grantor | | | | (Accounts Receivable) | Budgetary Receivable | |
| State Department of Education: | | | | | | | | | | | |
| General Fund: | | | | | | | | | | | |
| Categorical Special Education Aid | 495-034-5120-089 | 513,091 | 7/1/23-6/30/24 | - | - | 461,868 | (513,091) | - | - | (51,223) | 513,091 |
| Equalization Aid | 495-034-5120-078 | 1,419,270 | 7/1/23-6/30/24 | - | - | 1,277,582 | (1,419,270) | - | - | (141,688) | 1,419,270 |
| Categorical Security Aid | 495-034-5120-084 | 74,022 | 7/1/23-6/30/24 | - | - | 66,632 | (74,022) | - | - | (7,390) | 74,022 |
| State Aid - Public Cluster | | | | | | | | | | | |
| Transportation Aid | 495-034-5120-014 | 60,781 | 7/1/23-6/30/24 | - | - | 54,713 | (60,781) | - | - | (6,068) | 60,781 |
| Extraordinary Special Education Aid | 495-034-5120-044 | 125,039 | 7/1/22-6/30/23 | (125,039) | - | 125,039 | - | - | - | - | 125,039 |
| Extraordinary Special Education Aid | 495-034-5120-044 | 144,949 | 7/1/23-6/30/24 | - | - | - | (144,949) | - | (144,949) | - | 144,949 |
| Nonpublic Transportation Aid | 495-034-5120-014 | 4,318 | 7/1/22-6/30/23 | (4,318) | - | 4,318 | - | - | - | - | 4,318 |
| Nonpublic Transportation Aid | 495-034-5120-014 | 8,645 | 7/1/23-6/30/24 | - | - | - | (8,645) | - | (8,645) | - | 8,645 |
| On-Behalf TPAF Pension | 495-034-5094-002 | 1,584,201 | 7/1/23-6/30/24 | - | - | 1,584,201 | (1,584,201) | - | - | - | 1,584,201 |
| On-Behalf TPAF NCGI Premium | 495-034-5094-004 | 18,067 | 7/1/23-6/30/24 | - | - | 18,067 | (18,067) | - | - | - | 18,067 |
| On-Behalf TPAF Post Retirement Medical | 495-034-5094-001 | 436,079 | 7/1/23-6/30/24 | - | - | 436,079 | (436,079) | - | - | - | 436,079 |
| On-Behalf TPAF Long-term Disability | 495-034-5094-002 | 850 | 7/1/23-6/30/24 | - | - | 850 | (850) | - | - | - | 850 |
| Reimbursed T.P.A.F. - Social Security | 495-034-5094-003 | 347,328 | 7/1/22-6/30/23 | (33,610) | - | 33,610 | - | - | - | - | 347,328 |
| Reimbursed T.P.A.F. - Social Security | 495-034-5094-003 | 379,183 | 7/1/23-6/30/24 | - | - | 379,183 | (379,183) | - | - | - | 379,183 |
| Total General Fund | | | | (162,967) | - | 4,442,143 | (4,639,138) | - | (153,594) | (206,369) | 5,115,823 |
| Debt Service Fund: | | | | | | | | | | | |
| Debt Service Aid - Type II | 495-034-5120-017 | 239,910 | 7/1/23-6/30/24 | - | - | 239,910 | (239,910) | - | - | - | 239,910 |
| Total Debt Service Fund | | | | - | - | 239,910 | (239,910) | - | - | - | 239,910 |
| Capital Projects Fund: | | | | | | | | | | | |
| New Jersey School Development Auth. | SP4480-060-14-1002 | 143,436 | 7/1/14-6/30/15 | (39,815) | - | - | - | - | (39,815) | - | 39,815 |
| Total Capital Projects Fund | | | | (39,815) | - | - | - | - | (39,815) | - | 39,815 |
| Special Revenue Fund: | | | | | | | | | | | |
| N.J. Nonpublic: | | | | | | | | | | | |
| Textbook Aid | 100-034-5120-064 | 11,273 | 7/1/23-6/30/24 | - | - | 11,273 | (11,273) | - | - | - | 11,273 |
| Nursing Services | 100-034-5120-070 | 23,400 | 7/1/23-6/30/24 | - | - | 23,400 | (23,400) | - | - | - | 23,400 |
| Technology | 100-034-5120-373 | 9,555 | 7/1/23-6/30/24 | - | - | 9,555 | (9,555) | - | - | - | 9,555 |
| Security Aid | 100-034-5120-509 | 53,505 | 7/1/23-6/30/24 | - | - | 53,505 | (53,505) | - | - | - | 53,505 |
| Auxiliary Services: | | | | | | | | | | | |
| Compensatory Education | 100-034-5120-067 | 64,240 | 7/1/22-6/30/23 | - | 15,813 | - | - | (15,813) | - | - | 15,813 |
| Compensatory Education | 100-034-5120-067 | 53,723 | 7/1/23-6/30/24 | - | - | 53,723 | (53,723) | - | - | - | 53,723 |
| Handicapped Services: | | | | | | | | | | | |
| Supplemental Instruction | 100-034-5120-066 | 18,998 | 7/1/22-6/30/23 | - | 5,534 | - | - | (5,534) | - | - | 5,534 |
| Supplemental Instruction | 100-034-5120-066 | 15,859 | 7/1/23-6/30/24 | - | - | 15,859 | (15,859) | - | - | - | 15,859 |
| Examination and Classification | 100-034-5120-066 | 23,886 | 7/1/22-6/30/23 | - | 5,498 | - | - | (5,498) | - | - | 5,498 |
| Examination and Classification | 100-034-5120-066 | 18,015 | 7/1/23-6/30/24 | - | - | 18,015 | (18,015) | - | - | - | 18,015 |
| Corrective Speech | 100-034-5120-066 | 10,230 | 7/1/22-6/30/23 | - | 1,674 | - | - | (1,674) | - | - | 1,674 |
| Corrective Speech | 100-034-5120-066 | 8,556 | 7/1/23-6/30/24 | - | - | 8,556 | (8,556) | - | - | - | 8,556 |
| Total Special Revenue Fund | | | | - | 28,520 | 193,886 | (193,886) | (28,519) | - | - | 222,406 |
| State Department of Agriculture | | | | | | | | | | | |
| Enterprise Fund: | | | | | | | | | | | |
| State School Lunch Program | 100-010-3350-023 | 4,397 | 7/1/22-6/30/23 | (284) | - | 284 | - | - | - | - | 4,397 |
| State School Lunch Program | 100-010-3350-023 | 4,920 | 7/1/23-6/30/24 | - | - | 4,650 | (4,920) | - | (270) | - | 4,920 |
| State School Breakfast Program | 100-010-3350-023 | 28 | 7/1/22-6/30/23 | (1) | - | 1 | - | - | - | - | - |
| State School Breakfast Program | 100-010-3350-023 | 204 | 7/1/23-6/30/24 | - | - | 202 | (204) | - | (2) | - | 204 |
| Total Enterprise Fund | | | | (284) | - | 5,136 | (5,124) | - | (272) | - | 9,521 |
| TOTAL STATE FINANCIAL ASSISTANCE | | | | | | | | | | | |
| | | | | (203,067) | 28,520 | 4,881,075 | (5,078,058) | (28,519) | (193,681) | (206,369) | 5,627,475 |
| Less: On-Behalf TPAF Pension And Annuity Aid: | | | | | | | | | | | |
| On-Behalf TPAF Pension | 495-034-5094-002 | 1,584,201 | 7/1/23-6/30/24 | - | - | 1,584,201 | (1,584,201) | - | - | - | 1,584,201 |
| On-Behalf TPAF NCGI Premium | 495-034-5094-004 | 18,067 | 7/1/23-6/30/24 | - | - | 18,067 | (18,067) | - | - | - | 18,067 |
| On-Behalf TPAF Post Retirement Medical | 495-034-5094-001 | 436,079 | 7/1/23-6/30/24 | - | - | 436,079 | (436,079) | - | - | - | 436,079 |
| On-Behalf TPAF Long-term Disability | 495-034-5094-002 | 850 | 7/1/23-6/30/24 | - | - | 850 | (850) | - | - | - | 850 |
| TOTAL FOR STATE FINANCIAL ASSISTANCE MAJOR PROGRAM DETERMINATION | | | | | | | | | | | |
| | | | | (203,067) | 28,520 | 2,841,878 | (3,038,861) | (28,519) | (193,681) | (206,369) | 3,588,278 |

NOTE 1. GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include the activity of all Federal and State Award programs of the Board of Education, Borough of Rockaway School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the Schedule of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of Federal Awards and State Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 2 (C) and 2 (D) to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and N.J. OMB Circular 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3. RELATIONSHIP TO GENERAL-PURPOSE FINANCIAL STATEMENTS

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

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

NOTE 3. RELATIONSHIP TO GENERAL-PURPOSE FINANCIAL STATEMENTS
(continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(28,408) for the general fund and \$1,649 for the special revenue fund. See Note for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

Additionally, as discussed further in Note 6, the State of New Jersey makes contributions on-behalf of the District for TPAF post-retirement medical and pension contributions. The total amount of these contributions during 2024 fiscal year was \$2,039,197.

Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

| | <u>Federal</u> | <u>State</u> | <u>Total</u> |
|--|----------------------|------------------------|------------------------|
| General Fund | \$ - | \$4,610,730 | \$4,610,730 |
| Special Revenue Fund | 542,964 | 193,886 | 718,350 |
| Debt Service | - | 239,910 | 239,910 |
| Food Service | <u>104,359</u> | <u>5,124</u> | <u>109,484</u> |
| Total Awards and Financial Assistance | <u>\$628,823</u> | <u>\$5,049,650</u> | <u>\$5,678,474</u> |

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

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

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2024. The amount reported as TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2024.

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.

NOTE 7. SCHOOLWIDE PROGRAM FUNDS

School wide programs are not separate federal programs as defined in Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Grant Guidance); amounts used in schoolwide programs are included in the total expenditures of the program contributing the funds in the Schedule of Expenditure of Federal Awards. The following funds by program are included in schoolwide programs in the school district.

| <u>Program</u> | <u>Total</u> |
|--|------------------|
| Title I, Part A: Grants to Local Educational Agencies | \$95,980 |
| Title II, Part A: Improving Teacher Quality State Grants | 25,183 |
| Title IV, Safe and Drug Free Schools | <u>10,254</u> |
| Total | <u>\$131,417</u> |

NOTE 8. INDIRECT COST RATE

The Borough of Rockaway School District has elected not to use the 10 percent de minimis Indirect Cost Rate as allowed under the Uniform Guidance.

**BOROUGH OF ROCKAWAY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- | | | |
|---|-----------------------|----------------------------|
| 1) Material weakness(es) identified? | <u> </u> yes | <u> X </u> no |
| 2) Significant deficiencies identified? | <u> </u> yes | <u> X </u> none reported |

Noncompliance material to financial statements
noted?

 yes X no

Federal Awards

N/A

State Awards Section

Identification of major programs:

**BOROUGH OF ROCKAWAY SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Status of Prior Year Findings

Finding 2023-001: The client corrected the issue in the 2023-2024 school year.