

SCHOOL DISTRICT  
OF  
ROCKAWAY TOWNSHIP

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

Annual Comprehensive Financial Report  
For the Fiscal Year Ended June 30, 2024

# Annual Comprehensive Financial Report

of the

Rockaway Township School District  
Board of Education

Rockaway Township, New Jersey

For the Fiscal Year Ended June 30, 2024

Prepared by

Rockaway Township School District  
Board of Education

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
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INTRODUCTORY SECTION  
(UNAUDITED)



# ROCKAWAY TOWNSHIP PUBLIC SCHOOLS

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

November 12, 2024

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

Dear Honorable President, Board Members, and Citizens:

The annual comprehensive financial report of the Rockaway Township School District (the “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 Rockaway Township Board of Education (the “Board”). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

Generally Accepted Accounting Principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). The transmittal letter is designed to be read in conjunction with the MD&A. The MD&A section provides an overview of factors that impact the District’s financial position.

1. REPORTING ENTITY AND ITS SERVICES: The Rockaway Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (“GASB”) in codification section 2100. All funds of the District are included in this report. The Rockaway Township School District’s elementary school constitutes the District's reporting entity.

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

2. ENROLLMENT: The District completed the 2023-2024 fiscal year with an enrollment of 2,425, which is a/an increase 7 students or 0.3% from the previous year's enrollment. The projected enrollment for 2024-2025 fiscal year is 2,442 students. While nationally, Charter Schools have become popular, the district has seen limited use of this alternative education source having just 9 students choosing the charter school option in the 2023-2024 school year.
3. SCHOOL BUILDINGS AND CAPITAL IMPROVEMENTS: The District's buildings were built in the following years: Birchwood (1958), Catherine A. Dwyer (1971), Dennis B. O'Brien (1953), Katherin D. Malone (1952), and Stony Brook Elementary Schools (1962) and Copeland Middle School (1969). The District's board office building was built in 1940 and the Bus Garage was built in 1970.
4. ECONOMIC CONDITION AND OUTLOOK: The District relies on local property taxes and state aid to support its budget. In the 2023-2024 school year, the District saw a slight increase in state aid but the predominant source to support its budget is local property taxes.

As of the 2020 United States census, the Township's population was 25,341, an increase of 1,185 (+4.9%) from the 2010 census count of 24,156, which in turn reflected an increase of 1,226 (+5.3%) from the 22,930 counted in the 2000 census. Rockaway Township's population is expected to increase over the next several years with the development of new housing construction projects.

5. MAJOR INITIATIVES: During the 2023-2024 school year, the district completed work on the KDM Water filtration system. The originally scheduled roof replacements at KDM, CMS, and Birchwood were cancelled due to issues with the bid process and concerns regarding timelines for completion. We did, however, carry out a district-wide paving project and replace fencing throughout the district. We are currently working with our architects to select new projects for summer 2025 based upon our updated LRFP.
6. CURRICULUM OFFERINGS: During the 2023-2024 school year, the Curriculum Department undertook significant efforts to establish consistent academic programming across all district schools. This initiative began with a comprehensive overhaul of the district's curricula, focusing on developing a robust curricular process. The process included collaboration with writers, editors, and the Board of Education's Education Committee.

We partnered with the Business Administrator to review district funding, ensuring all curricular purchases aligned with the updated curricula. Additionally, we prioritized professional development, equipping teachers with the tools and knowledge necessary to begin the school year confidently.

As a result of these efforts, the 2024-2025 school year commenced with complete curricular alignment throughout the district. Key achievements included the implementation of a Science of Reading program for grades K-3, enhanced coherence in Math and ELA through iReady, the introduction of a new Social-Emotional Learning (SEL) program, and the adoption of LinkIt, a cutting-edge data management system.

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



As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control system is also subject to periodic evaluation by the District's management. As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control system, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws, regulations, contracts and grants.

8. ACCOUNTING SYSTEM BUDGETARY CONTROLS: The District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board ("GASB") in codification section 2100. All funds of the District are included in this report.

The District's accounting records include an expanded minimum chart of accounts using dimensions to define area and location. Board approval for most budgetary transfers is required at the state minimum level, which is the dimension object within program. Additional approval from the New Jersey State Department of Education is required in the case of General Fund transfers from instructional to administrative accounts, any transfer to capital outlay from current expense except for equipment, transfers from unassigned fund balance at certain times of the year, and all transfers out that on a cumulative basis exceeds 10% of the advertised appropriation as established by the New Jersey Department of Education, Division of Finance.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as fund balance restrictions, commitments and assignments at June 30, 2024.

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements", Note 1.

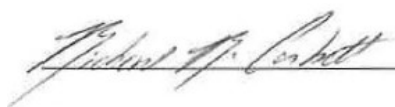
The District's budget is developed annually by the administration with input from all stakeholders in the District. Once compiled, it is presented to the District's Board of Education and the New Jersey Department of Education's Executive County Superintendent of Schools in March of each year. It is then advertised for public input and a budget hearing is scheduled. Public comment at the hearing may result in modifications. The final budget must be posted to the District's website forty-eight hours after the public hearing.

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

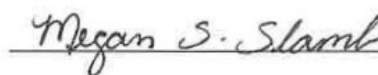
9. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property, contents, and fidelity bonds. The Board oversees risk management for the District.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

10. OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey’s OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The Auditors’ Report on the basic financial statements and specific required supplementary information are included in the financial section of this report. The Auditors’ Reports related specifically to the single audit and *Government Auditing Standards* are included in the single audit section of this report.
11. AWARDS: The Association of School Business Officials International (“ASBO”) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Rockaway Township School District for its Annual Comprehensive Financial Report (“ACFR”) for the fiscal year ended June 30, 2023. This program contributes to the enhancement of credibility of financial management, the adoption of accounting principles generally accepted in the United States of America, and sound budgetary and reporting purposes. In order to be awarded the Certificate of Excellence, the District must prepare the ACFR in a fashion that strictly conforms to generally accepted accounting principles and program requirements. The Certificate of Excellence is valid for a period of one year, and the District feels confident that it will continue to meet the program requirements and will apply for the award for the fiscal year ended June 30, 2024.
12. ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Rockaway Township School Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,



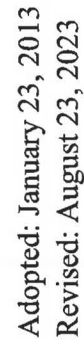
Richard R. Corbett, Ed. D.  
Superintendent



Megan Slamb  
Business Administrator/Board Secretary

## Rockaway Township Public Schools

### Organizational Chart for School Year 2023-2024



ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
ROSTER OF OFFICIALS  
YEAR ENDED JUNE 30, 2024

<u>Members of the Board of Education</u>		<u>Term Expires</u>
Tanya Shields - President		2024
Lisa Mezik - Vice President		2026
Noel Anderson		2025
Kristy Curelaru		2025
Alison McGeary		2026
Larissa Smith		2024
Dr. Aaron Tomasini		2025

<u>Other Officials</u>	<u>Title</u>
Richard R. Corbett, Ed.D.	Superintendent of Schools
Megan Slamb	Business Administrator / Board Secretary
Lisa Palmieri	Treasurer of School Monies

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
CONSULTANTS AND ADVISORS  
YEAR ENDED JUNE 30, 2024

**Audit Firm**

Nisivoccia LLP  
Mount Arlington Corporate Center  
200 Valley Road Suite 300  
Mount Arlington, New Jersey 07856  
and  
Lawrence Business Park  
11 Lawrence Road  
Newton, New Jersey 07860  
and  
1140 Route 22 East, Suite 203  
Bridgewater, New Jersey 08807

**Attorney**

Chasan Lamparello Mallon & Cappuzzo, PC  
300 Lighting Way  
Secaucus, NJ 07094

**Official Depository**

PNC National Bank  
339 Mt. Hope Avenue  
Rockaway, New Jersey 07866



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting  
is presented to**

**Rockaway Township Public Schools**

**for its Annual Comprehensive Financial Report  
for the Fiscal Year Ended June 30, 2023.**

The district report meets the criteria established for  
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, reading 'Ryan S. Stechschulte'.

**Ryan S. Stechschulte**  
**President**

A handwritten signature in black ink, reading 'James M. Rowan'.

**James M. Rowan, CAE, SFO**  
**CEO/Executive Director**

FINANCIAL SECTION

## Independent Auditors' Report

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Rockaway Township School District (the "District"), in the County of Morris, as of and for the fiscal 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the District, as of June 30, 2024, and the respective changes in financial position, and, where applicable cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

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

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



### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information schedules and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

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

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

November 12, 2024  
Mount Arlington, New Jersey

*Nisivoccia LLP*  
NISIVOCCIA LLP

*Man C Lee*  
\_\_\_\_\_  
Man C. Lee  
Licensed Public School Accountant #2527  
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR FISCAL YEAR ENDED JUNE 30, 2024

The discussion and analysis of the Rockaway Township School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

### Overview of the Financial Statements

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

- The first two statements are *district-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, which report the District's operations in *more* detail than the district-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- *Proprietary funds* statements offer *short-term* and *long-term* financial information about the activities the District operates like a business, such as food services, summer enrichment and after school.

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

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

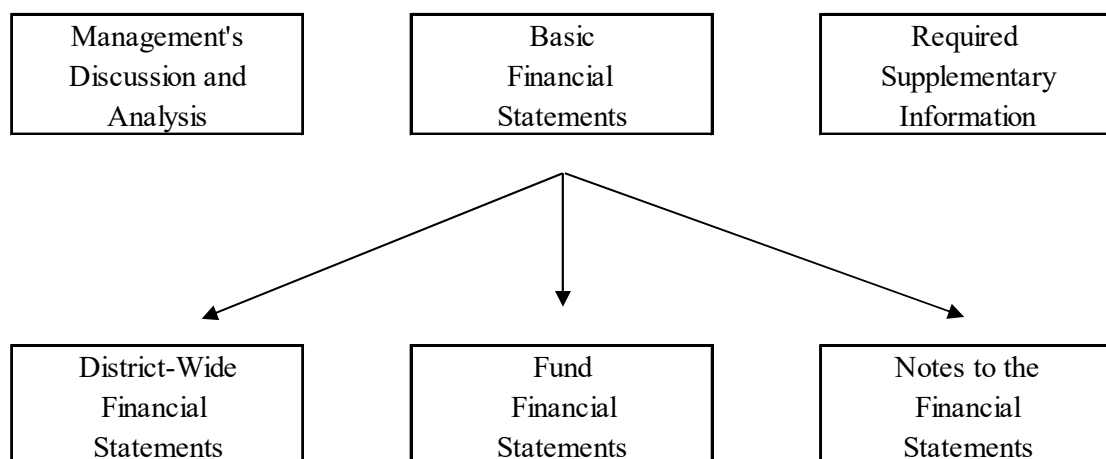


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents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

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

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire district	The activities of the district that are not proprietary, such as special education and building maintenance	Activities the district operates similar to private businesses; food services, services, summer enrichment and after school.
Required Financial Statements	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of Revenue, Expenditures, and Changes in Fund Balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Revenue, Expenses, and Changes in Net Position</li> <li>• Statement of Cash Flows</li> </ul>
Accounting basis and measurement focus	Accrual Accounting and Economic Resources focus	Modified Accrual Accounting and Current Financial Focus	Accrual Accounting and Economic Resources focus
Type of Asset/Liability Information	All Assets and Liabilities, both Financial and Capital, Short-Term and Long-Term, and Deferred Outflows and Inflows of Resources	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets, lease assets, subscription assets, or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term, and deferred outflows and inflows of resources
Type of Inflow/Outflow Information	All Revenue and Expenses during the year, regardless of when Cash is Received or Paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liabilities is due and payable	All Revenue and Expenses during the year, regardless of when cash is received or paid

## ***District-wide Statements***

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

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

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

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

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

## ***Fund Financial Statements***

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

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

The District has two kinds of funds:

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

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

## Financial Analysis of the District as a Whole

*Net Position.* The District's combined net position increased by \$1,620,899. Net position from governmental activities increased by \$1,637,607 and net position from business-type activities decreased by \$16,708. Net investment in capital assets increased by \$1,626,995, restricted net position increased by \$1,503,144 and unrestricted net position decreased by \$1,509,240.

**Figure A-3**

### Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change 2023-2024
	2024	2023	2024	2023	2024	2023	
Current and Other Assets	\$ 16,319,939	\$ 17,045,297	\$ 410,603	\$ 420,094	\$ 16,730,542	\$ 17,465,391	
Capital Assets, Net	29,232,923	28,332,921	136,873	142,412	29,369,796	28,475,333	
Total Assets	45,552,862	45,378,218	547,476	562,506	46,100,338	45,940,724	0.35%
Deferred Outflows of Resources	1,082,328	1,399,468			1,082,328	1,399,468	-22.66%
Other Liabilities	1,480,184	1,181,505	148,994	147,316	1,629,178	1,328,821	
Long-Term Liabilities	11,706,727	13,214,557			11,706,727	13,214,557	
Total Liabilities	13,186,911	14,396,062	148,994	147,316	13,335,905	14,543,378	-8.30%
Deferred Inflows of Resources	1,606,842	2,177,794			1,606,842	2,177,794	-26.22%
Net Position:							
Net Investment in							
Capital Assets	28,485,386	26,852,852	136,873	142,412	28,622,259	26,995,264	
Restricted	12,949,009	11,445,865			12,949,009	11,445,865	
Unrestricted/(Deficit)	(9,592,958)	(8,094,887)	261,609	272,778	(9,331,349)	(7,822,109)	
Total Net Position	\$ 31,841,437	\$ 30,203,830	\$ 398,482	\$ 415,190	\$ 32,239,919	\$ 30,619,020	5.29%

*Changes in Net Position.* The District's combined net position was \$32,239,919 on June 30, 2024, \$1,620,899 or 5.29% more than the previous year (See Figure A-3). Net investment in capital assets increased mainly due to capital assets additions, paydown of principal for bonds payable and financed purchases and amortization of bond premium; offset by capital assets depreciation and disposals. Restricted net position increased primarily due to increases in the capital and maintenance reserves, offset by the decrease in excess surplus. Unrestricted net position decreased primarily due to the increase in compensated absences payable and increases in expenditures such as health benefits and student related services.

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

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2024	2023	2024	2023	2024	2023	
Revenue:							
Program Revenue:							
Charges for Services	\$ 452,114	\$ 375,048	\$ 673,101	\$ 523,647	\$ 1,125,215	\$ 898,695	
Operating Grants and Contributions	11,611,024	11,484,220	403,223	367,013	12,014,247	11,851,233	
General Revenue:							
Property Taxes	50,528,943	49,253,616			50,528,943	49,253,616	
Unrestricted Federal and State Aid	1,556,522	1,388,658			1,556,522	1,388,658	
Other	1,135,578	547,931	18,999	37	1,154,577	547,968	
Total Revenue	65,284,181	63,049,473	1,095,323	890,697	66,379,504	63,940,170	3.82%
Expenses:							
Instruction	35,602,783	35,175,558			35,602,783	35,175,558	
Tuition	1,456,850	1,296,746			1,456,850	1,296,746	
Pupil and Instruction Services	12,412,488	11,329,654			12,412,488	11,329,654	
Administrative and Business	5,363,563	5,133,401			5,363,563	5,133,401	
Maintenance and Operations	5,478,309	5,122,633			5,478,309	5,122,633	
Transportation	3,121,910	2,965,404			3,121,910	2,965,404	
Other	210,671	218,985	1,112,031	987,172	1,322,702	1,206,157	
Total Expenses	63,646,574	61,242,381	1,112,031	987,172	64,758,605	62,229,553	4.06%
Change in Net Position	1,637,607	1,807,092	(16,708)	(96,475)	1,620,899	1,710,617	-5.24%
Beginning Net Position	30,203,830	28,396,738	415,190	511,665	30,619,020	28,908,403	
Ending Net Position	\$ 31,841,437	\$ 30,203,830	\$ 398,482	\$ 415,190	\$ 32,239,919	\$ 30,619,020	5.29%

***Governmental Activities***

The financial position of the District improved. However, maintaining existing programs while experiencing changes in enrollment, the provision of multitude of special programs/services for students with special needs, combined with rising salary and benefits costs, places great demands on the District's resources.

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

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



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

	Total Cost of Services		Net Cost of Services	
	2024	2023	2024	2023
Instruction	\$ 35,602,783	\$ 37,280,603	\$ 26,805,585	\$ 26,481,024
Tuition	1,456,850	492,387	669,061	670,062
Pupil & Instruction Services	12,412,488	11,295,970	10,934,489	9,780,980
Administrative and Business	5,363,563	4,721,515	5,099,092	4,846,108
Maintenance & Operations	5,478,309	4,536,428	5,428,164	5,072,484
Transportation	3,121,910	3,108,825	2,436,374	2,313,470
Other	210,671	100,186	210,671	218,985
Total	<u>\$ 63,646,574</u>	<u>\$ 61,535,914</u>	<u>\$ 51,583,436</u>	<u>\$ 49,383,113</u>

**Business-Type Activities**

Net position from the District's business-type activities decreased by \$16,708. (Refer to Figure A-4). Factors contributing to this included:

- Food services net position decreased by \$22,679 as the District continues to spend down its supply chain assistance.
- Summer enrichment net position decreased by \$2,830 due to an increase in salaries and supplies offset by an increase in program rates.
- After school net position increased by \$8,801 due to increased participation as Birchwood Elementary School and Catherine A. Dwyer Elementary School were added to the program.

**Financial Analysis of the District's General Fund**

The General Fund serves as the District's main operating fund and its financial position declined slightly due to changes in the student population and the rising cost of fixed obligations. Rising salaries and health benefit costs have and continue to put a strain on the District's budget. The District's participation in several insurance pools has helped stabilize insurance rates. The General Fund had an ending fund balance of \$15.6m on June 30, 2024, a decrease of \$873,641 or 5% from the prior year.

**General Fund Budgetary Highlights**

Over the course of the year, the District revised the annual operating budget several times. These budget amendments were made up of changes made within budgetary line items for changes in school-based needs for programs, supplies salaries, and legal and other professional services. The District is required to report revenue and offsetting expenditures for TPAF benefits paid by NJDOE on behalf of the District. These amounts are not budgeted and are required to be presented as excess revenue and expenditures without appropriations.

## Capital Assets

**Figure A-6**

### Capital Assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Percentage
	2024	2023	2024	2023	2024	2023	Change
							2023-2024
Land	\$ 3,242,866	\$ 3,242,866			\$ 3,242,866	\$ 3,242,866	
Construction in Progress	149,561	704,173			149,561	704,173	
Site Improvements	1,578,298	1,624,230			1,578,298	1,624,230	
Buildings & Building							
Improvements	21,554,010	20,584,323			21,554,010	20,584,323	
Furniture, Machinery							
and Equipment	2,708,188	2,177,329	\$136,873	\$142,412	2,845,061	2,319,741	
Total	<u>\$29,232,923</u>	<u>\$28,332,921</u>	<u>\$136,873</u>	<u>\$142,412</u>	<u>\$29,369,796</u>	<u>\$28,475,333</u>	3.14%

The \$894,463 increase in capital assets was attributable to \$1,952,752 in additions (\$1,941,060 from its governmental activities, which included various improvements and purchase of school buses, and \$11,692 from its business-type activities for the acquisition of cafeteria equipment); offset by \$1,018,934 in current year depreciation (\$1,001,703 from its governmental and \$17,231 from its business-type activities) during the year. (More detailed information about the District's capital assets is presented in Note 8 to the financial statements.)

## Long Term Liabilities

The District's long-term liabilities decreased by \$1,507,830 or 11.41% - as shown in Figure A-7. (More detailed information about the District's long-term liabilities is presented in Note 9 to the financial statements.)

**Figure A-7**

### Outstanding Long-Term Liabilities

	Total School District		Percentage
	2024	2023	Change
			2023-2024
General Obligation Bonds (Financed with Property Taxes)	\$ 580,000	\$ 1,140,000	
Net Pension Liability	8,859,553	10,011,269	
Compensated Absences	2,099,637	1,723,219	
Financed Purchases	167,537	326,721	
Unamortized Bond Issuance Premium		13,348	
Total	<u>\$ 11,706,727</u>	<u>\$ 13,214,557</u>	-11.41%

- The District continued to pay down its bonded debt, retiring \$560,000 of outstanding bonds.
- Net pension liability decreased by \$1,151,716.
- Compensated absences payable had a net increase of \$376,418.
- The District paid down \$159,184 in financed purchases principal.
- The District amortized \$13,348 of bond issuance premiums.

### **Factors Bearing on the District's Future**

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

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

### **Contacting the District's Financial Management**

This financial report is designed to provide the District's citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for money it receives. If you have questions about this report or need additional information, contact the School Business Administrator/Board Secretary at Rockaway Township School District Board of Education, 16 School Road, Hibernia, NJ 07842.

## BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2024

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 4,693,801	\$ 377,073	\$ 5,070,874
Investments	89,043		89,043
Receivables from State Government	937,866	1,324	939,190
Receivables from Federal Government	73,019	16,003	89,022
Receivables from Other Governments	7,055		7,055
Other Accounts Receivable		1,368	1,368
Inventories		14,835	14,835
Restricted Cash and Cash Equivalents	10,519,155		10,519,155
Capital Assets, Net:			
Sites and Construction in Progress	3,392,427		3,392,427
Depreciable Site Improvements, Buildings and Building Improvements, Furniture, and Machinery and Equipment	25,840,496	136,873	25,977,369
Total Assets	45,552,862	547,476	46,100,338
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows Related to Pensions	1,082,328		1,082,328
Total Deferred Outflows of Resources	1,082,328		1,082,328
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	1,465,531	72,852	1,538,383
Payable to Federal Government	4,971		4,971
Accrued Interest Payable	7,733		7,733
Unearned Revenue	1,949	76,142	78,091
Noncurrent Liabilities:			
Due Within One Year	683,168		683,168
Due Beyond One Year	11,023,559		11,023,559
Total Liabilities	13,186,911	148,994	13,335,905
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows Related to Pensions	1,606,842		1,606,842
Total Deferred Inflows of Resources	1,606,842		1,606,842
<u>NET POSITION</u>			
Net Investment in Capital Assets	28,485,386	136,873	28,622,259
Restricted for:			
Capital Projects	9,523,886		9,523,886
Maintenance	300,000		300,000
Emergency	50,000		50,000
Excess Surplus	2,429,854		2,429,854
Unemployment Compensation	565,935		565,935
Student Activities	79,334		79,334
Unrestricted/(Deficit)	(9,592,958)	261,609	(9,331,349)
Total Net Position	\$ 31,841,437	\$ 398,482	\$ 32,239,919

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 23,724,113	\$ 103,979	\$ 3,568,828	\$ (20,051,306)		\$ (20,051,306)
Special Education	9,795,840	120,156	4,691,557	(4,984,127)		(4,984,127)
Other Special Instruction	1,971,652		312,678	(1,658,974)		(1,658,974)
School Sponsored	111,178			(111,178)		(111,178)
Support Services:						
Tuition	1,456,850		787,789	(669,061)		(669,061)
Student and Instruction Related Services	12,412,488	144,850	1,333,149	(10,934,489)		(10,934,489)
General Administrative Services	919,002			(919,002)		(919,002)
School Administrative Services	2,470,356		264,471	(2,205,885)		(2,205,885)
Central Services	966,558			(966,558)		(966,558)
Administrative Information Technology	1,007,647			(1,007,647)		(1,007,647)
Plant Operations and Maintenance	5,478,309		50,145	(5,428,164)		(5,428,164)
Pupil Transportation	3,121,910	83,129	602,407	(2,436,374)		(2,436,374)
Transfer of Funds to Charter School	195,256			(195,256)		(195,256)
Interest on Long-Term Debt	13,585			(13,585)		(13,585)
Capital Outlay	1,830			(1,830)		(1,830)
Total Governmental Activities	63,646,574	452,114	11,611,024	(51,583,436)		(51,583,436)
Business-Type Activities:						
Food Service	1,045,851	600,952	403,223		\$ (41,676)	(41,676)
Summer Enrichment	41,522	38,690			(2,832)	(2,832)
After Care	24,658	33,459			8,801	8,801
Total Business-Type Activities	1,112,031	673,101	403,223		(35,707)	(35,707)
Total Primary Government	\$ 64,758,605	\$ 1,125,215	\$ 12,014,247	(51,583,436)	(35,707)	(51,619,143)

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenue:			
Property Taxes, Levied for General Purposes	\$ 50,080,332		\$ 50,080,332
Taxes Levied for Debt Service	448,611		448,611
Federal, State and Local Aid not Restricted	1,556,522		1,556,522
Interest Earnings	667,150	\$ 10,912	678,062
Miscellaneous Income	468,428	8,087	476,515
Total General Revenues	53,221,043	18,999	53,240,042
Change in Net Position	1,637,607	(16,708)	1,620,899
Net Position - Beginning	30,203,830	415,190	30,619,020
Net Position - Ending	<u>\$ 31,841,437</u>	<u>\$ 398,482</u>	<u>\$ 32,239,919</u>

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



FUND FINANCIAL STATEMENTS

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 4,691,021		\$ 2,780		\$ 4,693,801
Investments	89,043				89,043
Interfund Receivable	65,596				65,596
Receivables From Federal Government		\$ 73,019			73,019
Receivables From State Government	937,866				937,866
Receivables From Other Government	7,055				7,055
Restricted Cash and Cash Equivalents	10,439,821	79,334			10,519,155
Total Assets	<u>\$ 16,230,402</u>	<u>\$ 152,353</u>	<u>\$ 2,780</u>	<u>\$ -0-</u>	<u>\$ 16,385,535</u>
<b>LIABILITIES AND FUND BALANCES:</b>					
Liabilities:					
Payable to Federal Government		\$ 4,971			\$ 4,971
Accounts Payable	\$ 573,298	503	\$ 2,780		576,581
Interfund Payable		65,596			65,596
Unearned Revenue		1,949			1,949
Total Liabilities	<u>573,298</u>	<u>73,019</u>	<u>2,780</u>		<u>649,097</u>
Fund Balances:					
Restricted:					
Excess Surplus for 2025-2026	1,500,000				1,500,000
Excess Surplus for 2024-2025	929,854				929,854
Capital Reserve	9,523,886				9,523,886
Maintenance Reserve	300,000				300,000
Emergency Reserve	50,000				50,000
Unemployment Compensation	565,935				565,935
Student Activities		79,334			79,334
Committed					
Assigned:					
Designated for Subsequent Year's					
Expenditures	614,972				614,972
Other Purposes	558,543				558,543
Unassigned	1,613,914				1,613,914
Total Fund Balances	<u>15,657,104</u>	<u>79,334</u>			<u>15,736,438</u>
Total Liabilities and Fund Balances	<u>\$ 16,230,402</u>	<u>\$ 152,353</u>	<u>\$ 2,780</u>	<u>\$ -0-</u>	<u>\$ 16,385,535</u>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2024

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

Total Fund Balances - Governmental Funds (Previous Page)	\$ 15,736,438
Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds.	29,232,923
Long-Term Liabilities, including Bonds Payable, Compensated Absences Payable, Financed Purchases Payable and Net Pension Liability for PERS, are not due and payable in the current period and therefore are not reported as liabilities in the Funds.	(11,706,727)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(7,733)
District contributions subsequent to the measurement date are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in the accounts payable in the Statement of Net Position.	(888,950)
Certain amounts related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not reported in the Governmental Funds:	
Deferred Outflows	1,082,328
Deferred Inflows	<u>(1,606,842)</u>
Net Position of Governmental Activities	<u>\$ 31,841,437</u>

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 50,080,332			\$ 448,611	\$ 50,528,943
Tuition from Individuals	103,979				103,979
Tuition from Other LEAs	120,156				120,156
Transportation Fees from Individuals	3,450				3,450
Transportation Fees from Other LEAs	79,679				79,679
Interest on Capital Reserve	260,016				260,016
Restricted Miscellaneous Revenue	35,498	\$ 144,850			180,348
Unrestricted Miscellaneous Revenue	840,064	20,952			861,016
Total - Local Sources	51,523,174	165,802		448,611	52,137,587
State Sources	17,505,988			145,789	17,651,777
Federal Sources	605,289	1,207,080			1,812,369
Total Revenue	69,634,451	1,372,882		594,400	71,601,733
EXPENDITURES					
Current:					
Regular Instruction	15,570,638	198,349			15,768,987
Special Education Instruction	6,516,138				6,516,138
Other Special Instruction	1,298,216				1,298,216
School Sponsored/Other Instruction	95,773				95,773
Support Services and Undistributed Costs:					
Tuition	669,061	787,789			1,456,850
Student & Instruction Related Services	8,830,163	382,312			9,212,475
General Administrative Services	789,305				789,305
School Administrative Services	1,781,777				1,781,777
Central Services	784,083				784,083
Administration Information Technology	861,432				861,432
Plant Operations and Maintenance	4,725,387				4,725,387
Pupil Transportation	2,905,334				2,905,334
Unallocated Benefits	23,605,849				23,605,849
Debt Service:					
Principal				560,000	560,000
Interest and Other Charges				34,400	34,400
Capital Outlay	1,939,179	3,936	\$ 27,415		1,970,530
Charter Schools	195,256				195,256
Total Expenditures	70,567,591	1,372,386	27,415	594,400	72,561,792
Excess/(Deficit) of Revenue over/(under) Expenditures	(933,140)	496	(27,415)		(960,059)
OTHER FINANCING SOURCES/(USES)					
Transfers	235		(235)		
Total Other Financing Sources/(Uses)	235		(235)		
Net Change in Fund Balances	(932,905)	496	(27,650)		(960,059)
Fund Balance —July 1	16,590,009	78,838	27,650		16,696,497
Fund Balance —June 30	\$ 15,657,104	\$ 79,334	\$ -0-	\$ -0-	\$ 15,736,438

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ (960,059)

Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation and disposals (if any) differ from the capital asset additions in the period.

Depreciation expense	\$ (1,001,703)	
Capital assets additions	1,941,060	
Capital assets disposals	<u>(39,355)</u>	
		900,002

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation. (+) (376,418)

Repayment of financed purchases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. (+) 159,184

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. (+) 560,000

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. When the interest paid exceeds the accrued interest the difference is an addition in the reconciliation (+); When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-). 7,467

The governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. (+) 13,348

The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:

Change in Net Pension Liability	1,151,716	
Changes in Deferred Outflows	(388,585)	
Changes in Deferred Inflows	<u>570,952</u>	

Change in Net Position of Governmental Activities (A-2) \$ 1,637,607

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2024

	Business-Type Activities - Enterprise Funds			
	Major Funds		Total	
	Food Service	Summer Enrichment	Non-Major Funds	Total Enterprise
ASSETS:				
Current Assets:				
Cash and Cash Equivalents	\$ 297,629	\$ 46,301	\$ 33,143	\$ 377,073
Intergovernmental Accounts Receivable:				
State	1,324			1,324
Federal	16,003			16,003
Other Accounts Receivable	1,368			1,368
Inventories	14,835			14,835
Total Current Assets	331,159	46,301	33,143	410,603
Non-Current Assets:				
Capital Assets	630,043			630,043
Less: Accumulated Depreciation	(493,170)			(493,170)
Total Non-Current Assets	136,873			136,873
Total Assets	468,032	46,301	33,143	547,476
LIABILITIES:				
Current Liabilities:				
Accounts Payable	72,852			72,852
Unearned Revenue:				
Prepaid Sales		45,550		45,550
Donated Commodities	1,909			1,909
Supply Chain Assistance	28,683			28,683
Total Liabilities	103,444	45,550		148,994
NET POSITION:				
Investment in Capital Assets	136,873			136,873
Unrestricted	227,715	751	33,143	261,609
Total Net Position	\$ 364,588	\$ 751	\$ 33,143	\$ 398,482

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Business-Type Activities - Enterprise Funds			
	Major Funds		Total	
	Food Service	Summer Enrichment	Non-Major Funds	Total Enterprise
Operating Revenue:				
Daily Sales:				
Reimbursable Programs	\$ 401,907			\$ 401,907
Non-Reimbursable Programs	199,045			199,045
Program Fees		\$ 38,690	\$ 33,459	72,149
Miscellaneous Revenue	8,087			8,087
Total Operating Revenue	609,039	38,690	33,459	681,188
Operating Expenses:				
Cost of Sales:				
Reimbursable Programs	329,885			329,885
Non-Reimbursable Programs	170,014			170,014
Salaries	347,538	37,136	16,723	401,397
Employee Benefits	104,663			104,663
Transportation		3,350		3,350
Other Purchased Services	50,895			50,895
Supplies and Materials	25,625	1,036	7,935	34,596
Depreciation Expense	17,231			17,231
Total Operating Expenses	1,045,851	41,522	24,658	1,112,031
Operating Income/(Loss)	(436,812)	(2,832)	8,801	(430,843)
Non-Operating Revenue:				
Local Sources:				
Interest Income	10,910	2		10,912
State Sources:				
State School Lunch Program	15,604			15,604
State School Breakfast Program	25			25
State Extended Income Eligibility - Lunch	3,099			3,099
Federal Sources:				
National School Lunch Program	231,051			231,051
School Breakfast Program	4,102			4,102
Food Distribution Program	68,194			68,194
COVID Supply Chain Assistance Utilized	80,495			80,495
P-EBT Reimbursement	653			653
Total Non-Operating Revenue	414,133	2		414,135
Change in Net Position	(22,679)	(2,830)	8,801	(16,708)
Net Position - Beginning of Year	387,267	3,581	24,342	415,190
Net Position - End of Year	\$ 364,588	\$ 751	\$ 33,143	\$ 398,482

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Business-Type Activities - Enterprise Funds			
	Major Funds		Total	
	Food Service	Summer Enrichment	Non-Major Funds	Total Enterprise
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 596,923	\$ 46,610	\$ 33,459	\$ 676,992
Payments to Food Service Company	(886,931)			(886,931)
Payments to/for Employees		(37,136)	(16,723)	(53,859)
Payments to Suppliers	(53,774)	(4,386)	(7,935)	(66,095)
Net Cash Provided by/(Used for) Operating Activities	(343,782)	5,088	8,801	(329,893)
Cash Flows from Financing Activities:				
Interest Income	10,910	2		10,912
Net Cash Provided by Financing Activities	10,910	2		10,912
Cash Flows from Capital and Related Financing Activities:				
Purchase of Capital Assets	(11,692)			(11,692)
Net Cash (Used for) Capital and Related Financing Activities	(11,692)			(11,692)
Cash Flows from Noncapital Financing Activities:				
State Sources	18,659			18,659
Federal Sources	301,298			301,298
Net Cash Provided by Noncapital Financing Activities	319,957			319,957
Net Increase/(Decrease) in Cash and Cash Equivalents	(24,607)	5,090	8,801	(10,716)
Cash and Cash Equivalents, July 1	322,236	41,211	24,342	387,789
Cash and Cash Equivalents, June 30	<u>\$ 297,629</u>	<u>\$ 46,301</u>	<u>\$ 33,143</u>	<u>\$ 377,073</u>
Reconciliation of Operating Income/(Loss) to				
Net Cash Provided by/(Used for) by Operating Activities:				
Operating Income/(Loss)	\$ (436,812)	\$ (2,832)	\$ 8,801	\$ (430,843)
Depreciation	17,231			17,231
Food Distribution Program	68,194			68,194
Changes in Assets and Liabilities:				
(Increase) in Other Accounts Receivable	(1,368)			(1,368)
Increase in Accounts Payable	26,409			26,409
(Decrease) in Unearned Revenue - Donated Commodities	(281)			(281)
Increase/(Decrease) in Unearned Revenue - Prepaid Sales	(10,748)	7,920		(2,828)
(Increase) in Inventory	(6,407)			(6,407)
Net Cash Provided by/(Used for) by Operating Activities	<u>\$ (343,782)</u>	<u>\$ 5,088</u>	<u>\$ 8,801</u>	<u>\$ (329,893)</u>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$67,913 and utilized U.S.D.A. Commodities valued at \$68,194.

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



ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

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

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

B. Basis of Presentation:

District-Wide Financial Statements:

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

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

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

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements:

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

The District reports the following governmental funds:

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

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

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

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

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

B. Basis of Presentation: (Cont'd)

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

The District reports the following proprietary fund:

Enterprise (Food Service, Summer Enrichment and After School) Funds: The Enterprise Funds account for all revenue and expenses pertaining to the Board's cafeteria, summer enrichment and after school operations. The food service, summer enrichment and after school funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

C. Measurement Focus and Basis of Accounting:

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

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

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

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

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

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2024 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be made by School Board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

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

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

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

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 69,693,715	\$ 1,332,138
Differences - Budgetary to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis recognizes Encumbrances as Expenditures and Revenue while the GAAP basis does not:		
Prior Year Encumbrances		54,299
Cancellation of Prior Year Encumbrances		(3,936)
Current Year Encumbrances		(9,619)
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	340,401	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(399,665)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 69,634,451</u>	<u>\$ 1,372,882</u>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 70,567,591	\$ 1,331,642
Differences - Budgetary to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Prior Year Encumbrances		54,299
Cancellation of Prior Year Encumbrances		(3,936)
Current Year Encumbrances		(9,619)
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 70,567,591</u>	<u>\$ 1,372,386</u>

E. Cash and Cash Equivalents, and Investments:

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

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

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

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

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

F. Interfund Transactions:

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

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

G. Allowance for Uncollectible Accounts:

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

H. Encumbrances:

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

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

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

I. Short-term Interfund Receivables/Payables:

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

J. Inventories:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2024.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

(Continued)

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

K. Capital Assets:

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

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

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

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

L. Lease Assets:

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

M. Subscription Assets:

Intangible right-to-use subscription assets are subscription-based information technology arrangements (SBITAs) with subscription terms of more than one year. The value of subscription assets is determined by the sum of the subscription liability and payments made to the SBITA vendor, including capitalizable initial implementation costs, before the commencement date of the subscription term.

N. Long Term Liabilities:

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

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

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

O. Accrued Salaries and Wages:

The District allows employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year. New Jersey statutes require that these earned undisbursed amounts be retained in a separate bank account. As of June 30, 2024, the amount earned by these employees but not disbursed was \$17,512.

P. Compensated Absences:

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after fifteen years of service.

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

Q. Lease Payable:

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

R. Unearned Revenue:

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

S. Subscription Payable:

In the district-wide financial statements, subscription payables are reported as liabilities in the Statement of Net Position. In the governmental Fund financial statements, the present value of subscription payments at the District's incremental borrowing rate over the subscription term is reported as other financing sources.

T. Fund Balance Appropriated:

General Fund: Of the \$15,657,104 General Fund fund balance at June 30, 2024, \$9,523,886 is restricted in the capital reserve account; \$300,000 is restricted in the maintenance reserve account; \$50,000 is restricted in the emergency reserve; \$565,935 is restricted for unemployment compensation; \$929,854 is prior year excess surplus and is included as anticipated revenue for the fiscal year ending June 30, 2025; \$1,500,000 is restricted as current year excess surplus and will be appropriated and included in the budget for the fiscal year ending June 30, 2026; \$558,543 is assigned for encumbrances; \$614,972 is assigned fund balance designated for subsequent year's expenditures; and \$1,613,914 is unassigned which is \$399,665 less than the calculated maximum unassigned fund balance, on a GAAP basis, due to the final two state aid payments, which are not recognized until the fiscal year ended June 30, 2025.

Special Revenue Fund: The Special Revenue Fund fund balance at June 30, 2024 is \$79,334 and is restricted for student activities.



ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

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

T. Fund Balance Appropriated: (Cont'd)

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, c.73 (S1701), the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District has excess surplus at June 30, 2024 as detailed on the previous page.

P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability.

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

U. Fund Balance Restrictions, Commitments and Assignments:

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

Fund balance restrictions have been established for a capital reserve, maintenance reserve, emergency reserve, excess surplus, unemployment compensation and student activities.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has no committed resources at June 30, 2024.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

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

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

The District has assigned resources for year-end encumbrances and for amounts designated for subsequent year's expenditures in the General Fund at June 30, 2024.

V. Deficit Net Position:

The District's governmental activities has a \$9,592,958 deficit in the unrestricted net position which is primarily due to compensated absences payable and net pension liability and the related deferred inflows and outflows of resources. This deficit does not indicate that the District is having financial difficulties and is a permitted practice under generally accepted accounting principles.

W. Deferred Outflows and Inflows of Resources and Net Position:

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

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District has deferred outflows and inflows of resources at June 30, 2024 related to pensions.

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

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

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

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

X. Revenue - Exchange and Nonexchange Transactions:

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

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

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

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Y. Operating Revenue and Expenses:

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

Z. Management Estimates:

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

AA. Pensions

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

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

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

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

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

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

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

Deposits:

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

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

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

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

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

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

(Continued)

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

Investments: (Cont'd)

- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.);
  - (b) the custody of collateral is transferred to a third party;
  - (c) the maturity of the agreement is not more than 30 days;
  - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
  - (e) a master repurchase agreement providing for the custody and security of collateral is executed; or
- (9) Deposit of funds in accordance with the following conditions:
  - (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
  - (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

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

Investments: (Cont'd)

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

As of June 30, 2024, cash and cash equivalents of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>		<u>Total</u>
	<u>Unrestricted</u>	<u>Restricted</u>	
Checking & Savings Accounts	<u>\$ 5,070,874</u>	<u>\$ 10,519,155</u>	<u>\$ 15,590,029</u>

During the period ended June 30, 2024, the District did not hold any investments except as detailed below. The carrying amount of the District's cash and cash equivalents at June 30, 2024, was \$15,590,029 and the bank balance was \$16,216,546.

Fair Value Measurement and Application:

The District holds investments that are measured at fair value on a recurring basis. Because investing is not a core part of the District's mission, the District determines that the disclosures related to these investments only need to be disaggregated by major type. The District chooses a narrative format for the fair value disclosures.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measurement as of June 30, 2024:

Solar Renewable Energy Certificates (SREC) of \$89,043 are valued using quoted market prices (Level 1 inputs).

The quoted market prices were obtained from <http://www.njcleanenergy.com/> for the NJ SREC Trading Statistics Energy at the monthly weighted average price per SREC.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT

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

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

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

Balance at June 30, 2023	\$ 7,506,736
Increased by:	
Interest Earned	260,016
Board Resolution, June 2024	1,738,618
Returned Unexpended Funds	235
Budgeted Increase	<u>18,281</u>
Balance at June 30, 2024	<u><u>\$ 9,523,886</u></u>

The June 30, 2024 LRFP balance of local support of uncompleted capital project costs exceeds the balance in the capital reserve account at June 30, 2024. Withdrawals from the Capital Reserve Account were for use in DOE approved facilities projects, consistent with the District's LRFP.

NOTE 5: EMERGENCY RESERVE ACCOUNT

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

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

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

Balance at June 30, 2023	\$ 50,000
Balance at June 30, 2024	<u><u>\$ 50,000</u></u>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 6: TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2024, the District transferred \$23,238 to capital outlay accounts for facilities acquisition and construction services, which the District received County Superintendent approval.

NOTE 7. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account in the amount of \$200,000 was established by the Rockaway Township School District on June 16, 2021. These funds may be used for specific activities necessary for the purpose of keeping a school facility open and safe for use or in its original condition, and for keeping its constituent buildings systems fully and efficiently functional and for keeping their warranties valid but cannot be used for routine or capital maintenance. The purpose of the reserve is to provide funds for anticipated expenditures required to maintain a building.

Pursuant to N.J.A.C. 6A:26A-4.2 funds may be deposited into the maintenance reserve account at any time by board resolution to meet the required maintenance of the District by transferring unassigned general fund balance or by transferring excess unassigned general fund balance that is anticipated to be deposited during the current year in the advertised recapitulation of balances of the subsequent year's budget that is certified for taxes. Funds may be withdrawn from the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the year by Board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan.

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

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

Balance at June 30, 2023	\$ 200,000
Increased by:	
Board Resolution, June 2024	150,000
Decreased by:	
Budgeted Withdrawal	<u>(50,000)</u>
Balance at June 30, 2024	<u><u>\$ 300,000</u></u>



ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

(Continued)

NOTE 8. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2024 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets not being Depreciated:				
Sites (Land)	\$ 3,242,866			\$ 3,242,866
Construction in Progress	704,173	\$ 176,976	\$ (731,588)	149,561
Total Capital Assets not Being Depreciated	<u>3,947,039</u>	<u>176,976</u>	<u>(731,588)</u>	<u>3,392,427</u>
Capital Assets Being Depreciated				
Site Improvements	1,804,503			1,804,503
Buildings and Building Improvements	43,116,737	1,144,293	731,588	44,992,618
Machinery and Equipment	10,748,386	619,791	(911,101)	10,457,076
Total Capital Assets Being Depreciated	<u>55,669,626</u>	<u>1,764,084</u>	<u>(179,513)</u>	<u>57,254,197</u>
Governmental Activities Capital Assets	<u>59,616,665</u>	<u>1,941,060</u>	<u>(911,101)</u>	<u>60,646,624</u>
Less Accumulated Depreciation for:				
Site Improvements	(180,273)	(45,932)		(226,205)
Buildings and Building Improvements	(22,532,414)	(906,194)		(23,438,608)
Machinery and Equipment	(8,571,057)	(49,577)	871,746	(7,748,888)
Total Accumulated Depreciation	<u>(31,283,744)</u>	<u>(1,001,703)</u>	<u>871,746</u>	<u>(31,413,701)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$28,332,921</u>	<u>\$ 939,357</u>	<u>\$ (39,355)</u>	<u>\$ 29,232,923</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 618,351	\$ 11,692		\$ 630,043
Less Accumulated Depreciation	<u>(475,939)</u>	<u>(17,231)</u>		<u>(493,170)</u>
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 142,412</u>	<u>\$ (5,539)</u>	<u>\$ -0-</u>	<u>\$ 136,873</u>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 8. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 410,698
Special Education	90,153
Other Special Instruction	30,051
Other Instruction	10,017
Support Services	120,204
General Administration	60,103
School Administration	20,035
Central Services	30,051
Operations and Maintenance of Plant	140,238
Pupil Transportation	90,153
	<u>\$ 1,001,703</u>

NOTE 9. LONG-TERM DEBT LIABILITIES

During the fiscal year ended June 30, 2024, the following changes occurred in long-term liabilities reported in the district-wide financial statements:

	Balance 6/30/2023	Accrued	Retired	Balance 6/30/2024	Due within One Year
Serial Bonds Payable	\$ 1,140,000		\$ 560,000	\$ 580,000	\$ 580,000
Financed Purchases Payable	326,721		159,184	167,537	82,520
Unamortized Bond Premium	13,348		13,348		
Compensated Absences Payable	1,723,219	\$ 482,031	105,613	2,099,637	20,648
Net Pension Liability	10,011,269		1,151,716	8,859,553	
	<u>\$ 13,214,557</u>	<u>\$ 482,031</u>	<u>\$ 1,989,861</u>	<u>\$ 11,706,727</u>	<u>\$ 683,168</u>

A. Bonds Payable:

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

The District had bonds outstanding as of June 30, 2024 as follows:

Purpose	Final Maturity Date	Interest Rate	Amount
2016 Refunding Bonds	09/01/24	4.000%	<u>\$ 580,000</u>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
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NOTE 9. LONG-TERM DEBT LIABILITIES (Cont'd)

A. Bonds Payable: (Cont'd)

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

Fiscal Year Ending June 30,	Bonds		Total
	Principal	Interest	
2025	\$ 580,000	\$ 11,600	\$ 591,600

B. Bonds Authorized But Not Issued:

As of June 30, 2024, the District had no bonds authorized but not issued.

C. Financed Purchases Payable

The District has financed purchases agreements for buses totaling \$1,173,283, of which \$1,005,746 has been liquidated as of June 30, 2024. All financed purchases agreements are for terms of five years. The schedule of the future minimum financed purchases payments under the District's financed purchases agreements and the present value of the net minimum financed purchases payments at June 30, 2024 are as follows:

<u>Year Ending</u>	<u>Amount</u>
2025	\$ 87,592
2026	87,591
Total minimum financed purchases payments	175,183
Less: amount representing interest	(7,646)
Present value of future minimum financed purchases payments	<u>\$ 167,537</u>

The current portion of the financed purchases payable as of June 30, 2024 in the governmental activities is \$82,520 and the long-term portion is \$85,017. The General Fund will be used to liquidate the financed purchases payable in the governmental activities.

D. Unamortized Bond Issuance Premium:

As of June 30, 2024, the District had no unamortized bond issuance premiums.

E. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded as a long-term liability. The current portion of the compensated absences balance of the governmental funds is \$20,648 and is separated from the long-term portion of \$2,078,989.

The liability for vested compensated balances of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2024, no liability existed for compensated absences in the proprietary funds. Compensated absences will be liquidated by the General Fund.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

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

F. Net Pension Liability

The Public Employee's Retirement System (PERS) net pension liability of the governmental fund types is recorded in the long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2024 is \$-0- and the long term portion is \$8,859,553. See Note 10 for further information on the PERS.

NOTE 10. PENSION PLANS

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

A. Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

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

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$817,505 for fiscal year 2024. During the fiscal year ended June 30, 2023, the State of New Jersey contributed \$27,630 to the PERS for normal pension benefits on behalf of the District.

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

Special Funding Situation

Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under the legislation is considered to be 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 under the legislation 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 statement of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entity's total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must disclose pension expense as well as revenue associated with the employers in an amount equal to the nonemployer contributing entity's total proportionate share of the collective pension expense associated with the local participating employer.

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

At June 30, 2024, the District reported a liability of \$8,859,553 for its proportionate share of the net pension liability, which was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2023, the District's proportion was 0.0611%, which was a decrease of 0.0052% as of June 30, 2022.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

For the fiscal year ended June 30, 2024, the District recognized an actual pension benefit of \$516,579. Additionally, for the fiscal year ended June 30, 2023, the State recognized pension expense on behalf of the District in the amount of \$27,630 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2024 financial statements. There was no state proportionate share of net pension liability attributable to the District as of June 30, 2023.

At June 30, 2024, the District reported deferred outflows and inflows of resources related to pensions from the following sources:

	Year of Deferral	Amortizat- tion Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2019	5.21		\$ 48,125
	2020	5.16		437,890
	2021	5.13	\$ 19,463	
	2022	5.04		50,912
			<u>19,463</u>	<u>536,927</u>
Difference Between Expected and Actual Experience	2019	5.21	3,679	
	2020	5.16	24,396	
	2021	5.13		15,478
	2022	5.04		20,737
	2023	5.08	56,634	
			<u>84,709</u>	<u>36,215</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2020	5.00	137,201	
	2021	5.00	(1,141,035)	
	2022	5.00	1,357,555	
	2023	5.00	(312,922)	
			<u>40,799</u>	
Changes in Proportion	2019	5.21		576
	2020	5.16		134,766
	2021	5.13		206,117
	2022	5.04	48,407	
	2023	5.08		692,241
			<u>48,407</u>	<u>1,033,700</u>
District Contribution Subsequent to the Measurement Date	2023	1.00	888,950	
			<u>\$ 1,082,328</u>	<u>\$ 1,606,842</u>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

Amounts reported as deferred outflows and inflows of resources (excluding the district contribution subsequent to the measurement date) related to pensions will be recognized in the pension benefit as follows:

Fiscal Year Ending June 30,	Total
2024	\$ (835,033)
2025	(530,163)
2026	198,520
2027	(234,326)
2028	(12,462)
	<u>\$ (1,413,464)</u>

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:

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%

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

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 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' target asset allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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 Markets 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%

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 upon 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.



ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2023 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2023		
	At 1%	At Current	At 1%
	Decrease (6.00%)	Discount Rate (7.00%)	Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 11,533,253	\$ 8,859,553	\$ 6,583,881

Pension Plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

Benefits Provided

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

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2023, the State's pension contribution was more than the actuarial determined amount.

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer. During the fiscal year ended 2024, the State of New Jersey contributed \$8,450,780 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required contribution of \$2,455,204.

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

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

At June 30, 2024, the State's proportionate share of the net pension liability associated with the District was \$99,938,726. 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 July 1, 2022 which was rolled forward to June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

At June 30, 2023, the District's proportion was 0.196%, which was an increase of 0.003% from its proportion measured as of June 30, 2022.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	99,938,726
Total	<u>\$ 99,938,726</u>

For the fiscal year ended June 30, 2023, the State recognized pension expense on behalf of the District in the amount of \$2,455,204 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2024 financial statements. The State reported collective deferred outflows and inflows of resources (excluding employer specific amounts) related to pensions from the following sources:

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2016	8.30	\$ 391,340,712	
	2017	8.30		\$ 2,080,865,206
	2018	8.29		1,883,063,885
	2019	8.04		1,514,535,609
	2020	7.99	805,517,879	
	2021	7.93		9,179,534,541
	2022	7.83	82,066,487	
			<u>1,278,925,078</u>	<u>14,657,999,241</u>
Difference Between Expected and Actual Experience	2016	8.30		4,866,656
	2017	8.30	37,022,988	
	2018	8.29	330,339,649	
	2019	8.04		58,842,090
	2020	7.99		4,293,040
	2021	7.93	121,815,868	
	2022	7.83		15,372,285
	2023	7.93	169,161,907	
			<u>658,340,412</u>	<u>83,374,071</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2020	5.00	241,395,539	
	2021	5.00	(1,777,316,905)	
	2022	5.00	2,489,500,994	
	2023	6.00	(477,296,442)	
			<u>476,283,186</u>	
			<u>\$ 2,413,548,676</u>	<u>\$ 14,741,373,312</u>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
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(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

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

Fiscal Year Ending June 30,	Total
2024	\$ (3,918,676,894)
2025	(3,446,016,070)
2026	(1,604,289,401)
2027	(1,742,641,843)
2028	(1,672,806,952)
Thereafter	56,606,524
	<u>\$ (12,327,824,636)</u>

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%

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

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 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' target asset allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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 Markets 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%

Discount Rate – TPAF

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 made based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all projected benefit payments in determining the total pension liability.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2023 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2023		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 117,845,893	\$ 99,938,726	\$ 86,812,001

Pension Plan Fiduciary Net Position - TPAF

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

C. Defined Contribution Retirement Program (DCRP)

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

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

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

For DCRP, the District recognized pension expense of \$119,389 for the fiscal year ended June 30, 2024. Employee contributions to DCRP amounted to \$170,872 for the fiscal year ended June 30, 2024.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 11. DEFERRED COMPENSATION

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

The plan administrators are as follows:

Ameriprise Financial Advisors  
AXA Equitable Fund  
Lincoln Investment

Lincoln Life Group  
Metropolitan Life Insurance Company  
AIG/VALIC Financial Advisors, Inc.

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

NOTE 12. RISK MANAGEMENT

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

Property and Liability

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

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

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

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 12. RISK MANAGEMENT (Cont'd)

Property and Liability (Cont'd)

The audit of the SAIF as of June 30, 2024 is not available as of the date of this report. Selected financial information for the SAIF as of June 30, 2023 is as follows:

Total Assets	\$ 55,099,784
Net Position	\$ 19,896,776
Total Revenue	\$ 54,162,660
Total Expenses	\$ 55,256,519
Change in Net Position	\$ (1,093,859)
Members Dividends	\$ -0-

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

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

New Jersey Unemployment Compensation Insurance

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2023-2024	\$ -0-	\$ 127,681	\$ 17,817	\$ 110,000	\$ 565,935
2022-2023	-0-	130,122	52	159,425	530,437
2021-2022	-0-	153,078	51	103,779	559,688

NOTE 13. ECONOMIC DEPENDENCY

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



ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 14. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2024:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 65,596	
Special Revenue Fund		\$ 65,596
	<u>\$ 65,596</u>	<u>\$ 65,596</u>

The interfund payable in the Special Revenue Fund is an interfund advanced from the General Fund for the Special Revenue Fund's cash deficit due to the timing of grant reimbursements.

NOTE 15. TAX CALENDAR

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

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

NOTE 16. COMMITMENTS AND CONTINGENCIES

Grant Programs

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

Litigation

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

NOTE 16. COMMITMENTS AND CONTINGENCIES (Cont'd)

Encumbrances

At June 30, 2024, there were encumbrances as detailed in the governmental funds:

General Fund	Special Revenue Fund	Total Governmental Funds
\$ 558,543	\$ 9,619	\$ 568,162

On the District's Governmental Funds Balance Sheet as of June 30, 2024, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$9,619 more than the actual year-end encumbrances on a budgetary basis. On a GAAP basis, encumbrances are not recognized until paid and this is non-recognition of encumbrances on a GAAP basis is also reflected as either a reduction in grants receivable or an increase in unearned revenue in the Special Revenue Fund.

NOTE 17. ACCOUNTS PAYABLE

Payables as of June 30, 2024 were:

	Governmental Funds				District Contribution Subsequent to the Measure- ment Date	Total Governmental Activities	Business-Type Activities Proprietary Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds			
Vendors	\$ 290,699	\$ 503	\$ 2,780	\$ 293,982		\$ 293,982	\$ 72,852
State of New Jersey					\$ 888,950	888,950	
Payroll Deductions & Withholding	282,599			282,599		282,599	
	<u>\$ 573,298</u>	<u>\$ 503</u>	<u>\$ 2,780</u>	<u>\$ 576,581</u>	<u>\$ 888,950</u>	<u>\$ 1,465,531</u>	<u>\$ 72,852</u>

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired Employees Plan

General Information about the OPEB Plan

Plan Description and Benefits Provided

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

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other than Pensions*. The State Health Benefits Local Education Retired Employees Plan provides medical, prescription drug, and

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

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

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

General Information about the OPEB Plan (Cont'd)

Plan Description and Benefits Provided (Cont'd)

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

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

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

For additional information about the State Health Benefit Local Education Retired Education Plan, please refer to the Division's annual financial statements which can be found at <https://www.state.nj.us/treasury/pensions/gasb-notices-oheb.shtml>.

Employees Covered by Benefit Terms

At June 30, 2022, the plan membership consisted of the following:

Retirees Plan Members and Spouses of Retirees Currently Receiving Benefit Payments	152,383
Active Plan Members	<u>217,212</u>
Total	<u><u>369,595</u></u>

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.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

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

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Actuarial Assumptions and Other Inputs

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

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:	2.75 - 4.25%	2.75 - 6.55%	3.25 - 16.25%
	based on years of service	based on years of service	based on years of service

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

100 % of active employees are considered to participate in the Plan upon retirement.

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Post-retirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-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 for current disabled retirees. Future disabled retirees were based on the Pub-2010 “Safety” (PFRS), “General” (PERS) and “Teachers” (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Health Care Trend Assumptions

For pre-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 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 rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

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

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

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

	<u>Total OPEB Liability</u>
Balance at June 30, 2022	\$ 108,426,538
Changes for Year:	
Service Cost	4,156,691
Interest on the Total OPEB Liability	4,007,431
Changes of Assumptions	229,347
Differences between Expected and Actual Experience	(12,080)
Gross Benefit Payments by the State	(3,123,858)
Contributions from Members	102,696
Net Changes in Total OPEB Liability	<u>5,360,227</u>
Balance at June 30, 2023	<u>\$ 113,786,765</u>

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2023, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>June 30, 2023</u>		
	<u>At 1% Decrease (2.65%)</u>	<u>At Discount Rate (3.65%)</u>	<u>At 1% Increase (4.65%)</u>
Total OPEB Liability Attributable to the District	\$ 133,395,447	\$ 113,786,765	\$ 98,043,270

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2023, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>June 30, 2023</u>		
	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability Attributable to the District	\$ 94,460,558	\$ 113,786,765	\$ 139,075,157

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

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

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

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

For the fiscal year ended June 30, 2024, the District recognized OPEB expense of \$2,004,247 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2023, the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

	Year of Deferral	Original Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 4,100,166
	2018	9.51		4,244,040
	2019	9.29	\$ 624,365	
	2020	9.24	15,264,689	
	2021	9.24	86,882	
	2022	9.13		23,056,873
	2023	9.30	204,686	
			<u>16,180,622</u>	<u>31,401,079</u>
Differences Between Expected and Actual Experience	2018	9.51		4,011,939
	2019	9.29		7,348,814
	2020	9.24	14,227,289	
	2021	9.24		16,708,084
	2022	9.13	2,374,527	
	2023	9.30		1,901,462
			<u>16,601,816</u>	<u>29,970,299</u>
Changes in Proportion	N/A	N/A	2,084,558	3,622,069
			<u>\$ 34,866,996</u>	<u>\$ 64,993,447</u>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(Continued)

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

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

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

Amounts reported as deferred outflows of resources and deferred inflows of resources excluding changes in proportion related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	Total
2024	\$ (5,674,435)
2025	(5,674,435)
2026	(4,931,885)
2027	(2,907,652)
2028	(595,161)
Thereafter	(8,805,372)
	<u>\$ (28,588,940)</u>

SCHEDULES OF REQUIRED  
SUPPLEMENTARY INFORMATION



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

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
District's proportion of the net pension liability	0.0779444738%	0.0797615020%	0.0735625289%	0.0732113534%	0.0709153884%	0.0708549551%	0.0681919007%	0.0659157463%	0.0663376799%	0.0611662796%
District's proportionate share of the net pension liability	\$ 14,593,337	\$ 17,904,859	\$ 21,787,111	\$ 17,042,433	\$ 13,926,886	\$ 12,766,988	\$ 11,120,316	\$ 7,808,708	\$ 10,011,269	\$ 8,859,553
District's covered employee payroll	\$ 5,356,899	\$ 5,199,311	\$ 4,972,202	\$ 4,916,215	\$ 4,992,415	\$ 4,849,278	\$ 4,748,817	\$ 4,890,871	\$ 4,791,194	\$ 4,815,232
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	272.42%	344.37%	438.18%	346.66%	278.96%	263.28%	234.17%	159.66%	208.95%	183.99%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	62.91%	65.23%

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

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution	\$ 642,768	\$ 685,735	\$ 655,947	\$ 684,740	\$ 705,379	\$ 689,212	\$ 748,104	\$ 778,394	\$ 836,550	\$ 817,504
Contributions in relation to the contractually required contribution	(642,768)	(685,735)	(655,947)	(684,740)	(705,379)	(689,212)	(748,104)	(778,394)	(836,550)	(817,504)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's covered employee payroll	\$5,199,311	\$4,972,202	\$4,916,215	\$4,992,415	\$4,849,278	\$4,748,817	\$4,890,871	\$4,791,194	\$4,815,232	\$5,194,082
Contributions as a percentage of covered employee payroll	12.36%	13.79%	13.34%	13.72%	14.55%	14.51%	15.30%	16.25%	17.37%	15.74%

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

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
State's proportion of the net pension liability attributable to the District										
	0.1879913654%	0.1906573862%	0.1892062872%	0.1920625248%	0.1957338138%	0.1950062893%	0.1915831722%	0.1892295449%	0.1928235052%	0.1958328388%
State's proportionate share of the net pension liability attributable to the District	\$ 100,475,266	\$ 120,503,655	\$ 148,841,709	\$ 129,495,494	\$ 124,521,666	\$ 119,677,200	\$ 126,155,214	\$ 90,972,461	\$ 99,486,161	\$ 99,938,726
District's covered employee payroll	\$ 18,937,698	\$ 19,441,773	\$ 20,175,818	\$ 20,347,948	\$ 20,318,108	\$ 20,205,780	\$ 21,610,721	\$ 21,994,580	\$ 23,140,338	\$ 23,859,311
State's proportionate share of the net pension liability as a percentage of the District's covered employee payroll	530.56%	619.82%	737.72%	636.41%	612.86%	592.29%	583.76%	413.61%	429.93%	418.87%
Plan fiduciary net position as a percentage of the total pension liability	28.71%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%	32.29%	34.68%

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

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution	\$ 5,406,513	\$ 7,357,833	\$ 11,183,383	\$ 8,970,792	\$ 7,259,178	\$ 7,058,881	\$ 7,844,868	\$ 2,140,622	\$ 2,677,451	\$ 2,455,204
Contributions in relation to the contractually required contribution	(961,583)	(1,442,979)	(2,084,789)	(2,882,469)	(3,835,302)	(4,202,152)	(5,500,673)	(7,937,881)	(8,005,764)	(8,450,780)
Contribution deficiency/(excess)	<u>\$ 4,444,930</u>	<u>\$ 5,914,854</u>	<u>\$ 9,098,594</u>	<u>\$ 6,088,323</u>	<u>\$ 3,423,876</u>	<u>\$ 2,856,729</u>	<u>\$ 2,344,195</u>	<u>\$ (5,797,259)</u>	<u>\$ (5,328,313)</u>	<u>\$ (5,995,576)</u>
District's covered employee payroll	19,441,773	\$20,175,818	\$20,347,948	\$20,318,108	\$20,205,780	\$21,610,721	\$21,994,580	\$23,140,338	\$23,859,311	\$24,670,379
Contributions as a percentage of covered employee payroll	27.81%	7.15%	10.25%	14.19%	18.98%	19.44%	25.01%	34.30%	33.55%	34.25%

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

	Fiscal Years Ending				
	2017	2018	2019	2020	2021
		2018	2019	2020	2021
					2022
					2023
Total OPEB Liability					
Service Cost	\$ 4,984,155	\$ 4,157,195	\$ 3,585,029	\$ 3,511,422	\$ 6,281,536
Interest Cost	3,821,106	4,415,134	4,095,257	3,239,184	3,344,117
Changes of Benefit Terms					(137,211)
Changes in Assumptions	(15,919,217)	(11,884,856)	1,345,895	26,865,524	127,182
Differences between Expected and Actual Experience		(10,942,259)	(19,637,152)	25,674,144	(25,229,601)
Member Contributions	92,600	95,713	82,138	77,607	85,493
Gross Benefit Payments	(2,514,769)	(2,769,350)	(2,770,941)	(2,560,452)	(2,634,228)
Net Change in Total OPEB Liability	(9,536,125)	(16,928,423)	(13,299,774)	56,807,429	(18,162,712)
Total OPEB Liability - Beginning	130,031,761	120,495,636	103,567,213	90,267,439	147,074,868
Total OPEB Liability - Ending	\$ 120,495,636	\$ 103,567,213	\$ 90,267,439	\$ 147,074,868	\$ 128,912,156
District's Covered Employee Payroll *	\$ 25,148,020	\$ 25,264,163	\$ 25,198,195	\$ 26,459,999	\$ 26,743,397
Total OPEB Liability as a Percentage of Covered Employee Payroll	479%	410%	358%	556%	482%
					387%
					397%

\* - Covered payroll for the fiscal years ending June 30, 2017 through 2023 are based on the payroll on the June 30, 2016 through 2022 census data.

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

There were none.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2022 actuarial valuation the salary increases were 2.75 – 4.25% based on years of service while in the July 1, 2021 actuarial valuation the salary increases were 2.75% – 5.65% based on years of service.

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2023 was 3.65%. The discount rate for June 30, 2022 was 3.54%, a change of .11%.

The health care trend rates in the valuation as of June 30, 2023 were based on the following:

For pre-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 initially -1.99% in fiscal year 2023, increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, 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 rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

The health care trend rates in the valuation as of June 30, 2022 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long term rate after eight years.

BUDGETARY COMPARISON SCHEDULES

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
Local Tax Levy	\$ 50,080,332		\$ 50,080,332	\$ 50,080,332	
Tuition From Individuals	75,000		75,000	103,979	\$ 28,979
Tuition From Other LEAs Within the State	125,621		125,621	120,156	(5,465)
Transportation Fees From Individuals				3,450	3,450
Transportation Fees From Other LEAs	78,000		78,000	79,679	1,679
Unrestricted Miscellaneous Revenues	164,000		164,000	840,064	676,064
Interest Earned on Capital Reserve Funds	2,900		2,900	260,016	257,116
Other Restricted Miscellaneous Revenues				35,498	35,498
Total Revenues from Local Sources	50,525,853		50,525,853	51,523,174	997,321
Revenues from State Sources:					
Categorical Transportation Aid	549,225		549,225	549,225	
Extraordinary Aid	550,000		550,000	795,984	245,984
Categorical Special Education Aid	2,577,917		2,577,917	2,577,917	
Equalization Aid	854,190		854,190	854,190	
Categorical Security Aid	50,153		50,153	50,153	
Additional Nonpublic School Transportation Aid				53,264	53,264
TPAF Post Retirement Contributions (Non-Budgeted)				2,326,223	2,326,223
TPAF Pension Contributions (Non-Budgeted)				8,450,780	8,450,780
TPAF Non-Contributory Insurance (Non-Budgeted)				96,376	96,376
TPAF Long-Term Disability Insurance (Non-Budgeted)				3,388	3,388
Reimbursed TPAF Social Security Contributions				1,807,752	1,807,752
Total Revenues from State Sources	4,581,485		4,581,485	17,565,252	12,983,767
Revenues from Federal Sources:					
IMPACT AID - 8002 OR 8003 General	300,000		300,000	556,670	256,670
Medicaid Reimbursement	50,248		50,248	48,619	(1,629)
Total Revenues from Federal Sources	350,248		350,248	605,289	255,041
TOTAL REVENUE	55,457,586		55,457,586	69,693,715	14,236,129



ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>GENERAL CURRENT EXPENSE</b>					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	\$ 97,005	\$ 10,053	\$ 107,058	\$ 106,655	\$ 403
Kindergarten - Salaries of Teachers	1,077,310	(56)	1,077,254	1,074,309	2,945
Grades 1-5 - Salaries of Teachers	8,197,716	63,576	8,261,292	8,250,133	11,159
Grades 6-8 - Salaries of Teachers	4,423,738	106,458	4,530,196	4,530,196	
Regular Programs - Home Instruction:					
Salaries of Teachers	60,000	(21,882)	38,118	32,664	5,454
Purchased Professional-Educational Services	25,000	(20,653)	4,347	4,347	
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	501,492	21,530	523,022	523,021	1
Unused Vacation Payment to Terminated/Retired Staff		1,972	1,972	1,972	
Purchased Professional-Educational Services	164,635	(50,089)	114,546	98,661	15,885
Other Purchased Services (400-500 series)	270,500	(500)	270,000	268,365	1,635
General Supplies	783,169	92,607	875,776	661,820	213,956
Textbooks	18,343	2,853	21,196	18,495	2,701
Total Regular Programs - Instruction	15,618,908	205,869	15,824,777	15,570,638	254,139
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	400,703	(55,762)	344,941	341,089	3,852
Other Salaries for Instruction	214,522	(37,638)	176,884	169,035	7,849
Textbooks	2,900		2,900	2,467	433
Total Learning and/or Language Disabilities	618,125	(93,400)	524,725	512,591	12,134
Auditory Impairments:					
General Supplies		8,527	8,527	8,527	
Total Auditory Impairments		8,527	8,527	8,527	

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Behavioral Disabilities:					
Salaries of Teachers	\$ 298,680	\$ 60,907	\$ 359,587	\$ 352,839	\$ 6,748
Other Salaries for Instruction	179,535	(55,644)	123,891	119,042	4,849
General Supplies	2,300		2,300	1,139	1,161
Total Behavioral Disabilities	480,515	5,263	485,778	473,020	12,758
Multiple Disabilities:					
Salaries of Teachers	248,849	(34,034)	214,815	209,027	5,788
Other Salaries for Instruction	100,330	(61,260)	39,070	29,645	9,425
General Supplies	7,793	(4,158)	3,635	1,109	2,526
Other Objects	1,800		1,800	192	1,608
Total Multiple Disabilities	358,772	(99,452)	259,320	239,973	19,347
Resource Room/Resource Center:					
Salaries of Teachers	3,854,137	(30,823)	3,823,314	3,791,252	32,062
Other Salaries for Instruction	370,204	(30,766)	339,438	307,544	31,894
Total Resource Room/Resource Center	4,224,341	(61,589)	4,162,752	4,098,796	63,956
Autism:					
Salaries of Teachers	502,242	140	502,382	499,444	2,938
Other Salaries for Instruction	134,576	(61,566)	73,010	41,471	31,539
General Supplies	14,400	(3,374)	11,026	8,703	2,323
Other Objects	3,100	(2,000)	1,100		1,100
Total Autism	654,318	(66,800)	587,518	549,618	37,900
Preschool Disabilities - Part-Time:					
Salaries of Teachers	243,243	(1,785)	241,458	241,058	400
Other Salaries for Instruction	234,029	52,581	286,610	286,610	
General Supplies	2,000		2,000	1,277	723
Total Preschool Disabilities - Part-Time	479,272	50,796	530,068	528,945	1,123

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Preschool Disabilities - Full-Time:					
Salaries of Teachers	\$ 80,100		\$ 80,100	\$ 79,388	\$ 712
Other Salaries for Instruction	56,658	\$ (19,281)	37,377	23,987	13,390
General Supplies	2,600		2,600	1,293	1,307
Total Preschool Disabilities - Full-Time	139,358	(19,281)	120,077	104,668	15,409
TOTAL SPECIAL EDUCATION - INSTRUCTION	6,954,701	(275,936)	6,678,765	6,516,138	162,627
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	990,199	9,112	999,311	998,863	448
Total Basic Skills/Remedial - Instruction	990,199	9,112	999,311	998,863	448
Bilingual Education - Instruction:					
Salaries of Teachers	341,265	(31,370)	309,895	299,353	10,542
General Supplies	1,290		1,290		1,290
Total Bilingual Education - Instruction	342,555	(31,370)	311,185	299,353	11,832
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	31,000	(1,625)	29,375	29,375	
Other Objects	35,900	(6,330)	29,570	22,569	7,001
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	66,900	(7,955)	58,945	51,944	7,001
School-Sponsored Athletics - Instruction:					
Salaries	28,700	2,168	30,868	30,868	
Supplies and Materials	15,810	(368)	15,442	6,275	9,167
Total School-Sponsored Athletics - Instruction	44,510	1,800	46,310	37,143	9,167
Before/After School Programs - Instruction:					
Supplies & Materials	6,000		6,000		6,000
Total Before/after School Programs - Instruction	6,000		6,000		6,000

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Instructional Programs - Instruction:					
Salaries		\$ 862	\$ 862	\$ 862	
Total Other Instructional Programs - Instruction		862	862	862	
Community Services Programs/Operations:					
Salaries	\$ 5,520	304	5,824	5,824	
Supplies and Materials	1,000		1,000		\$ 1,000
Total Community Services Programs/Operations	6,520	304	6,824	5,824	1,000
TOTAL INSTRUCTION	24,030,293	(97,314)	23,932,979	23,480,765	452,214
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Special	394,805		394,805	331,659	63,146
Tuition to Priv. Sch. for the Handicap. W/I State	875,602	(102,390)	773,212	337,402	435,810
Total Undistributed Expenditures - Instruction	1,270,407	(102,390)	1,168,017	669,061	498,956
Undistributed Expend. - Attend. & Social Work:					
Salaries	2,000		2,000	2,000	
Purchased Professional and Technical Services	65,456	(1,051)	64,405	64,405	
Total Undist. Expend. - Attendance and Social Work	67,456	(1,051)	66,405	66,405	
Undistributed Expenditures - Health Services:					
Salaries	664,998	57,353	722,351	721,384	967
Purchased Professional and Technical Services	28,500	(3,125)	25,375	25,375	
Other Purchased Services (400-500 series)	1,729	199	1,928	484	1,444
Supplies and Materials	33,733	(4,812)	28,921	22,007	6,914
Other Objects	1,600		1,600	494	1,106
Total Undist. Expenditures - Health Services	730,560	49,615	780,175	769,744	10,431
Undist. Expend. - Speech, OT, PT, Related Svcs:					
Salaries	3,466,361	76,442	3,542,803	3,542,801	2
Purchased Professional - Educational Services	381,300	12,150	393,450	393,450	

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Speech, OT, PT, Related Svcs: (Cont'd)					
Supplies and Materials	\$ 13,700	\$ 8,400	\$ 22,100	\$ 20,096	\$ 2,004
Other Objects	2,900	1,000	3,900	2,615	1,285
Total Undist. Expend. - Speech, OT, PT, Related Svcs	3,864,261	97,992	3,962,253	3,958,962	3,291
Undist. Expend. - Other Supp. Serv. Students - Extra. Serv.:					
Purchased Professional - Educational Services	500,000	(107,219)	392,781	297,034	95,747
Total Undist. Expend. - Other Supp. Svcs. Students - Extra. Serv.	500,000	(107,219)	392,781	297,034	95,747
Undist. Expend. - Guidance:					
Salaries of Other Professional Staff	832,780	(152,431)	680,349	680,349	
Salaries of Secretarial and Clerical Assistants	53,335	1,680	55,015	55,015	
Other Purchased Prof. and Tech. Services	11,177	5,125	16,302	16,302	
Other Purchased Services (400-500 series)	950		950	457	493
Supplies and Materials	600		600		600
Total Undist Expend. - Guidance	898,842	(145,626)	753,216	752,123	1,093
Undist. Expend. - Child Study Team:					
Salaries of Other Professional Staff	1,767,576	(53,342)	1,714,234	1,710,027	4,207
Salaries of Secretarial and Clerical Assistants	101,615	592	102,207	101,530	677
Other Purchased Prof. and Tech. Services	40,000	(28,067)	11,933	9,533	2,400
Other Purchased Services (400-500 series)	16,175	(500)	15,675	5,129	10,546
Supplies and Materials	16,870	7,060	23,930	23,554	376
Total Undist Expend. - Child Study Team	1,942,236	(74,257)	1,867,979	1,849,773	18,206
Undist. Expend. - Improv. of Inst. Serv.:					
Salaries of Supervisors of Instruction	159,159		159,159	151,193	7,966
Salaries of Other Professional Staff	98,285	41,128	139,413	139,413	
Salaries of Secretarial and Clerical Assistants	73,237	426	73,663	73,663	
Purchased Professional - Educational Services	12,959	(12,387)	572		572
Other Purchased Services (400-500 series)	38,200	14,373	52,573	44,968	7,605

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Improv. of Inst. Serv.: (Cont'd)					
Supplies and Materials	\$ 8,997	\$ 13,173	\$ 22,170	\$ 13,035	\$ 9,135
Other Objects	5,519	803	6,322	6,317	5
Total Undist. Expend.-Improv. of Inst. Serv.	396,356	57,516	453,872	428,589	25,283
Undist. Expend.-Edu. Media Serv./Sch. Library:					
Salaries	91,720	21,709	113,429	113,429	
Other Purchased Services (400-500 series)	3,644	90	3,734	1,141	2,593
Supplies and Materials	33,012	(1,297)	31,715	20,539	11,176
Total Undist Expend-Edu. Media Serv./Sch. Library	128,376	20,502	148,878	135,109	13,769
Undist.Expend.-Instructional Staff Training Services:					
Unused Vacation Payment to Terminated/Retired Staff	17,000	(17,000)			
Other Purchased Services (400-500 series)	16,550	(792)	15,758	7,947	7,811
Supplies and Materials	21,514	(5,407)	16,107	15,917	190
Other Objects	265,700	285,564	551,264	548,560	2,704
Total Undist.Expend.-Instructional Staff Training Services	320,764	262,365	583,129	572,424	10,705
Undist. Expend.-Support Serv.-Gen. Admin.:					
Salaries	318,420	7,591	326,011	326,010	1
Legal Services	150,000	30,616	180,616	135,056	45,560
Audit Fees	50,700	4,900	55,600	55,600	
Architectural/Engineering Services	52,600	(19,927)	32,673		32,673
Other Purchased Professional Services	12,500	5,881	18,381	17,858	523
Communications / Telephone	85,000	13,107	98,107	96,170	1,937
Other Purch. Serv. (400-500 series other than 530 & 585)	176,674	(46,345)	130,329	121,464	8,865
General Supplies	3,000		3,000	832	2,168
BOE In-house training/ Meeting Supplies	2,500		2,500	2,026	474
Miscellaneous Expenditures	13,000	(50)	12,950	11,538	1,412
BOE Membership Dues and Fees	26,000	(1,894)	24,106	22,751	1,355
Total Undist. Expend.-Support Serv.-Gen. Admin.	890,394	(6,121)	884,273	789,305	94,968

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Support Serv.-School Admin.:					
Salaries of Principals/ Assistant Principals/Prog Director	\$ 1,088,689	\$ 9,401	\$ 1,098,090	\$ 1,098,059	\$ 31
Salaries of Secretarial and Clerical Assistants	598,485	8,953	607,438	607,436	2
Purchased Professional and Technical Services	4,000	(290)	3,710	3,308	402
Other Purchased Services (400-500 series)	11,000	(713)	10,287	1,714	8,573
Supplies and Materials	40,500	11,427	51,927	47,071	4,856
Other Objects	26,320	2,045	28,365	24,189	4,176
Total Undist. Expend.-Support Serv.-School Adm.	1,768,994	30,823	1,799,817	1,781,777	18,040
Undist. Expend. - Central Services:					
Salaries	692,397	15,664	708,061	708,060	1
Purchased Professional Services		5,031	5,031	5,031	
Purchased Technical Services	44,250	5,450	49,700	49,700	
Miscellaneous Purchased Services (400-500 series other than 594)	6,400	(394)	6,006	4,771	1,235
Supplies and Materials	12,000	(944)	11,056	11,044	12
Other Objects	5,000	477	5,477	5,477	
Total Undist. Expend.- Central Services	760,047	25,284	785,331	784,083	1,248
Undist. Expend. - Admin. Info. Technology:					
Salaries	505,974	(6,512)	499,462	499,462	
Purchased Technical Services	109,074	14,415	123,489	87,190	36,299
Other Purchased Services (400-500 series)	4,500	(1,439)	3,061	3,015	46
Supplies and Materials	285,493	(6,436)	279,057	271,765	7,292
Total Undist. Expend.- Admin. Info. Technology	905,041	28	905,069	861,432	43,637
Undist. Expend.-Required Maintenance for School Facilities:					
Salaries	500,711	(78,146)	422,565	420,026	2,539
Cleaning, Repair, and Maintenance Services	288,354	34,139	322,493	293,873	28,620
General Supplies	236,976	13,207	250,183	232,919	17,264
Other Objects	1,000	(700)	300	300	
Total Undist. Expend.- Required Maint. for School Facilities	1,027,041	(31,500)	995,541	947,118	48,423

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Custodial Services:					
Salaries	\$ 1,584,657	\$ 4	\$ 1,584,661	\$ 1,576,866	\$ 7,795
Purchased Professional and Technical Services	125,000	46,207	171,207	170,280	927
Cleaning, Repair, and Maintenance Services	292,000	(48,249)	243,751	207,298	36,453
Rental of Land & Bldg. Oth. than Lease Pur. Agrmt.	1		1		1
Other Purchased Property Services	49,350	(10,914)	38,436	30,650	7,786
Insurance	295,224	30,249	325,473	325,473	
Miscellaneous Purchased Services	2,500	(655)	1,845	1,845	
General Supplies	110,086	3,553	113,639	113,431	208
Energy (Natural Gas)	324,734	(6,086)	318,648	232,204	86,444
Energy (Electricity)	465,077	(59,783)	405,294	373,731	31,563
Energy (Oil)	178,944		178,944	119,556	59,388
Total Undist. Expend.-Custodial Services	3,427,573	(45,674)	3,381,899	3,151,334	230,565
Care and Upkeep of Grounds:					
General Supplies	25,000	(961)	24,039	24,039	
Total Care And Upkeep Of Grounds	25,000	(961)	24,039	24,039	
Security:					
Salaries	537,865	64,013	601,878	601,878	
General Supplies		1,018	1,018	1,018	
Total Security	537,865	65,031	602,896	602,896	
Total Undist. Expend.-oper. And Maint. Of Plant Serv.	5,017,479	(13,104)	5,004,375	4,725,387	278,988
Undist. Expend.-Student Transportation Serv.:					
Sal. for Pupil Trans. (Bet. Home and Sch)-Reg.	1,085,825	(126,974)	958,851	929,463	29,388
Sal. for Pupil Trans. (Bet. Home and Sch)-Spl. Ed.	391,891	(1,355)	390,536	308,774	81,762
Sal. for Pupil Trans. (Oth. than Bet. Home & Sch)	35,318	(9,728)	25,590	24,494	1,096
Sal. For Pupil Trans. (Bet. Home & Sch) Non Public	82,000	(27,789)	54,211		54,211
Cleaning, Repair, and Maint. Services	20,000	6,885	26,885	21,485	5,400



ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Student Transportation Serv.: (Cont'd)					
Lease Purchase Payments - School Buses	\$ 319,615		\$ 319,615	\$ 168,054	\$ 151,561
Contract. Serv. - Aid in Lieu of Payments-Nonpublic Studis	89,936	\$ 22,352	112,288	112,288	
Contract. Serv.(Spl. Ed. Students)-ESCs & CTSA's	700,304	324,243	1,024,547	1,024,547	
Travel and Workshops	3,000	(2,059)	941		941
Misc. Purchased Serv. - Transportation	46,000	(3,660)	42,340	25,608	16,732
General Supplies	9,000	1,709	10,709	10,129	580
Transportation Supplies	265,378	11,489	276,867	276,867	
Other Objects	4,000		4,000	3,625	375
Total Undist. Expend.-Student Trans. Serv.	3,052,267	195,113	3,247,380	2,905,334	342,046
UNALLOCATED BENEFITS					
Group Insurance	30,000		30,000	2,160	27,840
Social Security Contributions	897,233	21,789	919,022	919,022	
Other Retirement Contributions - PERS	888,950	(71,445)	817,505	817,505	
Other Retirement Contributions - Regular	118,000	1,389	119,389	119,389	
Workers Compensation	437,510	(50,000)	387,510	380,179	7,331
Health Benefits	8,391,783	(95,092)	8,296,691	8,296,691	
Tuition Reimbursement	150,785		150,785	110,848	39,937
Other Employee Benefits	306,150	(6,684)	299,466	275,536	23,930
TOTAL UNALLOCATED BENEFITS	11,220,411	(200,043)	11,020,368	10,921,330	99,038
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Contributions (Non-Budgeted)				2,326,223	(2,326,223)
TPAF Pension Contributions (Non-Budgeted)				8,450,780	(8,450,780)
TPAF Non-Contributory Insurance (Non-Budgeted)				96,376	(96,376)
TPAF Long-Term Disability Insurance (Non-Budgeted)				3,388	(3,388)
Reimbursed TPAF Social Security Contributions				1,807,752	(1,807,752)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)				12,684,519	(12,684,519)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	11,220,411	(200,043)	11,020,368	23,605,849	(12,585,481)

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
TOTAL UNDISTRIBUTED EXPENDITURES	\$ 33,733,891	\$ 89,427	\$ 33,823,318	\$ 44,952,391	\$ (11,129,073)
TOTAL GENERAL CURRENT EXPENSE	57,764,184	(7,887)	57,756,297	68,433,156	(10,676,859)
CAPITAL OUTLAY					
Equipment					
Undistributed:					
Undist. Expend. - Support Serv. - Students - Reg.		4,190	4,190	3,990	200
Undist. Expend. - Custodial Services	235,571	(27,428)	208,143	155,452	52,691
Undist. Expend. - Student Trans. - Non-Inst. Equip.	349,954		349,954	348,621	1,333
Undistributed Expenditures - Non-Inst. Serv.	65,836	3,276	69,112	67,212	1,900
Total Equipment	651,361	(19,962)	631,399	575,275	56,124
Facilities Acquisition and Construction Serv.:					
Architectural/Engineering Services	124,502	69,475	193,977	130,986	62,991
Construction Services	2,555,079	(46,237)	2,508,842	1,231,088	1,277,754
Assessment for Debt Service on SDA Funding	1,830		1,830	1,830	
Total Facilities Acquisition and Const. Serv.	2,681,411	23,238	2,704,649	1,363,904	1,340,745
TOTAL CAPITAL OUTLAY	3,332,772	3,276	3,336,048	1,939,179	1,396,869
Transfer of Funds to Charter Schools	190,645	4,611	195,256	195,256	
TOTAL EXPENDITURES	61,287,601		61,287,601	70,567,591	(9,279,990)
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(5,830,015)		(5,830,015)	(873,876)	4,956,139
Other Financing Sources/(Uses):					
Capital Reserve - Balance Returned from Capital Projects Fund				235	235
Total Other Financing Sources/(Uses)				235	235

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	\$ (5,830,015)		\$ (5,830,015)	\$ (873,641)	\$ 4,956,374
Fund Balance, July 1	16,930,410		16,930,410		
Fund Balance, June 30	\$ 11,100,395	\$ -0-	\$ 11,100,395	\$ 16,056,769	\$ 4,956,374
<u>Recapitulation:</u>					
Restricted Fund Balance:					
Excess Surplus - Restricted For 2025-2026				\$ 1,500,000	
Excess Surplus - Restricted For 2024-2025				929,854	
Capital Reserve				9,523,886	
Maintenance Reserve				300,000	
Emergency Reserve				50,000	
Unemployment Compensation				565,935	
Assigned Fund Balance:					
Year End Encumbrances				558,543	
Designated for Subsequent Year's Expenditures				614,972	
Unassigned Fund Balance				2,013,579	
				16,056,769	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis				(399,665)	
Fund Balance per Governmental Funds (GAAP)				\$ 15,657,104	

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
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		\$ 167,751	\$ 167,751	\$ 167,575	\$ 176
Federal Sources	\$ 680,230	538,741	1,218,971	1,164,563	54,408
Total Revenues	680,230	706,492	1,386,722	1,332,138	54,584
EXPENDITURES:					
Instruction:					
Salaries of Teachers	93,996	(6,141)	87,855	67,970	19,885
Other Salaries for Instruction		10,581	10,581	10,581	
Purchased Professional and Technical Services		69,420	69,420	69,420	
Other Purchased Services		6,372	6,372		6,372
Tuition	532,681	255,108	787,789	787,789	
General Supplies	20,992	42,651	63,643	42,195	21,448
Total Instruction	647,669	377,991	1,025,660	977,955	47,705
Support Services:					
Salaries of Other Professional Staff		5,500	5,500	3,524	1,976
Personal Services - Employee Benefits		809	809		809
Purchased Professional and Technical Services	32,561	(10,711)	21,850	21,850	
Purchased Professional - Educational Services		77,630	77,630	77,200	430
Other Purchased Professional Services		64,883	64,883	64,312	571
Supplies and Materials		41,604	41,604	38,511	3,093
Student Activities		144,850	144,850	144,354	496
Total Support Services	32,561	324,565	357,126	349,751	7,375
Facilities Acquisition and Construction Services:					
Instructional Equipment		3,936	3,936	3,936	
Total Facilities Acquisition and Construction Services		3,936	3,936	3,936	
Total Expenditures	\$ 680,230	\$ 706,492	\$ 1,386,722	\$ 1,331,642	\$ 55,080
Excess/(Deficit) of Revenue Over/(Under) Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ 496	\$ (496)

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue"		
from the Budgetary Comparison Schedule	\$ 69,693,715	\$ 1,332,138
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue While the GAAP Basis Does Not:		
Prior Year Encumbrances		54,299
Cancellation of Prior Year Encumbrances		(3,936)
Current Year Encumbrances		(9,619)
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	340,401	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(399,665)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 69,634,451</u>	<u>\$ 1,372,882</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 70,567,591	\$ 1,331,642
Differences - Budget to GAAP		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes:		
Prior Year Encumbrances		54,299
Cancellation of Prior Year Encumbrances		(3,936)
Current Year Encumbrances		(9,619)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 70,567,591</u>	<u>\$ 1,372,386</u>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budget for the fiscal year ending June 30, 2024, was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

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

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

SPECIAL REVENUE FUND

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	ARP					
	ESSER III	Accelerated Learning	Summer Learning	Beyond the Day School	I.D.E.A. Basic	I.D.E.A. Preschool
REVENUE:						
Local Sources						
Federal Sources	\$ 28,425	\$ 48,874	\$ 251	\$ 11,991	\$ 102,787	\$ 8,764
Total Revenue	28,425	48,874	251	11,991	102,787	8,764
EXPENDITURES:						
Instruction:						
Salaries of Teachers				8,860		
Other Salaries for Instruction						
Purchased Professional and Technical Services						
Tuition					102,787	8,764
General Supplies	2,000		251	3,131		
Total Instruction	2,000		251	11,991	102,787	8,764
Support Services:						
Salaries of Other Professional Staff						
Purchased Professional and Technical Services						
Purchased Professional - Educational Services	21,126	48,874				
Other Purchased Professional Services	5,299					
Supplies and Materials						
Student Activities						
Total Support Services	26,425	48,874				
Facilities Acquisition and Construction Services:						
Instructional Equipment						
Total Facilities Acquisition and Construction Services						
Total Expenditures	\$ 28,425	\$ 48,874	\$ 251	\$ 11,991	\$ 102,787	\$ 8,764



ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Elementary and Secondary Education Act (E.S.E.A.)				
	FY 2023		FY 2023		
	Title I	Title IIA	Title IIA	Title III	Title IV
REVENUE:					
Local Sources					
Federal Sources	\$ 194,737	\$ 56,131	\$ 1	\$ 16,743	\$ 4,267
Total Revenue	194,737	56,131	1	16,743	4,267
EXPENDITURES:					
Instruction:					
Salaries of Teachers	54,211			632	4,267
Other Salaries for Instruction	10,581				
Purchased Professional and Technical Services	69,420				
Tuition					
General Supplies	9,679	5,632	1	1,524	
Total Instruction	143,891	5,632	1	2,156	4,267
Support Services:					
Salaries of Other Professional Staff	3,524				
Purchased Professional and Technical Services		21,850			
Purchased Professional - Educational Services				7,200	
Other Purchased Professional Services	37,113	21,900			
Supplies and Materials	10,209	6,749		3,451	
Student Activities					
Total Support Services	50,846	50,499		10,651	
Facilities Acquisition and Construction Services:					
Instructional Equipment				3,936	
Total Facilities Acquisition and Construction Services				3,936	
Total Expenditures	\$ 194,737	\$ 56,131	\$ 1	\$ 16,743	\$ 4,267
					\$ 15,354

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	I.D.E.A., Part B		Local	Student	Total
	Basic	Preschool	Donations	Activities	
REVENUE:					
Local Sources					
Federal Sources	\$ 641,660	\$ 34,578	\$ 22,725	\$ 144,850	\$ 1,164,563
Total Revenue	641,660	34,578	22,725	144,850	1,332,138
EXPENDITURES:					
Instruction:					
Salaries of Teachers					67,970
Other Salaries for Instruction					10,581
Purchased Professional and Technical Services					69,420
Tuition	641,660	34,578	13,625		787,789
General Supplies					42,195
Total Instruction	641,660	34,578	13,625		977,955
Support Services:					
Salaries of Other Professional Staff					3,524
Purchased Professional and Technical Services					21,850
Purchased Professional - Educational Services					77,200
Other Purchased Professional Services					64,312
Supplies and Materials			9,100	144,354	38,511
Student Activities					144,354
Total Support Services			9,100	144,354	349,751
Facilities Acquisition and Construction Services:					
Instructional Equipment					3,936
Total Facilities Acquisition and Construction Services					3,936
Total Expenditures	\$ 641,660	\$ 34,578	\$ 22,725	\$ 144,354	\$ 1,331,642

CAPITAL PROJECTS FUND

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Expenditures and Other Financing Uses:	
Construction Services	\$ 27,415
Transfer to General Fund:	
Return of Unexpended Balance to Capital Reserve	<u>235</u>
Total Expenditures	<u>27,650</u>
Deficit of Revenue Under Expenditures and Other Financing Uses	(27,650)
Fund Balance - Beginning of Year	<u>27,650</u>
Fund Balance - End of Year	<u><u>\$ -0-</u></u>
<u>Recapitulation:</u>	
Total Committed Fund Balance - Budgetary/GAAP Basis	<u><u>\$ -0-</u></u>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -  
BUDGETARY BASIS  
KATHERINE D. MALONE SCHOOL - WATER TREATMENT SYSTEM  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	\$ 731,823	\$ (235)	\$ 731,588	\$ 731,588
Total Revenue and Other Financing Sources	<u>731,823</u>	<u>(235)</u>	<u>731,588</u>	<u>731,588</u>
Expenditures:				
Purchased Professional and Technical Services	93,610		93,610	93,610
Construction Services	<u>610,563</u>	<u>27,415</u>	<u>637,978</u>	<u>637,978</u>
Total Expenditures	<u>704,173</u>	<u>27,415</u>	<u>731,588</u>	<u>731,588</u>
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 27,650</u>	<u>\$ (27,650)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

Additional Project Information:

Project Numbers	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bo Date	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 731,823
Unexpended Balance Returned	(235)
Revised Authorized Cost	<u>\$ 731,588</u>
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	100%
Original Target Completion Date	09/20
Revised Target Completion Date	06/24

PROPRIETARY FUNDS

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2024

	<u>Major Funds</u>		<u>Non-Major Fund</u>	
	<u>Food Service</u>	<u>Summer Enrichment</u>	<u>After School</u>	<u>Totals</u>
<b>ASSETS:</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 297,629	\$ 46,301	\$ 33,143	\$ 377,073
Intergovernmental Accounts Receivable:				
State	1,324			1,324
Federal	16,003			16,003
Other Accounts Receivable	1,368			1,368
Inventories	14,835			14,835
Total Current Assets	331,159	46,301	33,143	410,603
Non-Current Assets:				
Capital Assets	630,043			630,043
Less: Accumulated Depreciation	(493,170)			(493,170)
Total Non-Current Assets	136,873			136,873
Total Assets	468,032	46,301	33,143	547,476
<b>LIABILITIES:</b>				
Current Liabilities:				
Accounts Payable	72,852			72,852
Unearned Revenue:				
Prepaid Sales		45,550		45,550
Donated Commodities	1,909			1,909
Supply Chain Assistance	28,683			28,683
Total Liabilities	103,444	45,550		148,994
<b>NET POSITION:</b>				
Investment in Capital Assets	136,873			136,873
Unrestricted	227,715	751	33,143	261,609
Total Net Position	\$ 364,588	\$ 751	\$ 33,143	\$ 398,482

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Major Funds		Non-Major Fund	
	Food Service	Summer Enrichment	After School	Totals
Operating Revenue:				
Daily Sales:				
Reimbursable Programs	\$ 401,907			\$ 401,907
Non-Reimbursable Programs	199,045			199,045
Charges for Services - Program Fees		\$ 38,690	\$ 33,459	72,149
Miscellaneous Revenue	8,087			8,087
Total Operating Revenue	609,039	38,690	33,459	681,188
Operating Expenses:				
Cost of Sales:				
Reimbursable Programs	329,885			329,885
Non-Reimbursable Programs	170,014			170,014
Salaries	347,538	37,136	16,723	401,397
Employee Benefits	104,663			104,663
Transportation		3,350		3,350
Other Purchased Services	50,895			50,895
Supplies and Materials	25,625	1,036	7,935	34,596
Depreciation Expense	17,231			17,231
Total Operating Expenses	1,045,851	41,522	24,658	1,112,031
Operating Income/(Loss)	(436,812)	(2,832)	8,801	(430,843)
Non-Operating Revenue:				
Interest Income	10,910	2		10,912
State Sources:				
State School Lunch Program	15,604			15,604
State School Breakfast Program	25			25
State Extended Income Eligibility - Lunch	3,099			3,099
Federal Sources:				
National School Lunch Program	231,051			231,051
School Breakfast Program	4,102			4,102
Food Distribution Program	68,194			68,194
COVID Supply Chain Assistance Utilized	80,495			80,495
P-EBT Reimbursement	653			653
Total Non-Operating Revenue	414,133	2		414,135
Change in Net Position	(22,679)	(2,830)	8,801	(16,708)
Net Position - Beginning of Year	387,267	3,581	24,342	415,190
Net Position - End of Year	\$ 364,588	\$ 751	\$ 33,143	\$ 398,482



ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Major Funds		Non-Major Fund	
	Food Service	Summer Enrichment	After School	Totals
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 596,923	\$ 46,610	\$ 33,459	\$ 676,992
Payments to Food Service Company	(886,931)			(886,931)
Payments to/for Employees		(37,136)	(16,723)	(53,859)
Payments to Suppliers	(53,774)	(4,386)	(7,935)	(66,095)
Net Cash Provided by/(Used for) Operating Activities	(343,782)	5,088	8,801	(329,893)
Cash Flows from Financing Activities:				
Interest Income	10,910	2		10,912
Net Cash Provided by Financing Activities	10,910	2		10,912
Cash Flows from Capital and Related Financing Activities:				
Purchase of Capital Assets	(11,692)			(11,692)
Net Cash (Used for) Capital and Related Financing Activities	(11,692)			(11,692)
Cash Flows by Noncapital Financing Activities:				
State Sources	18,659			18,659
Federal Sources	301,298			301,298
Net Cash Provided by Noncapital Financing Activities	319,957			319,957
Net Increase/(Decrease) in Cash and Cash Equivalents	(24,607)	5,090	8,801	(10,716)
Cash and Cash Equivalents, July 1	322,236	41,211	24,342	387,789
Cash and Cash Equivalents, June 30	<u>\$ 297,629</u>	<u>\$ 46,301</u>	<u>\$ 33,143</u>	<u>\$ 377,073</u>
Reconciliation of Operating Income/(Loss) to				
Net Cash Provided by/(Used for) by Operating Activities:				
Operating Income/(Loss)	\$ (436,812)	\$ (2,832)	\$ 8,801	\$ (430,843)
Depreciation	17,231			17,231
Food Distribution Program	68,194			68,194
Changes in Assets and Liabilities:				
(Increase) in Other Accounts Receivable	(1,368)			(1,368)
Increase in Accounts Payable	26,409			26,409
(Decrease) in Unearned Revenue - Donated Commodities	(281)			(281)
Increase/(Decrease) in Unearned Revenue - Prepaid Sales	(10,748)	7,920		(2,828)
(Increase) in Inventory	(6,407)			(6,407)
Net Cash Provided by/(Used for) by Operating Activities	<u>\$ (343,782)</u>	<u>\$ 5,088</u>	<u>\$ 8,801</u>	<u>\$ (329,893)</u>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$67,913 and utilized U.S.D.A. Commodities valued at \$68,194.

LONG-TERM LIABILITIES
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ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
LONG-TERM LIABILITIES  
STATEMENT OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds			Interest Rate	Balance July 1, 2023	Retired or Matured	Balance June 30, 2024
			Date	June 30, 2024	Amount				
Refunding School Bonds	06/15/16	\$ 4,395,000	09/01/24	\$ 580,000		4.000%	\$ 1,140,000	\$ 560,000	\$ 580,000
							<u>\$ 1,140,000</u>	<u>\$ 560,000</u>	<u>\$ 580,000</u>

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

Purpose	Interest Rate	Original Issue	Balance June 30, 2023	Issued	Matured	Balance June 30, 2024
Two 54-passenger and Two 16-passenger Buses (#30)	1.740%	\$ 388,814	\$ 79,089		\$ 79,089	
Two 54-passenger and Two 16-passenger Buses (#32)	3.027%	412,965	247,632		80,095	\$ 167,537
			<u>\$ 326,721</u>	<u>\$ -0-</u>	<u>\$ 159,184</u>	<u>\$ 167,537</u>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 448,611		\$ 448,611	\$ 448,611	
State Sources:					
Debt Service Aid Type II	145,789		145,789	145,789	
Total Revenue	594,400		594,400	594,400	
EXPENDITURES:					
Regular Debt Service:					
Interest	34,400		34,400	34,400	
Redemption of Principal	560,000		560,000	560,000	
Total Regular Debt Service	594,400		594,400	594,400	
Total Expenditures	594,400		594,400	594,400	
Excess of Revenue Over Expenditures	-0-		-0-	-0-	
Fund Balance, July 1	-0-		-0-	-0-	
Fund Balance, June 30	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
<u>Recapitulation:</u>					
Restricted				\$ -0-	

**STATISTICAL SECTION**  
(Unaudited)

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

**Contents**

**Exhibit**

**Financial Trends**

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

J-1 thru J-5

**Revenue Capacity**

These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.

J-6 thru J-9

**Debt Capacity**

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

J-10 thru J-13

**Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.

J-14 thru J-15

**Operating Information**

These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.

J-16 thru J-20

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

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

	June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities:										
Net Investment in Capital Assets	\$ 15,244,110	\$ 18,497,801	\$ 20,449,774	\$ 22,198,337	\$ 23,821,521	\$ 21,781,704	\$ 22,550,008	\$ 25,415,001	\$ 26,852,852	\$ 28,485,386
Restricted	6,953,662	6,105,971	6,179,985	7,784,820	7,242,879	13,997,834	15,134,147	12,399,638	11,445,865	12,949,009
Unrestricted/(Deficit)	(13,744,513)	(13,863,773)	(15,085,047)	(16,357,648)	(14,648,216)	(16,610,985)	(13,793,071)	(9,417,901)	(8,094,887)	(9,592,958)
Total Governmental Activities Net Position	\$ 8,453,259	\$ 10,739,999	\$ 11,544,712	\$ 13,625,509	\$ 16,416,184	\$ 19,168,553	\$ 23,891,084	\$ 28,396,738	\$ 30,203,830	\$ 31,841,437
Business-Type Activities:										
Investment in Capital Assets	\$ 113,012	\$ 88,777	\$ 172,442	\$ 189,907	\$ 193,810	\$ 162,914	\$ 153,960	\$ 142,844	\$ 142,412	\$ 136,873
Unrestricted	254,490	278,159	175,297	139,047	208,507	235,654	89,873	368,821	272,778	261,609
Total Business-Type Activities Net Position	\$ 367,502	\$ 366,936	\$ 347,739	\$ 328,954	\$ 402,317	\$ 398,568	\$ 243,833	\$ 511,665	\$ 415,190	\$ 398,482
District-Wide:										
Net Investment in Capital Assets	\$ 15,357,122	\$ 18,586,578	\$ 20,622,216	\$ 22,388,244	\$ 24,015,331	\$ 21,944,618	\$ 22,703,968	\$ 25,557,845	\$ 26,995,264	\$ 28,622,259
Restricted	6,953,662	6,105,971	6,179,985	7,784,820	7,242,879	13,997,834	15,134,147	12,399,638	11,695,865	12,949,009
Unrestricted/(Deficit)	(13,490,023)	(13,585,614)	(14,909,750)	(16,218,601)	(14,439,709)	(16,375,331)	(13,703,198)	(9,049,080)	(7,822,109)	(9,331,349)
Total District Net Position	\$ 8,820,761	\$ 11,106,935	\$ 11,892,451	\$ 13,954,463	\$ 16,818,501	\$ 19,567,121	\$ 24,134,917	\$ 28,908,403	\$ 30,869,020	\$ 32,239,919

Source: School District Financial Reports

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

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 19,361,831	\$ 21,316,919	\$ 23,382,377	\$ 25,479,101	\$ 23,626,534	\$ 22,141,798	\$ 23,859,339	\$ 25,210,183	\$ 23,665,396	\$ 23,724,113
Special Education	9,978,559	10,011,955	10,938,722	10,741,972	10,162,898	10,296,399	9,484,796	10,200,637	9,630,613	9,795,840
Other Special Education	1,404,875	1,429,835	1,655,602	1,253,641	1,359,576	1,271,535	1,619,775	1,816,055	1,797,185	1,971,652
Other Instruction	49,756	56,636	60,424	58,401	84,366	60,740	18,891	53,728	82,364	111,178
Support Services:										
Tuition							556,136	492,387	1,296,746	1,456,850
Student and Instruction Related Services	10,542,966	11,314,387	12,757,414	13,342,823	12,542,617	12,113,719	11,958,283	11,295,970	11,329,654	12,412,488
General Administrative Services	926,012	1,569,870	2,187,221	1,381,039	863,585	1,004,091	959,915	895,908	1,035,816	919,002
School Administrative Services	2,653,402	2,774,543	2,576,655	3,281,178	2,939,687	2,552,159	2,988,271	2,402,599	2,421,355	2,470,356
Central Services	1,561,424	1,589,267	1,611,967	1,979,375	1,930,793	1,854,635	824,932	796,323	877,480	966,558
Administrative Information Technology							833,523	626,685	798,750	1,007,647
Plant Operations and Maintenance	4,573,632	4,484,489	4,515,865	4,899,077	4,734,878	4,551,701	4,559,895	4,536,428	5,122,633	5,478,309
Pupil Transportation	3,156,987	2,549,796	3,182,434	3,094,941	2,983,144	2,859,583	2,571,338	3,108,825	2,965,404	3,121,910
Capital Outlay							1,830		1,830	1,830
Charter Schools						85,963	62,529	80,780	214,015	195,256
Interest on Long-Term Debt	262,028	188,673	86,439	99,056	97,422		132,684	19,406	3,140	13,585
Total Governmental Activities Expenses	54,471,472	57,286,370	62,955,120	65,610,604	61,325,500	58,792,323	60,432,137	61,535,914	61,242,381	63,646,574
Business-Type Activities:										
Proprietary Funds	784,622	852,381	863,879	853,901	801,917	719,296	456,506	974,317	987,172	1,112,031
Total Business-Type Activities Expense	784,622	852,381	863,879	853,901	801,917	719,296	456,506	974,317	987,172	1,112,031
Total District Expenses	\$ 55,256,094	\$ 58,138,751	\$ 63,818,999	\$ 66,464,505	\$ 62,127,417	\$ 59,511,619	\$ 60,888,643	\$ 62,510,231	\$ 62,229,553	\$ 64,758,605
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Regular Instruction	\$ 283,766	\$ 247,926	\$ 235,004	\$ 170,800	\$ 134,642	\$ 138,506	\$ 22,080	\$ 51,500	\$ 47,125	\$ 103,979
Special Education							208,144	86,582	146,907	120,156
Student and Related Services							42,340	38,705	105,049	144,850
Pupil transportation	8,938	19,957	115,128	163,193	111,366	94,456	95,060	153,774	75,967	83,129
Operating Grants and Contributions	11,583,723	13,814,981	17,514,108	20,693,087	16,522,690	13,622,793	15,379,717	15,355,481	11,484,220	11,611,024
Capital Grants and Contributions	139,166	318,487	90,620	61,780						
Total Governmental Activities Program Revenues	12,015,593	14,401,351	17,954,860	21,088,860	16,768,698	13,855,755	15,747,341	15,686,042	11,859,268	12,063,138



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

UNAUDITED  
(CONTINUED)

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Program Revenues: (Cont'd)										
Business-Type Activities:										
Charges for Services:										
Proprietary Funds	\$ 576,520	\$ 620,070	\$ 613,464	\$ 619,496	\$ 659,070	\$ 520,376	\$ 16,575	\$ 77,342	\$ 523,647	\$ 673,101
Operating Grants and Contributions	214,343	231,450	230,893	214,902	212,509	207,651	287,203	1,164,791	367,013	403,223
Total Business-Type Activities Program Revenues	790,863	851,520	844,357	834,398	871,579	728,027	303,778	1,242,133	890,660	1,076,324
Total District Program Revenues	\$ 12,806,456	\$ 15,252,871	\$ 18,799,217	\$ 21,923,258	\$ 17,640,277	\$ 14,583,782	\$ 16,051,119	\$ 16,928,175	\$ 12,749,928	\$ 13,139,462
Net (Expense)/Revenue:										
Governmental Activities	\$ (42,455,879)	\$ (42,885,019)	\$ (45,000,260)	\$ (44,521,744)	\$ (44,556,802)	\$ (44,936,568)	\$ (44,684,796)	\$ (45,849,872)	\$ (49,383,113)	\$ (51,583,436)
Business-Type Activities	6,241	(861)	(19,522)	(19,503)	69,662	8,731	(152,728)	267,816	(96,512)	(35,707)
Total District-Wide Net Expense	\$ (42,449,638)	\$ (42,885,880)	\$ (45,019,782)	\$ (44,541,247)	\$ (44,487,140)	\$ (44,927,837)	\$ (44,837,524)	\$ (45,582,056)	\$ (49,479,625)	\$ (51,619,143)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 41,819,183	\$ 42,655,566	\$ 43,508,678	\$ 44,378,851	\$ 45,266,428	\$ 46,171,082	\$ 47,057,567	\$ 47,984,601	\$ 48,807,345	\$ 50,080,332
Taxes Levied for Debt Service	436,296	425,275	410,560	409,259	408,913	394,353	449,140	447,026	446,271	448,611
Federal and State Aid not Restricted	1,534,100	1,532,026	1,514,246	1,521,269	1,415,459	1,431,093	1,375,039	1,759,204	1,388,658	1,556,522
Investment Earnings	15,118	14,779	19,945	28,999	108,389	127,637	1,878	2,479	7,223	667,150
Miscellaneous Income	245,334	544,113	351,544	264,163	138,788	269,936	523,703	162,216	540,708	468,428
Other Item					9,500					
Total Governmental Activities	44,050,031	45,171,759	45,804,973	46,602,541	47,347,477	48,394,101	49,407,327	50,355,526	51,190,205	53,221,043
Business-Type Activities:										
Investment Earnings	208	295	325	718	3,701	3,561	54	16	37	10,912
Other Item							(2,061)			8,087
Total Business-Type Activities	208	295	325	718	3,701	3,561	(2,007)	16	37	18,999
Total District-Wide	\$ 44,050,239	\$ 45,172,054	\$ 45,805,298	\$ 46,603,259	\$ 47,351,178	\$ 48,397,662	\$ 49,405,320	\$ 50,355,542	\$ 51,190,242	\$ 53,240,042
Change in Net Position:										
Governmental Activities	\$ 1,594,152	\$ 2,286,740	\$ 804,713	\$ 2,080,797	\$ 2,790,675	\$ 3,457,533	\$ 4,722,531	\$ 4,505,654	\$ 1,807,092	\$ 1,637,607
Business-Type Activities	6,449	(566)	(19,197)	(18,785)	73,363	12,292	(154,735)	267,832	(96,475)	(16,708)
Total District	\$ 1,600,601	\$ 2,286,174	\$ 785,516	\$ 2,062,012	\$ 2,864,038	\$ 3,469,825	\$ 4,567,796	\$ 4,773,486	\$ 1,710,617	\$ 1,620,899

Source: School District Financial Reports

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

	June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund:										
Restricted	\$ 8,228,241	\$ 8,082,566	\$ 7,569,574	\$ 9,065,596	\$ 9,558,872	\$ 13,898,817	\$ 15,037,778	\$ 12,313,126	\$ 11,367,027	\$ 12,869,675
Committed					260,621					
Assigned	426,892	740,061	895,319	590,851	208,273	304,425	761,285	2,583,694	3,648,296	1,173,515
Unassigned	701,389	722,563	1,075,772	822,221	881,823	1,564,216	2,847,509	3,097,316	1,574,686	1,613,914
Total General Fund	\$ 9,356,522	\$ 9,545,190	\$ 9,540,665	\$ 10,478,668	\$ 10,909,589	\$ 15,767,458	\$ 18,646,572	\$ 17,994,136	\$ 16,590,009	\$ 15,657,104
All Other Governmental Funds:										
Restricted	\$ 890,337	\$ (57,547)	\$ 12,485	\$ 12,485	\$ 414,912	\$ 99,017	\$ 96,369	\$ 86,512	\$ 78,838	\$ 79,334
Committed						136,256	7,575	39,775	27,650	
Unassigned / (Deficit)			(12,047)	(67,963)						
Total All Other Governmental Funds/(Deficit)	\$ 890,337	\$ (57,547)	\$ 438	\$ (55,478)	\$ 414,912	\$ 235,273	\$ 103,944	\$ 126,287	\$ 106,488	\$ 79,334

Source: School District Financial Reports

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,

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

	Fiscal Year Ended June 30,						
	2015	2016	2017	2018	2019	2020	2021
2022	2023	2024					
Revenues:							
Tax Levy	\$ 42,255,479	\$ 43,080,841	\$ 43,919,238	\$ 44,788,110	\$ 45,675,341	\$ 46,565,435	\$ 47,506,707
Tuition Charges	283,766	247,926	235,004	170,800	134,642	138,506	230,224
Transportation Charges		19,957	115,128	163,193	111,366	94,456	95,060
Restricted Miscellaneous		14,779	19,945	28,999	27,982	54,885	210,355
Unrestricted Miscellaneous	278,078	544,813	352,544	265,163	229,545	352,757	398,207
State Sources	7,771,691	8,551,420	8,978,550	9,908,871	10,704,704	11,177,286	13,226,678
Federal Sources	1,100,862	1,215,029	1,116,367	1,118,217	1,168,927	1,198,333	1,426,214
Total Revenue	51,689,876	53,674,765	54,736,776	56,443,353	58,052,507	59,581,658	63,093,445
Expenditures:							
Instruction:							
Regular Instruction	16,408,429	18,060,681	18,225,055	19,325,368	19,945,243	20,128,432	14,070,823
Special Education Instruction	8,673,915	8,495,107	8,735,396	8,286,774	8,792,746	9,509,795	5,760,358
Other Special Instruction	1,234,697	1,216,708	1,303,695	1,062,865	1,143,792	1,140,474	922,217
Other Instruction	49,756	56,636	60,424	58,401	78,125	63,238	14,957
Support Services:							
Tuition							
Student and Instruction Related Services	9,150,415	9,713,965	10,242,989	10,344,363	10,777,478	10,984,722	7,912,750
General Administrative Services	888,640	975,003	972,930	1,001,049	1,080,254	950,642	774,579
School Administrative Services	2,382,139	2,456,579	2,431,507	2,564,803	2,592,502	2,384,837	1,653,434
Central Services	694,708	701,830	723,448	711,275	726,260	1,764,370	622,683
Administration Information Technology	789,960	818,296	785,801	1,030,597	1,058,773		715,993
Plant Operations and Maintenance	4,454,309	4,405,955	4,423,198	4,416,473	4,442,750	4,573,382	3,769,303
Pupil Transportation	3,072,896	2,525,340	2,813,261	2,790,194	2,784,399	2,870,339	2,039,550
Unallocated Benefits							18,764,216
Debt Service:							
Principal	1,329,355	1,522,320	1,053,347	940,019	949,845	843,420	500,000
Interest and Other Charges	264,445	316,113	120,451	152,221	133,888	124,380	95,100
Capital Outlay	1,702,389	4,567,703	3,198,447	2,876,864	3,016,646	1,468,714	2,111,032
Transfer of Funds to Charter Schools							62,529
Total Expenditures	51,096,053	55,832,236	55,089,949	55,561,266	57,522,701	56,806,745	60,345,660
Excess (Deficiency) of revenues over (under) expenditures	593,823	(2,157,471)	(353,173)	882,087	529,806	2,774,913	2,747,785
						(1,043,058)	(1,423,926)
							(960,059)

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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Other Financing sources (uses)										
Financed Purchases	\$ 542,628	\$ 1,301,653	\$ 406,633		\$ 371,505	\$ 764,827		\$ 412,965		
Bond Premium		414,244								
Payment to Escrow Agent		(4,712,642)								
Serial Bonds Debt Issued		4,395,000								
Total other financing sources (uses)	542,628	1,398,255	406,633		371,505	764,827		412,965		
Net Change in Fund Balances	\$ 1,136,451	\$ (759,216)	\$ 53,460	\$ 882,087	\$ 901,311	\$ 3,539,740	\$ 2,747,785	\$ (630,093)	\$ (1,423,926)	\$ (960,059)
Debt Service as a Percentage of Noncapital Expenditures	3.23 %	3.59 %	2.26 %	2.07 %	1.99 %	1.75 %	1.02 %	0.94 %	0.87 %	0.84 %

Source: School District Financial Reports

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

Fiscal Year	Tuition	Transportation	Interest on Investments	Rental Income	Prior Year Refunds	SREC Revenue	Miscellaneous	Total
2015	\$ 283,766	\$ 15,118	\$ 8,938	\$ 5,405	\$ 153,715	\$ -0-	\$ 86,216	\$ 553,158
2016	247,926	20,846	19,957	7,151	259,679	168,583	102,633	826,775
2017	235,004	19,945	115,128	13,305	129,766	1,937	194,234	709,319
2018	170,800	28,999	151,346	10,695	93,381	25,677	146,257	627,155
2019	134,642	108,389	111,366	18,100	96,600	3,907	3,262	476,266
2020	138,506	127,637	94,456	47,002	-0-	79,778	143,156	630,535
2021	230,224	95,060	5,577	55,498	88,597	184,980	190,929	850,865
2022	138,082	153,774	2,479	63,900	9,276	-0-	89,040	456,551
2023	194,032	75,967	7,223	60,000	62,448	314,213	104,047	817,930
2024	224,135	83,129	667,150	48,000	45,188	89,043	286,197	1,442,842

Source: School District records

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

Year Ended June 30,	Vacant Land	Residential	Farm Regular	Qualified Farm	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
2014	\$ 65,434,200	\$ 2,657,539,800	\$ 7,859,700	\$ 203,900	\$ 570,208,400	\$ 207,773,700	\$ 59,954,100	\$ 3,568,973,800	\$ 408,552,300	\$ -0-	\$ 3,568,973,800	\$ 1.173	\$ 3,801,875,651
2015	60,924,200	2,657,056,500	7,855,000	204,100	564,369,300	206,651,600	58,654,300	3,555,715,000	409,409,900	-0-	3,555,715,000	1.200	3,829,398,626
2016	58,034,200	2,679,043,700	8,587,100	204,600	568,030,800	206,419,700	58,934,000	3,579,254,100	409,692,400	-0-	3,579,254,100	1.215	3,579,254,100
2017	55,226,400	2,696,621,000	8,587,100	185,500	568,456,100	205,161,400	58,846,400	3,593,083,900	413,450,900	-0-	3,593,083,900	1.235	3,593,083,900
2018	51,299,000	2,941,003,400	8,344,600	179,300	644,944,100	232,616,800	78,241,900	3,956,629,100	461,558,200	-0-	3,956,629,100	1.143	3,956,629,100
2019	46,732,900	3,000,131,300	8,253,800	187,900	662,902,000	245,525,000	123,177,900	4,086,910,800	514,871,900	-0-	4,086,910,800	1.129	4,212,185,628
2020	45,260,500	3,084,985,700	9,222,700	187,100	668,025,900	252,671,300	141,757,200	4,202,110,400	393,482,400	-0-	4,202,110,400	1.120	4,524,860,678
2021	44,486,800	3,154,729,900	10,304,500	127,200	666,972,500	258,146,600	160,303,700	4,295,071,200	399,960,700	-0-	4,295,071,200	1.117	4,548,703,196
2022	42,732,300	3,359,721,200	11,507,500	136,600	685,902,200	297,179,900	218,335,700	4,615,515,400	403,871,500	-0-	4,615,515,400	1.059	4,907,786,998
2023	44,035,700	3,638,485,800	11,811,100	145,400	639,626,000	331,218,200	281,338,800	4,946,661,000	410,334,800	-0-	4,946,661,000	1.009	5,279,761,888

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

<sup>a</sup> Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

<sup>b</sup> Tax rates are per \$100

Source: Municipal Tax Assessor

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

Year Ended December 31,	Rockaway Township School District Direct			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Township of Rockaway	Regional School District	Morris County	
2014	\$ 1.161	\$ 0.012	\$ 1.173	\$ 0.840	\$ 0.718	\$ 0.272	\$ 3.003
2015	1.188	0.012	1.200	0.857	0.734	0.269	3.060
2016	1.204	0.011	1.215	0.872	0.720	0.274	3.081
2017	1.224	0.011	1.235	0.872	0.728	0.287	3.122
2018	1.133	0.010	1.143	0.773	0.704	0.278	2.898
2019	1.119	0.010	1.129	0.746	0.711	0.267	2.853
2020	1.109	0.011	1.120	0.728	0.711	0.282	2.841
2021	1.107	0.010	1.117	0.728	0.717	0.276	2.838
2022	1.049	0.010	1.059	0.706	0.683	0.274	2.722
2023	1.000	0.009	1.009	0.666	0.677	0.271	2.623

\* Revaluation of Real Property.

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

<sup>b</sup> Rates for debt service are based on each year's requirements.

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

Source: Municipal Tax Collector and School Business Administrator

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

Taxpayer	2023	
	Taxable Assessed Value	% of Total District Net Assessed Value
Rockaway Center Associates/Corporate Property Investors, Inc	\$ 210,235,200	4.25 %
Tilcon	76,179,000	1.54 %
WPG Rockaway Commons LLC	68,896,200	1.39 %
Pondview Estates	58,197,800	1.18 %
Rustic Ridge, Inc.	38,153,400	0.77 %
Marketplace at Rockaway, LLC	36,127,800	0.73 %
Dover UE, LLC	30,200,000	0.61 %
100 Commons Way LLC c/o Gannett	27,450,000	0.55 %
Macy's	26,520,000	0.54 %
Target Corp	21,969,400	0.44 %
Total	<u>\$ 593,928,800</u>	<u>12.00 %</u>

Taxpayer	2014	
	Taxable Assessed Value	% of Total District Net Assessed Value
Rockaway Center Associates/Corporate Property Investors, Inc	\$ 170,041,500	4.76 %
MT. Hope Rock Products & Hydro	53,403,200	1.50 %
Marvin F. Poer and Company	30,121,400	0.84 %
MarketPlace at Rockaway, LLC	29,073,500	0.81 %
Dover VF C/O Vornado Realty Trust	27,552,700	0.77 %
Rustic Ridge, Inc	26,099,800	0.73 %
Macy's East, Inc./Federated Department Stores	25,346,900	0.71 %
Bergen Record	24,991,500	0.70 %
Target Corporation	19,228,200	0.54 %
Highlands at Morris	18,783,500	0.53 %
Total	<u>\$ 424,642,200</u>	<u>11.89 %</u>

Source: Municipal Tax Assessor



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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2015	\$ 42,255,478	\$ 42,255,478	100.00 %	\$ -0-
2016	43,080,841	43,080,841	100.00 %	-0-
2017	43,919,236	43,919,236	100.00 %	-0-
2018	44,788,110	44,788,110	100.00 %	-0-
2019	45,675,341	45,675,341	100.00 %	-0-
2020	46,565,435	46,565,435	100.00 %	-0-
2021	47,506,707	47,506,707	100.00 %	-0-
2022	48,431,627	48,431,627	100.00 %	-0-
2023	49,253,616	49,253,616	100.00 %	-0-
2024	50,528,943	50,528,943	100.00 %	-0-

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

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

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

Fiscal Year Ended June 30,	Governmental Activities		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Financed Purchases			
2015	\$ 5,005,000	\$ 1,515,238	\$ 6,520,238	0.30 %	\$ 267
2016	4,395,000	1,659,571	6,054,571	0.27 %	249
2017	3,950,000	1,457,857	5,407,857	0.23 %	215
2018	3,540,000	927,838	4,467,838	0.18 %	174
2019	3,120,000	769,498	3,889,498	0.15 %	150
2020	2,690,000	614,101	3,304,101	0.12 %	127
2021	2,190,000	384,112	2,574,112	0.09 %	100
2022	1,675,000	558,847	2,233,847	0.08 %	86
2023	1,140,000	326,721	1,466,721	0.05 %	56
2024	580,000	167,537	747,537	0.03 %	28

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

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

Source: School District Financial Reports

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2015	\$ 5,005,000	\$ -0-	\$ 5,005,000	0.14 %	\$ 205
2016	4,395,000	-0-	4,395,000	0.12 %	181
2017	3,950,000	-0-	3,950,000	0.11 %	157
2018	3,540,000	-0-	3,540,000	0.10 %	138
2019	3,120,000	-0-	3,120,000	0.08 %	121
2020	2,690,000	-0-	2,690,000	0.07 %	103
2021	2,190,000	-0-	2,190,000	0.05 %	85
2022	1,675,000	-0-	1,675,000	0.04 %	64
2023	1,140,000	-0-	1,140,000	0.02 %	43
2024	580,000	-0-	580,000	0.01 %	22

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

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

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

Source: School District Financial Reports

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2023  
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
Rockaway Township	\$ 17,990,231	100.00 %	\$ 17,990,231
Morris County General Obligation Debt	326,425,422	4.56 %	14,891,203
Morris Hills Regional High School (Township Share)	14,075,000	48.37 %	6,808,223
Subtotal, Overlapping Debt			39,689,657
Rockaway Township School District Direct Debt			580,000
Total Direct and Overlapping Debt			<u>\$ 40,269,657</u>

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2024

	Equalized Valuation Basis
	2023      \$ 5,666,278,351
	2022      5,202,925,713
	2021      4,825,922,697
	<u>\$ 15,695,126,761</u>
Average Equalized Valuation of Taxable Property	<u>\$ 5,231,708,920</u>
Debt Limit (3% of Average Equalization Value)	\$ 156,951,268
Net Bonded School Debt	580,000
Legal Debt Margin	<u>\$ 156,371,268</u>

	Fiscal Year				
	2015	2016	2017	2018	2019
Debt Limit	\$ 114,705,189	\$ 115,894,648	\$ 77,559,806	\$ 123,032,035	\$ 128,335,704
Total Net Debt Applicable to Limit	<u>5,005,000</u>	<u>4,395,000</u>	<u>3,950,000</u>	<u>3,540,000</u>	<u>3,120,000</u>
Legal Debt Margin	<u>\$ 109,700,189</u>	<u>\$ 111,499,648</u>	<u>\$ 73,609,806</u>	<u>\$ 119,492,035</u>	<u>\$ 125,215,704</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	4.36 %	3.79 %	5.09 %	2.88 %	2.43 %

	Fiscal Year				
	2020	2021	2022	2023	2024
Debt Limit	\$ 125,215,704	\$ 131,423,555	\$ 138,051,583	\$ 145,332,009	\$ 156,951,268
Total Net Debt Applicable to Limit	<u>2,690,000</u>	<u>2,190,000</u>	<u>1,675,000</u>	<u>1,140,000</u>	<u>580,000</u>
Legal Debt Margin	<u>\$ 122,525,704</u>	<u>\$ 129,233,555</u>	<u>\$ 136,376,583</u>	<u>\$ 129,233,555</u>	<u>\$ 156,371,268</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	2.15 %	1.67 %	1.21 %	0.78 %	0.37 %

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

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

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

<u>Year</u> <u>Ended</u>	<u>Population</u> <sup>a</sup>	<u>Per Capita</u> <u>Personal</u> <u>Income</u> <sup>b</sup>	<u>Personal Income</u> <sup>c</sup>	<u>Unemployment</u> <u>Rate</u> <sup>d</sup>
2015	24,401	\$ 88,298	\$ 2,154,559,498	4.20 %
2016	24,311	91,252	2,218,427,372	4.00 %
2017	25,188	93,544	2,356,186,272	3.60 %
2018	25,613	97,244	2,490,710,572	3.60 %
2019	25,866	99,140	2,564,355,240	3.20 %
2020	26,054	102,227	2,663,422,258	7.60%
2021	25,869	107,767	2,787,824,523	4.70%
2022	26,036	111,597	2,905,539,492	2.80%
2023	26,368	111,597 **	2,942,589,696 ***	3.70%
2024	26,368 *	111,597 **	2,942,589,696 ***	N/A

\* - Latest population data available (2023) was used for calculation purposes.

\*\* - Latest Morris County per capita personal income available (2022) was used for calculation purposes.

\*\*\* - Latest available population data (2023) and latest available Morris County per capita personal income (2022) was used for calculation purposes.

N/A - Information unavailable.

Source:

- <sup>a</sup> Population information provided by the US Bureau of the Census, Population Division
- <sup>b</sup> Per Capita Personal Income provided by the NJ Dept of Labor and Workforce Development
- <sup>c</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented
- <sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development

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

2023			2014		
Employer	Employees	Percentage of Total Employment	Employer	Employees	Percentage of Total Employment
Atlantic Health System	10,552	4.00%	U.S Army Armament Research and Development	5,841	2.33%
Novartis	6,500	2.46%	Norvartis Corporation	5,035	2.01%
US Army Armament Research and Development	6,000	2.27%	Atlantic Health System	4,463	1.78%
Barclays	3,374	1.28%	Automatic Data Processing, Inc.	2,060	0.82%
Bayer Healthcare, LLC	2,713	1.03%	Bayer Healthcare, LLC	1,900	0.76%
Automatic Data Processing, Inc.	2,400	0.91%	County of Morris	1,674	0.67%
Accenture	2,344	0.89%	Wyndham Worldwide Corporation	1,653	0.66%
PricewaterhouseCoopers	2,095	0.79%	St. Clare's	1,642	0.65%
Cigna	1,686	0.64%	BASF Corporation	1,500	0.60%
Deloitte & Touche	1,646	0.62%	Accenture	1,480	0.59%
Total	39,310	14.90%	Total	27,248	10.86%
Total Employment	263,900		Total Employment	250,919	

Source: Morris County Area Chamber of Commerce

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

<u>Function/Program</u>	<u>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	169.5	178.5	177.5	183.0	180.0	184.0	187.0	191.0	194.0	188.4
Special Education	96.0	104.5	95.5	84.0	80.0	84.0	88.0	82.0	93.0	99.4
Other Special Education	18.5	14.5	18.5	19.5	18.5	18.5	21.0	21.0	18.0	18.0
Support Services:										
Student & Instruction Related Services	98.0	99.5	110.0	107.0	112.0	93.0	97.0	97.0	99.0	100.0
School Administrative Services	24.0	24.5	23.0	25.5	25.0	25.0	25.0	24.0	25.0	22.0
General Administrative Services	11.5	11.0	11.0	11.0	13.0	13.0	14.0	17.0	17.0	18.0
Plant Operations and Maintenance	31.0	31.0	32.5	33.5	31.0	34.0	34.0	36.0	37.0	35.7
Pupil Transportation	50.0	46.0	40.0	42.0	41.0	38.0	37.0	31.0	29.0	29.0
Total	<u>498.5</u>	<u>509.5</u>	<u>508.0</u>	<u>505.5</u>	<u>500.5</u>	<u>489.5</u>	<u>503.0</u>	<u>499.0</u>	<u>512.0</u>	<u>510.5</u>

Source: District Personnel Records



ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil <sup>d</sup>	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio Elementary	Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
2015	2,348	\$ 47,799,864	20,358	3.61 %	284	12:1	2,363	2,269	-1.83 %	96.02 %
2016	2,422	49,426,100	20,407	0.24 %	298	12:1	2,406	2,309	1.82 %	95.97 %
2017	2,409	50,717,704	21,053	3.17 %	281	11:1	2,395	2,290	-0.46 %	95.62 %
2018	2,351	51,592,162	21,945	4.23 %	278	10:1	2,321	2,217	-3.09 %	95.52 %
2019	2,277	53,422,322	23,462	6.91 %	279	9:1	2,282	2,189	-1.68 %	95.92 %
2020	2,347	54,370,231	23,166	-1.26 %	290	8:1	2,358	2,294	3.33 %	97.29 %
2021	2,164	57,639,528	26,636	14.98 %	296	8:1	2,280	2,193	-3.31 %	96.18 %
2022	2,384	62,632,692	26,272	-1.36 %	294	8:1	2,383	2,259	4.52 %	94.80 %
2023	2,418	67,327,872	27,844	5.98 %	305	8:1	2,409	2,313	1.09 %	96.01 %
2024	2,425	69,996,862	28,865	3.66 %	317	7:1	2,411	2,326	0.08 %	96.47 %

Note: Enrollment based on annual October District count.

<sup>a</sup> Operating expenditures equal total expenditures less debt service and capital outlay.

<sup>b</sup> Teaching staff includes only full-time equivalents of certificated staff.

<sup>c</sup> Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

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

Source: School District records

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<u>District Buildings</u>										
Birchwood										
Square Feet	24,914	24,914	24,914	24,914	24,914	24,914	24,914	24,914	24,914	24,914
Capacity (students)	232	232	232	232	232	232	232	232	232	232
Enrollment	279	307	315	295	282	269	254	279	293	315
Copeland										
Square Feet	46,733	46,733	46,733	46,733	46,733	46,733	46,733	46,733	46,733	46,733
Capacity (students)	408	408	408	408	408	408	408	408	408	408
Enrollment	872	861	817	794	773	786	788	852	856	801
C.A. Dwyer										
Square Feet	47,285	47,285	47,285	47,285	47,285	47,285	47,285	47,285	47,285	47,285
Capacity (students)	212	212	212	212	212	212	212	212	212	212
Enrollment	311	323	311	302	292	315	297	323	310	345
Dennis B. O'brien										
Square Feet	29,523	29,523	29,523	29,523	29,523	29,523	29,523	29,523	29,523	29,523
Capacity (students)	104	104	104	104	104	104	104	104	104	104
Enrollment	298	336	342	355	311	332	309	278	295	296
K.D. Malone										
Square Feet	26,990	26,990	26,990	26,990	26,990	26,990	26,990	26,990	26,990	26,990
Capacity (students)	216	216	216	216	216	216	216	216	216	216
Enrollment	266	272	272	252	258	272	235	260	281	303
Stony Brook										
Square Feet	26,396	26,396	26,396	26,396	26,396	26,396	26,396	26,396	26,396	26,396
Capacity (students)	249	249	249	249	249	249	249	249	249	249
Enrollment	322	323	352	353	361	373	281	392	383	365
Number of Schools at June 30, 2024										
Elementary = 5										
Middle School = 1										
Senior High School = 0										
Other = 0										

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

Source: School District Facilities Office

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

Undistributed Expenditures - Required Maintenance for School Facilities

11-000-261-xxx

School Facilities	Fiscal Year Ended June 30,				
	2015	2016	2017	2018	2019
Birchwood	\$ 58,699	\$ 151,215	\$ 277,308	\$ 75,528	\$ 124,610
Copeland Middle	266,527	189,706	182,115	147,249	223,303
C.A Dwyer	210,800	187,533	131,494	198,184	158,370
Dennis B. O'Brien	146,150	156,618	113,782	53,669	157,437
K.D. Malone	195,985	231,627	245,389	260,808	132,899
Stony Brook	75,757	140,486	108,250	138,834	97,844
Grand Total	<u>\$ 953,918</u>	<u>\$ 1,057,185</u>	<u>\$ 1,058,338</u>	<u>\$ 874,272</u>	<u>\$ 894,463</u>

School Facilities	Fiscal Year Ended June 30,				
	2020	2021	2022	2023	2024
Birchwood	\$ 110,936	\$ 59,203	\$ 166,072	\$ 116,213	\$ 71,112
Copeland Middle	208,092	216,809	314,057	217,908	223,407
C.A Dwyer	210,549	137,825	82,937	117,952	120,949
Dennis B. O'Brien	131,459	222,344	62,702	105,239	99,038
K.D. Malone	120,180	144,474	183,132	306,246	349,668
Stony Brook	117,536	67,466	85,701	90,025	82,944
Grand Total	<u>\$ 898,752</u>	<u>\$ 848,121</u>	<u>\$ 894,601</u>	<u>\$ 953,583</u>	<u>\$ 947,118</u>

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

Source: School District records

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
INSURANCE SCHEDULE  
AS OF JUNE 30, 2024  
UNAUDITED

	<u>Coverage</u>		<u>Deductible</u>
School Alliance Insurance Fund (SAIF):			
Property - Blanket Building and Contents Including Boiler and			
Building and Personal Property	\$ 500,000,000		\$ 2,500
Inland Marine - Auto Physical Damage			1,000
General Liability including Auto, Employee Benefits	5,000,000		
Each Occurance			
General Aggregate	100,000,000		
Product Completed Ops			
Personal Injury			
Fire Damage	2,500,000		
Medical Expenses	10,000		
(Excluding Students Taking Part in Athletics)			
Automobile Coverage			
Combined Single Limit			
Hired/Non Owned			
Environmental Impairment Liability	1,000,000/25,000,000	Fund Aggregate	10,000
First Party Cleanup	100,000	Fungi & Legionella	100,000
Crime Coverage	50,000	Inside/Outside	1,000
Blanket Dishonesty Bond	500,000		1,000
Boiler and Machinery	100,000,000		2,500
Excess Liability (AL/GL)	5,000,000		
School Board Legal	10,000,000 - Coverage A		15,000
	100,000/3,000,000 - Coverage B		15,000
Workers' Compensation	Statutory		
Employer's Liability	2,000,000		
Supplemental Indemnity	Statutory		
Bond for School Business Administrator	350,000	Selective Insurance	
Bond for Treasurer of School Monies	350,000	Selective Insurance	
Student Accident	All Students & Athletes		
	5,000,000		

Source: School District records.

SINGLE AUDIT SECTION

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Rockaway Township School District, in the County of Morris (the "District") as of and for the fiscal year ended June 30, 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 November 12, 2024.

**Report on Internal Control Over Financial Reporting**

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

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

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

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

### **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

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

November 12, 2024  
Mount Arlington, New Jersey

*Nisivoccia LLP*  
NISIVOCCIA LLP

*Man C Lee*

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

Report on Compliance For Each Major Federal and State Program;  
Report on Internal Control Over Compliance Required by the Uniform Guidance and NJOMB 15-08  
Independent Auditors' Report

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

**Report on Compliance for Each Major Federal and State Program**

***Opinion on Each Major Federal and State Program***

We have audited the Board of Education of the Rockaway Township School District's (the "District's") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the fiscal year ended June 30, 2024. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Our responsibilities under those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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



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

### ***Responsibilities of Management for Compliance***

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

### ***Auditors' Responsibilities for the Audit of Compliance***

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

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

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

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

### **Report on Internal Control Over Compliance**

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

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

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

November 12, 2024  
Mount Arlington, New Jersey

*Nisivoccia LLP*  
NISIVOCCIA LLP

*Man C Lee*

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

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Federal Grantor/Pass Through Grantor Program Title/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2023			Prior Year Payable Canceled	Adjust- ment	Balance at June 30, 2024			Amount Provided to Subre- cipient
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor			Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor	
U.S. Department of Education: Passed-through State Department of Education: Special Revenue Fund:													
Special Education Cluster:													
IDEA-A, Part B, Basic	84.027	IDEA-1090-24	7/1/23-9/30/24	\$ 641,660						\$ (39,820)			
IDEA-A, Part B, Basic	84.027	IDEA-1090-23	7/1/22-9/30/23	592,301	\$ (384,798)			\$ 601,840					
IDEA-A, Part B, Preschool	84.173	IDEA-1090-24	7/1/23-9/30/24	34,578				384,798					
COVID 19 - ARP I.D.E.A. Part B, Basic	84.027X	H027X210100	7/1/21-9/30/23	102,787				34,578					
COVID 19 - ARP I.D.E.A. Part B, Preschool	84.173X	H173X210114	7/1/21-9/30/23	8,764				102,787					
Total Special Education Cluster					(384,798)			8,764		(39,820)			
								1,132,767					
Elementary and Secondary Education Act:													
Title I	84.010	ESEA-1090-24	7/1/23-9/30/24	230,854									
Title I	84.010	ESEA-1090-23	7/1/22-9/30/23	127,718	(24,681)			157,884		(36,853)		\$ 3,412	
Total Title I					(24,681)			27,627				3,412	
Title I - SIA	84.010	ESEA-1090-23	7/1/22-9/30/23	25,515	(14,670)			185,511		(36,853)			
Total Title I - SIA					(14,670)			14,670					
Title II, Part A	84.367A	ESEA-1090-24	7/1/23-9/30/24	56,131						(2,109)			
Title II, Part A	84.367A	ESEA-1090-23	7/1/22-9/30/23	47,344	(2,099)			54,022					
Total Title II, Part A					(2,099)			2,100					
Title III	84.365A	ESEA-1090-24	7/1/23-9/30/24	21,581				56,122		(2,109)			
Title III	84.365A	ESEA-1090-23	7/1/22-9/30/23	26,224	(8,551)			14,953		(1,790)			
Title III	84.365A	ESEA-1090-22	7/1/21-9/30/22	47,599			\$ 13	9,502	3,936			620	
Total Title III					(8,551)		13	24,455		(1,790)		13	
Title III - Immigrant	84.365A	ESEA-1090-22	7/1/22-9/30/23	4,549	(353)		26	353				633	
Title III - Immigrant	84.365A	ESEA-1090-22	7/1/21-9/30/22	8,303	(353)		26					26	
Total Title III - Immigrant					(353)		26	353				26	
Title IV	84.424A	ESEA-1090-24	7/1/23-9/30/24	18,005	(417)			15,312	\$ 1	(42)			
Title IV	84.424A	ESEA-1090-23	7/1/22-9/30/23	10,850			900	416					
Title IV	84.424A	ESEA-1090-22	7/1/21-9/30/22	17,083	(417)		900	15,728	1	(42)		900	
Total Title IV					(50,771)		939	296,839	1	(40,794)		4,971	
Total Elementary and Secondary Education Act													
Education Stabilization Fund:													
COVID 19 - ARP:													
ESSER III	84.425U	S425U210027	3/13/20-9/30/24	552,435	(40,934)			69,359					
Accelerated Learning	84.425U	S425U210027	3/13/20-9/30/24	199,926	(41,650)			90,524					
Summer Learning	84.425U	S425U210027	3/13/20-9/30/24	40,000	(1,386)			(251)		(251)			
Beyond the School Day	84.425U	S425U210027	3/13/20-9/30/24	40,000	(9,548)			21,539					
Total Education Stabilization Fund					(93,518)			182,808		(251)			
Total Special Revenue Fund					(529,087)		939	1,612,414	1	(80,865)		4,971	
General Fund:													
Impact Aid	84.041	N/A	7/1/23-6/30/24	556,670				556,670					
Total U.S. Department of Education					(529,087)		939	2,169,084	1	(80,865)		4,971	

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass Through Grantor Program Title/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2023			Cash Received	Budgetary Expenditures	Prior Year Payable Canceled	Adjust- ment	Balance at June 30, 2024			Amount Provided to Subre- cipient
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor	
U.S. Department of Health and Human Services: General Fund:															
Medicaid Cluster:															
Medical Assistance Program	93.778	N/A	7/1/23-6/30/24	\$ 48,619				\$ 48,619	\$ (48,619)						
Total U.S. Department of Health and Human Services / Medicaid Cluster								48,619	(48,619)						
U.S. Department of Agriculture:															
Passed-through State Department of Agriculture:															
Child Nutrition Cluster:															
Food Distribution Program	10.555	N/A	7/1/23-6/30/24	67,913				67,913	(66,004)				\$ 1,909		
Food Distribution Program	10.555	N/A	7/1/22-6/30/23	74,060		\$ 2,190			(2,190)						
School Breakfast Program	10.553	N/A	7/1/23-6/30/24	4,102				3,845	(4,102)			\$ (257)			
School Breakfast Program	10.553	N/A	7/1/22-6/30/23	7,000	\$ (715)			715							
National School Lunch Program	10.555	N/A	7/1/23-6/30/24	231,051				215,305	(231,051)			(15,746)			
National School Lunch Program	10.555	N/A	7/1/22-6/30/23	268,893	(21,907)			21,907							
COVID-19 - Supply Chain Assistance Funding	10.555	N/A	7/1/23-6/30/24	58,873				58,873	(30,190)				28,683		
COVID-19 - Supply Chain Assistance Funding	10.555	N/A	7/1/22-6/30/23	50,305	(22,622)	52,495		368,558	(383,842)			(16,003)	30,592		
Total Child Nutrition Cluster				653				653	(653)						
COVID-19 - Pandemic Electronic Benefit Transfer	10.649	N/A	7/1/23-6/30/24												
Total U.S. Department of Agriculture					(22,622)	52,495		369,211	(384,495)			(16,003)	30,592		
Total Federal Awards					\$ (551,709)	\$ 52,495	\$ 939	\$ 2,586,914	\$ (2,154,347)	\$ 4,402	\$ 1	\$ (96,868)	\$ 30,592	\$ 4,971	\$ -0-

N/A - Not Applicable

Cancellation of Prior Year:	
Encumbrances Payable	\$ 3,936
Accounts Payable	466
	<u>\$ 4,402</u>

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2023		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2024		MEMO	
				Budgetary Accounts Receivable	Due to Grantor				GAAP Accounts Receivable	Due to Grantor	Budgetary Accounts Receivable	Cumulative Total Expenditures
New Jersey Department of Education:												
General Fund:												
Special Education												
Special Education Categorical Aid	24-495-034-5120-089	7/1/23-6/30/24	\$ 2,577,917			\$ 2,322,353	\$ (2,577,917)		\$ (255,564)		\$ (255,564)	\$ 2,577,917
Equalization Aid	24-495-034-5120-078	7/1/23-6/30/24	854,190			769,509	(854,190)		(84,681)		(84,681)	854,190
Security Aid	24-495-034-5120-084	7/1/23-6/30/24	50,153			45,181	(50,153)		(4,972)		(4,972)	50,153
Transportation Aid	24-495-035-5120-014	7/1/23-6/30/24	549,225			494,777	(549,225)		(54,448)		(54,448)	549,225
Nonpublic Transportation Aid	24-495-035-5120-014	7/1/23-6/30/24	53,264				(53,264)		(53,264)		(53,264)	53,264
Extraordinary Special Education Aid	24-495-034-5120-044	7/1/23-6/30/24	795,984				(795,984)		(795,984)		(795,984)	795,984
Reimbursed TPAF Social Security Contributions	24-495-034-5094-003	7/1/23-6/30/24	1,807,752			1,719,134	(1,807,752)		(88,618)		(88,618)	1,807,752
On-Behalf TPAF :												
Post Retirement Medical Contributions	24-495-034-5094-001	7/1/23-6/30/24	2,326,223			2,326,223	(2,326,223)					2,326,223
Pension Contributions	24-495-034-5094-002	7/1/23-6/30/24	8,450,780			8,450,780	(8,450,780)					8,450,780
Non-Contributory Insurance	24-495-034-5094-004	7/1/23-6/30/24	96,376			96,376	(96,376)					96,376
Long-Term Disability Insurance	24-495-034-5094-004	7/1/23-6/30/24	3,388			3,388	(3,388)					3,388
Special Education Categorical Aid	23-495-034-5120-089	7/1/22-6/30/23	1,985,277	\$ (196,517)		196,517						1,985,277
Equalization Aid	23-495-034-5120-078	7/1/22-6/30/23	854,190	(84,554)		84,554						854,190
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	50,153	(4,964)		4,964						50,153
Transportation Aid	23-495-035-5120-014	7/1/22-6/30/23	549,225	(54,366)		54,366						549,225
Nonpublic Transportation Aid	23-495-035-5120-014	7/1/22-6/30/23	26,797	(26,797)		26,797						26,797
Extraordinary Special Education Aid	23-495-034-5120-044	7/1/22-6/30/23	735,892	(735,892)		735,892						735,892
Reimbursed TPAF Social Security Contributions	23-495-034-5094-003	7/1/22-6/30/23	1,757,903	(86,618)		86,618						1,757,903
Total General Fund State Aid				(1,189,708)		17,417,429	(17,565,252)		(937,866)		(1,337,531)	23,524,689
Special Revenue Fund:												
New Jersey Nonpublic Aid:												
Technology	23-100-034-5120-373	7/1/22-6/30/23	126		\$ 126			\$ (126)				
Nursing Services	23-100-034-5120-070	7/1/22-6/30/23	336		1			(1)				
Textbook	23-100-034-5120-064	7/1/22-6/30/23	198		23			(23)				
Security	23-100-034-5120-509	7/1/22-6/30/23	615		16			(16)				
Nonpublic Handicapped Services:												
Corrective Speech	23-100-034-5120-066	7/1/22-6/30/23	1,860		1,860			(1,860)				
Total Special Revenue Fund State Aid					2,026			(2,026)				
Debt Service Fund:												
Debt Service Aid - State Support	24-100-034-5120-125	7/1/23-6/30/24	145,789			145,789	(145,789)					145,789
Total Debt Service Fund						145,789	(145,789)					145,789

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2023		Repayment of Prior Years' Balances	Balance at June 30, 2024		MEMO	
				Budgetary Accounts Receivable	Due to Grantor		GAAP Accounts Receivable	Due to Grantor	Budgetary Accounts Receivable	Cumulative Total Expenditures
New Jersey Department of Agriculture:										
Enterprise Fund:										
State School Lunch Program	24-100-010-3350-023	7/1/23-6/30/24	\$ 15,604				\$ (1,044)		\$ (1,044)	\$ 15,604
State School Lunch Extended Income Eligibility	24-100-010-3350-023	7/1/23-6/30/24	3,099			2,822	(277)		(277)	3,099
State School Breakfast Program	24-100-010-3350-023	7/1/23-6/30/24	25			22	(3)		(3)	25
State School Lunch Program	23-100-010-3350-023	7/1/22-6/30/23	15,081	\$ (1,236)		1,236				15,081
State School Breakfast Program	23-100-010-3350-023	7/1/22-6/30/23	177	(19)		19				177
Total Enterprise Fund				(1,255)		18,659	(1,324)		(1,324)	33,986
Total State Awards Subject to Single Audit Determination				\$ (1,190,963)	\$ 2,026	\$ 17,581,877	\$ (939,190)	\$ -0-	\$ (1,338,855)	\$ 23,704,464
Less: State Awards Not Subject to Single Audit Major Program Determination										
On-Behalf TPAF Pension System Contributions:										
On-Behalf TPAF Post Retirement Contributions	24-495-034-5094-001	7/1/23-6/30/24								2,326,223
On-Behalf TPAF Pension Contributions	24-495-034-5094-002	7/1/23-6/30/24								8,450,780
On-Behalf TPAF Non-Contributory Insurance	24-495-034-5094-004	7/1/23-6/30/24								96,376
On-Behalf TPAF Long-Term Disability Insurance	24-495-034-5094-004	7/1/23-6/30/24								3,388
Subtotal - On-Behalf TPAF Pension System Contributions										10,876,767
Total State Awards Subject to Single Audit Major Program Determination									\$ (6,853,002)	

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of the Board of Education, Rockaway Township School District under programs of the federal and state governments for the fiscal year ended June 30, 2024. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$59,264 for the general fund and \$42,517 (of which \$1,773 relates to local grants) for the special revenue fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenue are reported on the Board's basic financial statements on a GAAP basis as on the following page:

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

(Continued)

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 605,289	\$ 17,505,988	\$ 18,111,277
Special Revenue Fund	1,207,080		1,207,080
Debt Service Fund		145,789	145,789
Enterprise Fund	<u>384,495</u>	<u>18,728</u>	<u>403,223</u>
Total Financial Awards	<u>\$ 2,196,864</u>	<u>\$ 17,670,505</u>	<u>\$ 19,867,369</u>

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2024. Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively.



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

### Section I - Summary of Auditors' Results

#### Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP.

Unmodified

Internal control over financial reporting:

1.) Material weakness identified?	_____	Yes	_____ X _____	No
2.) Significant deficiencies identified?	_____	Yes	_____ X _____	None reported
Noncompliance material to basic financial statements noted?	_____	Yes	_____ X _____	No

#### Federal Awards

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

Unmodified

Internal control over major programs:

1.) Material weakness identified?	_____	Yes	_____ X _____	No
2.) Significant deficiencies identified?	_____	Yes	_____ X _____	None reported
Noncompliance material to basic financial statements noted?	_____	Yes	_____ X _____	No
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?				
	_____	Yes	_____ X _____	No

Identification of major programs:

Program Name or Cluster	Assistance Listing No.	Grant Period		Award Amount	Budgetary Expenditures
		Start	End		
Special Education Cluster:					
I.D.E.A. Part B, Basic	84.027	7/1/23	9/30/24	\$ 641,660	\$ 641,660
COVID-19 - ARP I.D.E.A. Part B, Basic	84.027X	7/1/21	9/30/23	102,787	102,787
I.D.E.A. Preschool	84.173	7/1/23	9/30/24	34,578	34,578
COVID-19 - ARP I.D.E.A. Preschool	84.173X	7/1/21	9/30/23	8,764	8,764
Impact Aid	84.041	7/1/23	6/30/24	556,670	556,670

Dollar threshold used to distinguish between Type A and B programs

\$ 750,000

Auditee qualified as low-risk auditee?

Yes

X

No

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

**State Awards**

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

Internal control over major programs:

1.) Material weakness identified?	<u>          </u> Yes	<u>          </u> X	No
2.) Significant deficiencies identified?	<u>          </u> Yes	<u>          </u> X	None reported
Noncompliance material to basic financial statements noted?	<u>          </u> Yes	<u>          </u> X	No
Any audit findings disclosed that are required to be reported in accordance with New Jersey's OMB Circular 15-08?	<u>          </u> Yes	<u>          </u> X	No

Identification of major programs:

<u>Program Name or Cluster</u>	<u>State Grant No.</u>	<u>Grant Period</u>		<u>Award Amount</u>	<u>Budgetary Expenditures</u>
		<u>Start</u>	<u>End</u>		
Reimbursed TPAF Social Security Contributions	24-495-034-5094-003	7/1/23	6/30/24	\$ 1,807,752	\$ 1,807,752
Extraordinary Special Education Costs Aid	24-495-034-5120-044	7/1/23	6/30/24	795,984	795,984
Debt Service Aid	24-100-034-5120-125	7/1/23	6/30/24	145,789	145,789
Dollar threshold used to distinguish between Type A and B programs				<u>\$ 750,000</u>	
Auditee qualified as low-risk auditee?	<u>          </u>	Yes		<u>          </u> X	No

**Section II - Financial Statement Findings - N/A**

**Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs - N/A**

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

Status of Prior Year Findings:

There were no findings or questioned costs for the year ended June 30, 2023.