

**SCHOOL DISTRICT OF THE
BOROUGH OF ROCKAWAY
COUNTY OF MORRIS, NEW JERSEY
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2023**

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

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2023**

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

**BOROUGH OF ROCKAWAY
BOARD OF EDUCATION
ANNUAL COMPREHENSIVE FINANCIAL REPORT**

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INTRODUCTORY SECTION



ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT

BOARD OF EDUCATION BUSINESS OFFICE
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ROCKAWAY, NEW JERSEY 07866

TEL: 973-625-8600

FAX: 973-625-7355

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

Dear Board Members:

The annual comprehensive financial report of the Rockaway Borough Public School District for the fiscal year ended June 30, 2023, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operation of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

1) REPORTING ENTITY AND ITS SERVICES: The Rockaway Borough Board of Education is an independent reporting entity within the criteria adopted by the GASB as established by GASB-14. All funds and account groups of the district are included in this report. The Rockaway Borough Board of Education and all its schools constitute the District's reporting entity. The district provides a full range of educational services appropriate to grade levels Pre- K through 8. These include regular, and special education for handicapped young men and women. The district completed the 2022-2023

fiscal year with an enrollment of 557 students. The following details the changes in student enrollment over the last ten years:

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2022-2023	557	+2.7%
2021-2022	542	+3.4%
2020-2021	524	(5.9%)
2019-2020	557	(0.7%)
2018-2019	561	(2.3%)
2017-2018	574	(2.2%)
2016-2017	587	+3.8%
2015-2016	565	(2.5%)
2014-2015	579	(6.7%)
2013-2014	623	(6.6%)

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

3) MAJOR INITIATIVES:

Academic Programs

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

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

All students that struggle to meet grade-level standards are eligible for Tier 2 and/or Tier 3 interventions via the schools’ various programs. Most of this is determined through the I&RS process. ELLs (English Language Learners) have access to an ESL program during the school day, as there is one full-time teacher in each school. First graders that do not demonstrate proficiency in reading after kindergarten are also eligible for our Reading Recovery Program. In addition, the district has re-instituted supplementary academic support in the form of hands-on enrichment and homework help both before and after regular school hours, by utilizing various grant funds, including Title I.

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

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

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

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

Facilities and Security

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

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

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

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriation of fund balance in the subsequent year. Those amounts are to be re-appropriated are reported as reservations of fund balance at June 30, 2023.

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

7) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from loss of funds on deposit with failed banking institutions in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8) RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile liability, and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

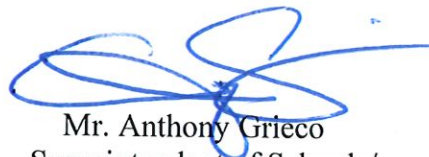
9) OTHER INFORMATION: Independent Audit- State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Wielkotz & Company, LLC., was selected by the Board's audit committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the Federal Uniform Guidance and State Treasurer Circular Letter 15-08 OMB. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

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

Respectfully submitted,



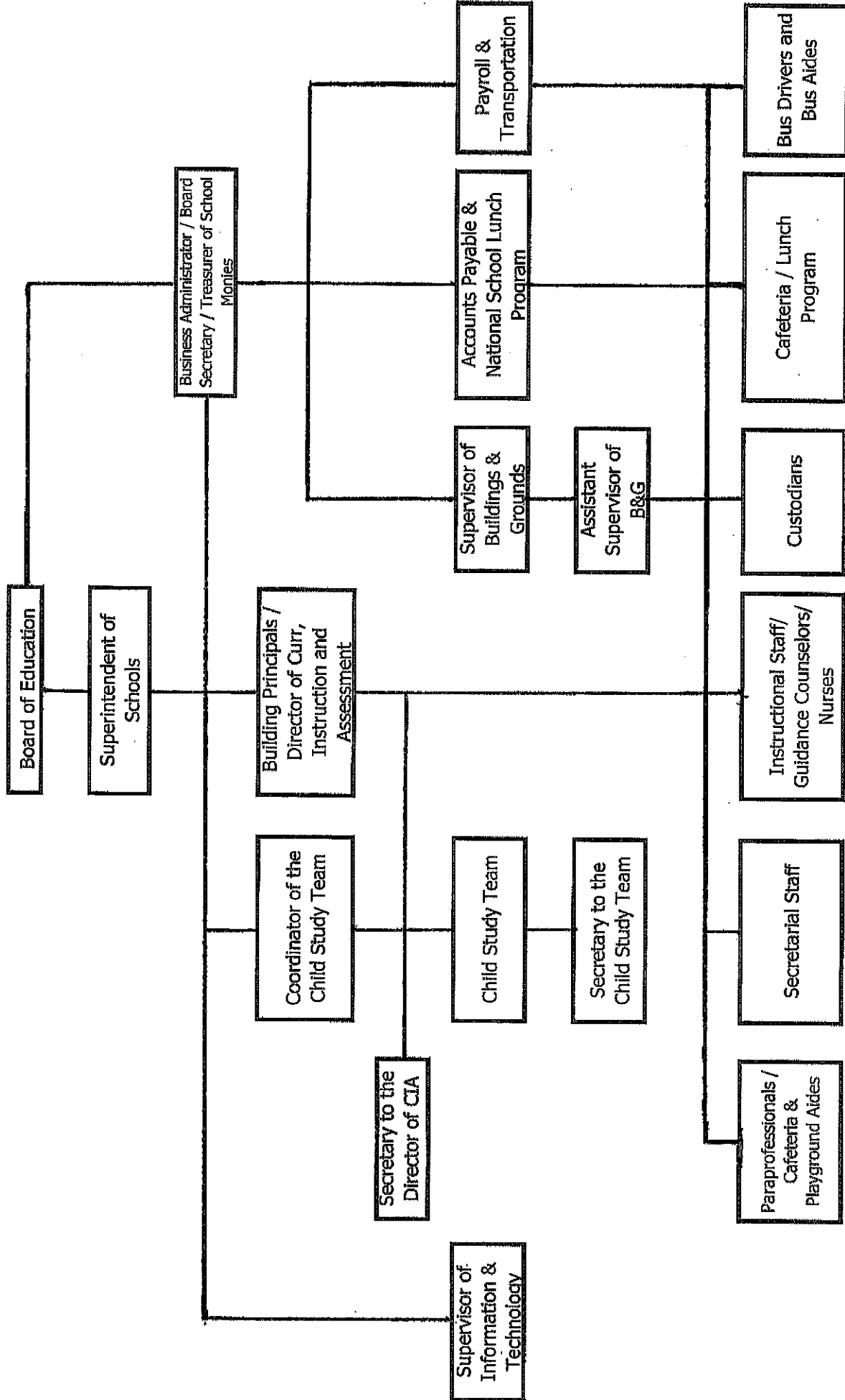
Mr. William T. Stepka, RSBA
District Business Administrator/
Secretary of the Board of Education



Mr. Anthony Grieco
Superintendent of Schools/
Chief School Administrator

Rockaway Borough Board of Education Organization Chart

Policy #1110



Adopted: 9/1/1894 (Inception of district.)

Revised: 8/29/2023

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

**ROSTER OF OFFICIALS
JUNE 30, 2023**

Members of the Board of Education

Term Expires

Jeffrey Tobias, President

December 2023

Karen Walter, Vice President

December 2024

Edward Graf, Trustee

December 2023

Alexis Piombino, Trustee

December 2024

Brian Riviuccio, Trustee

December 2025

Superintendent of Schools

Anthony Grieco

Business Administrator/Board Secretary

William Stepka

Treasurer of School Monies

William Stepka

ROCKAWAY BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

Audit Firm

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401 Wanaque Avenue
Pompton Lakes, New Jersey 07442

Board Attorney

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

Insurance Agent

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Flemington, New Jersey 08822

Official Depository

Santander Bank
110 East Main Street
Rockaway, New Jersey 07866

FINANCIAL SECTION



WIELKOTZ & COMPANY L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Board of Education of the Borough of Rockaway School District, in the County of Morris, State of New Jersey, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities and each major fund of the Borough of Rockaway Board of Education, in the County of Morris, State of New Jersey, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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



Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



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

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

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

Other Matters

Required Supplementary Information

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



Honorable President and
Members of the Board of Education
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Other Information

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

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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



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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2023 on our consideration of the Borough of Rockaway Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Rockaway Board of Education's internal control over financial reporting and compliance.

Steven D. Wielkotz

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

Wielkotz + Company, LLC

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

December 5, 2023



**REQUIRED SUPPLEMENTARY
INFORMATION - PART I**

ROCKAWAY BOROUGH SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(UNAUDITED)

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

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

Using this Annual Comprehensive Financial Report ("ACFR")

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

Reporting the District as a Whole

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

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

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, “How did we do financially during 2022/23?” The Statement of Net Position and the Statement of Activities help answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into consideration all of the current year’s revenues and expenses regardless of when cash is received or paid.

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

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

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

Reporting the District’s Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Enterprise Fund

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

Financial Highlights

Key financial highlights for 2022/23 are as follows:

- ◆ General revenues on the Schedule of Activities (Exhibit A-2) accounted for \$14,695,239 in revenue or 90.92% of all revenues. Program specific revenues in the form of operating grants and charges for services accounted for \$1,467,176 or 9.08% of total revenues of \$16,162,145.
- ◆ The District had \$16,577,268 in expenses related to Governmental Activities and Business-Type Activities; \$1,467,176 of these expenses were offset by charges for services, grants or contributions. General revenues, comprised primarily of property taxes and federal and state aid in the amounts of \$9,371,917 and \$5,274,144, respectively, were adequate to provide for these programs.
- ◆ Among governmental funds, the General Fund had \$582,191 in revenues and other financing sources and \$15,276,216 in expenditures and transfers. As a result, the General Fund's balance decreased \$1,694,026 over 2022.

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The District as a Whole

Recall that the Statement of Net Position provides a perspective of the District as a whole. The following provides a summary of the District's net position as of June 30, 2023, as compared to the prior year.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Assets:						
Current and Other Assets	\$3,708,546	\$5,958,516	\$110,271	\$128,337	\$3,818,817	\$6,086,853
Capital Assets, Net	<u>14,411,907</u>	<u>12,745,620</u>	<u>5,876</u>	<u>32,931</u>	<u>14,417,783</u>	<u>12,778,551</u>
Total Assets	<u>18,120,453</u>	<u>18,704,136</u>	<u>116,146</u>	<u>161,268</u>	<u>18,236,600</u>	<u>18,865,404</u>
Deferred Outflows						
Deferred Outflows of Resources Related to PERS	<u>378,131</u>	<u>375,955</u>	—	—	<u>378,131</u>	<u>375,955</u>
Liabilities:						
Current Liabilities	1,324,686	1,091,187	5,070	33,145	1,329,756	1,124,332
Noncurrent Liabilities	<u>12,035,885</u>	<u>11,661,222</u>	—	—	<u>12,035,885</u>	<u>11,661,222</u>
Total Liabilities	<u>13,360,571</u>	<u>12,752,409</u>	<u>5,070</u>	<u>33,145</u>	<u>13,365,641</u>	<u>12,785,554</u>
Deferred Inflows						
Deferred Inflows of Resources Related to PERS	<u>423,169</u>	<u>1,003,742</u>	—	—	<u>423,169</u>	<u>1,003,742</u>
Net Position						
Invested in Capital Assets	4,332,846	2,350,620	5,876	32,931	4,338,722	2,383,551
Restricted	2,465,881	4,231,167	-	-	2,465,881	4,231,167
Unrestricted	<u>(2,083,883)</u>	<u>(1,257,847)</u>	<u>105,201</u>	<u>95,192</u>	<u>(1,978,682)</u>	<u>(1,162,655)</u>
Total Net Position	<u>\$4,714,884</u>	<u>\$5,323,940</u>	<u>\$111,076</u>	<u>\$128,123</u>	<u>\$4,825,921</u>	<u>\$5,452,063</u>

The following shows the changes in net position in the fiscal years ended June 30, 2023 and 2022, respectively.

**Table 2
Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues:						
Program Revenues:						
Charges for Services	\$100,917	\$65,631	\$132,061	\$36,351	\$232,978	\$101,982
Operating Grants and Contributions	1,084,436	1,246,538	149,761	325,921	1,234,198	1,572,459
General Revenues:						
Taxes:						
Property Taxes	9,371,917	9,371,917	-	-	9,371,917	9,371,917
Grants	5,274,144	5,072,067	-	-	5,274,144	5,072,067
Other	<u>49,178</u>	<u>73,991</u>	<u> </u>	<u> </u>	<u>49,178</u>	<u>73,991</u>
Total Revenues	<u>15,880,592</u>	<u>15,830,144</u>	<u>281,822</u>	<u>362,272</u>	<u>16,162,416</u>	<u>16,192,723</u>
Functions/Programs:						
Support Services:						
Instruction	8,798,380	7,513,580	-	-	8,798,380	7,513,580
Student & Instruction Related Services	3,363,848	3,195,904	-	-	3,363,848	3,195,904
Administration, Business and Other Support Services	1,503,808	1,380,258	-	-	1,503,808	1,380,258
Operations and Maintenance of Facilities	1,709,550	1,249,387	-	-	1,709,550	1,249,387
Pupil Transportation	482,139	418,095	-	-	482,139	418,095
Interest on Debt	402,655	425,157	-	-	402,655	425,157
Charter Schools	44,579	13,922	-	-	44,579	13,922
Food Service	<u> </u>	<u> </u>	<u>272,809</u>	<u>312,376</u>	<u>312,376</u>	<u>312,376</u>
Total Expenditures	<u>16,304,459</u>	<u>14,196,303</u>	<u>272,809</u>	<u>312,376</u>	<u>16,577,269</u>	<u>14,508,679</u>
Increase or (Decrease) In Net Position	<u>\$(423,867)</u>	<u>\$1,633,841</u>	<u>\$9,013</u>	<u>\$49,896</u>	<u>\$(414,855)</u>	<u>\$1,683,737</u>

Governmental Activities

The unique nature of property taxes and school funding in New Jersey creates the need to periodically seek voter approval for District operations. Property taxes made up 57.99% percent of revenues for governmental activities for the District for the fiscal year ended June 30, 2023. Federal, state and local grants accounted for another 32.63%, while the balance came from interest and other sources. The District's total revenues were \$16,162,415 for the fiscal year ended June 30, 2023.

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

	Total cost of services, Year ended June 30,		Net cost of services, Year ended June 30,	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Instruction	\$8,798,380	\$7,513,580	\$(8,190,327)	\$(6,737,033)
Support services:				
Student and instruction related services	3,363,848	3,195,904	(2,871,118)	(2,713,700)
Administration, business and other support services	1,503,308	1,380,258	(1,478,313)	(1,360,830)
Operation and maintenance of facilities	1,709,550	1,249,387	(1,649,975)	(1,215,396)
Pupil transportation	482,139	418,095	(482,139)	(418,095)
Interest on Debt	402,655	425,157	(402,655)	(425,157)
Charter School	44,579	13,922	(44,579)	(13,922)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenses	<u>\$16,304,460</u>	<u>\$14,196,303</u>	<u>\$(15,119,107)</u>	<u>\$(12,884,133)</u>

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

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

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

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

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

Business-Type Activities

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

- ◆ In the fiscal year ended June 30, 2023, food service revenues exceeded expenses by \$9,013.

Business-Type Activities (Continued)

- ◆ Charges for services represented \$132,061 of revenue in the year ended June 30, 2023, compared to \$36,351 in the prior fiscal year. This represents amounts paid by patrons for daily food services.
- ◆ Federal and state reimbursement for meals, including payments for free and reduced lunches and donated commodities, was \$149,761 and \$325,921 in the fiscal years ended June 30, 2023 and 2022, respectively.

The District's Funds

The District's funds are accounted for using a modified accrual basis of accounting. All governmental funds (i.e., general, special revenue presented in the fund-based statements) had total revenues of \$15,102,176 and expenditures of \$17,969,474 for the fiscal year ended June 30, 2023.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the revenues of governmental funds for the fiscal years ended June 30, 2023 and 2022 respectively:

	Year ended June 30, 2023		Year ended June 30, 2022	
	Amount	% of total	Amount	% of total
Local sources	\$9,934,458	65.78%	\$9,789,471	62.20%
State sources	4,653,883	30.82%	5,097,760	32.40%
Federal sources	<u>513,835</u>	<u>3.40%</u>	<u>852,266</u>	<u>5.41%</u>
Total revenues	<u>\$15,102,176</u>	<u>100.0%</u>	<u>\$15,739,497</u>	<u>100.00%</u>

The following schedule presents a summary of the expenditures of governmental funds for the fiscal years ended June 30, 2023 and 2022, respectively:

	Year ended June 30, 2023		Year ended June 30, 2022	
	Amount	% of total	Amount	% of total
Instruction	\$5,730,973	31.89%	\$5,265,843	32.93%
Support services	9,221,982	51.32%	8,442,197	52.79%
Capital outlay	2,217,765	12.34%	1,307,015	8.17%
Charter School	44,579	0.25%	13,922	0.09%
Principal on Debt	355,000	1.98%	540,000	3.38%
Interest on Debt	<u>399,175</u>	<u>2.22%</u>	<u>421,550</u>	<u>2.64%</u>
Total expenses	<u>\$17,969,474</u>	<u>100.00%</u>	<u>\$15,990,527</u>	<u>100.00%</u>

General Fund Budgeting Highlights

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

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

Capital Assets

At the end of the fiscal year, the District had \$14,417,783 invested in land, construction in progress, buildings, furniture and equipment, and vehicles net of depreciation. The following shows capital asset balances, net of accumulated depreciation, as of June 30, 2023 and 2022, respectively:

	Capital Assets June 30,					
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$177,000	\$177,000	\$ -	\$ -	\$177,000	\$177,000
Land Improvements	530,808	2,073	-	-	530,808	2,073
Construction						
In Progress	9,292,088	8,437,269	-	-	9,292,088	8,437,269
Building and						
Improvements	3,906,311	3,463,726	-	-	3,906,311	3,463,726
Machinery and Equipment	<u>505,700</u>	<u>665,552</u>	<u>5,876</u>	<u>32,931</u>	<u>511,576</u>	<u>698,483</u>
TOTAL	<u>\$14,411,907</u>	<u>\$12,745,620</u>	<u>\$5,876</u>	<u>\$32,931</u>	<u>\$14,417,783</u>	<u>\$12,778,551</u>

Debt Administration

At year end, the District had \$10,040,000 in Bonds Outstanding. These bonds were issued on March 11, 2020 at an interest rate ranging between 3.00% and 5.00%. The final maturity date is December 30, 2040.

Other long-term debt includes liabilities for compensated absences of \$185,000 and \$139,636 as of June 30, 2023 and 2022, respectively and net pension liability for PERS of \$1,781,457 and \$1,481,586 as of June 30, 2023 and 2022, respectively.

For the Future

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

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

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

Contacting the District's Financial Management

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

BOROUGH OF ROCKAWAY BOARD OF EDUCATION
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	2,270,195	99,002	2,369,196
Receivables, net	627,101	6,190	633,291
Inventory	-	5,080	5,080
Restricted assets:			
Capital reserve account - cash	531,250	-	531,250
Emergency reserve account - cash	250,000	-	250,000
Maintenance reserve account - cash	30,000	-	30,000
Capital assets:			
Construction in progress	9,292,088	-	9,292,088
Land	177,000	-	177,000
Other capital assets, net	4,942,819	5,876	4,948,695
Total Assets	<u>18,120,453</u>	<u>116,147</u>	<u>18,236,600</u>
DEFERRED OUTFLOWS			
Deferred Outflows of Resources Related to PERS	<u>378,131</u>	<u>-</u>	<u>378,131</u>
LIABILITIES			
Accounts payable:			
Other	43,103	-	43,103
Related to Pensions	151,785	-	151,785
Contracts Payable	1,056,479	-	1,056,479
Payable to state government	54,774	-	54,774
Unearned revenue	8,912	5,070	13,982
Noncurrent liabilities:			
Due within one year	384,633	-	384,633
Due beyond one year	11,660,885	-	11,660,885
Total liabilities	<u>13,360,571</u>	<u>5,070</u>	<u>13,365,641</u>
DEFERRED INFLOWS			
Deferred Inflows of Resources Related to PERS	<u>423,169</u>	<u>-</u>	<u>423,169</u>
NET POSITION			
Net Investment in Capital Assets	4,332,846	5,876	4,338,722
Restricted for:			
Capital projects	1,012,279	-	1,012,279
Emergency Reserve	250,000	-	250,000
Maintenance Reserve	30,000	-	30,000
Unemployment Compensation	127,942	-	127,942
Other Purposes	995,084	-	995,084
Scholarships	4,247	-	4,247
Student Activities	46,329	-	46,329
Unrestricted	<u>(2,083,883)</u>	<u>105,201</u>	<u>(1,978,682)</u>
Total net position	<u><u>4,714,844</u></u>	<u><u>111,077</u></u>	<u><u>4,825,921</u></u>

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

**BOROUGH OF ROCKAWAY BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Indirect Expenses Allocation	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:						
Instruction:						
Regular	4,042,291	2,056,625	541,218	(5,557,698)	-	(5,557,698)
Special education	1,204,730	838,780	55,719	(1,987,791)	-	(1,987,791)
Other special instruction	240,345	172,002	11,116	(401,231)	-	(401,231)
Other instruction	243,606	-	-	(243,606)	-	(243,606)
Support services:						
Tuition	89,244	-	-	(89,244)	-	(89,244)
Student & instruction related services	2,361,116	913,488	391,813 *	(2,781,874)	-	(2,781,874)
General administrative services	425,809	417,972	19,694	(824,087)	-	(824,087)
School administrative service	114,643	68,292	5,302	(177,633)	-	(177,633)
Central Services and Admin. Infor. Tech.	293,294	183,299	-	(476,592)	-	(476,592)
Plant operations and maintenance	1,288,107	421,443	59,575	(1,649,975)	-	(1,649,975)
Pupil transportation	422,273	59,866	-	(482,139)	-	(482,139)
Capital Outlay - Non Depreciable	3,480	-	-	(3,480)	-	(3,480)
Interest on Long term debt	399,175	-	-	(399,175)	-	(399,175)
Transfer to Charter School	44,579	-	-	(44,579)	-	(44,579)
Total governmental activities	11,172,693	5,131,766	1,084,436	(15,119,106)	-	(15,119,106)
Business-type activities:						
Food Service	272,809	-	149,761	-	9,013	9,013
Total business-type activities	272,809	-	149,761	-	9,013	9,013
Total primary government	11,445,502	5,131,766	1,234,198	(15,119,106)	9,013	(15,110,093)
General revenues:						
Taxes:						
Property taxes, levied for general purposes, net				8,857,096	-	8,857,096
Taxes Levied for debt service				514,821	-	514,821
Federal and State aid not restricted				5,000,504	-	5,000,504
State Aid - Restricted for Debt Service				239,354	-	239,354
Federal Aid - Capital Outlay				34,286	-	34,286
Miscellaneous Income				49,178	-	49,178
Total general revenues				14,695,239	-	14,695,239
Change in Net Position				(423,867)	9,013	(414,854)
Net Position, July 1				5,323,940	128,123	5,452,063
Prior Period Adjustments				(185,229)	(26,059)	(211,288)
Net Position, July 1 (Restated)				5,138,711	102,064	5,240,775
Net Position - June 30				4,714,844	111,077	4,825,921

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

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

FUND FINANCIAL STATEMENTS

BOROUGH OF ROCKAWAY BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	680,136	50,576	1,539,483	-	2,270,195
Due from other funds	399,439	-	-	-	399,439
Receivable from state government	162,967	-	39,815	-	202,783
Receivable from federal government	-	424,319	-	-	424,319
Restricted cash and cash equivalents	811,250	-	-	-	811,250
Total assets	2,053,792	474,895	1,579,298	-	4,107,985
LIABILITIES AND FUND BALANCES					
Liabilities:					
Interfund Loans Payable	-	358,774	-	-	358,774
Interfund Accounts Payable	-	-	40,665	-	40,665
Accounts payable:					
Payroll Deductions and Withholdings Payable	4,779	-	-	-	4,779
Other	35,341	1,859	1,125	-	38,325
Contracts payable	-	-	1,056,479	-	1,056,479
Payable to state government	-	54,774	-	-	54,774
Unearned revenue, other	-	8,912	-	-	8,912
Total liabilities	40,120	424,319	1,098,269	-	1,562,707
Fund Balances:					
Restricted for:					
Capital Reserve Account	531,250	-	-	-	531,250
Emergency Reserve Account	250,000	-	-	-	250,000
Maintenance Reserve Account	30,000	-	-	-	30,000
Excess Surplus	260,225	-	-	-	260,225
Excess Surplus Designated for for Subsequent Year's Expenditures	300,000	-	-	-	300,000
Capital Projects Fund	-	-	481,029	-	481,029
Unemployment Compensation	127,942	-	-	-	127,942
Scholarships	-	4,247	-	-	4,247
Student Activities	-	46,329	-	-	46,329
Assigned to:					
Year-end Encumbrances	229,352	-	-	-	229,352
Designated for Subsequent Year's Expenditures	205,508	-	-	-	205,508
Unassigned:					
General Fund	79,397	-	-	-	79,397
Total fund balances	2,013,673	50,576	481,029	-	2,545,278
Total liabilities and fund balances	2,053,792	474,895	1,579,298	-	
Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:					
Accounts Payable for subsequent Pension payment is not a payable in the funds					(151,785)
Deferred Outflows and Inflows of resources are applicable to future periods and therefore are not reported in the funds.					
Deferred Outflows of Resources Related to PERS Pension Liability					378,131
Deferred Inflows of Resources Related to PERS Pension Liability					(423,169)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$17,857,375 and the accumulated depreciation is \$3,445,468.					
					14,411,907
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.					
					(12,045,518)
Net position of governmental activities					<u>4,714,844</u>

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

BOROUGH OF ROCKAWAY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Local Tax Levy	8,857,096	-	-	514,821	9,371,917
Tuition - Other LEA's Within the State	357,802	-	-	-	357,802
Tuition - Individuals	54,640	-	-	-	54,640
Miscellaneous Income	49,178	100,921	-	-	150,100
Total - Local Sources	9,318,716	100,921	-	514,821	9,934,458
State sources	4,222,088	192,441	-	239,354	4,653,883
Federal sources	-	513,835	-	-	513,835
Total revenues	13,540,804	807,198	-	754,175	15,102,176
EXPENDITURES					
Current:					
Regular instruction	3,670,850	371,441	-	-	4,042,291
Special education instruction	1,204,730	-	-	-	1,204,730
Other special instruction	240,345	-	-	-	240,345
Other instruction	243,606	-	-	-	243,606
Support services and undistributed costs:					
Tuition	89,244	-	-	-	89,244
Student & instruction related services	1,973,162	387,954	-	-	2,361,116
General administrative services	425,809	-	-	-	425,809
School administrative services	114,643	-	-	-	114,643
Central Services and Admin. Infor. Tech.	293,294	-	-	-	293,294
Plant operations and maintenance	1,288,107	-	-	-	1,288,107
Pupil transportation	422,273	-	-	-	422,273
Unallocated employee benefits	4,227,496	-	-	-	4,227,496
Capital outlay	1,038,077	34,286	1,145,403	-	2,217,765
Transfer to charter school	44,579	-	-	-	44,579
Debt service:					
Principal	-	-	-	355,000	355,000
Interest	-	-	-	399,175	399,175
Total expenditures	15,276,216	793,680	1,145,403	754,175	17,969,474
Excess (Deficiency) of revenues over expenditures					
	(1,735,413)	13,518	(1,145,403)	-	(2,867,298)
OTHER FINANCING SOURCES (USES)					
Lease Purchasing Financing	41,387	-	-	-	41,387
Total other financing sources and uses	41,387	-	-	-	41,387
Net change in fund balances					
	(1,694,026)	13,518	(1,145,403)	-	(2,825,911)
Fund balance—July 1	3,707,699	37,059	1,626,432	-	5,371,189
Fund balance—June 30	2,013,673	50,576	481,029	-	2,545,278

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

**BOROUGH OF ROCKAWAY BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Total net change in fund balances - governmental funds (from B-2) (2,825,911)

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

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

Depreciation Expense	(362,769)	
Depreciable Capital Outlays	2,214,285	
		1,851,516

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

Principal Payments on Bonds Payable	355,000
Principal Payments on Capital Leases	2,325

Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term in the statement of net assets.

Capital lease proceeds	(41,387)
------------------------	----------

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

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

District Pension Contributions	148,860	
Less: Pension Expense	(131,093)	
(Increase)/Decrease in Pension Expense		279,953

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

Decrease in On-behalf State Aid TPAF Pension	(1,072,856)
Decrease in On-behalf TPAF Pension Expense	1,072,856

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

(Increase)/Decrease in Compensated Absences Payable	(45,364)
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Per GASB No. 75 Non-employer contributing entities are required to record an increases in revenue and expense for On-behalf TPAF post employment medical payments paid by the State of New Jersey on the Statement of Activities that are in excess of those amounts reported in the fund financial statements

Increase in On-behalf State Aid TPAF Post Employment Medical Revenue	294,440
Increase in On-behalf State Aid TPAF Post Employment Medical Expense	(294,440)

Change in net position of governmental activities (423,867)

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

**BOROUGH OF ROCKAWAY BOARD OF EDUCATION
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023**

	Business-type Activities - Enterprise Funds
	Food Service
Assets:	
Current Assets:	
Cash and Cash Equivalents	99,002
Intergovernmental Receivables:	
Federal	5,906
State	284
Inventories	5,080
Total Current Assets	110,271
Noncurrent Assets:	
Furniture, Machinery & Equipment	149,954
Less Accumulated Depreciation	(144,078)
Total Noncurrent Assets	5,876
Total Assets	116,147
Liabilities:	
Current Liabilities:	
Unearned Revenue:	
Prepaid Sales	4,739
Federal Food Distribution Program	331
Total Current Liabilities	5,070
Net Position:	
Invested in Capital Assets Net of Related Debt	5,876
Unrestricted	105,201
Total Net Position	111,077

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

BOROUGH OF ROCKAWAY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Business-type Activities - Enterprise Fund
	Food Service
Operating Revenues:	
Charges for Services:	
Daily Sales - Reimbursable Lunch Programs	100,258.06
Daily Sales - Non-Reimbursable Lunch Programs	31,705
Miscellaneous	98
Total Operating Revenues	132,061
 Operating Expenses:	
Salaries	77,249
Employee Benefits	18,133
Purchased Professional/Technical Services	23,342
Purchase Property Services	6,665
Other Purchased Services	17,201
Supplies and Materials	12,868
Depreciation	996
Cost of Sales- Reimbursable	89,343
Cost of Sales- Non- Reimbursable	23,912
Miscellaneous	3,101
Total Operating Expenses	272,809
 Operating Income/(Loss)	(140,748)
 Nonoperating Revenues/(Expenses):	
State Sources:	
State School Lunch Program	4,397
State Breakfast Program	28
Federal Sources:	
National School Lunch Program	92,148
Breakfast Program	749
Supply Chain Assistance Program	38,712
Food Distribution Program	13,728
Total Nonoperating Revenues/(Expenses)	149,761
 Change in net position	9,013
 Total Net Assets - Beginning, as previously reported	128,123
Prior Period adjustment, fixed assets	(26,059)
 Total Net Position- Beginning, as restated	102,064
 Total Net Position - Ending	111,077

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

**BOROUGH OF ROCKAWAY BOARD OF EDUCATION
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Business-type Activities - Enterprise Funds
	Food Service
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Receipts from Customers	130,741
Cash Payments to Employees for Services	(77,249)
Cash Payments to Suppliers for Goods and Services	(225,671)
Net Cash Provided by/(Used for) Operating Activities	(172,178)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Sources	4,679
Federal Sources	163,616
Net Cash Provided by/(Used for) Non-Capital Financing Activities	168,296
Net Increase/(Decrease) in Cash and Cash Equivalents	(3,883)
Balances—Beginning of Year	102,884
Balances—End of Year	99,002
Reconciliation of Operating Income/(Loss) to Net Cash Provided by (Used for) Operating Activities:	
Operating Income/(Loss)	(140,748)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:	
Depreciation	996
(Increase)/Decrease in Inventories	(4,127)
(Increase)/Decrease in Prepaid Sales	(1,320)
Increase/(Decrease) in Accounts Payable	(26,980)
Total Adjustments	(31,430)
Net Cash Provided by/(Used for) Operating Activities	(172,178)

Noncash Noncapital Financing Activities:

During the year, the district received \$13,728 of food commodities from the U.S. Department of Agriculture.

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

NOTES TO THE FINANCIAL STATEMENTS

**Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The Board of Education (“Board”) of the Borough of Rockaway School District (“District”) is an instrumentality of the State of New Jersey, established to function as an educational institution. The Borough of Rockaway School District is a Type II district located in the County of Morris, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of five members elected to three-year terms. The purpose of the district is to educate students in grades K-8. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board’s duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

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

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

**Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Basis of Presentation

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the District's enterprise funds. Currently the District does not have any fiduciary funds.

District-wide Financial Statements

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

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

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

**Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements

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

GOVERNMENTAL FUNDS

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

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

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

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

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

**Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

PROPRIETARY FUNDS

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

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

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

FIDUCIARY FUNDS

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

B. Measurement Focus

District-wide Financial Statements

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

**Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements

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

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

C. Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions

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

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

**Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenues - Exchange and Non-exchange Transactions (continued)

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

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

Expenses/Expenditures

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

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

D. Budgets/Budgetary Control

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

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

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

**Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Encumbrances

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

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

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

F. Cash, Cash Equivalents and Investments

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

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

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

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

**Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Tuition Revenues/Receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

H. Tuition Payable

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

I. Inventories

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

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

J. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2023, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

K. Short-Term Interfund Receivables/Payables

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

L. Capital Assets

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

**Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Capital Assets (continued)

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

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

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

M. Compensated Absences

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

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

N. Unearned Revenue

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

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

**Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Accrued Liabilities and Long-term Obligations

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

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

P. Accounting and Financial Reporting for Pensions

In fiscal year 2015, the District implemented GASB 68. This Statement amends GASB Statement No. 27. It improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement.

The District has also implemented GASB Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date-an amendment to GASB No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

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

**Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. Accounting and Financial Reporting for Pensions (continued)

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

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

Q. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has only one item that qualifies for reporting in this category, deferred amounts related to pension.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies in this category, deferred amounts related to pension.

R. Fund Balances:

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

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

**Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

R. Fund Balances: (continued)

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

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

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

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

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

S. Net Position

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

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

**Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

T. Operating Revenues and Expenses

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

U. Extraordinary and Special Items

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

V. Allocation of Indirect Expenses

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

W. Use of Estimates

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

X. New Accounting Standards

During fiscal year 2023, the District adopted the following GASB Statement:

GASB Statement No. 96, *Subscription-Based Information Technology*, which improves financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice.

**Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs. The District did not have any subscription-based information technology arrangements that rose to an amount that required disclosure. The District will review new SBITA's annually to determine proper disclosure.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2023, \$0- of the District's bank balance of \$3,902,730 was exposed to custodial credit risk.

Investments

Investment Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

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

**Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 4. RECEIVABLES

Receivables at June 30, 2023 consisted of accounts and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of receivables follows:

	Governmental Fund Financial <u>Activities</u>	Enterprise Fund	District Wide Financial <u>Statements</u>
State Aid	\$202,783	\$284	\$203,067
Federal Aid	424,319	5,906	430,224
Other	-	-	-
Interfunds	<u>399,439</u>	<u>-</u>	<u>-</u>
Gross Receivables	1,026,541	6,190	633,291
Less Allowance for Uncollectables	<u>-</u>	<u>-</u>	<u>-</u>
Total Receivables Net	<u><u>\$1,026,541</u></u>	<u><u>\$6,190</u></u>	<u><u>\$633,291</u></u>

NOTE 5. INTERFUND BALANCES AND ACTIVITY

Balances due to/from other funds at June 30, 2023 consist of the following:

Due to General Fund from Capital Projects Fund.	\$40,665
Due to General Fund from Special Revenue Fund.	<u>358,774</u>
	<u><u>\$399,439</u></u>

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

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**Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2023 was as follows:

	Beginning Balance	Additions	Adjustments	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated				
Land	\$ 177,000	\$ -	\$ -	\$177,000
Construction in Progress	<u>8,437,269</u>	<u>854,819</u>	<u> </u>	<u>9,292,088</u>
Total Capital Assets Not Being Depreciated	<u>8,614,269</u>	<u>854,819</u>	<u> </u>	<u>4,469,088</u>
Building and Building Improvements	5,500,354	671,439	-	6,171,793
Land Improvements	291,491	556,856	-	848,347
Machinery and Equipment	<u>1,494,584</u>	<u>131,171</u>	<u>(257,068)</u>	<u>1,368,147</u>
Totals at Historical Costs	<u>7,286,429</u>	<u>1,359,466</u>	<u>(257,068)</u>	<u>8,388,287</u>
Less Accumulated Depreciation for:				
Land Improvements	(289,418)	(28,121)	-	(317,539)
Building and Improvements	(2,036,628)	(228,854)	-	(2,265,482)
Machinery and Equipment	<u>(829,032)</u>	<u>(105,794)</u>	<u>72,379</u>	<u>(862,447)</u>
Total Accumulated Depreciation	<u>(3,155,078)</u>	<u>(362,769)</u>	<u>72,379</u>	<u>(3,445,468)</u>
Total Capital Assets Being Depreciated Net of Accumulated Depreciation	<u>4,131,351</u>	<u>996,697</u>	<u>(185,229)</u>	<u>4,942,819</u>
Governmental Activities Capital Assets, Net	<u>12,745,620</u>	<u>1,851,516</u>	<u>(185,229)</u>	<u>14,411,907</u>
Business-type Activities:				
Equipment	176,013	-	(26,059)	-
Less Accumulated Depreciation for:				
Equipment	<u>(143,082)</u>	<u>(996)</u>	<u> </u>	<u>(144,078)</u>
Business-type Activities Capital Assets, Net	<u>\$32,931</u>	<u>\$(996)</u>	<u>\$(26,059)</u>	<u>\$5,876</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$56,123
School Administrative Services	2,249
General and Business Administrative Services	241,726
Plant Operations and Maintenance	2,805
Pupil Transportation	<u>59,866</u>
	<u>\$362,769</u>

**Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 7. LONG-TERM OBLIGATION ACTIVITY

Changes in long-term obligations for the fiscal year ended June 30, 2023 are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amount Due Within One Year</u>
Governmental Activities:					
Bonds Payable	\$10,395,000	\$ -	\$355,000	\$10,040,000	\$375,000
Other Liabilities:					
Compensated Absences	139,636 (1)	45,364	-	185,000	-
Financed Purchases	-	41,387	2,325	39,062	9,633
Net Pension Liability	<u>1,481,586</u>	<u>299,871</u>	-	<u>1,781,457</u>	<u>-</u>
Total Other Liabilities	<u>1,621,222</u>	<u>386,622</u>	<u>2,325</u>	<u>2,005,518</u>	<u>9,633</u>
Governmental Activities					
Long - Term Liabilities	<u>\$12,016,222</u>	<u>\$386,622</u>	<u>\$357,325</u>	<u>\$12,045,578</u>	<u>\$384,633</u>

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

A. Bonds Payable:

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

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

Outstanding Bonds Payable at June 30, 2023 consisted of the following:

<u>Issue</u>	<u>Issue Date</u>	<u>Amount Issued</u>	<u>Interest Rates</u>	<u>Principal Balance at June 30, 2023</u>
Governmental Loan Revenue Bonds Series 2020	3/11/2020	10,935,000	3.00 - 5.00%	<u>\$10,040,000</u>

**Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 7. LONG-TERM OBLIGATION ACTIVITY (continued)

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

<u>Fiscal Year Ending – June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	375,000.00	380,925.00	755,925.00
2025	395,000.00	361,675.00	756,675.00
2026	415,000.00	341,425.00	756,425.00
2027	435,000.00	320,175.00	755,175.00
2028	455,000.00	297,925.00	3,770,325.00
2028-2032	2,645,000.00	1,125,325.00	3,771,150.00
2033-2037	3,200,000.00	567,000.00	3,765,300.00
2038-2040	<u>2,120,000.00</u>	<u>95,700.00</u>	<u>2,969,500.00</u>
	<u>10,040,000.00</u>	<u>3,490,150.00</u>	<u>13,530,150.00</u>

B. Financed Purchases Payable:

This District entered into a financed purchase agreement for five (5) copy machines in April 2023 for four (4) years ended March of 2027. Payments are being made monthly with a state rate of 5.595%. the following is a schedule of the future minimum lease payments under these capital leases and the present value of the net minimum lease payments as of June 30, 2023:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2024	\$11,574
2025	11,574
2026	11,574
2027	<u>8,681</u>

Total minimum lease payables	43,403
Less: Amount representing interest	<u>(4,340)</u>
Present value of net minimum lease payments	<u>\$39,062</u>

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

**Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 8. PENSION PLANS

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

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

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

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**Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 8. PENSION PLANS (continued)

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

Benefits Provided

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

The following represents the membership tiers for TPAF:

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

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

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

**Borough of Rockaway School District
Notes to the Basic Financial
for the fiscal year ended June 30, 2023**

NOTE 8. PENSION PLANS (continued)

Public Employees' Retirement System (PERS) (continued)

Benefits Provided

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

The following represents the membership tiers for PERS:

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

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

Defined Contribution Retirement Program

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

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

**Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 8. PENSION PLANS (continued)

Defined Contribution Retirement Program (continued)

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

Contributions Requirements Fund Based Statements

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

<u>Year Ending</u>	<u>PERS</u>	<u>DCRP</u>
6/30/23	\$153,654	\$29,990
6/30/22	146,466	22,602
6/30/21	127,014	21,107

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

<u>Year Ending</u>	<u>Pension Contributions</u>	<u>Post-Retirement Medical Contributions</u>	<u>NCGI Premium</u>	<u>LTD Liability</u>
6/30/23	\$1,576,926	\$420,002	\$21,878	\$806
6/30/22	1,559,285	369,452	21,999	777
6/30/21	1,080,418	345,028	20,556	1,025

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$347,328 during the year ended June 30, 2023 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13.

**Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 8. PENSION PLANS (continued)

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

Public Employees Retirement System (PERS)

At June 30, 2023, the District had a liability of \$1,781,457 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2022, the District's proportion was 0.0118044672 percent, which was a decrease of 0.0007020626 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized pension expense of \$(131,093). At June 30, 2023, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$12,858	\$11,339
Changes of assumptions	5,520	266,755
Net difference between projected and actual earnings on pension plan investments	73,733	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	134,235	145,169
District contributions subsequent to the measurement date	<u>151,785</u>	<u>-</u>
Total	<u>\$378,131</u>	<u>\$423,169</u>

**Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 8. PENSION PLANS (continued)

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

Public Employees Retirement System (PERS) (continued)

The \$151,785 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2023, the plan measurement date is June 30, 2022) will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2023	\$(152,182)
2024	(77,852)
2025	(37,967)
2026	82,830
2027	(182)

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.04, 5.13, 5.16, 5.21, 5.63 and 5.48 years for 2022, 2021, 2020, 2019, 2018 and 2017 amounts, respectively.

Additional Information

Local Group Collective balances at June 30, 2022 and June 30, 2021 are as follows:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Collective deferred outflows of resources	\$1,660,772,008	\$1,164,738,169
Collective deferred inflows of resources	3,236,303,935	8,339,123,762
Collective net pension liability	15,219,184,920	11,846,499,172
District s Proportion	0.0118044672%	0.0125065298%

**Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 8. PENSION PLANS (continued)

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

Public Employees Retirement System (PERS) (continued)

Actuarial Assumptions

The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which rolled forward to June 30, 2022. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

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

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

Mortality Rates

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

**Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 8. PENSION PLANS (continued)

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

Public Employees Retirement System (PERS) (continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

**Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 8. PENSION PLANS (continued)

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

Public Employees Retirement System (PERS) (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2022, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 - percentage point lower or 1- percentage-point higher than the current rate:

	1% Decrease <u>6.00%</u>	<u>June 30, 2022</u> At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's proportionate share of the pension liability	\$2,308,032	\$1,781,457	\$1,361,246

**Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 8. PENSION PLANS (continued)

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

Public Employees Retirement System (PERS) (continued)

Pension Plan Fiduciary Net Position

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

Teachers Pensions and Annuity Fund (TPAF)

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

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2023 was as follows:

Net Pension Liability:

District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>19,542,661</u>
	<u>\$19,542,661</u>

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2022, the proportion of the TPAF net pension liability associated with the District was 0.0378774725%.

**Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 8. PENSION PLANS (continued)

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

Teachers Pensions and Annuity Fund (TPAF) (continued)

For the year ended June 30, 2023, the District recognized on-behalf pension expense and revenue of \$525,948 for contributions provided by the State in the District-Wide Financial Statements.

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. 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	2.75-5.65% (based on years of service)
Investment Rate of Return	7.00%

Mortality Rates

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

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

**Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 8. PENSION PLANS (continued)

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

Teachers Pensions and Annuity Fund (TPAF) (continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

**Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 8. PENSION PLANS (continued)

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

Teachers Pensions and Annuity Fund (TPAF) (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

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

NOTE 9. POST-RETIREMENT BENEFITS

General Information about the OPEB Plan

State Health Benefit State Retired Employees Plan

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

**Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 9. POST-RETIREMENT BENEFITS (continued)

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

Total OPEB Liability

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

The portion of the OPEB Liability that was associated with the District recognized at June 30, 2023 was as follows:

OPEB Liability:		
District's proportionate share	\$	-0-
State's proportionate share associated with the District		
		<u>18,828,064</u>
		<u>\$18,828,064</u>

**Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 9. POST-RETIREMENT BENEFITS (continued)

Actual Assumptions and Other Imputes

The total OPEB liability in the June 30, 2022 actuarial valuation reported by the State in the State's Report of Total Nonemployer OPEB Liability for the State Health Benefit Local Education Retired Employee's Plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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

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

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

**Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 9. POST-RETIREMENT BENEFITS (continued)

(a) *Health Care Trend Assumptions*

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 4.50% 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 trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

(b) *Discount Rate*

The discount rate used to measure the total OPEB Liability was 3.54%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

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

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

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

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

For the year ended June 30, 2023, the board of education/board of trustees recognized on-behalf OPEB expense of \$714,442 in the district-wide financial statements as determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75 and in which there is a special funding situation.

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

**Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 10. RISK MANAGEMENT

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

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

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

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

<u>Fiscal Year</u>	<u>School Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022-2023	\$0.00	\$14,642	\$15,229	\$127,942
2021-2022	0.00	12,609	0.00	128,529
2020-2021	0.00	11,846	2,272	115,920

NOTE 11. CAPITAL RESERVE ACCOUNT

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

**Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 11. CAPITAL RESERVE ACCOUNT (continued)

Funds placed in the capital reserve account are restricted to capital projects in the district’s approved Long Range Facilities Plan (LRFP). A district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfers by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A. 19:60-2*. Pursuant to *N.J.A.C. 6A:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning balance, July 1, 2022	\$1,070,463
Board Authorized Transfer	
Budgeted withdrawal	<u>539,213</u>
Ending balance June 30, 2023	<u>\$531,250</u>

The balance in the capital reserve account at June 30, 2023 does not exceed the balance of local support costs of uncompleted capital projects in its LFRP. Withdrawals from the capital reserve, where applicable, are for use in a DOE approved facilities project, consistent with the District’s Long Range Facilities Plan.

NOTE 12. EMERGENCY RESERVE ACCOUNT

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

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

**Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 12. EMERGENCY RESERVE ACCOUNT (continued)

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

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

The activity of the Emergency Reserve for July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning balance, July 1, 2022	\$250,000
Board Authorized Transfer	<u>-</u>
Ending balance, June 30, 2023	<u>\$250,000</u>

NOTE 13. MAINTENANCE RESERVE ACCOOUNT

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

The activity of the maintenance reserve account for the 2022-23 fiscal year is as follows:

Beginning balance	\$ -0-
Deposit: Board Resolution	<u>30,000</u>
Ending balance	<u>\$30,000</u>

NOTE 14. CALCULATION OF EXCESS SURPLUS

In accordance with *N.J.S.A. 18A:7F-7*, as amended, the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in the subsequent years' budget. The excess fund balance at June 30, 2023 is \$560,225, of this amount \$260,225 is the result of current year's operations.

**Borough of Rockaway School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 15. FUND BALANCE APPROPRIATED

General Fund (B-1) - Of the \$2,013,673 General Fund fund balance at June 30, 2023, \$229,352 is reserved for encumbrances, \$560,225 is reserved as excess surplus in accordance with *N.J.S.A. 18A:7F-7*, \$300,000 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2024; \$531,250 has been reserved in the Capital Reserve Account, \$250,000 has been reserved in the Emergency Reserve Account; \$30,000 has been reserved in the Maintenance Reserve Account; \$127,942 has been reserved for unemployment claims; \$205,508 has been included as anticipated revenue for the year ending June 30, 2024, \$79,396 is unreserved and undesignated.

NOTE 16. RESTATEMENT

Net position for June 30, 2022, was restated to reflect adjustments to capital assets not previously accounted for. The resulting restatements of net position are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Food Service</u>
Net Position at June 30, 2021	\$ 5,323,940	\$ 128,123	\$ 128,123
Prior Period Adjustment for Capital Assets	<u>\$ (185,229)</u>	<u>\$ (26,059)</u>	<u>\$ (26,059)</u>
Net Position at June 30, 2021 (Restated)	<u>\$ 5,138,711</u>	<u>\$ 102,064</u>	<u>\$ 102,064</u>

NOTE 17. CONTINGENT LIABILITIES

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

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

NOTE 18. SUBSEQUENT EVENTS

The District has evaluated subsequent events through December 5, 2023, the date which the financial statements were available to be issued and no additional items were noted for disclosure.

**REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

BUDGETARY COMPARISON SCHEDULES

**BOROUGH OF ROCKAWAY BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Local Sources:					
Local Tax Levy	8,857,096	-	8,857,096	8,857,096	-
Tuition From Individuals	36,000	-	36,000	54,640	18,640
Tuition From Other LEA's Within the State	353,700	-	353,700	357,802	4,102
Private Contributions	15,000	-	15,000	21,322	6,322
Unrestricted Miscellaneous Revenue	30,000	5,917	35,917	27,857	(8,060)
Total - Local Sources	9,291,796	5,917	9,297,713	9,318,716	21,003
State Sources:					
Categorical Transportation Aid	60,781	-	60,781	60,781	-
Extraordinary Aid	95,226	29,813	125,039	125,039	-
Categorical Special Education Aid	476,643	-	476,643	476,643	-
Equalization Aid	1,171,643	-	1,171,643	1,171,643	-
Categorical Security Aid	74,022	-	74,022	74,022	-
Non Public Transportation Aid	1,500	2,818	4,318	4,318	-
Lead Testing Reimbursement	-	1,206	1,206	1,206	-
On-behalf TPAF Pension and Annuity Fund	-	-	-	1,576,926	1,576,926
On-behalf TPAF NCGI Premium	-	-	-	21,878	21,878
On-behalf TPAF Post Retirement Medical	-	-	-	420,002	420,002
On-behalf TPAF Long-Term Disability Insurance	-	-	-	806	806
TPAF Social Security Reimbursement	-	-	-	347,328	347,328
Total State Sources	1,879,815	33,837	1,913,652	4,280,592	2,366,940
Total Revenues	11,171,611	39,754	11,211,365	13,599,308	2,387,943
Expenditures:					
Current Expense:					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	89,715	651	90,366	89,863	504
Kindergarten - Salaries of Teachers	239,446	14,123	253,569	253,569	-
Grades 1-5 - Salaries of Teachers	1,375,426	124,982	1,500,408	1,496,432	3,976
Grades 6-8 - Salaries of Teachers	986,628	25,500	1,012,128	1,008,748	3,380
Regular Programs - Home Instruction:					
Salaries of Teachers	2,000	-	2,000	-	2,000
Purchased Professional-Educational Services	2,000	-	2,000	950	1,050
Regular Programs - Undistributed Instruction:					
Unused Vacation Payment to Terminated/Retired Staff	38,392	(9,345)	29,047	-	29,047
Purchased Professional-Educational Services	5,792	(770)	5,022	4,260	762
Purchased Technical Services	197,300	253,584	450,884	450,767	117
Other Purchased Service (400-500 Series)	49,914	16,378	66,292	65,692	600
General Supplies	160,347	(13,846)	146,501	143,874	2,627
Textbooks	197,717	(42,708)	155,009	154,117	892
Other Objects	2,600	316	2,916	2,579	337
Total Regular Programs - Instruction	3,347,277	368,865	3,716,142	3,670,850	45,291
Special Education - Instruction:					
Learning and/or Language Disabilities					
Salaries of Teachers	58,285	6,987	65,272	64,465	807
Other Salaries for Instruction	52,294	(20,251)	32,043	32,043	0
General Supplies	345	-	345	229	116
Total Learning and/or Language Disabilities	110,924	(13,264)	97,660	96,736	924
Multiple Disabilities:					
Salaries of Teachers	129,645	84,697	214,342	211,313	3,029
Other Salaries for Instruction	107,247	(36,296)	70,951	70,951	-
General Supplies	1,925	725	2,650	2,603	47
Total Multiple Disabilities	238,817	49,126	287,943	284,867	3,076
Resource Room/Resource Center:					
Salaries of Teachers	599,625	(117,938)	481,687	481,686	1
Other Salaries for Instruction	98,996	69,739	168,735	168,683	52
General Supplies	3,000	376	3,376	3,346	30
Total Resource Room/Resource Center	701,621	(47,823)	653,798	653,715	83
Preschool Disabilities - Part-Time:					
Salaries of Teachers	59,255	1	59,256	59,255	1
Other Salaries for Instruction	128,886	(26,764)	102,122	101,878	244
General Supplies	2,000	1,587	3,587	3,572	15
Total Preschool Disabilities - Part-Time	190,141	(25,176)	164,965	164,706	259

**BOROUGH OF ROCKAWAY BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Home Instruction:					
Salaries of Teachers	7,000	(3,728)	3,272	257	3,015
Purchased Professional - Educational Services	-	4,500	4,500	4,450	50
Total Home Instruction	<u>7,000</u>	<u>772</u>	<u>7,772</u>	<u>4,707</u>	<u>3,065</u>
 Total Special Education - Instruction	 <u>1,248,503</u>	 <u>(36,365)</u>	 <u>1,212,138</u>	 <u>1,204,730</u>	 <u>7,408</u>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	178,080	(24,920)	153,160	153,160	-
General Supplies	700	-	700	652	48
Total Basic Skills/Remedial - Instruction	<u>178,780</u>	<u>(24,920)</u>	<u>153,860</u>	<u>153,812</u>	<u>48</u>
Bilingual Education - Instruction					
Salaries of Teachers	91,513	(5,945)	85,568	84,402	1,166
Purchased Professional - Educational Services	-	2,131	2,131	2,131	0
General Supplies	640	-	640	-	640
Total Bilingual Education - Instruction	<u>92,153</u>	<u>(3,814)</u>	<u>88,339</u>	<u>86,533</u>	<u>1,807</u>
School-Spon. Co/Extra Curr. Actvts. -Inst					
Salaries	22,690	9,211	31,901	31,901	0
Supplies and Materials	1,000	(905)	95	-	95
Other Objects	400	-	400	-	400
Total School-Spon. Co/Extra Curr. Actvts.- Inst	<u>24,090</u>	<u>8,306</u>	<u>32,396</u>	<u>31,901</u>	<u>495</u>
School-Sponsored Athletics - Instruction					
Salaries	21,589	2,677	24,266	24,266	0
Purchased Services (300-500 series)	8,000	(1,000)	7,000	6,805	195
Supplies and Materials	5,375	51	5,426	5,426	0
Other Objects	2,250	(1,000)	1,250	1,215	35
Total School-Sponsored Athletics - Instruction	<u>37,214</u>	<u>728</u>	<u>37,942</u>	<u>37,712</u>	<u>230</u>
Other Suppl/At- Risk Prog - Instruction					
Salaries Reading Specialists	173,920	(443)	173,477	173,308	169
General Supplies	2,000	-	2,000	686	1,314
Total Other Suppl/ At - Risk Prog - Instruction	<u>175,920</u>	<u>(443)</u>	<u>175,477</u>	<u>173,994</u>	<u>1,483</u>
Total Instruction	<u>5,103,937</u>	<u>312,357</u>	<u>5,416,294</u>	<u>5,359,532</u>	<u>56,762</u>
Undistributed Expenditures - Instruction (Tuition)					
Tuition to Priv.Sch. For the Disabled W/I State	245,698	(91,918)	153,780	89,244	64,536
Total Undistributed Expenditures - Instruction (Tuition)	<u>245,698</u>	<u>(91,918)</u>	<u>153,780</u>	<u>89,244</u>	<u>64,536</u>
Undist. Expenditures - Health Services					
Salaries	135,681	37,417	173,098	173,097	1
Purchased Professional and Technical Services	18,368	(1,401)	16,967	9,140	7,827
Supplies and Materials	4,000	310	4,310	4,309	1
Total Undist. Expenditures - Health Services	<u>158,049</u>	<u>36,326</u>	<u>194,375</u>	<u>186,547</u>	<u>7,829</u>
Undist. Expend.-Speech, OT, PT and Related Svcs					
Salaries	185,100	-	185,100	183,618	1,482
Purchased Professional - Educational Services	76,000	(55,598)	20,402	10,226	10,177
Supplies and Materials	1,500	561	2,061	1,983	78
Total Undist. Expend.-Speech, OT, PT and Related Svcs	<u>262,600</u>	<u>(55,037)</u>	<u>207,563</u>	<u>195,827</u>	<u>11,736</u>
Undist Expend-Oth Supp Serv Std-Extra Serv					
Salaries	250,237	(25,415)	224,823	224,822	1
Purchased Professional - Educational Services	213,675	(10,000)	203,675	203,365	310
Supplies and Materials	2,500	(656)	1,844	1,500	344
Total Undist Expend-Oth Supp Serv Std-Extra Serv	<u>466,412</u>	<u>(36,071)</u>	<u>430,342</u>	<u>429,687</u>	<u>654</u>
Undist. Expenditures - Guidance					
Salaries of Other Professional Staff	119,290	4,562	123,852	123,851	1
Other Purchased Services (400-500 series)	400	-	400	-	400
Supplies and Materials	1,000	-	1,000	182	818
Other Objects	200	-	200	-	200
Total Undist. Expenditures - Guidance	<u>120,890</u>	<u>4,562</u>	<u>125,452</u>	<u>124,032</u>	<u>1,420</u>
Undist. Expenditures- Child Study Teams					
Salaries of Secretarial and Clerical Assistants	32,055	(1,919)	30,136	29,300	836
Purchased Professional - Educational Services	394,959	(39,000)	355,959	338,101	17,858
Supplies and Materials	2,947	-	2,947	1,939	1,008
Total Undist. Expenditures - Child Study Teams	<u>429,961</u>	<u>(40,919)</u>	<u>389,042</u>	<u>369,340</u>	<u>19,702</u>

**BOROUGH OF ROCKAWAY BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Improv. Of Inst. Serv.					
Sal of Supervisor of Instruction	316,475	1	316,476	316,476	1
Sal of Other Professional Staff	5,000	(144)	4,856	4,514	342
Sal of Secr and Clerical Assist.	132,307	2,988	135,295	135,294	1
Unused Vacation Payment to Terminated/ Retired Staff	-	15,188	15,188	15,188	0
Supplies and Materials	500	-	500	68	432
Other Objects	1,155	1,500	2,655	2,654	1
Total Undist. Expend.-Improv. Of Inst. Serv.	455,437	19,533	474,970	474,193	778
Undist. Expend.-Edu. Media Serv./Library					
Salaries	37,380	33,320	70,700	70,700	-
Salaries of Technology Coordinators	99,646	266	99,912	99,912	0
Purchased Professional and Technical Services	4,200	(306)	3,894	699	3,195
Other Purchased Services (400-500 Series)	1,200	675	1,875	1,872	3
Supplies and Materials	3,000	(675)	2,325	594	1,731
Total Undist. Expend.-Edu. Media Serv./Library	145,426	33,280	178,706	173,776	4,930
Undist. Expend.-Instr. Staff Training Serv.					
Other Purchased Services (400-500 series)	13,250	7,120	20,370	19,760	610
Total Undist. Expend.-Instr. Staff Training Serv.	13,250	7,120	20,370	19,760	610
Undist. Expend.-Support Serv.-Gen. Admin.					
Salaries	249,839	(415)	249,424	243,424	6,000
Unused Vacation Payments to Terminated/Retired Staff	12,500	(12,500)	-	-	-
Legal Services	9,000	588	9,588	9,588	-
Audit Fees	24,700	(2,700)	22,000	22,000	-
Other Purchased Professional Services	10,745	3,194	13,939	13,650	289
Purchased Technical Services	1,900	-	1,900	1,100	800
Communications / Telephone	29,917	7,525	37,442	36,285	1,157
BOE Other Purchased Services	3,750	-	3,750	3,702	48
Misc. Purch Serv (400-500)[Other than 530 & 585]	75,400	8,977	84,377	83,667	710
Supplies and Materials	3,200	791	3,991	3,980	11
Miscellaneous Expenditures	3,425	(225)	3,200	2,895	305
BOE Membership Dues and Fees	4,541	976	5,517	5,517	0
Total Undist. Expend.-Support Serv.-Gen. Admin.	428,917	6,211	435,128	425,809	9,320
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Asst. Principals/Prog Dir	67,641	(0)	67,641	67,641	-
Salaries of Secretarial and Clerical Assistants	25,458	1,329	26,787	26,786	1
Other Purchased Services (400-500 series)	14,274	(2,362)	11,912	11,209	703
Supplies and Materials	2,500	3,644	6,144	5,781	363
Other Objects	2,960	267	3,227	3,226	1
Total Undist. Expend. - Support Serv. - School Admin.	112,833	2,878	115,711	114,643	1,067
Undist. Expend. - Central Services					
Salaries	273,022	(19,858)	253,164	253,164	-
Purchased Professional Services	32,190	(778)	31,412	31,412	0
Misc. Purchased Services (400-500 series)[O/T 594]	2,750	(1,085)	1,665	1,610	55
Supplies and Material	2,630	275	2,905	2,886	19
Misc. Expenditures	2,840	1,863	4,703	4,222	481
Total Undist. Expend. - Central Services	313,432	(19,583)	293,849	293,294	555
Undist. Expend.-Required Maint For Sch Fac.					
Cleaning, Repair and Maintenance Services	40,000	48,635	88,635	85,275	3,360
Lead Testing of Drinking Water	2,700	801	3,501	-	3,501
General Supplies	5,750	(1,500)	4,250	202	4,048
Total Undist. Expend.-Required Maint For Sch Fac.	48,450	47,936	96,386	85,478	10,908
Undist. Expend. - Custodial Services					
Salaries	421,411	158,538	579,949	578,205	1,744
Salaries of Non-Instructional Aides	95,484	(95,484)	-	-	-
Purchased Professional and Technical Services	11,580	(1,032)	10,548	9,729	819
Cleaning, Repair, and Maintenance Services	65,625	132,617	198,242	167,455	30,787
Other Purchased Property Services	7,000	1,557	8,557	8,557	0
Insurance	11,000	-	11,000	11,000	-
General Supplies	77,630	24,620	102,250	101,671	579
Energy (Natural Gas)	88,700	397	89,097	88,506	591
Energy (Electricity)	66,000	13,119	79,119	79,116	2
Energy (Gasoline)	2,500	2,206	4,706	4,705	1
Other Objects	2,340	5,463	7,803	7,803	0
Total Undist. Expend. - Custodial Services	849,270	242,001	1,091,270	1,056,747	34,524
Undist Expend.-Care and Upkeep of Grounds					
Cleaning, Repair, and Maintenance Services	13,500	35,460	48,960	48,960	-
General Supplies	3,453	-	3,453	3,097	356
Total Undist. Expend.-Care and Upkeep of Grounds	16,953	35,460	52,413	52,057	356

**BOROUGH OF ROCKAWAY BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Security					
Purchased Professional and Technical Services	40,000	53,827	93,827	93,826	1
Total Security	40,000	53,827	93,827	93,826	1
Total Undist. Expend.-Oper. And Maint. Of Plant Serv.	954,672	379,224	1,333,896	1,288,107	45,789
Undist. Expend. - Student Transportation Serv.					
Salaries of Non-Instructional Aides	22,523	2,074	24,597	24,597	0
Sal for Pupil Trans (Bet Home & Sch) - Reg.	24,542	(21,894)	2,648	2,648	0
Sal for Pupil Trans (Bet Home & Sch) - Sp. Ed.	26,913	11,215	38,128	38,128	0
Sal for Pupil Trans (Other than Bet Home & Sch)	2,000	(1,616)	384	-	384
Management Fee - ESC & CTSA Trans. Program	400	47	447	447	-
Cleaning, Repair, & Maint. Services	3,940	900	4,840	4,771	69
Contract. Serv. - Aid in Lieu Pymts-NonPub Sch	27,000	(6,763)	20,237	19,214	1,023
Contr Serv(Oth. Than Bet Home & Sch)-Vend	2,500	16,837	19,337	19,336	1
Contr Serv(Bet. Home & Sch)-Joint Agrmts	-	200	200	-	200
Contract. Serv. (Reg. Students)-ESCs & CTSA	-	2,130	2,130	2,126	4
Contract. Serv.(Spl. Ed. Students)-ESCs & CTSA	245,702	61,728	307,430	307,429	1
General Supplies	500	(400)	100	-	100
Transportation Supplies	4,000	(500)	3,500	3,428	72
Other Objects	800	(500)	300	150	150
Total Undist. Expend. - Student Transportation Serv.	360,820	63,458	424,278	422,273	2,004
Unallocated Benefits:					
Social Security Contributions	190,000	(2,794)	187,206	187,203	3
Other Retirement Contributions - PERS	185,000	(1,354)	183,646	183,644	2
Workmen's Compensation	51,689	4,350	56,039	56,035	4
Health Benefits	1,358,665	76,513	1,435,178	1,353,878	81,300
Tuition Reimbursement	18,000	-	18,000	18,000	-
Other Employee Benefits	64,150	(1,673)	62,477	61,795	682
Total Unallocated Benefits	1,867,504	75,042	1,942,546	1,860,556	81,990
On-Behalf Contributions:					
On-behalf TPAF Pension and Annuity Fund (non-budgeted)	-	-	-	1,576,926	(1,576,926)
On-behalf TPAF NCGI Premium (non-budgeted)	-	-	-	21,878	(21,878)
On-behalf TPAF Post Retirement Medical (non-budgeted)	-	-	-	420,002	(420,002)
On-behalf TPAF Long-Term Disability Insurance	-	-	-	806	(806)
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	-	-	347,328	(347,328)
Total On-Behalf Contributions	-	-	-	2,366,940	(2,366,940)
Total Personal Services - Employee Benefits	1,867,504	75,042	1,942,546	4,227,496	(2,284,950)
Total Undistributed Expenditures	6,335,901	384,106	6,720,008	8,834,028	(2,114,021)
Total General Expenses	11,439,838	696,464	12,136,302	14,193,561	(2,057,258)
Capital Outlay:					
Equipment					
Undistributed Expenditures - Support Services - Instructional Staff	3,341	-	3,341	3,341	-
Undistributed Expenditures - General Administration	-	2,335	2,335	2,201	134
Undistributed Expenditures - School Administration	-	4,620	4,620	4,095	525
Undistributed Expenditures - Administration Info. Tech.	-	9,011	9,011	9,010	1
School Buses - Special	75,000	106,650	181,650	-	181,650
Undistributed Expenditures - Non-Inst. Serv	62,490	27,391	89,881	89,880	1
Total Equipment	140,831	150,007	290,838	108,528	182,311
Facilities Acquisition and Const. Serv.					
Construction Services	931,499	(38,637)	892,862	884,682	8,179
Assesment for Debt Service on SDA Funding	3,480	-	3,480	3,480	-
Total Facilities Acquisition and Const. Serv.	934,979	(38,637)	896,342	888,162	8,179
Assets Acquired Under Financed Purchaes (non-budgeted)					
Non-instructional Equipment	-	-	-	41,387	41,387
Assets Acquired Under Financed Purchases (non-budgeted)	-	-	-	41,387	41,387
Total Capital Outlay	1,075,810	111,370	1,187,180	1,038,077	231,877
Transfer to Charter School	13,861	30,718	44,579	44,579	-
Total Expenditures	12,529,509	838,552	13,368,061	15,276,216	(1,825,382)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,357,898)	(798,798)	(2,156,696)	(1,676,909)	479,788

**BOROUGH OF ROCKAWAY BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Financing Sources/(Uses):					
Financed Purchases (non-budgeted)	-	-	-	41,387	41,387
Total Other Financing Sources/(Uses):	-	-	-	41,387	41,387
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(1,357,898)	(798,798)	(2,156,696)	(1,635,522)	521,174
Fund Balance, July 1	3,827,156	-	3,827,156	3,827,156	-
Fund Balance, June 30	2,469,257	(798,798)	1,670,459	2,191,634	521,174
<u>Recapitulation of Excess (Deficiency) of Revenues Under Expenditures:</u>					
Adjustment for Prior Year Encumbrances	(569,641)	-	(569,641)	(569,641)	-
Budgeted Fund Balance	(249,044)	(798,798)	(1,047,842)	(598,054)	449,788
Withdrawal from Capital Reserve	(539,213)	-	(539,213)	(539,213)	-
Increase in Maintenance Reserve:					
Principal	-	-	-	30,000	30,000
	(1,357,898)	(798,798)	(2,156,696)	(1,676,909)	479,788
Recapitulation:					
Committed Fund Balance:					
Assigned Fund Balance:					
Year-end Encumbrances				229,352	
Designated for Subsequent Year's Expenditures				205,508	
Restricted Fund Balance:					
Excess Surplus:					
Prior Year - Designated for Subsequent Year's Expenditures				300,000	
Current Year				260,225	
Capital Reserve				531,250	
Maintenance Reserve				30,000	
Emergency Reserve				250,000	
Unemployment				127,942	
Unassigned Fund Balance				257,358	
				2,191,634	
Reconciliation to Governmental Fund Statements (GAAP):					
Last State Aid Payments not Recognized on GAAP Basis				(177,961)	
Fund Balance per Governmental Funds (GAAP)				2,013,673	

**BOROUGH OF ROCKAWAY BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Local Sources	3,000	1,300	4,300	100,921	96,621 *
State Sources	177,428	55,961	233,389	192,441	(40,948)
Federal Sources	988,000	169,380	1,157,380	520,733	(636,647)
Total Revenues	<u>1,168,428</u>	<u>226,641</u>	<u>1,395,069</u>	<u>814,096</u>	<u>(580,973)</u>
Expenditures:					
Instruction:					
Salaries	63,000	22,090	85,090	65,033	20,057
Purchased services	122,000	1,254	123,254	89,734	33,520
Other purchased services	157,000	4,457	161,457	161,457	-
Instructional Supplies	312,000	9,019	321,019	55,216	265,803
Total Instruction	<u>654,000</u>	<u>36,820</u>	<u>690,820</u>	<u>371,441</u>	<u>319,379</u>
Support Services:					
Salaries	28,000	(22,000)	6,000	97	5,903
Employee benefits	13,000	(13,000)	-	-	-
Purchased services	284,000	187,405	471,405	233,915	237,490
Other Purchased Services	7,500	-	7,500	-	7,500
Supplies and materials	85,428	31,237	116,665	79,166	37,499
Other objects	9,000	-	9,000	997	8,003
Scholarships awarded	-	-	-	50	(50) *
Student activities	-	-	-	87,354	(87,354) *
Total Support Services	<u>426,928</u>	<u>183,642</u>	<u>610,570</u>	<u>401,579</u>	<u>208,991</u>
Facilities Acquisition and Construction Services:					
Buildings	62,500	-	62,500	7,487	55,013
Instructional equipment	15,000	6,179	21,179	20,072	1,107
Noninstructional equipment	20,000	-	20,000	-	20,000
Total Facilities Acquisition and Construction Services	<u>97,500</u>	<u>6,179</u>	<u>103,679</u>	<u>27,559</u>	<u>76,120</u>
Total Expenditures	<u>1,178,428</u>	<u>226,641</u>	<u>1,405,069</u>	<u>800,578</u>	<u>604,491</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(10,000)</u>	<u>-</u>	<u>(10,000)</u>	<u>13,518</u>	<u>23,518</u>
Fund Balance, July 1				<u>37,059</u>	
Fund Balance, June 30				<u><u>50,576</u></u>	
Recapitulation:					
Restricted					
Scholarships				4,247	
Student Activities				46,329	
Total Fund Balance				<u><u>50,576</u></u>	

* Not required to budget for these funds

**BOROUGH OF ROCKAWAY BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGET COMPARISON SCHEDULES
BUDGET - TO - GAAP RECONCILIATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

		General Fund		Special Revenue Fund
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue"				
from the budgetary comparison schedule	[C-1]	13,599,308	[C-2]	814,096
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.				
Add: Prior Year Encumbrances		-		10,602
Less: Current Year Encumbrances		-		(17,500)
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognized the related expense (GASB 33):				
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(177,961)		-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		119,457		-
Total revenue as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	13,540,804	[B-2]	807,198
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	15,276,216	[C-2]	800,578
Differences - budget to GAAP.				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes:				
Add: Prior Year Encumbrances		-		10,602
Less: Current Year Encumbrances		-		(17,500)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	15,276,216	[B-2]	793,680

**REQUIRED SUPPLEMENTARY
INFORMATION - PART III**

Exhibit L-1

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

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

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

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

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

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

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

Fiscal Year Ending June 30,	District's	District's	State's	District's Covered	District's	Plan Fiduciary
	Proportion Share of the Net Pension Liability (Asset)	Proportion Share of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability Associated with the District (Asset)	Payroll -TPAF Employee's	Proportion Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll	Net Position as a percentage of the total Pension Liability
2015	0.3249568860%	\$ -	\$ 1,736,788	\$ 3,082,348	0.00%	33.64%
2016	0.0312148670%	-	19,729,129	3,271,256	0.00%	28.71%
2017	0.0274073223%	-	21,560,345	3,258,734	0.00%	28.75%
2018	0.0303136088%	-	20,438,528	3,422,549	0.00%	34.07%
2019	0.0316116509%	-	20,110,653	3,850,735	0.00%	26.49%
2020	0.0326288800%	-	20,024,652	4,280,292	0.00%	26.95%
2021	0.0329029323%	-	21,666,185	4,353,282	0.00%	24.60%
2022	0.0371676169%	-	17,868,402	4,337,514	0.00%	35.52%
2023	0.0378774725%	-	19,542,661	4,751,034	0.00%	32.29%

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

ROCKAWAY BOROUGH SCHOOL DISTRICT
Note to Required Schedules of Supplementary Information - Part III
For the fiscal year ended June 30, 2023

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

None

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms

None

Change in assumptions

None

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

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service Costs	1,184,411.00	1,377,362.00	735,519	687,125	\$ 751,849	\$ 905,881
Interest on Total OPEB Liability	498,900.00	585,907.00	568,462	701,721	742,379	639,925
Change of Benefit Terms	0.00	(24,040.00)	-	-	-	-
Difference Between Expected and Actual Experience	87,880.00	(3,842,355.00)	3,764,491	(3,117,354)	(1,543,485)	-
Changes in Assumptions	(5,050,815.00)	22,283.00	4,550,834	234,308	(2,028,528)	(2,655,234)
Gross Benefit Payments	15,855.00	(461,530.00)	(433,723)	(482,396)	(472,678)	(468,133)
Contribution from the Member	(494,241.00)	14,979.00	13,146	14,300	16,336	17,238
Net Changes in total Share of OPEB Liability	(3,758,010)	(2,327,394)	9,198,729	(1,962,296)	(2,534,127)	(1,560,323)
Total OPEB Liability - Beginning	22,586,074	24,913,468	15,714,739	17,677,035	20,211,162	21,771,485
Total OPEB Liability - Ending	\$ 18,828,064	\$ 22,586,074	\$ 24,913,468	\$ 15,714,739	\$ 17,677,035	\$ 20,211,162
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	18,828,064	22,586,074	15,714,739	15,714,739	17,677,035	20,211,162
Total OPEB Liability - Ending	\$ 18,828,064	\$ 22,586,074	\$ 15,714,739	\$ 15,714,739	\$ 17,677,035	\$ 20,211,162
District's Covered Employee Payroll	\$ 21,324,118	\$ 5,612,188	\$ 5,208,901	\$ 5,167,806	\$ 4,697,757	\$ 4,245,088
Districts' Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%

Notes to Schedule:

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

Change in benefit terms

Change in assumptions

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

Other Supplementary Information

SPECIAL REVENUE FUND

**BOROUGH OF ROCKAWAY BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Total Brought Forward From (Ex. E-1a)	Title I Part - A		Title II Part - A		Title IV Safe & Drug Free Schools		C.R.R.S.A.		Total 2023
		Improving Basic Programs	Teacher/Parent Training & Recruiting	E.S.S.E.R. II	Acceleration	E.S.S.E.R. II	Acceleration			
Revenues:										
Federal Sources	285,009	162,560	8,864	18,859	35,188	10,253			520,733	
State Sources	192,441	-	-	-	-	-	-	-	192,441	
Local Sources	100,921	-	-	-	-	-	-	-	100,921	
Total Revenues	578,371	162,560	8,864	18,859	35,188	10,253			814,096	
Expenditures:										
Instruction:										
Salaries of Teachers	-	55,090	-	-	-	9,943	-	-	65,033	
Purchased Services	89,734	-	-	-	-	-	-	-	89,734	
Other Purchased Services	161,457	-	-	-	-	-	-	-	161,457	
Instructional Supplies	43,398	4,321	-	-	7,497	-	-	-	55,216	
Total Instruction	294,589	59,411	-	-	7,497	9,943			371,441	
Support Services:										
Salaries	97	-	-	-	-	-	-	-	97	
Purchased Tech Services	90,119	96,501	8,864	18,859	19,262	310	-	-	233,915	
Supplies and Materials	69,161	1,576	-	-	8,428	-	-	-	79,166	
Other Objects	997	-	-	-	-	-	-	-	997	
Scholarships Awarded	50	-	-	-	-	-	-	-	50	
Student Activities	87,354	-	-	-	-	-	-	-	87,354	
Total Support Services	247,778	98,077	8,864	18,859	27,691	310			401,579	
Facilities Acquisition and Construction Services:										
Buildings	7,487	-	-	-	-	-	-	-	7,487	
Instructional Equipment	15,000	5,072	-	-	-	-	-	-	20,072	
Non-Instructional Equipment	-	-	-	-	-	-	-	-	-	
Total Facilities Acquisition and Construction Services	22,487	5,072	-	-	-	-			27,559	
Total Expenditures	564,854	162,560	8,864	18,859	35,188	10,253			800,578	
Excess (Deficiency) of Revenues Over (Under) Expenditures	13,518	-	-	-	-	-	-	-	13,518	
Fund Balance, July 1	37,059	-	-	-	-	-	-	-	37,059	
Fund Balance, June 30	50,576	-	-	-	-	-	-	-	50,576	

**BOROUGH OF ROCKAWAY BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Total Brought Forward From (Ex. E-1b)	I.D.E.A.		C.A.R.E.S.	E.S.S.E.R.	A.R.P.	Accelerated Learning	Total Carried Forward To (Ex. E-1)
		Basic	Preschool					
Revenues:								
Federal Sources	-	187,765	9,912	11,226	53,581	-	22,525	285,009
State Sources	192,441	-	-	-	-	-	-	192,441
Local Sources	100,921	-	-	-	-	-	-	100,921
Total Revenues	293,363	187,765	9,912	11,226	53,581	-	22,525	578,371
Expenditures:								
Instruction:								
Salaries of Teachers	-	-	-	-	-	-	-	-
Purchased Services	88,834	-	-	900	-	-	-	89,734
Other Purchased Services	-	161,457	-	-	-	-	-	161,457
Instructional Supplies	13,398	-	-	-	30,000	-	-	43,398
Total Instruction	102,232	161,457	-	900	30,000	-	-	294,589
Support Services:								
Salaries	-	-	-	-	-	97	-	97
Purchased Tech Services	31,374	26,308	9,912	-	-	-	22,525	90,119
Supplies and Materials	58,835	-	-	10,326	-	-	-	69,161
Other Objects	-	-	-	-	-	997	-	997
Scholarships Awarded	50	-	-	-	-	-	-	50
Student Activities	87,354	-	-	-	-	-	-	87,354
Total Support Services	177,613	26,308	9,912	10,326	1,094	-	22,525	247,778
Facilities Acquisition and Construction Services:								
Buildings	-	-	-	-	-	7,487	-	7,487
Instructional equipment	-	-	-	-	-	15,000	-	15,000
Non-Instructional Equipment	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Services	-	-	-	-	22,487	-	-	22,487
Total Expenditures	279,845	187,765	9,912	11,226	53,581	-	22,525	564,854
Excess (Deficiency) of Revenues Over (Under) Expenditures	13,518	-	-	-	-	-	-	13,518
Fund Balance, July 1	37,059	-	-	-	-	-	-	37,059
Fund Balance, June 30	50,576	-	-	-	-	-	-	50,576

**BOROUGH OF ROCKAWAY BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Total Brought Forward From (Ex. E-1c)	Non Public				Non-Public			Total Carried Forward To (Ex. E-1a)
		Auxiliary Services Chapter 192 Comp. Ed.	Security Aid	Nursing Services	Textbook	Technology			
Revenues:									
Federal Sources	-	-	-	-	-	-	-	-	-
State Sources	40,408	48,427	58,835	22,848	13,398	8,526	192,441		
Local Sources	100,921	-	-	-	-	-	100,921		
Total Revenues	141,329	48,427	58,835	22,848	13,398	8,526	293,363		
Expenditures:									
Instruction:									
Salaries of Teachers	-	-	-	-	-	-	-	-	
Purchased Services	40,408	48,427	-	-	-	-	88,834		
Other Purchased Services	-	-	-	-	-	-	-	-	
Instructional Supplies	-	-	-	-	13,398	-	13,398		
Total Instruction	40,408	48,427	-	-	13,398	-	102,232		
Support Services:									
Salaries	-	-	-	-	-	-	-	-	
Purchased Tech Services	-	-	-	22,848	-	8,526	31,374		
Supplies and Materials	-	-	58,835	-	-	-	58,835		
Other Objects	-	-	-	-	-	-	-	-	
Scholarships Awarded	50	-	-	-	-	-	50		
Student Activities	87,354	-	-	-	-	-	87,354		
Total Support Services	87,404	-	58,835	22,848	-	8,526	177,613		
Facilities Acquisition and Construction Services:									
Buildings	-	-	-	-	-	-	-	-	
Instructional equipment	-	-	-	-	-	-	-	-	
Non-Instructional Equipment	-	-	-	-	-	-	-	-	
Total Facilities Acquisition and Construction Services	-	-	-	-	-	-	-		
Total Expenditures	127,811	48,427	58,835	22,848	13,398	8,526	279,845		
Excess (Deficiency) of Revenues Over (Under) Expenditures	13,518	-	-	-	-	-	13,518		
Fund Balance, July 1	37,059	-	-	-	-	-	37,059		
Fund Balance, June 30	50,576	-	-	-	-	-	50,576		

**BOROUGH OF ROCKAWAY BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Non Public Handicapped Services Chapter 193				Scholarship Fund	Student Activity/ Athletics Fund	Total Carried Forward To (Ex. E-1b)
	Examination & Classification	Corrective Speech	Supplemental Instruction				
Revenues:							
Federal Sources	-	-	-	-	-	-	-
State Sources	18,388	8,556	13,464	-	-	-	40,408
Local Sources	-	-	-	4	100,917	-	100,921
Total Revenues	18,388	8,556	13,464	4	100,917		141,329
Expenditures:							
Instruction:							
Salaries of Teachers	-	-	-	-	-	-	-
Purchased Services	18,388	8,556	13,464	-	-	-	40,408
Other Purchased Services	-	-	-	-	-	-	-
Instructional Supplies	-	-	-	-	-	-	-
Total Instruction	18,388	8,556	13,464	-	-	-	40,408
Support Services:							
Salaries	-	-	-	-	-	-	-
Purchased Tech Services	-	-	-	-	-	-	-
Supplies and Materials	-	-	-	-	-	-	-
Other Objects	-	-	-	-	-	-	-
Scholarships Awarded	-	-	-	50	-	50	50
Student Activities	-	-	-	-	87,354	87,354	87,354
Total Support Services	-	-	-	50	87,354	87,404	87,404
Facilities Acquisition and Construction Services:							
Buildings	-	-	-	-	-	-	-
Instructional equipment	-	-	-	-	-	-	-
Non-Instructional Equipment	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction Services	-	-	-	-	-	-	-
Total Expenditures	18,388	8,556	13,464	50	87,354	127,811	127,811
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	(46)	13,563	13,518	13,518
Fund Balance, July 1	-	-	-	4,293	32,766	37,059	37,059
Fund Balance, June 30	-	-	-	4,247	46,329	50,576	50,576

CAPITAL PROJECTS FUND

**BOROUGH OF ROCKAWAY BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Expenditures and Other Financing Uses:	
Purchased Professional and Technical Services	7,209
Construction Services	1,138,194
Total Expenditures	<u>1,145,403</u>
 Excess/(Deficiency) of Revenue Over/(Under) Expenditures	 (1,145,403)
 Fund Balance - Beginning	 <u>1,626,432</u>
Fund Balance - Ending	<u><u>481,029</u></u>

**BOROUGH OF ROCKAWAY BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
AND PROJECT STATUS - BUDGETARY BASIS
LINCOLN ELEMENTARY SCHOOL IMPROVEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Bond Proceeds	7,660,000	-	7,660,000	7,660,000
Total Revenues	7,660,000	-	7,660,000	7,660,000
Expenditures and Other Financing Uses:				
Purchase Professional and Technical Services	771,448	7,209	778,657	778,657
Constructions Services	6,416,095	465,248	6,881,343	6,881,343
Total Expenditures	7,187,543	472,457	7,660,000	7,660,000
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	472,457	(472,457)	-	-
Additional Project Information:				
Project Number	27-4480-060-19-1000			
Bond Authorization Date	2/19/2020			
Bonds Authorized	7,660,000			
Bonds Issued	7,660,000			
Original Authorized Cost	7,660,000			
Additional Authorized Cost	-			
Revised Authorized Cost	7,660,000			
Percentage Increase Over Original Authorized Cost	0.00%			
Percentage Completion	100.00%			
Original Target Completion Date	11/19/2021			
Revised Target Completion Date	6/30/2023			

**BOROUGH OF ROCKAWAY BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
AND PROJECT STATUS - BUDGETARY BASIS
THOMAS JEFFERSON MIDDLE SCHOOL IMPROVEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Bond Proceeds	4,820,000	-	4,820,000	4,820,000
Transferred - Capital Reserve Fund	393,000	-	393,000	393,000
Total Revenues	<u>5,213,000</u>	<u>-</u>	<u>5,213,000</u>	<u>5,213,000</u>
Expenditures and Other Financing Uses:				
Purchase Professional and Technical Services	237,034	-	237,034	73,000
Constructions Services	3,821,991	672,946	4,494,937	441,900
Total Expenditures	<u>4,059,025</u>	<u>672,946</u>	<u>4,731,971</u>	<u>514,900</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>1,153,975</u>	<u>(672,946)</u>	<u>481,029</u>	<u>4,698,100</u>

Additional Project Information:

Project Number 27-4480-050-19-1000

Bond Authorization Date	2/19/2020
Bonds Authorized	514,900
Bonds Issued	514,900
Original Authorized Cost	514,900
Additional Authorized Cost	-
Revised Authorized Cost	514,900

Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	919.01%
Original Target Completion Date	11/19/2020
Revised Target Completion Date	11/19/2021

**BOROUGH OF ROCKAWAY BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

PROJECT DESCRIPTION	APPROPRIATION	EXPENDITURES		CURRENT YEAR	CONTRACTS PAYABLE ADJUSTMENTS	UNEXPENDED BALANCE
		PRIOR YEARS	CURRENT YEAR			
LINCOLN ELEMENTARY SCHOOL IMPROVEMENTS	7,660,000	7,187,542	487,518	15,060	-	
THOMAS JEFFERSON MIDDLE SCHOOL IMPROVEMENTS	5,213,000	4,059,025	672,946	-	481,029	
	<u>12,873,000</u>	<u>11,246,567</u>	<u>1,160,464</u>	<u>15,060</u>	<u>481,029</u>	

LONG-TERM DEBT

**BOROUGH OF ROCKAWAY BOARD OF EDUCATION
GENERAL LONG TERM DEBT
STATEMENT OF SERIAL BONDS
FOR THE YEAR ENDED JUNE 30, 2023**

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Interest Rate	Balance July 1, 2022	Retired	Balance June 30, 2023
Governmental Loan Revenue Bond Series 2020	3/11/2020	10,935,000	12/30/2023	5.000%			
			12/30/2024	5.000%			
			12/30/2025	5.000%			
			12/30/2026	5.000%			
			12/30/2027	5.000%			
			12/30/2028	5.000%			
			12/30/2029	5.000%			
			12/30/2030	5.000%			
			12/30/2031	4.000%			
			12/30/2032	4.000%			
			12/30/2033	4.000%			
			12/30/2034	3.000%			
			12/30/2035	3.000%			
			12/30/2036	3.000%			
			12/30/2037	3.000%			
			12/30/2038	3.000%			
			12/30/2039	3.000%			
			12/30/2040	3.000%			
					10,395,000	355,000	10,040,000

**BOROUGH OF ROCKAWAY BOARD OF EDUCATION
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE YEAR ENDED JUNE 30, 2023**

	Interest Rate Payables	Amount of Original Issue	Balance July 1, 2022	Additions	Retired	Balance June 30, 2023
5 Savin Digital Copiers	5.60%	41,387	-	41,387	2,325	39,061
		41,387	-	41,387	2,325	39,061

**BOROUGH OF ROCKAWAY BOARD OF EDUCATION
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2023**

	Original Budget	Final Budget	Actual	Variance Positive (Negative Final to Actual)
Revenues:				
Local Sources:				
Local Tax Levy	514,821	514,821	514,821	-
Total Revenues - Local Sources	514,821	514,821	514,821	-
State Sources:				
Debt Service Aid Type II	239,354	239,354	239,354	-
Total State Sources	239,354	239,354	239,354	-
Total Revenues	754,175	754,175	754,175	-
Expenditures:				
Regular Debt Service:				
Interest on Bonds	399,175	399,175	399,175	-
Redemption of Principal	355,000	355,000	355,000	-
Total regular debt service	754,175	754,175	754,175	-
Total Expenditures	754,175	754,175	754,175	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-	-	-	-

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED)

Introduction to the Statistical Section

Financial Trends

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

Revenue Capacity

- J-6 Assessed Value and Estimated Actual Value of Taxable Property
- J-7 Direct and Overlapping Property Tax Rates
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Debt Capacity

- J-10 Ratios of Outstanding Debt by Type
- J-11 Ratios of General Bonded Debt Outstanding
- J-12 Direct and Overlapping Governmental Activities Debt
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Demographic and Economic Information

- J-14 Demographic and Economic Statistics
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Operating Information

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

STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

J SERIES

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

ROCKAWAY BOROUGH BOARD OF EDUCATION

Net Position* by Component
Last Ten Fiscal Years
(accrual basis of accounting)

UNAUDITED

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Invested in capital assets, net of related debt	709,919	1,250,541	1,230,651	1,218,157	1,216,989	1,241,046	(3,286,995)	801,904	2,350,620	4,332,846
Restricted	1,529,012	922,766	1,001,867	1,224,510	1,578,866	2,040,046	8,507,833	5,245,683	4,231,167	2,465,881
Unrestricted	(2,108,536)	(2,080,216)	(2,273,057)	(2,491,005)	(2,618,215)	(2,609,563)	(2,422,136)	(2,357,488)	(1,257,847)	(2,063,883)
Total governmental activities net position	130,395	93,091	(40,539)	(48,337)	177,640	671,528	2,798,701	3,690,099	5,323,940	4,714,844
Business-type activities										
Invested in capital assets, net of related debt	9,144	8,072	10,980	10,856	10,258	28,006	34,326	33,927	32,931	5,876
Unrestricted	27,033	30,654	32,737	49,363	63,719	53,009	53,846	44,300	95,192	105,201
Total business-type activities net position	36,177	38,726	43,717	60,219	73,978	81,014	88,172	78,227	128,123	111,077
District-wide										
Invested in capital assets, net of related debt	719,063	1,258,613	1,241,631	1,229,013	1,227,248	1,269,052	(3,252,670)	835,831	2,383,551	4,338,722
Restricted	1,529,012	922,766	1,001,867	1,224,510	1,578,866	2,040,046	8,507,833	5,245,683	4,231,167	2,465,881
Unrestricted	(2,081,503)	(2,049,561)	(2,240,320)	(2,441,642)	(2,554,496)	(2,556,555)	(2,368,290)	(2,313,188)	(1,162,655)	(1,978,682)
Total district net position	166,572	131,818	3,178	11,882	251,618	752,543	2,886,873	3,768,326	5,452,063	4,825,921

Source: ACFR Schedule A-1

ROCKAWAY BOROUGH BOARD OF EDUCATION
Changes in Net Position - Last Ten Fiscal Years
Last Ten Fiscal Years

(accrual basis of accounting)

UNAUDITED

Fiscal Year Ended June 30,

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities										
Instruction										
Regular	2,759,567	3,513,154	3,638,231	4,108,295	4,250,365	4,402,464	4,244,894	4,955,863	5,044,437	6,098,916
Special education	1,105,807	1,623,662	1,619,006	1,719,317	1,819,231	1,707,310	1,680,520	1,940,633	1,842,778	2,043,510
School Sponsored/ other instructional	370,812	503,554	508,913	613,015	599,297	448,742	439,391	520,538	390,121	412,347
Other instruction	-	-	-	-	-	132,611	208,423	200,030	236,243	243,606
Support Services:										
Tuition	471,744	382,457	468,985	218,548	321,942	336,736	219,307	120,957	178,613	89,244
Student & instruction related services	1,696,191	1,977,833	2,040,760	2,314,460	2,415,434	2,450,182	2,604,247	2,694,247	3,017,290	3,274,604
General and business administrative services	557,155	591,643	718,366	759,934	629,022	448,513	340,385	731,292	784,524	843,781
School administrative services	513,382	552,630	584,089	646,645	468,637	689,106	595,108	178,495	163,298	182,935
Central Services and Admin. Info. Tech.	786,350	1,014,603	946,075	956,155	367,770	392,758	383,421	423,089	432,435	476,593
Plant operations and maintenance	207,010	366,176	315,167	318,560	232,822	285,063	254,432	206,254	418,095	1,709,560
Pupil transportation	3,480	3,480	3,480	3,480	18,480	3,480	3,480	3,480	3,480	482,139
Capital Outlay - Non-depreciable	-	-	-	14,850	55,436	46,931	47,778	44,250	13,922	44,579
Interest on Long term debt	269,853	-	-	-	-	-	-	531,178	421,550	399,175
Fixed asset adjustments	8,741,352	10,529,191	10,843,073	11,673,259	12,249,462	12,546,927	12,100,335	13,665,939	14,196,303	16,304,459
Total governmental activities expenses	179,188	189,962	196,379	194,816	195,720	208,272	151,729	97,481	312,683	272,809
Business-type activities:										
Food service	179,188	189,962	196,379	194,816	195,720	208,272	151,729	97,481	312,683	272,809
Total business-type activities expense	179,188	189,962	196,379	194,816	195,720	208,272	151,729	97,481	312,683	272,809
Total district expenses	8,920,340	10,719,153	11,039,452	11,866,074	12,445,182	12,755,199	12,252,065	13,763,419	14,508,986	16,577,268
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	122,877	159,165	81,128	201,658	-	-	749,403	-	-	-
Support Services	1,510,792	2,639,309	2,695,638	3,053,947	665,166	689,987	-	15,926	65,631	100,917
Operating grants and contributions	1,633,669	2,798,474	2,776,766	3,255,604	655,166	689,987	749,403	741,153	1,246,538	1,084,436
Total governmental activities program revenues	1,633,669	2,798,474	2,776,766	3,255,604	655,166	689,987	749,403	741,153	1,312,169	1,185,353
Business-type activities:										
Charges for services	89,599	113,834	119,945	128,827	129,890	130,756	89,229	-	36,351	132,061
Food service	67,944	78,677	81,424	85,734	79,588	84,553	69,658	87,536	326,228	149,761
Operating grants and contributions	(16,842)	-	-	-	-	-	-	-	-	-
Capital grants and contributions	140,701	192,511	201,369	214,561	209,478	215,309	158,887	87,536	362,579	281,822
Total business type activities program revenues	1,774,370	2,990,985	2,978,135	3,470,165	864,645	905,296	908,290	828,689	1,674,747	1,467,175
Net (Expense)/Revenue										
Governmental activities	(7,107,683)	(7,730,717)	(8,086,307)	(8,417,654)	(11,594,295)	(11,856,940)	(11,350,932)	(12,924,786)	(12,884,134)	(15,119,106)
Business-type activities	(38,487)	2,549	4,990	19,745	13,758	7,037	7,157	(9,945)	49,896	9,013
Total district-wide net expense	(7,146,170)	(7,728,168)	(8,061,317)	(8,397,909)	(11,580,537)	(11,849,903)	(11,343,775)	(12,934,730)	(12,834,239)	(15,110,093)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	7,347,916	7,499,347	7,700,021	7,900,691	8,106,108	8,539,308	8,539,307	9,241,271	9,371,917	9,371,917
Federal and state aid not restricted	101,271	168,240	131,503	455,979	3,649,203	3,650,641	3,329,234	4,440,778	4,561,315	5,000,504
Investment earnings	419	3,258	3,412	4,286	-	3,684	-	2,725	-	-
Restricted federal and state aids	-	-	-	-	-	-	-	-	510,752	273,640
Miscellaneous income	8,957	24,003	13,111	48,900	64,962	157,195	64,565	28,088	73,991	49,178
Special Item- Accounts payable canceled	-	-	-	-	-	-	-	-	-	-
Special Item- Prior Year adj.	-	(1,434)	-	-	-	-	-	-	-	-
Premium on Bond Sale	-	-	-	-	-	-	-	-	-	-
Total governmental activities	7,458,563	7,693,414	7,849,011	8,409,856	11,820,272	12,350,828	13,478,105	13,712,862	14,517,975	14,895,239

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
UNAUDITED										
Business-type activities:										
Investment earnings	27	-	-	-	-	-	-	-	-	-
Special Item- Accounts receivable canceled	-	-	-	(3,242)	-	-	-	-	-	-
Total business-type activities	<u>27</u>	<u>-</u>	<u>-</u>	<u>(3,242)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total district-wide	<u>7,458,590</u>	<u>7,693,414</u>	<u>7,849,011</u>	<u>8,406,614</u>	<u>11,820,272</u>	<u>12,350,628</u>	<u>13,478,105</u>	<u>13,712,862</u>	<u>14,517,975</u>	<u>14,695,239</u>
Change in Net Position										
Governmental activities	350,880	(37,303)	(217,295)	(7,798)	225,977	493,888	2,127,173	788,077	1,633,841	(423,867)
Business-type activities	(38,460)	2,549	4,990	16,503	13,758	7,037	7,157	(9,945)	49,896	9,013
Total district	<u>312,420</u>	<u>(34,754)</u>	<u>(212,305)</u>	<u>8,705</u>	<u>239,736</u>	<u>500,925</u>	<u>2,134,330</u>	<u>778,132</u>	<u>1,683,737</u>	<u>(414,854)</u>

Source: ACFR Schedule A-2

ROCKAWAY BOROUGH BOARD OF EDUCATION

Fund Balances, Governmental Funds,

Last Ten Fiscal Years

(modified accrual basis of accounting)

UNAUDITED

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Restricted	950,752	958,623	951,724	1,194,448	1,491,431	1,994,785	2,143,028	2,260,737	1,948,991	1,499,416
Assigned	578,259	47,815	50,143	30,062	87,435	45,261	4,485	431,192	618,685	434,860
Unassigned	212,297	216,941	211,396	216,321	192,415	203,506	133,169	376,536	1,140,022	79,397
Total general fund	<u>1,741,309</u>	<u>1,223,378</u>	<u>1,213,263</u>	<u>1,440,831</u>	<u>1,771,281</u>	<u>2,243,553</u>	<u>2,280,682</u>	<u>3,068,465</u>	<u>3,707,699</u>	<u>2,013,673</u>
All Other Governmental Funds										
Unreserved, reported in:										
Special revenue fund	-	-	-	-	-	-	-	46,225	37,059	50,576
Capital projects fund	-	-	-	-	-	-	6,610,320	2,507,530	1,626,452	481,029
Total all other governmental funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,610,320</u>	<u>2,553,755</u>	<u>1,663,511</u>	<u>531,605</u>

Source: ACFR Schedule B-1

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

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Tax levy	7,347,916	7,499,347	7,700,021	7,900,691	8,106,108	8,539,308	8,539,307	9,241,271	9,371,917	9,371,917
Tuition charges	122,877	159,165	81,128	201,658	253,565	378,715	376,732	231,768	277,927	412,442
Interest earnings	419	3,258	3,412	4,286	-	3,684	-	-	-	-
Miscellaneous	8,957	24,003	13,111	48,900	98,530	157,195	67,365	47,949	139,628	150,100
State sources	1,287,023	1,505,311	1,463,954	1,565,784	1,852,175	2,684,758	2,882,708	3,452,129	5,097,760	4,653,883
Federal sources	325,040	257,392	158,547	324,181	265,878	194,132	227,200	337,027	852,266	513,834
Total revenue	9,092,232	9,448,476	9,420,172	10,045,500	10,576,256	11,957,792	12,093,311	13,310,145	15,739,497	15,102,176
Expenditures										
Instruction										
Regular instruction	2,111,235	2,381,963	2,354,326	2,499,185	2,552,070	2,854,626	2,832,988	3,126,574	3,601,482	4,042,291
Special education instruction	890,194	1,091,449	1,020,160	1,146,634	975,299	1,009,745	1,052,405	1,119,904	1,181,202	1,204,730
School sponsored/other instructional	280,502	326,547	311,332	331,944	373,787	265,071	274,563	296,038	246,917	240,345
Other instruction	-	-	-	-	-	132,611	208,423	200,030	236,243	243,606
Support Services:										
Tuition	471,744	382,457	468,985	218,548	321,942	336,736	219,307	120,957	178,613	89,244
Student & instruction related services	1,347,199	1,466,472	1,428,625	1,514,459	1,578,603	1,741,955	1,950,009	1,813,021	2,305,548	2,361,116
General and business administrative services	392,483	351,027	451,599	415,923	426,503	472,350	387,887	422,353	435,350	425,809
School Administrative services	419,702	428,322	439,350	467,102	257,852	270,512	221,022	110,706	109,071	114,643
Central Services	-	-	-	-	207,957	246,930	250,283	255,118	294,861	293,294
Plant operations and maintenance	654,839	789,564	693,936	692,800	745,963	966,030	835,820	784,081	952,609	1,288,107
Pupil transportation	182,338	306,069	251,548	249,815	225,170	271,754	237,106	174,193	369,464	422,273
Employee Benefits	1,737,433	1,860,689	1,991,767	2,229,320	2,461,547	2,762,086	2,892,843	3,397,181	3,796,681	4,227,496
Charter Schools	-	-	-	14,850	55,436	46,931	47,778	44,250	13,922	44,579
Capital outlay	124,905	578,366	16,144	33,871	60,197	104,702	6,511,950	4,286,664	1,307,015	2,217,765
Debt Service	3,480	3,480	3,480	3,480	3,480	3,480	3,480	531,178	961,550	754,176
Total expenditures	8,616,055	9,966,406	9,431,252	9,817,931	10,245,806	11,485,521	17,925,862	16,682,247	15,990,527	17,969,474
Excess (Deficiency) of revenues over (under) expenditures	476,177	(517,930)	(11,081)	227,569	330,449	472,272	(5,832,551)	(3,372,102)	(251,030)	(2,867,298)
Other Financing sources (uses)										
Financed Purchases (non-budgeted)	-	-	-	-	-	-	-	-	-	41,387
Bond proceeds	-	-	-	-	-	-	10,935,000	-	-	-
Bond Premium	-	-	-	-	-	-	1,545,000	-	-	-
Transfers in	-	-	-	-	-	-	393,000	-	-	-
Transfers out	-	-	-	-	-	-	(393,000)	-	-	-
Total other financing sources (uses)	-	-	965	-	-	-	12,480,000	-	-	41,387
Net change in fund balances	476,177	(517,930)	(10,116)	227,569	330,449	472,272	6,647,449	(3,372,102)	(251,030)	(2,825,911)
Debt service as a percentage of noncapital expenditures	0.041%	0.037%	0.037%	0.036%	0.034%	0.031%	0.030%	4.477%	7.007%	5.029%

Source: ACFR Schedule B-2

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

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Other	Misc. Refunds	Total
2014	419	122,877	4,588	-	127,884
2015	3,258	159,165	-	11,390	173,813
2016	3,412	81,128	2,847	6,181	93,568
2017	4,286	201,658	11,678	9,416	227,038
2018	-	253,565	64,962	-	318,527
2019	3,684	378,715	157,195	-	539,594
2020	-	376,732	64,565	-	441,297
2021	-	231,768	30,813	-	262,581
2022	-	277,927	73,992	-	351,919
2023	-	412,442	49,178	-	461,620

Source: District Records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2014	7,097,400	564,385,430	-	152,962,525	31,102,600	22,292,400	777,840,355	1,257,313	779,097,668	0.697	859,172,549
2015	7,207,500	564,302,030	-	153,387,425	31,102,600	22,292,400	778,291,955	1,257,313	779,549,268	0.751	842,984,783
2016	6,698,100	565,692,330	-	153,560,925	31,102,600	22,816,100	779,870,055	-	779,870,055	1.000	897,743,910
2017	6,308,400	567,433,330	1,700	153,269,525	29,990,700	22,816,100	779,819,755	92	779,819,847	1.032	842,775,143
2018	6,103,200	567,645,730	1,700	151,240,275	31,694,400	22,816,100	779,501,405	92	779,501,497	1.062	849,574,967
2019	6,556,300	568,187,700	-	151,432,200	36,330,300	22,896,100	785,402,600	92	785,402,692	1.088	817,446,595
2020	5,622,000	568,788,600	-	153,073,300	36,726,200	24,315,600	788,525,700	92	788,525,792	1.162	826,842,253
2021	5,622,000	570,027,400	-	152,901,300	36,881,200	24,315,600	789,747,500	92	789,747,592	1.176	846,420,981
2022	5,491,500	570,738,500	-	153,243,600	36,881,200	25,108,100	791,462,900	92	791,462,992	1.186	859,261,870
2023	5,978,300	571,783,200	-	152,789,600	36,911,200	25,153,100	792,615,400	87	792,615,487	1.168	917,321,536

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

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

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

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

^b Tax rates are per \$100

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

Fiscal Year Ended June 30,	Rockaway Borough Board of Education			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Borough of Rockaway	Regional School District	Morris County	
2014	0.697		0.697	0.769	0.952	0.285	2.703
2015	0.751		0.751	0.799	0.980	0.274	2.804
2016	1.000		1.000	0.810	0.760	0.280	2.850
2017	1.032		1.032	0.824	0.789	0.303	2.948
2018	1.062		1.062	0.849	0.862	0.284	3.057
2019	1.088		1.088	0.867	0.859	0.274	3.088
2020	1.162		1.162	0.881	0.830	0.273	3.146
2021	1.114	0.062	1.176	0.896	0.848	0.282	3.202
2022	1.121	0.065	1.186	0.913	0.848	0.282	3.229
2023	1.119	0.049	1.168	0.930	0.856	0.296	3.250

Source: District Records and Municipal Tax Collector

Note:

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

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

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

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

Taxpayer	2023			2014		
	Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Rockaway Commons, LLC	\$ 12,500,000	1	1.58%	\$ 13,026,250	1	1.67%
Conn. Storage Dept PT NJ 23608	6,704,000	2	0.85%	6,704,000	2	0.86%
Highway Enterprise Inc	5,700,000	3	0.72%	6,400,000	3	0.82%
HS Gardens LLC	4,983,000	4	0.63%	4,983,000	5	0.64%
Withinvestors Rockaway LLC	4,640,000	5	0.59%	4,640,000	6	0.60%
KTB Realty LLC	4,639,900	6	0.59%			
E & W Realty Associates LLC	4,450,500	7	0.56%	4,090,200	8	0.52%
MC Williams Forge Company	4,260,500	8	0.54%	4,250,000	7	0.55%
Moretrench Corp	4,197,400	9	0.53%	4,042,200	9	0.52%
385 Frankline Ave LLC	4,045,200	10	0.51%			
Mc Williams Development Corp				5,212,500	4	0.67%
Roned Realty, LP				4,000,000	10	0.51%
Total	\$ 56,120,500		7.08%	\$ 57,348,150		7.36%

Source: Municipal Tax Assessor's Office.

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	7,347,916	7,347,916	100.00%	-
2015	7,499,347	7,499,347	100.00%	-
2016	7,700,021	7,700,021	100.00%	-
2017	7,900,691	7,900,691	100.00%	-
2018	8,106,108	8,106,108	100.00%	-
2019	8,539,307	8,539,307	100.00%	-
2020	8,539,307	8,539,307	100.00%	-
2021	8,710,093	8,710,093	100.00%	-
2022	8,870,694	8,870,694	100.00%	0
2023	8,866,475	8,866,475	100.00%	

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

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

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

Fiscal Year Ended June 30,	<u>Governmental Activities</u>			Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Capital Leases				
2014	-	20,387		20,387	0.0038%	3.17
2015	-	10,332		10,332	0.0018%	1.61
2016	-	-		-	0.0000%	-
2017	-	-		-	0.0000%	-
2018	-	-		-	0.0000%	-
2019	-	-		-	0.0000%	-
2020	10,935,000	-		10,935,000	1.7131%	1,751.28
2021	10,935,000	-		10,935,000	1.5404%	1,660.09
2022	10,395,000	-		10,395,000	Not available	1,576.91
2023	10,040,000	-		10,040,000	Not available	Not available

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

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

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

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
2014	-	-	-		
2015	-	-	-		
2016	-	-	-		
2017	-	-	-		
2018	-	-	-		
2019	-	-	-		
2020	-	-	-		
2021	10,935,000	-	10,935,000	1.38%	1,660.09
2022	10,395,000	-	10,395,000	1.31%	1,576.91
2023	10,040,000	-	10,040,000	1.27%	***

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

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

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

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

ROCKAWAY BOROUGH BOARD OF EDUCATION
Direct and Overlapping Governmental Activities Debt
As of June 30, 2023
Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding (1)</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Borough of Rockaway	5,218,227	100.000%	5,218,227
Other debt			
Morris County	253,387,955	0.8529%	2,161,192
Rockaway Valley Regional Sewerage Authority	28,259,584	7.666%	2,166,380
Subtotal, overlapping debt			7,379,419
Borough of Rockaway School District Direct Debt			<u>10,040,000</u>
Total direct and overlapping debt			<u>\$ 17,419,419</u>

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

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

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

(1) Debt Information as of December 31, 2022.

ROCKAWAY BOROUGH BOARD OF EDUCATION

Legal Debt Margin Information,

Last Ten Fiscal Years

Unaudited

Legal Debt Margin Calculation for Fiscal Year 2022

Equalized valuation basis	
2020	846,420,889
2021	859,261,778
2022	909,832,050
	<u>2,615,514,717</u>
	\$ 871,838,239
	34,873,530
	10,040,000
	<u>\$ 24,833,530</u>
Legal debt margin	

Fiscal Year Ended June 30,

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 25,922,860	\$ 34,340,134	\$ 25,324,858	\$ 25,714,242	34,299,624	33,987,286	33,987,286	32,965,266	33,641,723	34,873,530
Total net debt applicable to limit	-	-	-	-	-	-	10,935,000	10,935,000	10,395,000	10,040,000
Legal debt margin	<u>25,922,860</u>	<u>34,340,134</u>	<u>25,324,858</u>	<u>25,714,242</u>	<u>34,299,624</u>	<u>33,987,286</u>	<u>23,052,286</u>	<u>22,030,266</u>	<u>23,246,723</u>	<u>24,833,530</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	32.17%	33.17%	30.90%	28.79%

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

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

<u>Year Ended June 30</u>	<u>School District Population ^a</u>	<u>Personal Income in (thousands of dollars) ^b</u>	<u>Per Capita Income ^c</u>	<u>Unemployment Rate ^d</u>
2013	6,460	523,427,960	81,026	7.40%
2014	6,432	542,133,984	84,287	4.80%
2015	6,425	567,314,650	88,298	4.20%
2016	6,431	586,841,612	91,252	4.10%
2017	6,413	599,897,672	93,544	3.50%
2018	6,356	618,082,864	97,244	3.10%
2019	6,272	621,806,080	99,140	2.70%
2020	6,244	638,305,388	102,227	8.40%
2021	6,587	709,861,229	107,767	5.10%
2022	6,592	***	***	3.10%

Source:

^a U.S. Bureau of the Census, Population Division, (Estimates April 1, 2013 to July 1, 2022)

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

^c U.S. Department of Commerce, County Information 2013-2022.

^d N.J. Department of Labor.

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

	2023		2013	
	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>	<u>Rank (Optional)</u>
<u>Employer</u>				<u>Percentage of Total Employment</u>

No data is available to complete this schedule.

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

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Instruction										
Regular	30	34	40	40	42	45	45	47	48	50
Special education	10	22	12	8	10	12	12	13	14	17
Other Instruction	4	5	3	2	2	3	3	3	3	4
Support Services:										
Student & instruction related services	27	20	29	25	30	33	40	42	42	43
General administrative services	3	3	3	3	3	3	3	3	3	3
School administrative services	2	3	2	2	2	2	5	5	5	5
Other administrative services	-	-	-	-	-	-	-	-	-	-
Central Services	3	3	3	3	3	3	4	4	4	4
Administrative Information Technology	-	-	-	1	1	1	1	1	1	1
Plant operations and maintenance	9	9	7	7	7	7	7	7	7	7
Pupil transportation	1	3	3	3	3	3	3	3	2	2
Other support services	-	-	-	-	-	-	-	-	-	-
Total	89	102	102	94	103	112	123	128	129	136

Source: District Budget Records

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

Fiscal Year	Operating Expenditures				Pupil/Teacher Ratio				Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Elementary	Middle School					
2013-2014	623	8,487,670	13,559	6.30%	49.60	24.2	10.3	623.9	598.2	-7.25%	95.88%	
2014-2015	579	9,384,560	16,208	19.54%	46.10	16.5	13.6	579.2	534.9	-7.16%	92.35%	
2015-2016	565	9,411,628	16,658	2.77%	55.00	20.2	16.5	582.9	544.9	0.64%	93.49%	
2016-2017	587	9,780,581	16,662	0.03%	50.00	10.0	14.1	600.5	574.4	3.02%	95.65%	
2017-2018	574	10,182,129	17,739	6.46%	56.00	21.2	15.7	580.3	550.1	-3.36%	94.80%	
2018-2019	561	11,362,558	20,254	14.18%	58.00	20.1	15.3	560.9	528.3	-3.34%	94.19%	
2019-2020	557	11,410,432	20,486	15.48%	57.00	19.1	15.1	551.8	520.0	-1.62%	94.24%	
2020-2021	524	11,864,405	22,642	11.79%	59.00	18.1	14.1	513.9	496.2	-6.87%	96.56%	
2021-2022	542	13,721,963	25,317	23.59%	60.00	19.1	15.1	542.5	501.3	5.57%	92.41%	
2022-2023	557	14,997,533	26,926	18.92%	62.00	18.1	14.1	555.0	533.4	2.30%	96.11%	

Sources: District Records

Note: Enrollment based on annual October district count.

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

J-4 Total Exp minus Cap Outlay & Debt Service

ROCKAWAY BOROUGH BOARD OF EDUCATION

School Building Information

Last Ten Fiscal Years

Unaudited

<u>District Building</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<u>Elementary</u>										
Lincoln School (1912 and 2001 addition plus 5050 sq ft)										
Square Feet	28,464	28,464	28,464	28,464	28,464	28,464	28,464	28,464	33,514	33,514
Capacity (students)	223	223	223	223	223	223	223	223	284	284
Enrollment	261	241	249	237	235	235	235	235	273	281
<u>Middle School</u>										
Thomas Jefferson School (1958)										
Square Feet	42,620	42,620	42,620	42,620	42,620	42,620	42,620	42,620	42,620	42,620
Capacity (students)	378	378	378	378	378	378	378	378	378	378
Enrollment	365	338	334	364	339	339	339	281	270	274
<u>Other</u>										
Field House (1954)										
Square Feet	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Administration Building (1900)										
Square Feet	2,832	2,832	2,832	2,832	2,832	2,832	2,832	2,832	2,832	2,832

Number of Schools at June 30, 2023

Elementary = 1

Middle School = 1

High School = 0

Other = 2

Source: District Facilities Office

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

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

	Project # (s)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
*School Facilities											
Thomas Jefferson Admin Bldg.	N/A	68,296	12,379	14,154	42,569	56,986	68,826	100,811	90,557	117,029	78,714
Lincoln School	N/A	17,181	13,315	15,085	16,687	50,519	115,128	67,327	60,479	103,556	89,157
Whitehouse	N/A	-	-	300	-	7,147	3,299	6,698	6,017	2,537	-
Total School Facilities		85,477	25,694	29,539	59,256	114,652	187,253	174,836	157,053	223,122	167,871

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

**ROCKAWAY BOROUGH BOARD OF EDUCATION
INSURANCE SCHEDULE
June 30, 2023
Unaudited**

	<u>Coverage</u>	<u>Deductible</u>
School Alliance Insurance Fund- Package Policy	20,621,027	
Property- Blanket Building and Contents	Unlimited	\$ 2,500
Boiler and Machinery	100,000,000	2,500
General Liability	5,000,000	
Each Occurance	5,000,000	
General Aggregate	5,000,000	
General Automotive Liability	5,000,000	1,000 PD/2,500 all others
Excess Liability	5,000,000	
NJ School Board Insurance Group- Workers Compensation/Employers Liability	3,000,000	Policy Limit
QBE Insurance Company/U.S Fire Insurance Co. Student Accident Insurance	5,000,000	Total Limit
Surety Bonds		
Treasurer	200,000	
Board Secretary/ Business Administrator	200,000	
School Alliance Insurance Fund- School Board Legal Liability	10,000,000	5,000
NJ Unshared Excess Program over GL, AL, SBL, EPL, EL	30,000,000	
NJ School Board Insurance Group Supplemental Workers Compensation	7 day waiting period	
School Alliance Insurance Fund Cyber Liability		
First Party Coverage	750,000	10,000
Third Party Liability	2,000,000	

Source: District Records

SINGLE AUDIT SECTION



WIELKOTZ & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Borough of Rockway School District, in the County of Morris, New Jersey, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 5, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit on the financial statements, we considered the Borough of Rockway Board of Education's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Rockway Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Rockway Board of Education's internal control.



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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Rockaway Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards or the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

We noted certain matters that were required to be reported to the Board of Education of the Borough of Rockaway School District in the separate Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance dated December 5, 2023.

Purpose of this Report

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

Steven D. Wielkotz

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

Wielkotz & Company, LLC

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

December 5, 2023





WIELKOTZ & COMPANY LLC

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

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Board of Education of the Borough of Rockaway School District in the County of Morris, New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplements* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Borough of Rockaway Board of Education's major federal and state programs for the year ended June 30, 2023. The Borough of Rockaway Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Borough of Rockaway Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal and State Program

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



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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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



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

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

Other Matters

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

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

Report on Internal Control Over Compliance

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

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



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

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

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

Steven D. Wielkocz

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

Wielkocz + Company, LLC

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

December 5, 2023

Rockaway Borough School District
Schedule of Expenditures of Federal Awards
for the Fiscal Year Ending June 30, 2023

Federal Grantor/Pass- Through Grantor/ Program Title	Federal CFDA Number	Federal Award Identification Number (FAIN)	Grant State Project Number	Award Amount	Grant Period From / To	June 30, 2022		June 30, 2023		MEMO Cumulative Total Expenditures
						(Accounts Receivable)	Unearned Revenue	(Accounts Receivable)	Unearned Revenue	
U.S. Department of Agriculture										
Passed - through State Department of Education:										
Enterprise Fund:										
U.S.D.A. Commodities Program	10.550	231NJ304N1099	N/A	13,503	9/1/22-8/31/23	-	106	-	13,728	13,503 *
National School Lunch Program	10.555	221NJ304N1099	N/A	299,976	9/1/21-8/31/22	(23,428)	-	-	23,428	299,976
National School Lunch Program	10.555	231NJ304N1099	N/A	92,148	9/1/22-8/31/23	(531)	-	(5,834)	86,314	92,148
School Breakfast Program	10.553	221NJ304N1099	N/A	5,710	9/1/21-8/31/22	(531)	-	-	5,179	5,710
School Breakfast Program	10.553	231NJ304N1099	N/A	749	9/1/22-8/31/23	-	-	(71)	679	749
Supply Chain Assistance Funding (Round 1 & 2)	10.555	221NJ344N8903	N/A	16,725	9/1/22-8/31/23	-	-	-	29,525	17,334
Supply Chain Assistance Funding (Round 3)	10.555	231NJ344N8903	N/A	9,187	9/1/23-8/31/24	-	-	-	9,187	9,187 *
Total Enterprise Fund						(23,959)	106	(5,905)	163,391	429,420
U.S. Department of Education										
Passed - through State Department of Education:										
Special Revenue Fund:										
Title I - Improving Basic Programs	84.010	S010A210030	ESEA4480-22	73,009	9/1/21-8/31/22	(21,486)	-	-	21,486	-
Title I - Improving Basic Programs	84.010	S010A220030	ESEA4480-23	163,667	9/1/22-8/31/23	(21,486)	-	(162,560)	21,486	36,570
Title II - A - Teacher & Principal Training & Recruiting	84.367	S367A210029	ESEA4480-22	14,798	9/1/21-8/31/22	(3,961)	-	-	3,691	270
Title II - A - Teacher & Principal Training & Recruiting	84.367	S367A220029	ESEA4480-23	29,994	9/1/22-8/31/23	(3,961)	-	(9,134)	-	11,467
Title IV - Student Support and Academic Enrichment	84.424	S424A220031	ESEA4480-23	20,000	9/1/22-8/31/23	-	-	(18,859)	-	2,794
I.D.E.A. Part B, Basic Regular	84.027	H027A210100	IDEA4480-22	171,915	9/1/21-8/31/22	(3,023)	-	-	3,023	-
I.D.E.A. Part B, Basic Regular	84.027	H027A220100	IDEA4480-23	226,565	9/1/22-8/31/23	-	-	(187,765)	-	211,967
I.D.E.A. Part B, Preschool	84.173	H173A220114	IDEA4480-23	16,956	9/1/22-8/31/23	(3,023)	-	(9,912)	3,023	13,180
C.A.R.E.S. - E.S.S.E.R. I	84.425D	S425D200027	N/A	61,787	3/13/20-9/30/22	(910)	-	(11,226)	910	53,817
C.R.R.S.A. - E.S.S.E.R. II	84.425D	S425D200027	N/A	190,354	3/13/20-9/30/23	(3,875)	-	(8,999.85)	30,063	35,188
C.R.R.S.A. - E.S.S.E.R. II - Learning Acceleration	84.425D	S425D200027	N/A	25,000	3/13/20-9/30/23	(1,626)	-	(10,253)	9,943	10,253
A.R.P. - E.S.S.E.R.	84.425U	S425U210027	N/A	427,809	3/13/20-9/30/24	(15,474)	-	(19,840.89)	49,214	53,581
A.R.P. - Accelerated Learning	84.425U	S425U210027	N/A	50,000	3/13/20-9/30/24	-	-	(11,587.00)	10,938	22,525
Total Special Revenue Fund						(50,355)	-	(441,819)	129,268	451,072
Total Federal Financial Awards						(74,314)	106	(447,724)	292,660	880,492

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

ROCKAWAY BOROUGH SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year Ending June 30, 2023

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From / To	June 30, 2022		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	June 30, 2023		MEMO	
				(Accounts Receivable)	Due to Grantor				(Accounts Receivable)	Due to Grantor at	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:												
General Fund:												
Categorical Special Education Aid	495-034-5120-089	476,643	7/1/22-6/30/23	-	-	429,072	(476,643)	-	-	-	(47,571)*	476,643
Equalization Aid	495-034-5120-078	1,171,643	7/1/22-6/30/23	-	-	1,054,707	(1,171,643)	-	-	-	(116,936)*	1,171,643
Categorical Security Aid	495-034-5120-084	74,022	7/1/22-6/30/23	-	-	66,634	(74,022)	-	-	-	(7,388)*	74,022
Maintenance of Equity - State Aid	495-034-5120-125	798,798	7/1/22-6/30/23	(798,798)	-	798,798	(798,798)	-	-	-	-	798,798
State Aid - Public Cluster												
Transportation Aid	495-034-5120-014	60,781	7/1/22-6/30/23	-	-	54,715	(60,781)	-	-	-	(6,066)*	60,781
Extraordinary Special Education Aid	495-034-5120-044	194,771	7/1/21-6/30/22	(194,771)	-	194,771	-	-	-	-	-	194,771
Extraordinary Special Education Aid	495-034-5120-044	125,039	7/1/22-6/30/23	-	-	-	(125,039)	-	-	(125,039)	-	125,039
Nonpublic Transportation Aid	495-034-5120-014	4,060	7/1/21-6/30/22	(4,060)	-	4,060	-	-	-	-	-	4,060
Nonpublic Transportation Aid	495-034-5120-014	4,318	7/1/22-6/30/23	-	-	-	(4,318)	-	-	(4,318)	-	4,318
Lead Testing Reimbursement	495-034-5120-104	1,206	7/1/22-6/30/23	-	-	1,206	(1,206)	-	-	-	-	1,206
On-Behalf TPAF Pension	495-034-5094-002	1,576,926	7/1/22-6/30/23	-	-	1,576,926	(1,576,926)	-	-	-	-	1,576,926
On-Behalf TPAF NCGI Premium	495-034-5094-004	21,878	7/1/22-6/30/23	-	-	21,878	(21,878)	-	-	-	-	21,878
On-Behalf TPAF Post Retirement Medical	495-034-5094-001	420,002	7/1/22-6/30/23	-	-	420,002	(420,002)	-	-	-	-	420,002
On-Behalf TPAF Long-term Disability	495-034-5094-002	806	7/1/22-6/30/23	-	-	806	(806)	-	-	-	-	806
Reimbursed T.P.A.F. - Social Security	495-034-5094-003	317,480	7/1/21-6/30/22	(15,650)	-	15,650	-	-	-	(63,610)	-	347,328
Reimbursed T.P.A.F. - Social Security	495-034-5094-003	347,328	7/1/22-6/30/23	(1,013,279)	-	4,952,942	(5,079,390)	-	-	(162,967)	(177,961)*	4,479,423
Total General Fund												
Debt Service Fund:												
Debt Service Aid - Type II	495-034-5120-017	239,354	7/1/22-6/30/23	-	-	239,354	(239,354)	-	-	-	-	239,354
Total Debt Service Fund		239,354		-	-	239,354	(239,354)	-	-	-	-	239,354
Capital Projects Fund:												
New Jersey School Development Auth.	SP4480-060-14-1002	143,436	7/1/14-6/30/15	(39,815)	-	-	-	-	-	(39,815)	-	143,436
Total Capital Projects Fund		143,436		(39,815)	-	-	-	-	-	(39,815)	-	143,436
Special Revenue Fund:												
N.J. Nonpublic:												
Textbook Aid	100-034-5120-064	13,398	7/1/22-6/30/23	-	-	13,398	(13,398)	-	-	-	-	11,044
Nursing Services	100-034-5120-070	22,848	7/1/22-6/30/23	-	-	22,848	(22,848)	-	-	-	-	20,720
Technology	100-034-5120-373	8,526	7/1/22-6/30/23	-	-	8,526	(8,526)	-	-	-	-	7,728
Security Aid	100-034-5120-509	58,835	7/1/22-6/30/23	-	-	58,835	(58,835)	-	-	-	-	34,630
Auxiliary Services:												
Compensatory Education	100-034-5120-067	53,748	7/1/21-6/30/22	-	6,629	64,240	-	6,629	-	15,813	-	47,119
Compensatory Education	100-034-5120-067	64,240	7/1/22-6/30/23	-	-	-	(48,427)	-	-	-	-	49,073
Handicapped Services:												
Supplemental Instruction	100-034-5120-066	16,520	7/1/21-6/30/22	-	3,634	18,998	-	3,634	-	-	-	12,886
Supplemental Instruction	100-034-5120-066	18,998	7/1/22-6/30/23	-	-	-	(13,464)	-	-	5,534	-	12,365
Examination and Classification	100-034-5120-066	24,266	7/1/21-6/30/22	-	10,411	23,886	-	10,411	-	-	-	13,855
Examination and Classification	100-034-5120-066	23,886	7/1/22-6/30/23	-	-	23,886	(18,388)	-	-	5,498	-	19,322
Corrective Speech	100-034-5120-066	13,020	7/1/21-6/30/22	-	5,580	10,230	-	5,580	-	1,674	-	7,440
Corrective Speech	100-034-5120-066	10,230	7/1/22-6/30/23	-	-	220,961	(192,441)	-	-	28,520	-	6,836
Total Special Revenue Fund		262,554		(1,053,633)	26,254	5,417,936	(5,515,609)	26,254	(203,067)	28,520	(177,961)*	5,149,108
State Department of Agriculture												
Enterprise Fund:												
State School Lunch Program	100-010-3350-023	7,057	7/1/21-6/30/22	(539)	-	539	-	-	-	-	-	7,057
State School Lunch Program	100-010-3350-023	4,397	7/1/22-6/30/23	-	-	4,113	(4,397)	-	-	(284)	-	4,397
State School Breakfast Program	100-010-3350-023	28	7/1/22-6/30/23	-	-	27	(28)	-	-	(1)	-	28
Total Enterprise Fund		28		(539)	-	4,679	(4,424)	-	-	(284)	-	11,482
TOTAL STATE FINANCIAL ASSISTANCE				(1,053,633)	26,254	5,417,936	(5,515,609)	26,254	(203,067)	28,520	(177,961)*	5,149,108
Less: On-Behalf TPAF Pension And Annuity Aid:												
On-Behalf TPAF Pension	495-034-5094-002	1,576,926	7/1/22-6/30/23	-	-	1,576,926	(1,576,926)	-	-	-	-	1,576,926
On-Behalf TPAF NCGI Premium	495-034-5094-004	21,878	7/1/22-6/30/23	-	-	21,878	(21,878)	-	-	-	-	21,878
On-Behalf TPAF Post Retirement Medical	495-034-5094-001	420,002	7/1/22-6/30/23	-	-	420,002	(420,002)	-	-	-	-	420,002
On-Behalf TPAF Long-term Disability	495-034-5094-002	806	7/1/22-6/30/23	-	-	806	(806)	-	-	-	-	806
TOTAL FOR STATE FINANCIAL ASSISTANCE MAJOR PROGRAM DETERMINATION				(1,053,633)	26,254	3,398,324	(3,495,997)	26,254	(203,067)	28,520	(177,961)*	3,129,496

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

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

NOTE 3. RELATIONSHIP TO GENERAL-PURPOSE FINANCIAL STATEMENTS

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

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

NOTE 3. RELATIONSHIP TO GENERAL-PURPOSE FINANCIAL STATEMENTS

(continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(50,504) for the general fund and \$(6,898) for the special revenue fund. See Note for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

Additionally, as discussed further in Note 6, the State of New Jersey makes contributions on-behalf of the District for TPAF post-retirement medical and pension contributions. The total amount of these contributions during 2023 fiscal year was \$2,019,612.

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$4,222,088	\$4,222,088
Special Revenue Fund	513,835	192,441	706,276
Debt Service	-	239,354	239,354
Food Service	<u>145,337</u>	<u>4,424</u>	<u>149,761</u>
 Total Awards and Financial Assistance	 <u>\$659,172</u>	 <u>\$4,658,307</u>	 <u>\$5,317,479</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

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

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2023. The amount reported as TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2023.

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

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

NOTE 7. SCHOOLWIDE PROGRAM FUNDS

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

<u>Program</u>	<u>Total</u>
Title I, Part A: Grants to Local Educational Agencies	\$162,560
Title II, Part A: Improving Teacher Quality State Grants	8,864
Title IV, Safe and Drug Free Schools	<u>18,859</u>
Total	<u>\$190,283</u>

NOTE 8. INDIRECT COST RATE

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

**BOROUGH OF ROCKAWAY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- 1) Material weakness(es) identified? yes X no
2) Significant deficiencies identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

N/A

**BOROUGH OF ROCKAWAY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(continued)**

Section I - Summary of Auditor's Results, (continued)

State Awards Section

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? X yes no

Internal Control over major state programs:

- 1) Material weakness(es) identified? yes X no
- 2) Significant deficiencies identified that are not
 Considered to be material weaknesses? X yes none reported

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

Any audit findings disclosed that are required to be reported
in accordance with NJ OMB Circular letter 15-08, as applicable? X yes no

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
23-495-034-5120-089	State Aid Public Cluster:
23-495-034-5120-084	Special Education Aid
23-495-034-5120-078	Security Aid
23-495-034-5120-128	Equalization Aid
23-495-034-5120-075	Maintenance and Equity
	Debt Service Aid

**BOROUGH OF ROCKAWAY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(continued)**

Section II - Schedule of Financial Statement Findings

NONE

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs

Finding 2023-001:

Our audit of the Districts State Aid Public grant revealed that the year end June Board Secretary report was submitted to the County after the submission deadline of August 1st.

State Program Information:

State Aid – Public

Equalization Aid – 495-034-5120-089

Categorical Special Education Aid – 495-034-5120-078

Security Aid – 495-034-5120-084

Maintenance of Equity Aid – 495-034-5120-075

Criteria or Specific Requirement:

State Grant Compliance Supplement – N.J.S.A. 18A:17-36

Condition:

Per the State Grant Compliance Supplement and N.J.S.A. 18A:17-36 it is stated that the District, no later than August 1st of each year, shall render an annual report showing the amounts received and disbursed for school purposes during said year, a duplicate whereof shall be filed with the county superintendent, and shall also report to the County superintendent in the manner and form prescribed by the commissioner. Per testwork performed, it was noted that the District submitted the year-end report on October 17th.

Questioned Cost:

Undeterminable

Context:

The year-end Board Secretary report was submitted to the County on October 17th when it should have been submitted prior to August 1st.

**BOROUGH OF ROCKAWAY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(continued)**

*Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs
(continued)*

Effect:

It appears that the District is not in compliance with the State Grant Compliance Supplement and N.J.S.A. 18A:17-36.

Cause:

It appears that this was a clerical error.

Recommendation:

That the year-end Board Secretary report be submitted on time.

View of Responsible Officials and Planned Corrective Action:

The Business Administrator will submit the Board Secretary's and Treasurer's reports to the Executive County Superintendent prior to the August 1st submission due date.

**BOROUGH OF ROCKAWAY SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Status of Prior Year Findings

None