

SCHOOL DISTRICT  
OF  
ROCKAWAY TOWNSHIP

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

Annual Comprehensive Financial Report  
For the Fiscal Year Ended June 30, 2023

# Annual Comprehensive Financial Report

of the

Rockaway Township School District  
Board of Education

Rockaway Township, New Jersey

For the Fiscal Year Ended June 30, 2023

Prepared by

Rockaway Township School District  
Board of Education

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
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INTRODUCTORY SECTION  
(UNAUDITED)



# ROCKAWAY TOWNSHIP PUBLIC SCHOOLS

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

November 8, 2023

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

Dear Honorable President, Board Members, and Citizens:

The annual comprehensive financial report of the Rockaway Township School District (the “District”) for the fiscal year ended June 30, 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 Rockaway Township Board of Education (the “Board”). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

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

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

2. ENROLLMENT: The District completed the 2022-2023 fiscal year with an enrollment of 2,418, which is a/an increase 34 students or 1% from the previous year's enrollment. The projected enrollment for 2023-2024 fiscal year is 2,433 students. While nationally, Charter Schools have become popular, the district has seen limited use of this alternative education source having just 14 students the charter school option in the 2022-2023 school year.
3. SCHOOL BUILDINGS AND CAPITAL IMPROVEMENTS: The District's buildings were built in the following years: Birchwood (1958), Catherine A. Dwyer (1971), Dennis B. O'Brien (1953) , Katherin D. Malone (1952), and Stony Brook Elementary Schools (1962) and Copeland Middle School (1969). The District's board office building was built in 1940 and the Bus Garage was built in 1970.
4. ECONOMIC CONDITION AND OUTLOOK: The District relies on local property taxes and state aid to support its budget. In the 2022-2023 school year, the District saw a slight increase in state aid but the predominant source to support its budget is local property taxes.

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

5. MAJOR INITIATIVES: During the 2022-2023 school year, the replacement of windows and HVAC system at Dennis B. O'Brien Elementary School was completed as well as a significant portion of work on the filtration system at Katherine D. Malone school which remains pending. We anticipate that the KDM project will be completed during the 2023-2024/2024-2025 school year depending upon current analysis that is in process. The district also completed a parking lot paving project in 2023 for Dwyer, KDM, CMS, and Birchwood schools. The district is planning to complete roof replacements at KDM, CMS, and Birchwood schools in the 2024-25 school year.
6. CURRICULUM OFFERINGS: The Rockaway Township Curriculum Department has been working to streamline all district curriculum in a cohesive manner with a focus on student engagement, social emotional learning, and updated NJSL standards. The K-3 Language Arts Curriculum will focus on Science of Reading with a transition in Grades 4 through 8 to a Workshop Model. District Math Instruction will once again be based on hands-on discovery based learning through the Conquer Math Model. The district math and language arts teachers will once again leverage the iReady platform and include it as part of the instructional program during the school day. The district will continue to develop programming in STEAM and the Performing Arts to provide students with opportunities that extend beyond traditional education.
7. INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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



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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as fund balance restrictions, commitments and assignments at June 30, 2023.

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

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

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

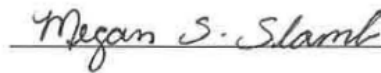
9. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under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

10. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property, contents, and fidelity bonds. The Board oversees risk management for the District. A schedule of insurance coverage is found on J-20.
11. OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey’s OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The Auditors’ Report on the basic financial statements and specific required supplementary information are included in the financial section of this report. The Auditors’ Reports related specifically to the single audit and *Government Auditing Standards* are included in the single audit section of this report.
12. ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Rockaway Township School Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

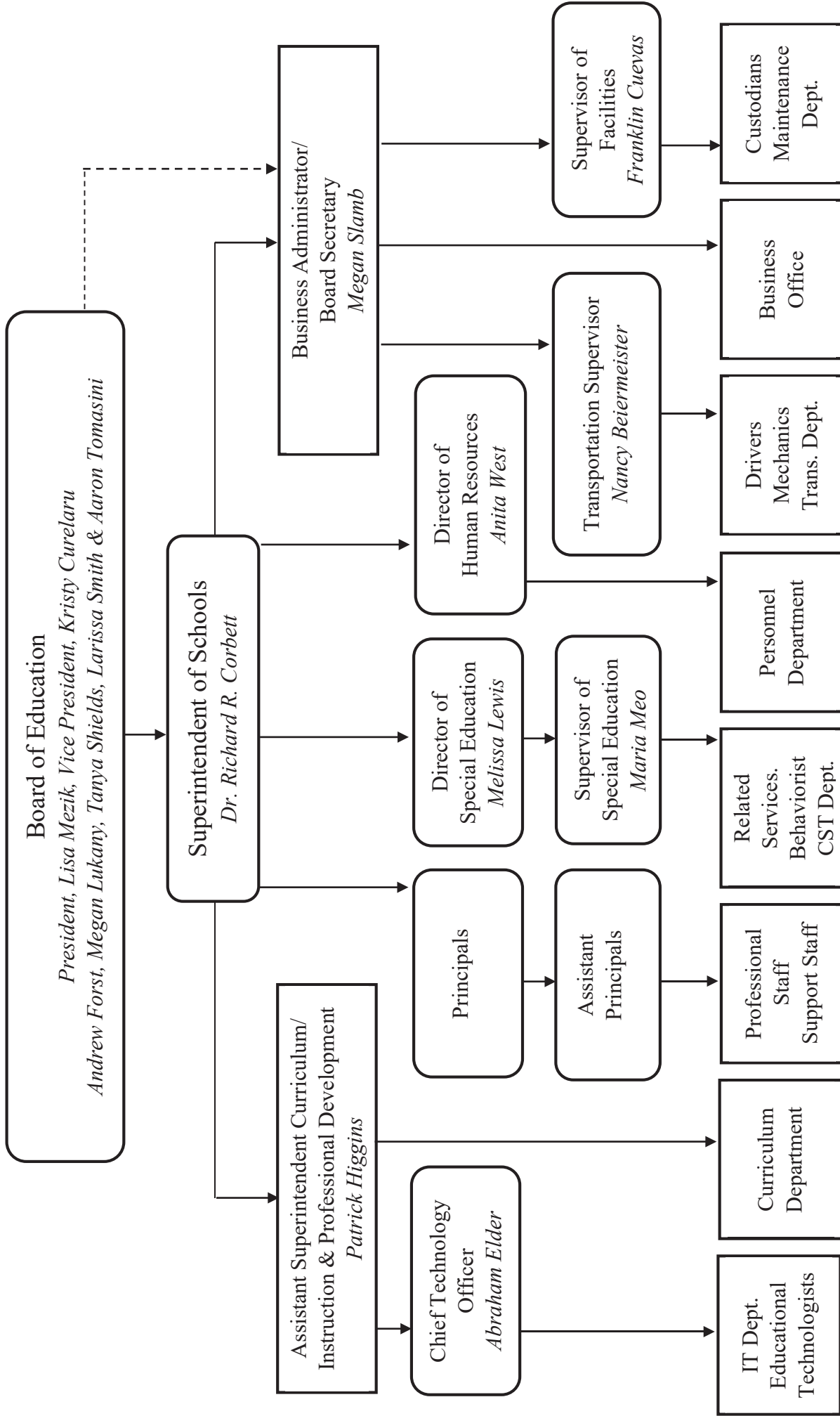


Richard R. Corbett, Ed. D.  
Superintendent



Megan Slamb  
Business Administrator/Board Secretary

Rockaway Township Public Schools  
Organizational Chart for School Year 2022-2023



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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
ROSTER OF OFFICIALS  
YEAR ENDED JUNE 30, 2023

Members of the Board of Education

Term Expires

Lisa Mezik - President	2023
Larissa Smith	2024
Noel Anderson	2023
Kristy Curelaru	2025
Andrew Frost	2023
Tanya Shields	2024
Dr. Aaron Tomasini	2025

Other Officials

Title

Richard R. Corbett, Ed.D.	Superintendent of Schools
Rachel DeCarlo	Business Administrator / Board Secretary (through August 2022)
James Olobardi	Interim Business Administrator / Board Secretary (through October 2022)
Megan Slamb	Business Administrator / Board Secretary (from October 2022)
Lisa Palmieri	Treasurer of School Monies

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT**  
**CONSULTANTS AND ADVISORS**  
**YEAR ENDED JUNE 30, 2023**

**Audit Firm**

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

**Attorney**

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

**Official Depository**

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

FINANCIAL SECTION

## Independent Auditors' Report

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

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

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Rockaway Township School District (the "District"), in the County of Morris, as of and for the fiscal year ended June 30, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the District, as of June 30, 2023, and the respective changes in financial position, and, where applicable cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

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

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

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

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

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

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

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

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

***Required Supplementary Information***

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



***Supplementary Information***

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

***Other Information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

November 8, 2023  
Mount Arlington, New Jersey

*Nisivoccia LLP*  
NISIVOCCIA LLP

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

REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2023**

The discussion and analysis of the Rockaway Township School District’s financial performance provides an overall review of the District’s financial activities for the fiscal year ended June 30, 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 basic financial statements and notes to enhance their understanding of the District’s financial performance.

**Overview of the Financial Statements**

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

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

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

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

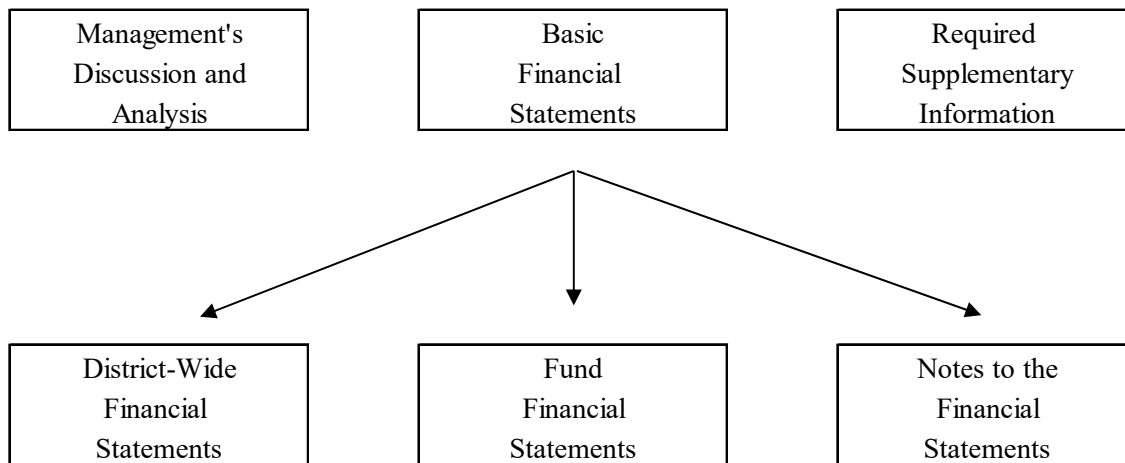


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents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

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

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

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

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

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

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

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

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

## ***Fund Financial Statements***

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

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

The District has two kinds of funds:

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

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

## Financial Analysis of the District as a Whole

*Net Position.* The District's combined net position increased by \$1,710,617. Net position from governmental activities increased by \$1,807,092 and net position from business-type activities decreased by \$96,475. Net investment in capital assets increased by \$1,437,419, restricted net position decreased by \$953,773 and unrestricted net position increased by \$1,226,971.

**Figure A-3**  
**Condensed Statement of Net Position**

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change 2022-2023
	2023	2022	2023	2022	2023	2022	
Current and Other Assets	\$ 17,045,297	\$ 18,555,252	\$ 420,094	\$ 514,795	\$ 17,465,391	\$ 19,070,047	
Capital Assets, Net	28,332,921	27,648,848	142,412	142,844	28,475,333	27,791,692	
Total Assets	45,378,218	46,204,100	562,506	657,639	45,940,724	46,861,739	-1.97%
Deferred Outflows of Resources	1,399,468	1,000,371			1,399,468	1,000,371	39.89%
Other Liabilities	1,181,505	1,293,712	147,316	145,974	1,328,821	1,439,686	
Long-Term Liabilities	13,214,557	11,691,885			13,214,557	11,691,885	
Total Liabilities	14,396,062	12,985,597	147,316	145,974	14,543,378	13,131,571	10.75%
Deferred Inflows of Resources	2,177,794	5,822,136			2,177,794	5,822,136	-62.59%
Net Position:							
Net Investment in							
Capital Assets	26,852,852	25,415,001	142,412	142,844	26,995,264	25,557,845	
Restricted	11,445,865	12,399,638			11,445,865	12,399,638	
Unrestricted/(Deficit)	(8,094,887)	(9,417,901)	272,778	368,821	(7,822,109)	(9,049,080)	
Total Net Position	\$ 30,203,830	\$ 28,396,738	\$ 415,190	\$ 511,665	\$ 30,619,020	\$ 28,908,403	5.92%

*Changes in Net Position.* The District's combined net position was \$30,619,020 on June 30, 2023, \$1,710,617 or 5.92% more than the previous year (See Figure A-3). Net investment in capital assets increased mainly due to capital assets additions, paydown of principal for bonds payable and financed purchases and amortization of bond premium; offset by capital assets depreciation. Restricted net position decreased primarily due to decreases in the capital reserve and excess surplus. Unrestricted net position increased primarily due to the net change in net pension liability and related deferred outflows and inflows of resources; offset by a decrease in compensated absences payable.

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

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2023	2022	2023	2022	2023	2022	
Revenue:							
Program Revenue:							
Charges for Services	\$ 375,048	\$ 330,561	\$ 523,647	\$ 77,342	\$ 898,695	\$ 407,903	
Operating Grants and Contributions	11,484,220	15,355,481	367,013	1,164,791	11,851,233	16,520,272	
General Revenue:							
Property Taxes	49,253,616	48,431,627			49,253,616	48,431,627	
Unrestricted Federal and State Aid	1,388,658	1,759,204			1,388,658	1,759,204	
Other	547,931	164,695	37	16	547,968	164,711	
Total Revenue	<u>63,049,473</u>	<u>66,041,568</u>	<u>890,697</u>	<u>1,242,149</u>	<u>63,940,170</u>	<u>67,283,717</u>	-4.97%
Expenses:							
Instruction	35,175,558	37,280,603			35,175,558	37,280,603	
Tuition	1,296,746	492,387			1,296,746	492,387	
Pupil and Instruction Services	11,329,654	11,295,970			11,329,654	11,295,970	
Administrative and Business	5,133,401	4,721,515			5,133,401	4,721,515	
Maintenance and Operations	5,122,633	4,536,428			5,122,633	4,536,428	
Transportation	2,965,404	3,108,825			2,965,404	3,108,825	
Other	218,985	100,186	987,172	974,317	1,206,157	1,074,503	
Total Expenses	<u>61,242,381</u>	<u>61,535,914</u>	<u>987,172</u>	<u>974,317</u>	<u>62,229,553</u>	<u>62,510,231</u>	-0.45%
Change in Net Position	1,807,092	4,505,654	(96,475)	267,832	1,710,617	4,773,486	-64.16%
Beginning Net Position	28,396,738	\$ 23,891,084	511,665	243,833	28,908,403	24,134,917	
Ending Net Position	<u>\$ 30,203,830</u>	<u>\$ 28,396,738</u>	<u>\$ 415,190</u>	<u>\$ 511,665</u>	<u>\$ 30,619,020</u>	<u>\$ 28,908,403</u>	5.92%

***Governmental Activities***

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

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

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

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

	Total Cost of Services		Net Cost of Services	
	2023	2022	2023	2022
Instruction	\$ 35,175,558	\$ 37,280,603	\$ 26,481,024	\$ 25,126,114
Tuition	1,296,746	492,387	670,062	492,387
Pupil & Instruction Services	11,329,654	11,295,970	9,780,980	9,110,592
Administrative and Business	5,133,401	4,721,515	4,846,108	4,270,375
Maintenance & Operations	5,122,633	4,536,428	5,072,484	4,365,795
Transportation	2,965,404	3,108,825	2,313,470	2,384,423
Other	218,985	100,186	218,985	100,186
<b>Total</b>	<b>\$ 61,242,381</b>	<b>\$ 61,535,914</b>	<b>\$ 49,383,113</b>	<b>\$ 45,849,872</b>

**Business-Type Activities**

Net position from the District’s business-type activities decreased by \$96,475. (Refer to Figure A-4). Factors contributing to this included:

- Food services net position decreased by \$105,913 due to the decrease in subsidy reimbursements as free meals were no longer provided to all students since the District’s participation in the Seamless Summer Option program ended as of June 30, 2022 and expenses remaining comparable to the prior year.
- Summer enrichment net position increased by \$1,605 due to normal operations.
- After school net position increased by \$7,833 due to increased participation as Dennis B. O’Brien School was added to the program.

**Financial Analysis of the District’s Funds**

The District’s financial position remains strong despite changes in the student population and the rising cost of fixed obligations. Rising salaries and health benefit costs have and continue to put a strain on the District’s budget. The District’s participation in several insurance pools has helped stabilize insurance rates.

**General Fund Budgetary Highlights**

Over the course of the year, the District revised the annual operating budget several times. These budget amendments were made up of changes made within budgetary line items for changes in school-based needs for programs, supplies salaries, and legal and other professional services. Overall, the District’s budget increased \$58,347 due to a Board approved withdrawal from the capital reserve during the fiscal year. The District is required to report revenue and offsetting expenditures for TPAF benefits paid by NJDOE on behalf of the District. These amounts are not budgeted and are required to be presented as excess revenue and expenditures without appropriations.



## Capital Assets

**Figure A-6**

**Capital Assets (net of depreciation)**

	Governmental Activities		Business-Type Activities		Total School District		Percentage Change 2022-2023
	2023	2022	2023	2022	2023	2022	
Land	\$ 3,242,866	\$ 3,242,866			\$ 3,242,866	\$ 3,242,866	
Construction in Progress	704,173	692,048			704,173	692,048	
Site Improvements	1,624,230	1,670,790			1,624,230	1,670,790	
Buildings & Building Improvements	20,584,323	20,018,531			20,584,323	20,018,531	
Furniture, Machinery and Equipment	2,177,329	2,024,613	\$ 142,412	\$ 142,844	2,319,741	2,167,457	
<b>Total</b>	<b>\$ 28,332,921</b>	<b>\$ 27,648,848</b>	<b>\$ 142,412</b>	<b>\$ 142,844</b>	<b>\$ 28,475,333</b>	<b>\$ 27,791,692</b>	<b>2.46%</b>

The \$683,641 increase in capital assets was attributable to \$1,983,581 in additions (\$1,965,968 from its governmental activities, which included the window replacements, HVAC upgrades, two new buses and a bus radio system, and \$17,613 from its business-type activities for the acquisition of cafeteria equipment); offset by \$1,299,940 in current year depreciation (\$1,281,895 from its governmental and \$18,045 from its business-type activities) during the year. (More detailed information about the District's capital assets is presented in Note 8 to the financial statements.)

## Long Term Liabilities

The District's long-term liabilities increased by \$1,522,672 or 13.02% - as shown in Figure A-7. (More detailed information about the District's long-term liabilities is presented in Note 9 to the financial statements.)

**Figure A-7**

**Outstanding Long-Term Liabilities**

	Total School District		Percentage Change 2022-2023
	2023	2022	
General Obligation Bonds (Financed with Property Taxes)	\$ 1,140,000	\$ 1,675,000	
Net Pension Liability	10,011,269	7,808,708	
Compensated Absences	1,723,219	1,589,955	
Financed Purchases	326,721	558,847	
Unamortized Bond Issuance Premium	13,348	59,375	
<b>Total</b>	<b>\$ 13,214,557</b>	<b>\$ 11,691,885</b>	<b>13.02%</b>

- The District continued to pay down its bonded debt, retiring \$535,000 of outstanding bonds.
- Net pension liability increased by \$2,202,561.
- Compensated absences payable had a net increase of \$133,264.
- The District paid down \$232,126 in financed purchases principal.
- The District amortized \$46,027 of bond issuance premiums.

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

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

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

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

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2023

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 7,036,978	\$ 387,789	\$ 7,424,767
Investments	314,213		314,213
Receivables from State Government	849,307	1,255	850,562
Receivables from Federal Government	474,788	22,622	497,410
Receivables from Other Governments	4,000		4,000
Inventories		8,428	8,428
Restricted Cash and Cash Equivalents	8,366,011		8,366,011
Capital Assets, Net:			
Sites and Construction in Progress	3,947,039		3,947,039
Depreciable Site Improvements, Buildings and Building Improvements, Furniture, and Machinery and Equipment	24,385,882	142,412	24,528,294
Total Assets	45,378,218	562,506	45,940,724
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows Related to Pensions	1,399,468		1,399,468
Total Deferred Outflows of Resources	1,399,468		1,399,468
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	1,163,340	46,443	1,209,783
Payable to State Government	2,026		2,026
Payable to Federal Government	939		939
Accrued Interest Payable	15,200		15,200
Unearned Revenue		100,873	100,873
Noncurrent Liabilities:			
Due Within One Year	751,678		751,678
Due Beyond One Year	12,462,879		12,462,879
Total Liabilities	14,396,062	147,316	14,543,378
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows Related to Pensions	2,177,794		2,177,794
Total Deferred Inflows of Resources	2,177,794		2,177,794
<u>NET POSITION</u>			
Net Investment in Capital Assets	26,852,852	142,412	26,995,264
Restricted for:			
Capital Projects	7,506,736		7,506,736
Maintenance	200,000		200,000
Emergency	50,000		50,000
Excess Surplus	3,079,854		3,079,854
Unemployment Compensation	530,437		530,437
Student Activities	78,838		78,838
Unrestricted/(Deficit)	(8,094,887)	272,778	(7,822,109)
Total Net Position	\$ 30,203,830	\$ 415,190	\$ 30,619,020

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental Activities:</b>						
<b>Instruction:</b>						
Regular	\$ 23,665,396	\$ 47,125	\$ 4,024,215	\$ (19,594,056)		\$ (19,594,056)
Special Education	9,630,613	146,907	4,166,072	(5,317,634)		(5,317,634)
Other Special Instruction	1,797,185		310,215	(1,486,970)		(1,486,970)
School Sponsored	82,364			(82,364)		(82,364)
<b>Support Services:</b>						
Tuition	1,296,746		626,684	(670,062)		(670,062)
Student and Instruction Related Services	11,329,654	105,049	1,443,625	(9,780,980)		(9,780,980)
General Administrative Services	1,035,816			(1,035,816)		(1,035,816)
School Administrative Services	2,421,355		287,293	(2,134,062)		(2,134,062)
Central Services	877,480			(877,480)		(877,480)
Administrative Information Technology	798,750			(798,750)		(798,750)
Plant Operations and Maintenance	5,122,633		50,149	(5,072,484)		(5,072,484)
Pupil Transportation	2,965,404	75,967	575,967	(2,313,470)		(2,313,470)
Transfer of Funds to Charter School	214,015			(214,015)		(214,015)
Interest on Long-Term Debt	3,140			(3,140)		(3,140)
Capital Outlay	1,830			(1,830)		(1,830)
<b>Total Governmental Activities</b>	<b>61,242,381</b>	<b>375,048</b>	<b>11,484,220</b>	<b>(49,383,113)</b>		<b>(49,383,113)</b>
<b>Business-Type Activities:</b>						
Food Service	936,164	463,202	367,013		\$ (105,949)	(105,949)
Summer Enrichment	24,786	26,390			1,604	1,604
After Care	26,222	34,055			7,833	7,833
<b>Total Business-Type Activities</b>	<b>987,172</b>	<b>523,647</b>	<b>367,013</b>		<b>(96,512)</b>	<b>(96,512)</b>
<b>Total Primary Government</b>	<b>\$ 62,229,553</b>	<b>\$ 898,695</b>	<b>\$ 11,851,233</b>	<b>(49,383,113)</b>	<b>(96,512)</b>	<b>(49,479,625)</b>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenue:			
Property Taxes, Levied for General Purposes	\$ 48,807,345	\$	48,807,345
Taxes Levied for Debt Service	446,271		446,271
Federal, State and Local Aid not Restricted	1,388,658		1,388,658
Interest Earnings	5,985	\$ 37	6,022
Miscellaneous Income	541,946		541,946
	51,190,205	37	51,190,242
Total General Revenues			
	1,807,092	(96,475)	1,710,617
Change in Net Position			
Net Position - Beginning	28,396,738	511,665	28,908,403
Net Position - Ending	\$ 30,203,830	\$ 415,190	\$ 30,619,020

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

FUND FINANCIAL STATEMENTS



ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 7,009,328		\$ 27,650		\$ 7,036,978
Investments	314,213				314,213
Interfund Receivable	446,351				446,351
Receivables From Federal Government		\$ 474,788			474,788
Receivables From State Government	849,307				849,307
Receivables From Other Government	4,000				4,000
Restricted Cash and Cash Equivalents	8,287,173	78,838			8,366,011
<b>Total Assets</b>	<b>\$ 16,910,372</b>	<b>\$ 553,626</b>	<b>\$ 27,650</b>	<b>\$ -0-</b>	<b>\$ 17,491,648</b>
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>Liabilities:</b>					
Payable to Federal Government		\$ 939			\$ 939
Payable to State Government		2,026			2,026
Accounts Payable	\$ 320,363	25,472			345,835
Interfund Payable		446,351			446,351
<b>Total Liabilities</b>	<b>320,363</b>	<b>474,788</b>			<b>795,151</b>
<b>Fund Balances:</b>					
<b>Restricted:</b>					
Excess Surplus for 2024-2025	929,854				929,854
Excess Surplus for 2023-2024	2,150,000				2,150,000
Capital Reserve	7,506,736				7,506,736
Maintenance Reserve	200,000				200,000
Emergency Reserve	50,000				50,000
Unemployment Compensation	530,437				530,437
Student Activities		78,838			78,838
Committed			\$ 27,650		27,650
<b>Assigned:</b>					
Designated for Subsequent Year's					
Expenditures	2,296,770				2,296,770
Other Purposes	1,351,526				1,351,526
Unassigned	1,574,686				1,574,686
<b>Total Fund Balances</b>	<b>16,590,009</b>	<b>78,838</b>	<b>27,650</b>		<b>16,696,497</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 16,910,372</b>	<b>\$ 553,626</b>	<b>\$ 27,650</b>	<b>\$ -0-</b>	<b>\$ 17,491,648</b>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023

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

Total Fund Balances - Governmental Funds (Previous Page)	\$ 16,696,497
Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds.	28,332,921
Long-Term Liabilities, including Bonds Payable, Compensated Absences Payable and Financed Purchases Payable, are not due and payable in the current period and therefore are not reported as liabilities in the Funds.	(3,189,940)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(15,200)
Bond Premiums are reported as revenue in the Governmental Funds.	(13,348)
The Net Pension Liability for PERS is not due and payable in the current period and is not reported in the Governmental Funds.	(10,011,269)
District contributions subsequent to the measurement date are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in the accounts payable in the Statement of Net Position.	(817,505)
Certain amounts related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not reported in the Governmental Funds:	
Deferred Outflows	1,399,468
Deferred Inflows	<u>(2,177,794)</u>
Net Position of Governmental Activities	<u><u>\$ 30,203,830</u></u>

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 48,807,345			\$ 446,271	\$ 49,253,616
Tuition from Individuals	47,125				47,125
Tuition from Other LEAs	146,907				146,907
Transportation Fees from Individuals	900				900
Transportation Fees from Other LEAs	75,067				75,067
Interest on Capital Reserve	5,985				5,985
Restricted Miscellaneous Revenue		\$ 105,049			105,049
Unrestricted Miscellaneous Revenue	541,946	24,617			566,563
Total - Local Sources	49,625,275	129,666		446,271	50,201,212
State Sources	16,180,912	1,109		145,029	16,327,050
Federal Sources	443,442	1,387,825			1,831,267
Total Revenue	66,249,629	1,518,600		591,300	68,359,529
EXPENDITURES					
Current:					
Regular Instruction	15,407,183	455,210			15,862,393
Special Education Instruction	6,401,431				6,401,431
Other Special Instruction	1,168,845				1,168,845
School Sponsored/Other Instruction	74,636				74,636
Support Services and Undistributed Costs:					
Tuition	670,062	626,684			1,296,746
Student & Instruction Related Services	8,001,216	444,380			8,445,596
General Administrative Services	903,927				903,927
School Administrative Services	1,722,273				1,722,273
Central Services	723,748				723,748
Administration Information Technology	715,335				715,335
Plant Operations and Maintenance	4,532,040				4,532,040
Pupil Transportation	2,937,863				2,937,863
Unallocated Benefits	22,329,024				22,329,024
Debt Service:					
Principal				535,000	535,000
Interest and Other Charges				56,300	56,300
Capital Outlay	1,852,158		\$ 12,125		1,864,283
Charter Schools	214,015				214,015
Total Expenditures	67,653,756	1,526,274	12,125	591,300	69,783,455
Excess/(Deficit) of Revenue over/(under) Expenditures	(1,404,127)	(7,674)	(12,125)		(1,423,926)
Fund Balance —July 1	17,994,136	86,512	39,775		18,120,423
Fund Balance —June 30	\$ 16,590,009	\$ 78,838	\$ 27,650	\$ -0-	\$ 16,696,497

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Total Net Change in Fund Balances - Governmental Funds (from B-2)		\$ (1,423,926)
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation and disposals (if any) differ from the capital asset additions in the period.		
	Depreciation expense	\$ (1,281,895)
	Capital assets additions	<u>1,965,968</u>
		684,073
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation. (+)		(133,264)
Repayment of financed purchases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. (+)		232,126
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. (+)		535,000
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. When the interest paid exceeds the accrued interest the difference is an addition in the reconciliation (+); When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-).		7,133
The governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. (+)		46,027
The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:		
Change in Net Pension Liability		(2,202,561)
Changes in Deferred Outflows		418,142
Changes in Deferred Inflows		<u>3,644,342</u>
Change in Net Position of Governmental Activities (A-2)		<u>\$ 1,807,092</u>

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2023

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Major Fund</u>	<u>Total</u>	
	<u>Food Service</u>	<u>Non-Major Funds</u>	<u>Total Enterprise</u>
<b>ASSETS:</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 322,236	\$ 65,553	\$ 387,789
Intergovernmental Accounts Receivable:			
State	1,255		1,255
Federal	22,622		22,622
Inventories	8,428		8,428
Total Current Assets	<u>354,541</u>	<u>65,553</u>	<u>420,094</u>
Non-Current Assets:			
Capital Assets	618,351		618,351
Less: Accumulated Depreciation	<u>(475,939)</u>		<u>(475,939)</u>
Total Non-Current Assets	<u>142,412</u>		<u>142,412</u>
Total Assets	<u>496,953</u>	<u>65,553</u>	<u>562,506</u>
<b>LIABILITIES:</b>			
Current Liabilities:			
Accounts Payable	46,443		46,443
Unearned Revenue:			
Prepaid Sales	10,748	37,630	48,378
Donated Commodities	2,190		2,190
Supply Chain Assistance	<u>50,305</u>		<u>50,305</u>
Total Liabilities	<u>109,686</u>	<u>37,630</u>	<u>147,316</u>
<b>NET POSITION:</b>			
Investment in Capital Assets	142,412		142,412
Unrestricted	<u>244,855</u>	<u>27,923</u>	<u>272,778</u>
Total Net Position	<u>\$ 387,267</u>	<u>\$ 27,923</u>	<u>\$ 415,190</u>

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Business-Type Activities - Enterprise Funds		
	Major Fund	Total	
	Food Service	Non-Major Funds	Total Enterprise
Operating Revenue:			
Daily Sales:			
Reimbursable Programs	\$ 390,207		\$ 390,207
Non-Reimbursable Programs	72,836		72,836
Program Fees		\$ 60,445	60,445
Miscellaneous Revenue	159		159
Total Operating Revenue	463,202	60,445	523,647
Operating Expenses:			
Cost of Sales:			
Reimbursable Programs	299,556		299,556
Non-Reimbursable Programs	33,752		33,752
Salaries	307,474	46,970	354,444
Employee Benefits	97,746		97,746
Transportation		3,000	3,000
Other Purchased Services	59,596		59,596
Supplies and Materials	22,138	1,038	23,176
Miscellaneous Expenditures	97,857		97,857
Depreciation Expense	18,045		18,045
Total Operating Expenses	936,164	51,008	987,172
Operating Income/(Loss)	(472,962)	9,437	(463,525)
Non-Operating Revenue:			
Local Sources:			
Interest Income	36	1	37
State Sources:			
State School Lunch Program	15,081		15,081
State School Breakfast Program	177		177
Federal Sources:			
National School Lunch Program	268,893		268,893
School Breakfast Program	7,000		7,000
Food Distribution Program	75,862		75,862
Total Non-Operating Revenue	367,049	1	367,050
Change in Net Position	(105,913)	9,438	(96,475)
Net Position - Beginning of Year	493,180	18,485	511,665
Net Position - End of Year	\$ 387,267	\$ 27,923	\$ 415,190

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Business-Type Activities - Enterprise Funds		
	Major Fund	Total	
	Food Service	Non-Major Funds	Total Enterprise
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 442,328	\$ 72,235	\$ 514,563
Payments to Food Service Company	(789,848)		(789,848)
Payments to/for Employees		(46,970)	(46,970)
Payments to Suppliers	(77,394)	(4,038)	(81,432)
Net Cash Provided by/(Used for) Operating Activities	(424,914)	21,227	(403,687)
Cash Flows from Financing Activities:			
Interest Income	36	1	37
Net Cash Provided by Financing Activities	36	1	37
Cash Flows from Capital and Related Financing Activities:			
Purchase of Capital Assets	(17,613)		(17,613)
Net Cash (Used for) Capital and Related Financing Activities	(17,613)		(17,613)
Cash Flows from Noncapital Financing Activities:			
State Sources	16,347		16,347
Federal Sources	406,895		406,895
Net Cash Provided by Noncapital Financing Activities	423,242		423,242
Net Increase/(Decrease) in Cash and Cash Equivalents	(19,249)	21,228	1,979
Cash and Cash Equivalents, July 1	341,485	44,325	385,810
Cash and Cash Equivalents, June 30	\$ 322,236	\$ 65,553	\$ 387,789
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) by Operating Activities:			
Operating Income/(Loss)	\$ (472,962)	\$ 9,437	\$ (463,525)
Depreciation	18,045		18,045
Food Distribution Program	75,862		75,862
Changes in Assets and Liabilities:			
(Decrease) in Accounts Payable	(38,077)		(38,077)
(Decrease) in Unearned Revenue - Donated Commodities	(1,802)		(1,802)
Increase/(Decrease) in Unearned Revenue - Prepaid Sales	(20,874)	11,790	(9,084)
Decrease in Inventory	14,894		14,894
Net Cash Provided by/(Used for) by Operating Activities	\$ (424,914)	\$ 21,227	\$ (403,687)

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$74,060 and utilized U.S.D.A. Commodities valued at \$75,862.

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

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

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

B. Basis of Presentation:

District-Wide Financial Statements:

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

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



ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

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

Fund Financial Statements:

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

The District reports the following governmental funds:

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

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

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

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

B. Basis of Presentation: (Cont'd)

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

The District reports the following proprietary fund:

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

C. Measurement Focus and Basis of Accounting:

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

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

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

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2023 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be made by School Board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

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

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

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

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 66,280,327	\$ 1,511,068
Differences - Budgetary to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis recognizes Encumbrances as Expenditures and Revenue while the GAAP basis does not:		
Prior Year Encumbrances		62,801
Cancellation of Prior Year Encumbrances		(970)
Current Year Encumbrances		(54,299)
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	309,703	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(340,401)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 66,249,629	\$ 1,518,600

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

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

	General Fund	Special Revenue Fund
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 67,653,756	\$ 1,518,742
Differences - Budgetary to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Prior Year Encumbrances		62,801
Cancellation of Prior Year Encumbrances		(970)
Current Year Encumbrances		(54,299)
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 67,653,756	\$ 1,526,274

E. Cash and Cash Equivalents, and Investments:

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

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

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

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

F. Interfund Transactions:

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

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

G. Allowance for Uncollectible Accounts:

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

H. Encumbrances:

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

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

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

I. Short-term Interfund Receivables/Payables:

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

J. Inventories:

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2023.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

K. Capital Assets:

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

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

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

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

L. Lease Assets:

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

M. Subscription Assets:

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

N. Long Term Liabilities:

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

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

O. Accrued Salaries and Wages:

The District allows employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year. New Jersey statutes require that these earned undisbursed amounts be retained in a separate bank account. As of June 30, 2023, the amount earned by these employees but not disbursed was \$-0-.

P. Compensated Absences:

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

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

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

Q. Lease Payable:

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

R. Unearned Revenue:

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

S. Subscription Payable:

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

T. Fund Balance Appropriated:

General Fund: Of the \$16,590,009 fund balance at June 30, 2023, \$7,506,736 is restricted in the capital reserve; \$200,000 is restricted in the maintenance reserve; \$50,000 is restricted in the emergency reserve; \$530,437 is restricted for unemployment compensation; \$2,150,000 is restricted as prior year excess surplus and has been appropriated and included in the budget for the fiscal year ending June 30, 2024; \$929,854 is restricted as current year excess surplus and will be appropriated and included in the budget for the fiscal year ending June 30, 2025; \$1,351,526 is assigned for encumbrances; \$2,296,770 is assigned fund balance designated for subsequent year's expenditures; and \$1,574,686 is unassigned which is \$340,401 less than the calculated maximum unassigned fund balance, on a GAAP basis, due to the final two state aid payments, which are not recognized until the fiscal year ended June 30, 2024.

Special Revenue Fund: The \$78,838 fund balance at June 30, 2023 is restricted for student activities.

Capital Projects Fund: The \$27,650 fund balance at June 30, 2023 is committed for capital projects.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

T. Fund Balance Appropriated: (Cont'd)

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, c.73 (S1701), the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District has excess surplus at June 30, 2023 as detailed on the previous page.

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

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

U. Fund Balance Restrictions, Commitments and Assignments:

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

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

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has committed resources for capital projects at June 30, 2023.

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



ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

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

The District has assigned resources for year-end encumbrances and for amounts designated for subsequent year's expenditures in the General Fund at June 30, 2023.

V. Deficit Net Position:

The \$8,094,887 deficit in the unrestricted net position of the District's governmental activities is primarily due to net pension liability and the related deferred inflows and outflows of resources. This deficit does not indicate that the District is having financial difficulties and is a permitted practice under generally accepted accounting principles.

W. Net Position:

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

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District has deferred outflows and inflows of resources at June 30, 2023 related to pensions.

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

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

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

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

X. Revenue - Exchange and Nonexchange Transactions:

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

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

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

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

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

Y. Operating Revenue and Expenses:

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

Z. Management Estimates:

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

AA. Pensions

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

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

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

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

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

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

Deposits:

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

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

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

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

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

Investments:

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

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

Investments: (Cont'd)

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

Investments: (Cont'd)

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

As of June 30, 2023, cash and cash equivalents of the District consisted of the following:

	Cash and Cash Equivalents		Total
	Unrestricted	Restricted	
Checking & Savings Accounts	\$ 7,424,767	\$ 8,366,011	\$ 15,790,778

During the period ended June 30, 2023, the District did not hold any investments except as detailed below. The carrying amount of the Board's cash and cash equivalents at June 30, 2023, was \$15,790,778 and the bank balance was \$16,295,925.

Fair Value Measurement and Application:

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

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

The District has the following recurring fair value measurement as of June 30, 2023:

Solar Renewable Energy Certificates (SREC) of \$314,213 are valued using quoted market prices (Level 1 inputs).

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT

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

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

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

Balance at June 30, 2022	\$ 7,553,438
Increased by:	
Interest Earned	5,985
Returned Unexpended Funds	5,660
Decreased by:	
Withdrawal by Board Resolution	(58,347)
Balance at June 30, 2023	\$ 7,506,736

The June 30, 2023 LRFP balance of local support of uncompleted capital project costs exceeds the balance in the capital reserve account at June 30, 2023. Withdrawals from the Capital Reserve Account were for use in DOE approved facilities projects, consistent with the District’s LRFP.

NOTE 5: EMERGENCY RESERVE ACCOUNT

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

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

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

Balance at June 30, 2022	\$ 50,000
Balance at June 30, 2023	\$ 50,000

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 6: TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2023, the District transferred \$588,070 to capital outlay accounts for equipment which did not require County Superintendent approval. The District also transferred \$58,347 to the facilities acquisition and construction services account, which was a board approved withdrawal from the capital reserve.

NOTE 7. MAINTENANCE RESERVE ACCOUNT

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

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

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

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

Balance at June 30, 2022	\$	200,000
Balance at June 30, 2023	\$	<u>200,000</u>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 8. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2023 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets not being Depreciated:				
Sites (Land)	\$ 3,242,866			\$ 3,242,866
Construction in Progress	692,048	\$ 12,125		704,173
Total Capital Assets not Being Depreciated	<u>3,934,914</u>	<u>12,125</u>		<u>3,947,039</u>
Capital Assets Being Depreciated				
Site Improvements	1,804,503			1,804,503
Buildings and Building Improvements	41,501,199	1,615,538		43,116,737
Machinery and Equipment	10,617,533	338,305	\$ (207,452)	10,748,386
Total Capital Assets Being Depreciated	<u>53,923,235</u>	<u>1,953,843</u>	<u>(207,452)</u>	<u>55,669,626</u>
Governmental Activities Capital Assets	<u>57,858,149</u>	<u>1,965,968</u>	<u>(207,452)</u>	<u>59,616,665</u>
Less Accumulated Depreciation for:				
Site Improvements	(133,713)	(46,560)		(180,273)
Buildings and Building Improvements	(21,482,668)	(1,049,746)		(22,532,414)
Machinery and Equipment	(8,592,920)	(185,589)	207,452	(8,571,057)
Total Accumulated Depreciation	<u>(30,209,301)</u>	<u>(1,281,895)</u>	<u>207,452</u>	<u>(31,283,744)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 27,648,848</u>	<u>\$ 684,073</u>	<u>\$ -0-</u>	<u>\$ 28,332,921</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 600,738	\$ 17,613		\$ 618,351
Less Accumulated Depreciation	(457,894)	(18,045)		(475,939)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 142,844</u>	<u>\$ (432)</u>	<u>\$ -0-</u>	<u>\$ 142,412</u>



ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 8. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$	525,580
Special Education		115,369
Other Special Instruction		38,457
Other Instruction		12,819
Support Services		153,827
General Administration		76,914
School Administration		25,638
Central Services		38,457
Operations and Maintenance of Plant		179,464
Pupil Transportation		115,370
	<u>\$</u>	<u>1,281,895</u>

NOTE 9. LONG-TERM DEBT LIABILITIES

During the fiscal year ended June 30, 2023, the following changes occurred in long-term liabilities reported in the district-wide financial statements:

	Balance <u>6/30/2022</u>	Accrued	Retired	Balance <u>6/30/2023</u>	Due within <u>One Year</u>
Serial Bonds Payable	\$ 1,675,000		\$ 535,000	\$ 1,140,000	\$ 560,000
Financed Purchases Payable	558,847		232,126	326,721	159,184
Unamortized Bond Premium	59,375		46,027	13,348	13,348
Compensated Absences Payable	1,589,955	\$ 261,004	127,740	1,723,219	19,146
Net Pension Liability	7,808,708	2,202,561		10,011,269	
	<u>\$ 11,691,885</u>	<u>\$ 2,463,565</u>	<u>\$ 940,893</u>	<u>\$ 13,214,557</u>	<u>\$ 751,678</u>

A. Bonds Payable:

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

The District had bonds outstanding as of June 30, 2023 as follows:

<u>Purpose</u>	<u>Final Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
2016 Refunding Bonds	9/1/2024	4.000%	<u>\$ 1,140,000</u>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

A. Bonds Payable: (Cont'd)

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

Fiscal Year Ending June 30,	Bonds		Total
	Principal	Interest	
2024	\$ 560,000	\$ 34,400	\$ 594,400
2025	580,000	11,600	591,600
	<u>\$ 1,140,000</u>	<u>\$ 46,000</u>	<u>\$ 1,186,000</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2023, the District had no bonds authorized but not issued.

C. Financed Purchases Payable

The District has financed purchases agreements for buses totaling \$1,173,284, of which \$846,563 has been liquidated as of June 30, 2023. All financed purchases agreements are for terms of five years. The schedule of the future minimum financed purchases payments under the District's financed purchases agreements and the present value of the net minimum financed purchases payments at June 30, 2023 are as follows:

<u>Year Ending</u>	<u>Amount</u>
2024	\$ 168,054
2025	87,591
2026	87,591
Total minimum financed purchases payments	<u>343,236</u>
Less: amount representing interest	<u>(16,515)</u>
Present value of future minimum financed purchases payments	<u>\$ 326,721</u>

The current portion of the financed purchases payable as of June 30, 2023 in the governmental activities is \$159,184 and the long-term portion is \$167,537. The General Fund will be used to liquidate the financed purchases payable in the governmental activities.

D. Unamortized Bond Issuance Premium:

The unamortized bond issuance premium of the governmental fund types is recorded in the noncurrent liabilities. The current portion of the unamortized bond issuance premium balance is \$13,348.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

E. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded as a long-term liability. The current portion of the compensated absences is \$19,146 and the long-term portion is \$1,704,073.

The liability for vested compensated balances of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2023, no liability existed for compensated absences in the proprietary funds. Compensated absences will be liquidated by the General Fund.

F. Net Pension Liability

The Public Employee’s Retirement System (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2023 is \$-0- and the long term portion is \$10,011,269. See Note 10 for further information on the PERS.

NOTE 10. PENSION PLANS

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

A. Public Employees’ Retirement System (PERS)

Plan Description

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

Benefits Provided

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

The following represents the membership tiers for PERS:

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

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

NOTE 10. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$836,550 for fiscal year 2023. During the fiscal year ended June 30, 2022, the State of New Jersey contributed \$21,064 to the PERS for normal pension benefits on behalf of the District.

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

Special Funding Situation

A special funding situation exists for certain local employers of the PERS. The State of New Jersey, as a nonemployer, is required to pay the additional costs incurred by local employers Chapter 133, P.L. 2001. The special funding situation for Chapter 133, P.L. 2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2022, there is no net pension liability associated with this special funding situation and there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The State special funding situation for the fiscal year ending June 30, 2022, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2022. The pension expense is deemed to be a State administrative expense due to the special funding situation.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

At June 30, 2023, the District reported a liability of \$10,001,269 for its proportionate share of the net pension liability, which was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2022, the District's proportion was 0.0663%, which was an increase of 0.00042% as of June 30, 2021.

For the fiscal year ended June 30, 2023, the District recognized an actual pension benefit in the amount of \$1,016,929. Additionally, for the fiscal year ended June 30, 2021, the State recognized pension expense on behalf of the District in the amount of \$21,064 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2023 financial statements. There was no state proportionate share of net pension liability attributable to the District as of June 30, 2023. At June 30, 2023, the District reported deferred outflows and inflows of resources related to pensions from the following sources:

	Year of Deferral	Amortizat- tion Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2018	5.63		\$ 240,651
	2019	5.21		300,733
	2020	5.16		884,319
	2021	5.13		73,380
	2022	5.04	\$ 31,018	
			<u>31,018</u>	<u>1,499,083</u>
Difference Between Expected and Actual Experience	2018	5.63		9,164
	2019	5.21	22,988	
	2020	5.16	49,269	
	2021	5.13		24,667
	2022	5.04		29,889
			<u>72,257</u>	<u>63,720</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2019	5.00	9,903	
	2020	5.00	297,604	
	2021	5.00	(1,856,259)	
	2022	5.00	1,963,109	
			<u>414,357</u>	
Changes in Proportion	2018	5.63		57,948
	2019	5.21		3,197
	2020	5.16		250,960
	2021	5.13		302,886
	2022	5.04	64,331	
			<u>64,331</u>	<u>614,991</u>
District Contribution Subsequent to the Measurement Date	2022	1.00	817,505	
			<u>\$ 1,399,468</u>	<u>\$ 2,177,794</u>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

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

Fiscal Year Ending June 30,	Total
2023	\$ (1,116,364)
2024	(635,123)
2025	(312,781)
2026	468,824
2027	(387)
	\$ (1,595,831)

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:

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

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

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 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' 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 Markets Equity	13.50%	8.38%
Emerging Markets 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%

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

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

NOTE 10. PENSION PLANS (Cont'd)

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

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2022 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2022		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 12,861,548	\$ 10,011,269	\$ 7,585,567

Pension Plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

Benefits Provided

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

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



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

NOTE 10. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2022, the State's pension contribution was more than the actuarial determined amount.

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer. During the fiscal year ended 2023, the State of New Jersey contributed \$8,005,764 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required contribution of \$2,677,451.

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

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

At June 30, 2023, the State's proportionate share of the net pension liability associated with the District was \$99,486,161. 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 July 1, 2021 which was rolled forward to June 30, 2022.

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

NOTE 10. PENSION PLANS (Cont'd)

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

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

The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2022, the District's proportion was 0.193%, which was an increase of 0.0036% from its proportion measured as of June 30, 2021.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	99,486,161
Total	\$ 99,486,161

For the fiscal year ended June 30, 2023, the State recognized pension expense on behalf of the District in the amount of \$2,677,451 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2023 financial statements. The State reported collective deferred outflows and inflows of resources (excluding employer specific amounts) related to pensions from the following sources:

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2015	8.30	\$ 213,742,984	
	2016	8.30	1,695,809,748	
	2017	8.30		\$ 3,681,530,748
	2018	8.29		2,705,362,525
	2019	8.04		2,012,738,111
	2020	7.99	1,007,402,060	
	2021	7.93		11,041,509,093
	2022	7.83	96,143,072	19,441,140,477
			3,013,097,864	19,441,140,477
Difference Between Expected and Actual Experience	2015	8.30	13,201,022	
	2016	8.30		21,088,845.00
	2017	8.30	65,502,212	
	2018	8.29	474,592,771	
	2019	8.04		78,198,040
	2020	7.99		5,368,990
	2021	7.93	146,524,969	
	2022	7.83	146,524,969	18,009,041
			699,820,974	122,664,916
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2019	5.00	36,220,692	
	2020	5.00	482,791,080	
	2021	5.00	(2,665,975,358)	
	2022	5.00	3,319,334,659	
			1,172,371,073	
			\$ 4,885,289,911	\$ 19,563,805,393

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

NOTE 10. PENSION PLANS (Cont'd)

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

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

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

Fiscal Year Ending June 30,	Total
2023	\$ (2,658,825,381)
2024	(3,823,762,872)
2025	(3,351,102,048)
2026	(1,509,375,379)
2027	(1,647,727,819)
Thereafter	(1,687,721,983)
	\$ (14,678,515,482)

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%

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

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 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' 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 Markets Equity	13.50%	8.38%
Emerging Markets 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%

Discount Rate – TPAF

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2022 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2022		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 116,649,638	\$ 99,486,161	\$ 85,028,088

Pension Plan Fiduciary Net Position - TPAF

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

C. Defined Contribution Retirement Program (DCRP)

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

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

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

For DCRP, the District recognized pension expense of \$120,516 for the fiscal year ended June 30, 2023. Employee contributions to DCRP amounted to \$169,873 for the fiscal year ended June 30, 2023.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 11. DEFERRED COMPENSATION

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

The plan administrators are as follows:

Ameriprise Financial Advisors	Lincoln Life Group
AXA Equitable Fund	Metropolitan Life Insurance Company
Lincoln Investment	AIG/VALIC Financial Advisors, Inc.

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

NOTE 12. RISK MANAGEMENT

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

Property and Liability

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

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

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

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 12. RISK MANAGEMENT (Cont'd)

Property and Liability (Cont'd)

The audit of the SAIF as of June 30, 2023 is not available as of the date of this report. Selected financial information for the SAIF as of June 30, 2022 is as follows:

Total Assets	\$	52,198,217
Net Position	\$	20,990,635
Total Revenue	\$	46,988,143
Total Expenses	\$	46,989,023
Change in Net Position	\$	(880)
Members Dividends	\$	-0-

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

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

New Jersey Unemployment Compensation Insurance

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

Fiscal Year	District Contributions	Employee Contributions	Interest	Amount Reimbursed	Ending Balance
2022-2023	\$ -0-	\$ 130,122	\$ 52	\$ 159,425	\$ 530,437
2021-2022	-0-	153,078	51	103,779	559,688
2020-2021	52,008	170,441	107	56,419	510,338

NOTE 13. ECONOMIC DEPENDENCY

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 14. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2023:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 446,351	
Special Revenue Fund		\$ 446,351
	\$ 446,351	\$ 446,351

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

NOTE 15. TAX CALENDAR

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

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

NOTE 16. COMMITMENTS AND CONTINGENCIES

Grant Programs

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

Litigation

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



ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

NOTE 16. COMMITMENTS AND CONTINGENCIES (Cont'd)

Encumbrances

At June 30, 2023, there were encumbrances as detailed in the governmental funds:

General Fund	Special Revenue Fund	Total Governmental Funds
\$ 1,351,526	\$ 54,299	\$ 1,405,825

On the District’s Governmental Funds Balance Sheet as of June 30, 2023, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$54,299 less than the actual year-end encumbrances on a budgetary basis. On a GAAP basis, encumbrances are not recognized until paid and this is non-recognition of encumbrances on a GAAP basis is also reflected as either a reduction in grants receivable or an increase in unearned revenue in the Special Revenue Fund.

NOTE 17. ACCOUNTS PAYABLE

Payables as of June 30, 2023 were:

	Governmental Funds		District Contribution Subsequent to the Measure- ment Date	Total Governmental Activities	Business-Type Activities Proprietary Funds
	General Fund	Special Revenue Fund			
Vendors	\$ 65,764	\$ 25,472		\$ 91,236	\$ 46,443
State of New Jersey			\$ 817,505	817,505	
Payroll Deductions & Withholding	254,599			254,599	
	\$ 320,363	\$ 25,472	\$ 817,505	\$ 1,163,340	\$ 46,443

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired Employees Plan

General Information about the OPEB Plan

Plan Description and Benefits Provided

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

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

General Information about the OPEB Plan (Cont'd)

Plan Description and Benefits Provided (Cont'd)

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

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

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

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

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

Employees Covered by Benefit Terms

At June 30, 2021, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	151,669
Active Plan Members	<u>213,148</u>
Total	<u><u>364,817</u></u>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

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

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.

Actuarial Assumptions and Other Inputs

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

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

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

Mortality Rates

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.25% 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 rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

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

Discount Rate

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

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

	Total OPEB Liability
Balance at June 30, 2021	\$ 128,912,156
Changes for Year:	
Service Cost	5,378,606
Interest on the Total OPEB Liability	2,873,423
Changes of Assumptions	(29,086,392)
Differences between Expected and Actual Experience	3,103,647
Gross Benefit Payments by the State	(2,846,210)
Contributions from Members	91,308
Net Changes in Total OPEB Liability	(20,485,618)
Balance at June 30, 2022	\$ 108,426,538

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2022, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2022		
	At 1% Decrease (2.54%)	At Discount Rate (3.54%)	At 1% Increase (4.54%)
Total OPEB Liability Attributable to the District	\$ 127,443,990	\$ 108,426,538	\$ 93,185,001

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

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

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2022, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

June 30, 2022			
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 89,621,161	\$ 108,426,538	\$ 133,128,543

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

For the fiscal year ended June 30, 2023, the District recognized OPEB expense of \$2,150,530 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the District’s proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2022, the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

	Year of Deferral	Original Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 5,629,622
	2018	9.51		5,372,261
	2019	9.29	\$ 758,482	
	2020	9.24	17,908,097	
	2021	9.24	99,309	
	2022	9.13		25,900,588
			18,765,889	36,902,470
Differences Between Expected and Actual Experience	2018	9.51		5,078,458
	2019	9.29		8,927,376
	2020	9.24	16,691,050	
	2021	9.24		19,098,042
	2022	9.13	2,667,388	
			19,358,438	33,103,876
Changes in Proportion	N/A	N/A	236,254	4,372,281
			\$ 38,360,581	\$ 74,378,627

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

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

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

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

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

Fiscal Year Ending June 30,	Total
2023	\$ (5,388,847)
2024	(5,388,847)
2025	(5,388,847)
2026	(4,657,314)
2027	(2,663,114)
Thereafter	(8,395,049)
	\$ (31,882,018)

SCHEDULES OF REQUIRED  
SUPPLEMENTARY INFORMATION

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

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

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.



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

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

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

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

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

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

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

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

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

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

	Fiscal Years Ending					
	2017	2018	2019	2020	2021	2022
Total OPEB Liability						
Service Cost	\$ 4,984,155	\$ 4,157,195	\$ 3,585,029	\$ 3,511,422	\$ 6,281,536	\$ 5,378,606
Interest Cost	3,821,106	4,415,134	4,095,257	3,239,184	3,344,117	2,873,423
Changes of Benefit Terms					(137,211)	
Changes in Assumptions	(15,919,217)	(11,884,856)	1,345,895	26,865,524	127,182	(29,086,392)
Differences between Expected and Actual Experience		(10,942,259)	(19,637,152)	25,674,144	(25,229,601)	3,103,647
Member Contributions	92,600	95,713	82,138	77,607	85,493	91,308
Gross Benefit Payments	(2,514,769)	(2,769,350)	(2,770,941)	(2,560,452)	(2,634,228)	(2,846,210)
Net Change in Total OPEB Liability	(9,536,125)	(16,928,423)	(13,299,774)	56,807,429	(18,162,712)	(20,485,618)
Total OPEB Liability - Beginning	130,031,761	120,495,636	103,567,213	90,267,439	147,074,868	128,912,156
Total OPEB Liability - Ending	<u>\$ 120,495,636</u>	<u>\$ 103,567,213</u>	<u>\$ 90,267,439</u>	<u>\$ 147,074,868</u>	<u>\$ 128,912,156</u>	<u>\$ 108,426,538</u>
District's Covered Employee Payroll *	\$ 25,148,020	\$ 25,264,163	\$ 25,198,195	\$ 26,459,999	\$ 26,743,397	\$ 28,031,209
Total OPEB Liability as a Percentage of Covered Employee Payroll	479%	410%	358%	556%	482%	387%

\* - Covered payroll for the fiscal years ending June 30, 2017 through 2022 are based on the payroll on the June 30, 2016 through 2021 census data.

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2021 actuarial valuation the salary increases were 2.75% – 6.55% based on years of service while in the July 1, 2020 actuarial valuation the salary increases were 2.00%-6.00% through 2026 and 3.00-7.00% thereafter based on years of service.

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. The actuarial assumptions used in the July 1, 2020 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2021 actuarial valuation the salary increases were 2.75% – 5.65% based on years of service while in the July 1, 2020 actuarial valuation the salary increases were 1.55%-4.45% through 2026 and 2.75%-5.65% thereafter based on years of service.

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. The actuarial assumptions used in the July 1, 2020 actuarial valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2022 was 3.54%. The discount rate for June 30, 2021 was 2.16%, a change of 1.38%.

The salary increases for TPAF/ABP thereafter were 1.55% - 4.45% through 2026 and 2.75% - 5.65% for thereafter in the valuation as of June 30, 2021. The salary increases for TPAF/ABP were 2.75% - 4.25% in the valuation as of June 30, 2022.

The salary increases for PERS were 2.00% - 6.00% through 2026 and 3.00% - 7.00% for thereafter in the valuation as of June 30, 2021. The salary increases for PERS were 2.75% - 6.55% in the valuation as of June 30, 2022.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(Continued)

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN (Cont'd)

Changes of Actuarial Assumptions (Cont'd)

The salary increases for PFRS were 3.25% - 15.25% through 2026 and not applicable for thereafter in the valuation as of June 30, 2021. The salary increases for PFRS were 3.25% - 16.25% in the valuation as of June 30, 2022.

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

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

The health care trend rates in the valuation as of June 30, 2021 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.5% long term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal years 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreasing to 15.23% in fiscal year 2025 and decreasing to 4.5% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreasing to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.5% long term rate after seven years.

BUDGETARY COMPARISON SCHEDULES

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
Local Tax Levy	\$ 48,807,345		\$ 48,807,345	\$ 48,807,345	
Tuition From Individuals	48,000		48,000	47,125	\$ (875)
Tuition From Other LEAs Within the State	195,000		195,000	146,907	(48,093)
Transportation Fees From Individuals				900	900
Transportation Fees From Other LEAs	75,000		75,000	75,067	67
Unrestricted Miscellaneous Revenues	164,000		164,000	541,946	377,946
Interest Earned on Capital Reserve Funds				5,985	5,985
Total Revenues from Local Sources	<u>49,289,345</u>		<u>49,289,345</u>	<u>49,625,275</u>	<u>335,930</u>
Revenues from State Sources:					
Categorical Transportation Aid	549,225		549,225	549,225	
Extraordinary Aid	350,000		350,000	735,892	385,892
Categorical Special Education Aid	1,985,277		1,985,277	1,985,277	
Equalization Aid	854,190		854,190	854,190	
Categorical Security Aid	50,153		50,153	50,153	
Additional Nonpublic School Transportation Aid				26,797	26,797
TPAF Post Retirement Contributions (Non-Budgeted)				2,132,273	2,132,273
TPAF Pension Contributions (Non-Budgeted)				8,005,764	8,005,764
TPAF Non-Contributory Insurance (Non-Budgeted)				111,071	111,071
TPAF Long-Term Disability Insurance (Non-Budgeted)				3,065	3,065
Reimbursed TPAF Social Security Contributions				1,757,903	1,757,903
Total Revenues from State Sources	<u>3,788,845</u>		<u>3,788,845</u>	<u>16,211,610</u>	<u>12,422,765</u>
Revenues from Federal Sources:					
IMPACT AID - 8002 OR 8003 General	250,000		250,000	389,524	139,524
Medicaid Reimbursement	39,316		39,316	51,059	11,743
Family First Coronavirus Response Act				2,859	2,859
Total Revenues from Federal Sources	<u>289,316</u>		<u>289,316</u>	<u>443,442</u>	<u>154,126</u>
TOTAL REVENUE	<u>53,367,506</u>		<u>53,367,506</u>	<u>66,280,327</u>	<u>12,912,821</u>



ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>GENERAL CURRENT EXPENSE</b>					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	\$ 89,655		\$ 89,655	\$ 89,655	
Kindergarten - Salaries of Teachers	989,501	\$ 66,332	1,055,833	1,055,262	\$ 571
Grades 1-5 - Salaries of Teachers	8,412,474	(514,601)	7,897,873	7,878,963	18,910
Grades 6-8 - Salaries of Teachers	4,633,405	(232,277)	4,401,128	4,399,555	1,573
Regular Programs - Home Instruction:					
Salaries of Teachers	60,000	(30,820)	29,180	23,502	5,678
Purchased Professional-Educational Services	25,000		25,000	13,623	11,377
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	334,216	134,842	469,058	468,893	165
Purchased Professional-Educational Services	156,960	(30,938)	126,022	104,407	21,615
Other Purchased Services (400-500 series)	270,500	6,450	276,950	275,701	1,249
General Supplies	948,282	275,673	1,223,955	1,095,986	127,969
Textbooks	87,274	(49,099)	38,175	1,636	36,539
Total Regular Programs - Instruction	<u>16,007,267</u>	<u>(374,438)</u>	<u>15,632,829</u>	<u>15,407,183</u>	<u>225,646</u>
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	323,318	36,582	359,900	359,900	
Other Salaries for Instruction	168,650	15,712	184,362	184,361	1
General Supplies	1,450	119	1,569	1,460	109
Total Learning and/or Language Disabilities	<u>493,418</u>	<u>52,413</u>	<u>545,831</u>	<u>545,721</u>	<u>110</u>
Behavioral Disabilities:					
Salaries of Teachers	292,365	(18,324)	274,041	274,041	
Other Salaries for Instruction	147,663	(6,529)	141,134	141,019	115
General Supplies	2,415	5,078	7,493	7,279	214
Total Behavioral Disabilities	<u>442,443</u>	<u>(19,775)</u>	<u>422,668</u>	<u>422,339</u>	<u>329</u>
Multiple Disabilities:					
Salaries of Teachers	\$ 241,829	\$ 13,352	\$ 255,181	\$ 255,180	\$ 1
Other Salaries for Instruction	41,235	(14,171)	27,064	27,062	2
General Supplies	3,793	301	4,094	1,937	2,157
Other Objects	1,400	(308)	1,092	1,092	1,092
Total Multiple Disabilities	<u>288,257</u>	<u>(826)</u>	<u>287,431</u>	<u>284,179</u>	<u>3,252</u>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Resource Room/Resource Center:					
Salaries of Teachers	3,385,128	288,038	3,673,166	3,668,943	4,223
Other Salaries for Instruction	220,719	138,676	359,395	359,392	3
Total Resource Room/Resource Center	<u>3,605,847</u>	<u>426,714</u>	<u>4,032,561</u>	<u>4,028,335</u>	<u>4,226</u>
Autism:					
Salaries of Teachers	490,362	(25,827)	464,535	463,790	745
Other Salaries for Instruction	70,816	(25,424)	45,392	43,008	2,384
General Supplies	11,400	(2,275)	9,125	3,076	6,049
Other Objects	1,400		1,400		1,400
Total Autism	<u>573,978</u>	<u>(53,526)</u>	<u>520,452</u>	<u>509,874</u>	<u>10,578</u>
Preschool Disabilities - Part-Time:					
Salaries of Teachers	236,868	20,110	256,978	256,977	1
Other Salaries for Instruction	237,155	(49,240)	187,915	187,606	309
General Supplies	2,000	561	2,561	2,510	51
Total Preschool Disabilities - Part-Time	<u>476,023</u>	<u>(28,569)</u>	<u>447,454</u>	<u>447,093</u>	<u>361</u>
Preschool Disabilities - Full-Time:					
Salaries of Teachers	141,535	(64,310)	77,225	77,101	124
Other Salaries for Instruction	94,303	(10,479)	83,824	83,822	2
General Supplies	235	(235)			
Other Objects	2,600	412	3,012	2,967	45
Total Preschool Disabilities - Full-Time	<u>238,673</u>	<u>(74,612)</u>	<u>164,061</u>	<u>163,890</u>	<u>171</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>\$ 6,118,639</u>	<u>\$ 301,819</u>	<u>\$ 6,420,458</u>	<u>\$ 6,401,431</u>	<u>\$ 19,027</u>
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	854,241	58,333	912,574	912,574	
General Supplies		48	48	47	1
Total Basic Skills/Remedial - Instruction	<u>854,241</u>	<u>58,381</u>	<u>912,622</u>	<u>912,621</u>	<u>1</u>
Bilingual Education - Instruction:					
Salaries of Teachers	230,600	28,224	258,824	256,224	2,600
General Supplies	1,290		1,290		1,290
Total Bilingual Education - Instruction	<u>231,890</u>	<u>28,224</u>	<u>260,114</u>	<u>256,224</u>	<u>3,890</u>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	31,000		31,000	30,072	928
Other Objects	29,200	2,468	31,668	24,704	6,964
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	<u>60,200</u>	<u>2,468</u>	<u>62,668</u>	<u>54,776</u>	<u>7,892</u>
School-Sponsored Athletics - Instruction:					
Salaries	14,800		14,800	14,800	
Supplies and Materials	8,000		8,000		8,000
Total School-Sponsored Athletics - Instruction	<u>22,800</u>		<u>22,800</u>	<u>14,800</u>	<u>8,000</u>
Before/After School Programs - Instruction:					
Supplies & Materials	6,000		6,000		6,000
Total Before/after School Programs - Instruction	<u>6,000</u>		<u>6,000</u>		<u>6,000</u>
Community Services Programs/Operations:					
Salaries	5,520		5,520	5,060	460
Supplies and Materials	1,000		1,000		1,000
Total Community Services Programs/Operations	<u>6,520</u>		<u>6,520</u>	<u>5,060</u>	<u>1,460</u>
<b>TOTAL INSTRUNCTION</b>	<u>23,307,557</u>	<u>16,454</u>	<u>23,324,011</u>	<u>23,052,095</u>	<u>271,916</u>
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Special	\$ 332,220	\$ (98,521)	\$ 233,699	\$ 220,777	\$ 12,922
Tuition to Priv. Sch. for the Handicap. W/I State	507,549	(30,071)	477,478	449,285	28,193
Total Undistributed Expenditures - Instruction	<u>839,769</u>	<u>(128,592)</u>	<u>711,177</u>	<u>670,062</u>	<u>41,115</u>
Undistributed Expend. - Attend. & Social Work:					
Salaries	2,000		2,000	2,000	
Purchased Professional and Technical Services	61,659	(310)	61,349	61,309	40
Total Undist. Expend. - Attendance and Social Work	<u>63,659</u>	<u>(310)</u>	<u>63,349</u>	<u>63,309</u>	<u>40</u>
Undistributed Expenditures - Health Services:					
Salaries	585,025	69,679	654,704	654,703	1
Purchased Professional and Technical Services	28,500	(3,928)	24,572	24,000	572
Other Purchased Services (400-500 series)	1,679	(63)	1,616	199	1,417
Supplies and Materials	32,765	(1,105)	31,660	21,959	9,701
Other Objects	1,600	(500)	1,100	638	462
Total Undist. Expenditures - Health Services	<u>649,569</u>	<u>64,083</u>	<u>713,652</u>	<u>701,499</u>	<u>12,153</u>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Speech, OT, PT, Related Svcs:					
Salaries	3,339,928	(56,130)	3,283,798	3,283,792	6
Purchased Professional - Educational Services	355,800	(59,227)	296,573	292,073	4,500
Supplies and Materials	12,736	13,913	26,649	19,321	7,328
Other Objects	2,900	190	3,090	2,380	710
Total Undist. Expend. - Speech, OT, PT, Related Svcs	<u>3,711,364</u>	<u>(101,254)</u>	<u>3,610,110</u>	<u>3,597,566</u>	<u>12,544</u>
Undist.Expend.-Other Supp.Serv.Students-Extra.Serv.:					
Purchased Professional - Educational Services	535,000	(285,509)	249,491	233,415	16,076
Total Undist. Expend. - Other Supp. Svcs. Students - Extra. Serv.	<u>535,000</u>	<u>(285,509)</u>	<u>249,491</u>	<u>233,415</u>	<u>16,076</u>
Undist.Expend.-Guidance:					
Salaries of Other Professional Staff	\$ 649,585	\$ 65,104	\$ 714,689	\$ 714,688	\$ 1
Salaries of Secretarial and Clerical Assistants	61,127	(5,844)	55,283	55,283	
Other Purchased Prof. and Tech. Services	5,000	18,941	23,941	13,741	10,200
Other Purchased Services (400-500 series)	950	175	1,125	774	351
Supplies and Materials	600		600	600	600
Total Undist Expend. - Guidance	<u>717,262</u>	<u>78,376</u>	<u>795,638</u>	<u>784,486</u>	<u>11,152</u>
Undist. Expend.-Child Study Team:					
Salaries of Other Professional Staff	1,675,907	458	1,676,365	1,676,365	
Salaries of Secretarial and Clerical Assistants	117,674	(24,156)	93,518	93,518	
Other Purchased Prof. and Tech. Services	30,000	(12,494)	17,506	17,263	243
Other Purchased Services (400-500 series)	12,950	(1,893)	11,057	9,532	1,525
Supplies and Materials	16,834	771	17,605	15,998	1,607
Total Undist Expend. - Child Study Team	<u>1,853,365</u>	<u>(37,314)</u>	<u>1,816,051</u>	<u>1,812,676</u>	<u>3,375</u>
Undist. Expend.-Improv. of Inst. Serv.:					
Salaries of Supervisors of Instruction	154,299		154,299	154,299	
Salaries of Other Professional Staff	25,000	61,710	86,710	86,710	
Salaries of Secretarial and Clerical Assistants	58,876	12,124	71,000	71,000	
Purchased Professional - Educational Services	12,959	(12,959)			
Other Purchased Services (400-500 series)	68,400	(37,112)	31,288	23,131	8,157
Supplies and Materials	14,938	8,700	23,638	14,391	9,247
Other Objects	5,519	690	6,209	5,768	441
Total Undist. Expend.-Improv. of Inst. Serv.	<u>339,991</u>	<u>33,153</u>	<u>373,144</u>	<u>355,299</u>	<u>17,845</u>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Edu. Media Serv./Sch. Library:					
Salaries	101,420	(9,969)	91,451	89,708	1,743
Other Purchased Services (400-500 series)	10,560	4,636	15,196	12,726	2,470
Supplies and Materials	30,977	(900)	30,077	24,160	5,917
Total Undist Expend.-Edu. Media Serv./Sch. Library	<u>142,957</u>	<u>(6,233)</u>	<u>136,724</u>	<u>126,594</u>	<u>10,130</u>
Undist. Expend.-Instructional Staff Training Services:					
Other Purchased Prof. And Tech. Services	\$ 17,000	\$ (17,000)	\$ 15,515	\$ 8,877	\$ 6,638
Other Purchased Services (400-500 series)	14,450	1,065	56,725	40,597	16,128
Supplies and Materials	65,809	(9,084)	429,654	276,898	152,756
Other Objects	216,787	212,867	501,894	326,372	175,522
Total Undist. Expend.-Instructional Staff Training Services	<u>314,046</u>	<u>187,848</u>	<u>501,894</u>	<u>326,372</u>	<u>175,522</u>
Undist. Expend.-Support Serv.-Gen. Admin.:					
Salaries	294,058	15,725	309,783	309,722	61
Legal Services	220,000	(31,405)	188,595	109,532	79,063
Audit Fees	51,700	(75)	51,625	50,600	1,025
Architectural/Engineering Services	30,000	132,525	162,525	129,925	32,600
Other Purchased Professional Services	12,500	22,303	34,803	25,451	9,352
Communications / Telephone	97,500	5,962	103,462	101,355	2,107
Other Purch. Serv. (400-500 series other than 530 & 585)	172,478	(30,438)	142,040	137,460	4,580
General Supplies	3,802		3,802	2,863	939
BOE In-house training/ Meeting Supplies	2,630	(373)	2,257	2,257	
Miscellaneous Expenditures	13,000	380	13,380	12,976	404
BOE Membership Dues and Fees	26,000	(112)	25,888	21,786	4,102
Total Undist. Expend.-Support Serv.-Gen. Admin.	<u>923,668</u>	<u>114,492</u>	<u>1,038,160</u>	<u>903,927</u>	<u>134,233</u>
Undist. Expend.-Support Serv.-School Admin.:					
Salaries of Principals/Assistant Principals/Prog Director	1,059,932	7,050	1,066,982	1,062,404	4,578
Salaries of Secretarial and Clerical Assistants	588,675	2,260	590,935	590,917	18
Purchased Professional and Technical Services	4,000	2,466	6,466	6,262	204
Other Purchased Services (400-500 series)	11,000	(1,592)	9,408	2,763	6,645
Supplies and Materials	39,130	2,168	41,298	38,411	2,887
Other Objects	26,320	1,301	27,621	21,516	6,105
Total Undist. Expend.-Support Serv.-School Adm.	<u>1,729,057</u>	<u>13,653</u>	<u>1,742,710</u>	<u>1,722,273</u>	<u>20,437</u>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Central Services:					
Salaries	\$ 650,302	\$ 4,132	\$ 654,434	\$ 654,432	\$ 2
Purchased Technical Services	44,250	547	44,797	44,797	
Miscellaneous Purchased Services (400-500 series other than 594)	5,600	2,058	7,658	6,246	1,412
Supplies and Materials	12,541	3,006	15,547	13,918	1,629
Other Objects	4,450	(95)	4,355	4,355	
Total Undist. Expend. - Central Services	<u>717,143</u>	<u>9,648</u>	<u>726,791</u>	<u>723,748</u>	<u>3,043</u>
Undist. Expend. - Admin. Info. Technology:					
Salaries	502,279	(31,188)	471,091	471,091	
Purchased Technical Services	68,700	29,352	98,052	69,803	28,249
Other Purchased Services (400-500 series)	6,000		6,000	2,274	3,726
Supplies and Materials	187,000	87,682	274,682	172,167	102,515
Total Undist. Expend. - Admin. Info. Technology	<u>763,979</u>	<u>85,846</u>	<u>849,825</u>	<u>715,335</u>	<u>134,490</u>
Undist. Expend.-Required Maintenance for School Facilities:					
Salaries	475,405	(46,501)	428,904	428,903	1
Cleaning, Repair, and Maintenance Services	318,104	(35,580)	282,524	243,362	39,162
General Supplies	274,933	18,652	293,585	280,793	12,792
Other Objects	1,000		1,000	525	475
Total Undist. Expend.- Required Maint. for School Facilities	<u>1,069,442</u>	<u>(63,429)</u>	<u>1,006,013</u>	<u>953,583</u>	<u>52,430</u>
Undist. Expend.-Custodial Services:					
Salaries	1,500,405	42,980	1,543,385	1,542,588	797
Purchased Professional and Technical Services	125,000	11,274	136,274	135,492	782
Cleaning, Repair, and Maintenance Services	269,150	(26,621)	242,529	212,971	29,558
Rental of Land & Bldg. Oth. than Lease Pur. Agrmt.	1		1		1
Other Purchased Property Services	47,000	(16,745)	30,255	30,255	
Insurance	262,500	22,741	285,241	279,741	5,500
Miscellaneous Purchased Services	2,500		2,500	810	1,690
General Supplies	110,112	26,510	136,622	136,535	87

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Custodial Services:					
Energy (Natural Gas)	\$ 300,680	\$ (32,374)	\$ 268,306	\$ 268,305	\$ 1
Energy (Electricity)	434,700	(66,412)	368,288	368,288	
Energy (Oil)	122,200	24,426	146,626	109,793	36,833
Total Undist. Expend.-Custodial Services	<u>3,174,248</u>	<u>(14,221)</u>	<u>3,160,027</u>	<u>3,084,778</u>	<u>75,249</u>
Care and Upkeep of Grounds:					
General Supplies	25,000	(11,296)	13,704	13,704	
Total Care And Upkeep Of Grounds	<u>25,000</u>	<u>(11,296)</u>	<u>13,704</u>	<u>13,704</u>	
Security:					
Salaries	335,571	150,586	486,157	478,975	7,182
General Supplies	19,940	(18,940)	1,000	1,000	
Total Security	<u>355,511</u>	<u>131,646</u>	<u>487,157</u>	<u>479,975</u>	<u>7,182</u>
Total Undist. Expend.-oper. And Maint. Of Plant Serv.	<u>4,624,201</u>	<u>42,700</u>	<u>4,666,901</u>	<u>4,532,040</u>	<u>134,861</u>
Undist. Expend.-Student Transportation Serv.:					
Sal. for Pupil Trans. (Bet. Home and Sch)-Reg.	1,050,011	(51,800)	998,211	998,211	
Sal. for Pupil Trans. (Bet. Home and Sch)-Spl. Ed.	369,857	1,168	371,025	371,025	
Sal. for Pupil Trans. (Oth. than Bet. Home & Sch)	27,878	6,332	34,210	34,210	
Sal. For Pupil Trans. (Bet. Home & Sch) Non Public	79,000	(4,235)	74,765	74,765	
Cleaning, Repair, and Maint. Services	45,000	(17,338)	27,662	19,504	8,158
Lease Purchase Payments - School Buses	319,615	(72,417)	247,198	247,198	
Contract. Serv. - Aid in Lieu of Payments-Nonpublic Studts	90,000	4,873	94,873	94,873	
Contract. Serv.(Spl. Ed. Students)-ESCs & CTSA	275,000	348,070	623,070	621,875	1,195
Misc. Purchased Serv. - Transportation	49,000	(13,490)	35,510	35,510	
General Supplies	9,000	(335)	8,665	8,659	6
Transportation Supplies	265,000	187,498	452,498	428,738	23,760
Other Objects	4,000	(705)	3,295	3,295	
Total Undist. Expend.-Student Trans. Serv.	<u>2,583,361</u>	<u>387,621</u>	<u>2,970,982</u>	<u>2,937,863</u>	<u>33,119</u>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
UNALLOCATED BENEFITS					
Group Insurance	\$ 30,000	\$ 1,945	\$ 31,945	\$ 885,595	\$ 31,945
Social Security Contributions	835,460	50,136	885,596	836,550	1
Other Retirement Contributions - PERS	799,000	37,550	836,550	120,516	
Other Retirement Contributions - Regular	98,000	22,516	120,516	29,251	
Unemployment Compensation	75,000	(45,749)	29,251	383,034	46,940
Workers Compensation	437,510	(7,536)	429,974	7,628,560	37,318
Health Benefits	8,912,544	(1,246,666)	7,665,878	119,150	16,799
Tuition Reimbursement	135,949		135,949	316,292	77,700
Other Employee Benefits	376,150	17,842	393,992	10,318,948	210,703
<b>TOTAL UNALLOCATED BENEFITS</b>	<b>11,699,613</b>	<b>(1,169,962)</b>	<b>10,529,651</b>		
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Contributions (Non-Budgeted)				2,132,273	(2,132,273)
TPAF Pension Contributions (Non-Budgeted)				8,005,764	(8,005,764)
TPAF Non-Contributory Insurance (Non-Budgeted)				111,071	(111,071)
TPAF Long-Term Disability Insurance (Non-Budgeted)				3,065	(3,065)
Reimbursed TPAF Social Security Contributions				1,757,903	(1,757,903)
<b>TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)</b>				<b>12,010,076</b>	<b>(12,010,076)</b>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<b>11,699,613</b>	<b>(1,169,962)</b>	<b>10,529,651</b>	<b>22,329,024</b>	<b>(11,799,373)</b>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>32,208,004</b>	<b>(711,754)</b>	<b>31,496,250</b>	<b>42,535,488</b>	<b>(11,039,238)</b>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>55,515,561</b>	<b>(695,300)</b>	<b>54,820,261</b>	<b>65,587,583</b>	<b>(10,767,322)</b>



ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>CAPITAL OUTLAY</b>					
Equipment					
Undistributed:					
Undistributed Expenditures - Admin. Info. Tech.	\$ 3,931	\$ (3,931)			
Undist. Expend. - Custodial Services	62,250	145,571	\$ 207,821	\$ 17,250	\$ 190,571
Undist. Expend.-Student Trans.- Non-Inst. Equip.	50,000	269,954	319,954		319,954
School Buses - Regular		170,033	170,033	170,033	
Undistributed Expenditures - Non-Inst. Serv.	46,900	6,443	53,343	47,507	5,836
Total Equipment	<u>163,081</u>	<u>588,070</u>	<u>751,151</u>	<u>234,790</u>	<u>516,361</u>
Facilities Acquisition and Construction Serv.:					
Architectural/Engineering Services	30,830		30,830	28,253	2,577
Construction Services	1,933,113	58,347	1,991,460	1,587,285	404,175
Assessment for Debt Service on SDA Funding	1,830		1,830	1,830	
Total Facilities Acquisition and Const. Serv.	<u>1,965,773</u>	<u>58,347</u>	<u>2,024,120</u>	<u>1,617,368</u>	<u>406,752</u>
<b>TOTAL CAPITAL OUTLAY</b>	<u>2,128,854</u>	<u>646,417</u>	<u>2,775,271</u>	<u>1,852,158</u>	<u>923,113</u>
Transfer of Funds to Charter Schools	<u>106,785</u>	<u>107,230</u>	<u>214,015</u>	<u>214,015</u>	
<b>TOTAL EXPENDITURES</b>	<u>57,751,200</u>	<u>58,347</u>	<u>57,809,547</u>	<u>67,653,756</u>	<u>(9,844,209)</u>
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(4,383,694)	(58,347)	(4,442,041)	(1,373,429)	3,068,612
Fund Balance, July 1	18,303,839		18,303,839	18,303,839	
Fund Balance, June 30	<u>\$ 13,920,145</u>	<u>\$ (58,347)</u>	<u>\$ 13,861,798</u>	<u>\$ 16,930,410</u>	<u>\$ 3,068,612</u>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<u>Recapitulation:</u>					
Restricted Fund Balance:					
Excess Surplus - Restricted For 2024-2025	\$ 929,854				
Excess Surplus - Restricted For 2023-2024	2,150,000				
Capital Reserve	7,506,736				
Maintenance Reserve	200,000				
Emergency Reserve	50,000				
Unemployment Compensation	530,437				
Assigned Fund Balance:					
Year End Encumbrances	1,351,526				
Designated for Subsequent Year's Expenditures	2,296,770				
Unassigned Fund Balance	1,915,087				
	16,930,410				
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis	(340,401)				
Fund Balance per Governmental Funds (GAAP)	\$ 16,590,009				

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
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		\$ 133,423	\$ 133,423	\$ 125,749	\$ 7,674
State Sources		3,135	3,135	1,109	(2,026)
Federal Sources	\$ 620,458	926,264	1,546,722	1,384,210	(162,512)
Total Revenues	620,458	1,062,822	1,683,280	1,511,068	(156,864)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	71,471	92,869	164,340	115,407	48,933
Tuition	487,923	138,761	626,684	626,684	
Purchased Professional and Technical Services		1,237	1,237	1,237	
Purchased Professional - Educational Services		53,522	53,522	51,625	1,897
General Supplies	20,464	280,631	301,095	260,272	40,823
Textbooks		198	198	175	23
Total Instruction	579,858	567,218	1,147,076	1,055,400	91,676
Support Services:					
Salaries of Other Professional Staff		24,879	24,879	7,992	16,887
Purchased Professional and Technical Services		30,970	30,970	28,870	2,100
Purchased Professional - Educational Services	32,600	109,196	141,796	120,830	20,966
Other Purchased Professional Services		108,401	108,401	91,459	16,942
Supplies and Materials	8,000	105,499	113,499	97,532	15,967
Student Activities		112,723	112,723	112,723	
Total Support Services	40,600	491,668	532,268	459,406	72,862
Facilities Acquisition and Construction Services:					
Instructional Equipment		3,936	3,936	3,936	
Total Facilities Acquisition and Construction Services		3,936	3,936	3,936	
Total Expenditures	\$ 620,458	\$ 1,062,822	\$ 1,683,280	\$ 1,518,742	\$ 164,538
Excess/(Deficit) of Revenue Over/(Under) Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ (7,674)	\$ 7,674

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 66,280,327	\$ 1,511,068
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue While the GAAP Basis Does Not:		
Prior Year Encumbrances		62,801
Cancellation of Prior Year Encumbrances		(970)
Current Year Encumbrances		(54,299)
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	309,703	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(340,401)</u>	
 Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	 <u><u>\$ 66,249,629</u></u>	 <u><u>\$ 1,518,600</u></u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 67,653,756	\$ 1,518,742
Differences - Budget to GAAP		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes:		
Prior Year Encumbrances		62,801
Cancellation of Prior Year Encumbrances		(970)
Current Year Encumbrances		<u>(54,299)</u>
 Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	 <u><u>\$ 67,653,756</u></u>	 <u><u>\$ 1,526,274</u></u>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budget for the fiscal year ending June 30, 2023, was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

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

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

SCHOOL LEVEL SCHEDULES  
(NOT APPLICABLE)

SPECIAL REVENUE FUND

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ARP					I.D.E.A., Part B	
	ESSER III	Accelerated Learning	Summer Learning	Beyond the Day School	Mental Health	Basic	Preschool
<b>REVENUE:</b>							
Local Sources							
State Sources							
Federal Sources	\$ 299,307	\$ 150,845	\$ 39,749	\$ 24,865	\$ 45,000	\$ 592,301	\$ 34,383
Total Revenue	<u>299,307</u>	<u>150,845</u>	<u>39,749</u>	<u>24,865</u>	<u>45,000</u>	<u>592,301</u>	<u>34,383</u>
<b>EXPENDITURES:</b>							
Instruction:							
Salaries of Teachers			33,000	21,997		592,301	34,383
Tuition							
Purchased Professional and Technical Services	51,625						
Purchased Professional - Educational Services	182,023		6,749	2,868			
General Supplies							
Textbooks							
Total Instruction	<u>233,648</u>		<u>39,749</u>	<u>24,865</u>		<u>592,301</u>	<u>34,383</u>
Support Services:							
Salaries of Other Professional Staff							
Purchased Professional and Technical Services					45,000		
Purchased Professional - Educational Services	10,925	64,905					
Other Purchased Professional Services		85,940					
Supplies and Materials	54,734						
Student Activities							
Total Support Services	<u>65,659</u>	<u>150,845</u>			<u>45,000</u>		
Facilities Acquisition and Construction Services:							
Instructional Equipment							
Total Facilities Acquisition and Construction Services							
Total Expenditures	<u>\$ 299,307</u>	<u>\$ 150,845</u>	<u>\$ 39,749</u>	<u>\$ 24,865</u>	<u>\$ 45,000</u>	<u>\$ 592,301</u>	<u>\$ 34,383</u>



ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Elementary and Secondary Education Act (E.S.E.A.)						FY 2022 Title III
	FY 2022 Title I	Title I - SIA	Title IIA	Immigrant	Title III	FY 2022 Title III	
<b>REVENUE:</b>							
Local Sources							
State Sources							
Federal Sources	\$ 91,240	\$ 25,515	\$ 32,792	\$ 4,549	\$ 16,008	\$ 2,990	
Total Revenue	91,240	25,515	32,792	4,549	16,008	2,990	
<b>EXPENDITURES:</b>							
Instruction:							
Salaries of Teachers	43,878	8,659		3,496	1,387	2,990	
Tuition					1,237		
Purchased Professional and Technical Services							
Purchased Professional - Educational Services			807		4,776		
General Supplies	31,826	11,856					
Textbooks							
Total Instruction	75,704	20,515	807	3,496	7,400	2,990	
Support Services:							
Salaries of Other Professional Staff	6,939			1,053			
Purchased Professional and Technical Services		900	27,970				
Purchased Professional - Educational Services						1,900	
Other Purchased Professional Services		4,100	4,015			2,772	
Supplies and Materials	8,597	6,129					
Student Activities							
Total Support Services	15,536	6,129	31,985	1,053	4,672		
Facilities Acquisition and Construction Services:							
Instructional Equipment					3,936		
Total Facilities Acquisition and Construction Services					3,936		
Total Expenditures	\$ 91,240	\$ 25,515	\$ 32,792	\$ 4,549	\$ 16,008	\$ 2,990	

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	E.S.E.A. Title IV	Nonpublic Textbook	Nonpublic Nursing	Nonpublic Handicapped Speech Correction	Local Donations	Student Activities	Total
<b>REVENUE:</b>							
Local Sources					\$ 20,700	\$ 105,049	\$ 125,749
State Sources	\$ 2,846	\$ 175	\$ 335	\$ 599			1,109
Federal Sources							1,384,210
<b>Total Revenue</b>	<b>2,846</b>	<b>175</b>	<b>335</b>	<b>599</b>	<b>20,700</b>	<b>105,049</b>	<b>1,511,068</b>
<b>EXPENDITURES:</b>							
Instruction:							
Salaries of Teachers							115,407
Tuition							626,684
Purchased Professional and Technical Services							1,237
Purchased Professional - Educational Services							51,625
General Supplies	1,776		301	599	1,000		260,272
Textbooks		175					175
<b>Total Instruction</b>	<b>1,776</b>	<b>175</b>	<b>301</b>	<b>599</b>	<b>1,000</b>		<b>1,055,400</b>
Support Services:							
Salaries of Other Professional Staff							7,992
Purchased Professional and Technical Services							28,870
Purchased Professional - Educational Services			34		2,610		120,830
Other Purchased Professional Services	975				17,090		91,459
Supplies and Materials	95						97,532
Student Activities						112,723	112,723
<b>Total Support Services</b>	<b>1,070</b>		<b>34</b>		<b>19,700</b>	<b>112,723</b>	<b>459,406</b>
Facilities Acquisition and Construction Services:							
Instructional Equipment							3,936
<b>Total Facilities Acquisition and Construction Services</b>							<b>3,936</b>
<b>Total Expenditures</b>	<b>\$ 2,846</b>	<b>\$ 175</b>	<b>\$ 335</b>	<b>\$ 599</b>	<b>\$ 20,700</b>	<b>\$ 112,723</b>	<b>\$ 1,518,742</b>

CAPITAL PROJECTS FUND

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Expenditures:	
Construction Services	\$ 12,125
	<hr/>
Total Expenditures	12,125
	<hr/>
Deficit of Revenue and Other Financing Sources Under Expenditures	(12,125)
Fund Balance - Beginning of Year	39,775
	<hr/>
Fund Balance - End of Year	\$ 27,650
	<hr/> <hr/>
<u>Recapitulation:</u>	
Total Committed Fund Balance - Budgetary/GAAP Basis	\$ 27,650
	<hr/> <hr/>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -  
BUDGETARY BASIS  
KATHERINE D. MALONE SCHOOL - WATER TREATMENT SYSTEM  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Project Authorization</u>
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	\$ 731,823		\$ 731,823	\$ 731,823
Total Revenue and Other Financing Sources	<u>731,823</u>		<u>731,823</u>	<u>731,823</u>
Expenditures:				
Purchased Professional and Technical Services	93,610		93,610	93,795
Construction Services	<u>598,438</u>	\$ 12,125	<u>610,563</u>	<u>638,028</u>
Total Expenditures	<u>692,048</u>	<u>12,125</u>	<u>704,173</u>	<u>731,823</u>
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 39,775</u>	<u>\$ (12,125)</u>	<u>\$ 27,650</u>	<u>\$ -0-</u>
 <u>Additional Project Information:</u>				
Project Numbers	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bo Date	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 731,823			
Additional Authorized Cost	<u>-0-</u>			
Revised Authorized Cost	<u>\$ 731,823</u>			
 Percentage Increase over Original				
Authorized Cost	0%			
Percentage Completion	96%			
Original Target Completion Date	09/20			
Revised Target Completion Date	06/24			

PROPRIETARY FUNDS

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2023

	<u>Major Fund</u>	<u>Non-Major Funds</u>		<u>Totals</u>
	<u>Food Service</u>	<u>Summer Enrichment</u>	<u>After School</u>	
<b>ASSETS:</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 322,236	\$ 41,211	\$ 24,342	\$ 387,789
Intergovernmental Accounts Receivable:				
State	1,255			1,255
Federal	22,622			22,622
Inventories	8,428			8,428
Total Current Assets	<u>354,541</u>	<u>41,211</u>	<u>24,342</u>	<u>420,094</u>
Non-Current Assets:				
Capital Assets	618,351			618,351
Less: Accumulated Depreciation	(475,939)			(475,939)
Total Non-Current Assets	<u>142,412</u>			<u>142,412</u>
Total Assets	<u>496,953</u>	<u>41,211</u>	<u>24,342</u>	<u>562,506</u>
<b>LIABILITIES:</b>				
Current Liabilities:				
Accounts Payable	46,443			46,443
Unearned Revenue:				
Prepaid Sales	10,748	37,630		48,378
Donated Commodities	2,190			2,190
Supply Chain Assistance	50,305			50,305
Total Liabilities	<u>109,686</u>	<u>37,630</u>		<u>147,316</u>
<b>NET POSITION:</b>				
Investment in Capital Assets	142,412			142,412
Unrestricted	244,855	3,581	24,342	272,778
Total Net Position	<u>\$ 387,267</u>	<u>\$ 3,581</u>	<u>\$ 24,342</u>	<u>\$ 415,190</u>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Major Fund	Non-Major Funds		Totals
	Food Service	Summer Enrichment	After School	
Operating Revenue:				
Daily Sales:				
Reimbursable Programs	\$ 390,207			\$ 390,207
Non-Reimbursable Programs	72,836			72,836
Charges for Services - Program Fees		\$ 26,390	\$ 34,055	60,445
Miscellaneous Revenue	159			159
Total Operating Revenue	463,202	26,390	34,055	523,647
Operating Expenses:				
Cost of Sales:				
Reimbursable Programs	299,556			299,556
Non-Reimbursable Programs	33,752			33,752
Salaries	307,474	21,786	25,184	354,444
Employee Benefits	97,746			97,746
Transportation		3,000		3,000
Other Purchased Services	59,596			59,596
Supplies and Materials	22,138		1,038	23,176
Miscellaneous Expenditures	97,857			97,857
Depreciation Expense	18,045			18,045
Total Operating Expenses	936,164	24,786	26,222	987,172
Operating Income/(Loss)	(472,962)	1,604	7,833	(463,525)
Non-Operating Revenue:				
Interest Income	36	1		37
State Sources:				
State School Lunch Program	15,081			15,081
State School Breakfast Program	177			177
Federal Sources:				
National School Lunch Program	268,893			268,893
School Breakfast Program	7,000			7,000
Food Distribution Program	75,862			75,862
Total Non-Operating Revenue	367,049	1		367,050
Change in Net Position	(105,913)	1,605	7,833	(96,475)
Net Position - Beginning of Year	493,180	1,976	16,509	511,665
Net Position - End of Year	\$ 387,267	\$ 3,581	\$ 24,342	\$ 415,190



ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Major Fund	Non-Major Funds		Totals
	Food Service	Summer Enrichment	After School	
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 442,328	\$ 38,180	\$ 34,055	\$ 514,563
Payments to Food Service Company	(789,848)			(789,848)
Payments to/for Employees		(21,786)	(25,184)	(46,970)
Payments to Suppliers	(77,394)	(3,000)	(1,038)	(81,432)
Net Cash Provided by/(Used for) Operating Activities	(424,914)	13,394	7,833	(403,687)
Cash Flows from Financing Activities:				
Interest Income	36	1		37
Net Cash Provided by Financing Activities	36	1		37
Cash Flows from Capital and Related Financing Activities:				
Purchase of Capital Assets	(17,613)			(17,613)
Net Cash (Used for) Capital and Related Financing Activities	(17,613)			(17,613)
Cash Flows by Noncapital Financing Activities:				
State Sources	16,347			16,347
Federal Sources	406,895			406,895
Net Cash Provided by Noncapital Financing Activities	423,242			423,242
Net Increase/(Decrease) in Cash and Cash Equivalents	(19,249)	13,395	7,833	1,979
Cash and Cash Equivalents, July 1	341,485	27,816	16,509	385,810
Cash and Cash Equivalents, June 30	\$ 322,236	\$ 41,211	\$ 24,342	\$ 387,789
Reconciliation of Operating Income/(Loss) to				
Net Cash Provided by/(Used for) by Operating Activities:				
Operating Income/(Loss)	\$ (472,962)	\$ 1,604	\$ 7,833	\$ (463,525)
Depreciation	18,045			18,045
Food Distribution Program	75,862			75,862
Changes in Assets and Liabilities:				
(Decrease) in Accounts Payable	(38,077)			(38,077)
(Decrease) in Unearned Revenue - Donated Commodities	(1,802)			(1,802)
Increase/(Decrease) in Unearned Revenue - Prepaid Sales	(20,874)	11,790		(9,084)
Decrease in Inventory	14,894			14,894
Net Cash Provided by/(Used for) by Operating Activities	\$ (424,914)	\$ 13,394	\$ 7,833	\$ (403,687)

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$74,060 and utilized U.S.D.A. Commodities valued at \$75,862.

LONG-TERM LIABILITIES

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance July 1, 2022	Retired or Matured	Balance June 30, 2023
			Date	Amount				
Refunding School Bonds	06/15/16	\$ 4,395,000	09/01/23	\$ 560,000	4.000%	\$ 1,675,000	\$ 535,000	\$ 1,140,000
			09/01/24	580,000	4.000%			
						<u>\$ 1,675,000</u>	<u>\$ 535,000</u>	<u>\$ 1,140,000</u>

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

Purpose	Interest Rate	Original Issue	Balance June 30, 2022	Issued	Matured	Balance June 30, 2023
Two 54-passenger and Two 24-passenger Buses (#29)	3.260%	\$ 371,505	\$ 76,645		\$ 76,645	
Two 54-passenger and Two 16-passenger Buses (#30)	1.740%	388,814	156,829		77,740	\$ 79,089
Two 54-passenger and Two 16-passenger Buses (#32)	3.027%	412,965	325,373		77,741	247,632
			<u>\$ 558,847</u>	<u>\$ -0-</u>	<u>\$ 232,126</u>	<u>\$ 326,721</u>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 446,271		\$ 446,271	\$ 446,271	
State Sources:					
Debt Service Aid Type II	<u>145,029</u>		<u>145,029</u>	<u>145,029</u>	
Total Revenue	<u>591,300</u>		<u>591,300</u>	<u>591,300</u>	
EXPENDITURES:					
Regular Debt Service:					
Interest	56,300		56,300	56,300	
Redemption of Principal	<u>535,000</u>		<u>535,000</u>	<u>535,000</u>	
Total Regular Debt Service	<u>591,300</u>		<u>591,300</u>	<u>591,300</u>	
Total Expenditures	<u>591,300</u>		<u>591,300</u>	<u>591,300</u>	
Excess of Revenue Over Expenditures	-0-		-0-	-0-	
Fund Balance, July 1	<u>-0-</u>		<u>-0-</u>	<u>-0-</u>	
Fund Balance, June 30	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
<u>Recapitulation:</u>					
Restricted				<u>\$ -0-</u>	

**STATISTICAL SECTION**  
(Unaudited)

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

**Contents**

	<b><u>Exhibit</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the School's financial performance and well-being have changed over time.	J-1 thru J-5
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the factors affecting the School's ability to generate its property taxes.	J-6 thru J-9
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the School's current levels of outstanding debt and the School's ability to issue additional debt in the future.	J-10 thru J-13
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the School's financial activities take place and to help make comparisons over time and with other governments.	J-14 thru J-15
<b>Operating Information</b> These schedules contain information about the School's operations and resources to help the reader understand how the School's financial information relates to the services the School provides and the activities it performs.	J-16 thru J-20

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

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

	June 30, 2023									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Governmental Activities:</b>										
Net Investment in Capital Assets	\$ 14,482,456	\$ 15,244,110	\$ 18,497,801	\$ 20,449,774	\$ 22,198,337	\$ 23,821,521	\$ 21,781,704	\$ 22,550,008	\$ 25,415,001	\$ 26,852,852
Restricted	6,463,521	6,953,662	6,105,971	6,179,985	7,784,820	7,242,879	13,997,834	15,134,147	12,399,638	11,445,865
Unrestricted/(Deficit)	(14,086,870)	(13,744,513)	(13,863,773)	(15,085,047)	(16,357,648)	(14,648,216)	(16,610,985)	(13,793,071)	(9,417,901)	(8,094,887)
<b>Total Governmental Activities Net Position</b>	<b>\$ 6,859,107</b>	<b>\$ 8,453,259</b>	<b>\$ 10,739,999</b>	<b>\$ 11,544,712</b>	<b>\$ 13,625,509</b>	<b>\$ 16,416,184</b>	<b>\$ 19,168,553</b>	<b>\$ 23,891,084</b>	<b>\$ 28,396,738</b>	<b>\$ 30,203,830</b>
<b>Business-Type Activities:</b>										
Investment in Capital Assets	\$ 159,690	\$ 113,012	\$ 88,777	\$ 172,442	\$ 189,907	\$ 193,810	\$ 162,914	\$ 153,960	\$ 142,844	\$ 142,412
Unrestricted	201,363	254,490	278,159	175,297	139,047	208,507	235,654	89,873	368,821	272,778
<b>Total Business-Type Activities Net Position</b>	<b>\$ 361,053</b>	<b>\$ 367,502</b>	<b>\$ 366,936</b>	<b>\$ 347,739</b>	<b>\$ 328,954</b>	<b>\$ 402,317</b>	<b>\$ 398,568</b>	<b>\$ 243,833</b>	<b>\$ 511,665</b>	<b>\$ 415,190</b>
<b>District-Wide:</b>										
Net Investment in Capital Assets	\$ 14,642,146	\$ 15,357,122	\$ 18,586,578	\$ 20,622,216	\$ 22,388,244	\$ 24,015,331	\$ 21,944,618	\$ 22,703,968	\$ 25,557,845	\$ 26,995,264
Restricted	6,463,521	6,953,662	6,105,971	6,179,985	7,784,820	7,242,879	13,997,834	15,134,147	12,399,638	11,695,865
Unrestricted/(Deficit)	(13,885,507)	(13,490,023)	(13,585,614)	(14,909,750)	(16,218,601)	(14,439,709)	(16,375,331)	(13,703,198)	(9,049,080)	(7,822,109)
<b>Total District Net Position</b>	<b>\$ 7,220,160</b>	<b>\$ 8,820,761</b>	<b>\$ 11,106,935</b>	<b>\$ 11,892,451</b>	<b>\$ 13,954,463</b>	<b>\$ 16,818,501</b>	<b>\$ 19,567,121</b>	<b>\$ 24,134,917</b>	<b>\$ 28,908,403</b>	<b>\$ 30,869,020</b>

Source: School District Financial Reports

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

	Fiscal Year Ending June 30, 2023									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses:</b>										
Governmental Activities:										
Instruction:										
Regular	\$ 16,548,211	\$ 19,361,831	\$ 21,316,919	\$ 23,382,377	\$ 25,479,101	\$ 23,626,534	\$ 22,141,798	\$ 23,859,339	\$ 25,210,183	\$ 23,665,396
Special Education	8,718,761	9,978,559	10,011,955	10,938,722	10,741,972	10,162,898	10,296,399	9,484,796	10,200,637	9,630,613
Other Special Education	1,031,408	1,404,875	1,429,835	1,655,602	1,253,641	1,359,576	1,271,535	1,619,775	1,816,055	1,797,185
Other Instruction	62,639	49,756	56,636	60,424	58,401	84,366	60,740	18,891	53,728	82,364
Support Services:										
Tuition								556,136	492,387	1,296,746
Student and Instruction Related Services	8,672,303	10,542,966	11,314,387	12,757,414	13,342,823	12,542,617	12,113,719	11,958,283	11,295,970	11,329,654
General Administrative Services	953,174	926,012	1,569,870	2,187,221	1,381,039	863,585	1,004,091	959,915	895,908	1,035,816
School Administrative Services	2,613,408	2,653,402	2,774,543	2,576,655	3,281,178	2,939,687	2,552,159	2,988,271	2,402,599	2,421,355
Central Services	1,415,556	1,561,424	1,589,267	1,611,967	1,979,375	1,930,793	1,854,635	824,932	796,323	877,480
Administrative Information Technology								833,523	626,685	798,750
Plant Operations and Maintenance	4,874,723	4,573,632	4,484,489	4,515,865	4,899,077	4,734,878	4,551,701	4,559,895	4,536,428	5,122,633
Pupil Transportation	3,238,690	3,156,987	2,549,796	3,182,434	3,094,941	2,983,144	2,859,583	2,571,338	3,108,825	2,965,404
Capital Outlay								1,830		1,830
Charter Schools								62,529	80,780	214,015
Interest on Long-Term Debt								132,684	19,406	3,140
Total Governmental Activities Expenses	48,434,448	54,471,472	57,286,370	62,955,120	65,610,604	61,325,500	58,792,323	60,432,137	61,533,914	61,242,381
Business-Type Activities:										
Proprietary Funds	720,211	784,622	852,381	863,879	853,901	801,917	719,296	456,506	974,317	987,172
Total Business-Type Activities Expense	720,211	784,622	852,381	863,879	853,901	801,917	719,296	456,506	974,317	987,172
Total District Expenses	\$ 49,154,659	\$ 55,256,094	\$ 58,138,751	\$ 63,818,999	\$ 66,464,505	\$ 62,127,417	\$ 59,511,619	\$ 60,888,643	\$ 62,510,231	\$ 62,229,553
<b>Program Revenues:</b>										
Governmental Activities:										
Charges for Services:										
Regular Instruction	\$ 136,697	\$ 283,766	\$ 247,926	\$ 235,004	\$ 170,800	\$ 134,642	\$ 138,506	\$ 22,080	\$ 51,500	\$ 47,125
Special Education								208,144	86,582	146,907
Student and Related Services								42,340	38,705	105,049
Pupil transportation	7,436	8,938	19,957	115,128	163,193	111,366	94,456	95,060	153,774	75,967
Operating Grants and Contributions	6,550,301	11,583,723	13,814,981	17,514,108	20,693,087	16,522,690	13,622,793	15,379,717	15,355,481	11,484,220
Capital Grants and Contributions	320,426	139,166	318,487	90,620	61,780					
Total Governmental Activities Program Revenues	7,014,860	12,015,593	14,401,351	17,954,860	21,088,860	16,768,698	13,855,755	15,747,341	15,686,042	11,859,268



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

	Fiscal Year Ending June 30, 2023									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Program Revenues: (Cont'd)										
Business-Type Activities:										
Charges for Services:										
Proprietary Funds	\$ 533,003	\$ 576,520	\$ 620,070	\$ 613,464	\$ 619,496	\$ 659,070	\$ 520,376	\$ 16,575	\$ 77,342	\$ 523,647
Operating Grants and Contributions	225,416	214,343	231,450	230,893	214,902	212,509	207,651	287,203	1,164,791	367,013
Total Business-Type Activities Program Revenues	758,419	790,863	851,520	844,357	834,398	871,579	728,027	303,778	1,242,133	890,660
Total District Program Revenues	\$ 7,773,279	\$ 12,806,456	\$ 15,252,871	\$ 18,799,217	\$ 21,923,258	\$ 17,640,277	\$ 14,583,782	\$ 16,051,119	\$ 16,928,175	\$ 12,749,928
Net (Expense)/Revenue:										
Governmental Activities	\$ (41,419,588)	\$ (42,455,879)	\$ (42,885,019)	\$ (45,000,260)	\$ (44,521,744)	\$ (44,556,802)	\$ (44,936,568)	\$ (44,684,796)	\$ (45,849,872)	\$ (49,383,113)
Business-Type Activities	38,208	6,241	(861)	(19,522)	(19,503)	69,662	8,731	(152,728)	267,816	(96,512)
Total District-Wide Net Expense	\$ (41,381,380)	\$ (42,449,638)	\$ (42,885,880)	\$ (45,019,782)	\$ (44,541,247)	\$ (44,487,140)	\$ (44,927,837)	\$ (44,837,524)	\$ (45,582,056)	\$ (49,479,625)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 41,032,186	\$ 41,819,183	\$ 42,655,566	\$ 43,508,678	\$ 44,378,851	\$ 45,266,428	\$ 46,171,082	\$ 47,057,567	\$ 47,984,601	\$ 48,807,345
Taxes Levied for Debt Service	451,164	436,296	425,275	410,560	409,259	408,913	394,353	449,140	447,026	446,271
Federal and State Aid not Restricted	1,443,258	1,534,100	1,532,026	1,514,246	1,521,269	1,415,459	1,431,093	1,375,039	1,759,204	1,388,658
Investment Earnings	13,036	15,118	14,779	19,945	28,999	108,389	127,637	1,878	1,090	5,985
Miscellaneous Income	181,862	245,334	544,113	351,544	264,163	138,788	269,936	523,703	163,605	541,946
Other Item						9,500				
Total Governmental Activities	43,121,506	44,050,031	45,171,759	45,804,973	46,602,541	47,347,477	48,394,101	49,407,327	50,355,526	51,190,205
Business-Type Activities:										
Investment Earnings	198	208	295	325	718	3,701	3,561	54	16	37
Other Item								(2,061)		
Total Business-Type Activities	198	208	295	325	718	3,701	3,561	(2,007)	16	37
Total District-Wide	\$ 43,121,704	\$ 44,050,239	\$ 45,172,054	\$ 45,805,298	\$ 46,603,259	\$ 47,351,178	\$ 48,397,662	\$ 49,405,320	\$ 50,355,542	\$ 51,190,242
Change in Net Position:										
Governmental Activities	\$ 1,701,918	\$ 1,594,152	\$ 2,286,740	\$ 804,713	\$ 2,080,797	\$ 2,790,675	\$ 3,457,533	\$ 4,722,531	\$ 4,505,654	\$ 1,807,092
Business-Type Activities	38,406	6,449	(566)	(19,197)	(18,785)	73,363	12,292	(154,735)	267,832	(96,475)
Total District	\$ 1,740,324	\$ 1,600,601	\$ 2,286,174	\$ 785,516	\$ 2,062,012	\$ 2,864,038	\$ 3,469,825	\$ 4,567,796	\$ 4,773,486	\$ 1,710,617

Source: School District Financial Reports

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

	June 30, 2023									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund:										
Restricted	\$ 7,756,121	\$ 8,228,241	\$ 8,082,566	\$ 7,569,574	\$ 9,065,596	\$ 9,558,872	\$ 13,898,817	\$ 15,037,778	\$ 12,313,126	\$ 11,367,027
Committed						260,621				
Assigned	371,703	426,892	740,061	895,319	590,851	208,273	304,425	761,285	2,583,694	3,648,296
Unassigned	632,449	701,389	722,563	1,075,772	822,221	881,823	1,564,216	2,847,509	3,097,316	1,574,686
<b>Total General Fund</b>	<b>\$ 8,760,273</b>	<b>\$ 9,356,522</b>	<b>\$ 9,545,190</b>	<b>\$ 9,540,665</b>	<b>\$ 10,478,668</b>	<b>\$ 10,909,589</b>	<b>\$ 15,767,458</b>	<b>\$ 18,646,572</b>	<b>\$ 17,994,136</b>	<b>\$ 16,590,009</b>
All Other Governmental Funds										
Restricted	\$ 350,135	\$ 890,337	\$ (57,547)	\$ 12,485	\$ 12,485	\$ 414,912	\$ 99,017	\$ 96,369	\$ 86,512	\$ 78,838
Committed							136,256	7,575	39,775	27,650
Unassigned / (Deficit)				(12,047)	(67,963)					
<b>Total All Other Governmental Funds:</b>	<b>\$ 350,135</b>	<b>\$ 890,337</b>	<b>\$ (57,547)</b>	<b>\$ 438</b>	<b>\$ (55,478)</b>	<b>\$ 414,912</b>	<b>\$ 235,273</b>	<b>\$ 103,944</b>	<b>\$ 126,287</b>	<b>\$ 106,488</b>

Source: School District Financial Reports

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

	Fiscal Year Ended June 30, 2023									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues:</b>										
Tax Levy	\$ 41,483,350	\$ 42,255,479	\$ 43,080,841	\$ 43,919,238	\$ 44,788,110	\$ 45,675,341	\$ 46,565,435	\$ 47,506,707	\$ 48,431,627	\$ 49,253,616
Tuition Charges	136,697	283,766	247,926	235,004	170,800	134,642	138,506	230,224	138,082	194,032
Transportation Charges			19,957	115,128	163,193	111,366	94,456	95,060	153,774	75,967
Interest Earnings			14,779	19,945	28,999	27,982	54,885	1,878	1,090	5,985
Restricted Miscellaneous	211,234	278,078	544,813	352,544	265,163	229,545	352,757	208,477	88,055	105,049
Unrestricted Miscellaneous	7,285,607	7,771,691	8,551,420	8,978,550	9,908,871	10,704,704	11,177,286	13,226,678	16,127,725	16,327,050
State Sources	1,019,478	1,100,862	1,215,029	1,116,367	1,118,217	1,168,333	1,198,333	1,426,214	1,753,778	1,831,267
Federal Sources										
<b>Total Revenue</b>	<b>50,136,366</b>	<b>51,689,876</b>	<b>53,674,765</b>	<b>54,736,776</b>	<b>56,443,353</b>	<b>58,052,507</b>	<b>59,581,658</b>	<b>63,093,445</b>	<b>66,832,379</b>	<b>68,359,529</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular Instruction	16,262,126	16,408,429	18,060,681	18,225,055	19,325,368	19,945,243	20,128,432	14,070,823	15,305,621	15,862,393
Special Education Instruction	8,549,832	8,673,915	8,495,107	8,735,396	8,286,774	8,792,746	9,509,795	5,760,358	6,455,612	6,401,431
Other Special Instruction	1,030,035	1,234,697	1,216,708	1,303,695	1,062,865	1,143,792	1,140,474	922,217	1,062,574	1,168,845
Other Instruction	62,639	49,756	56,636	60,424	58,401	78,125	63,238	14,957	49,693	74,636
<b>Support Services:</b>										
Tuition								556,136	492,387	1,296,746
Student and Instruction Related Services	8,499,295	9,150,415	9,713,965	10,242,989	10,344,363	10,777,478	10,984,722	7,912,750	7,965,294	8,445,596
General Administrative Services	940,996	888,640	975,003	972,930	1,001,049	1,080,254	950,642	774,579	762,567	903,927
School Administrative Services	2,593,748	2,382,139	2,456,579	2,431,507	2,564,803	2,592,502	2,384,837	1,653,434	1,630,545	1,722,273
Central Services	673,698	694,708	701,830	723,448	711,275	726,260	1,764,370	622,683	675,097	723,748
Administration Information Technology	711,255	789,960	818,296	785,801	1,030,597	1,058,773		715,993	579,975	715,335
Plant Operations and Maintenance	4,746,539	4,454,309	4,405,955	4,423,198	4,416,473	4,442,750	4,573,382	3,769,303	4,083,295	4,532,040
Pupil Transportation	2,966,024	3,072,896	2,525,340	2,813,261	2,790,194	2,784,399	2,870,339	2,039,550	2,635,662	2,937,863
Unallocated Benefits								18,764,216	20,853,590	22,329,024
<b>Debt Service:</b>										
Principal	1,207,480	1,329,355	1,522,320	1,053,347	940,019	949,845	843,420	500,000	515,000	535,000
Interest and Other Charges	292,937	264,445	316,113	120,451	152,221	133,888	124,380	95,100	77,300	56,300
Capital Outlay	943,215	1,702,389	4,567,703	3,198,447	2,876,864	3,016,646	1,468,714	2,111,032	4,650,445	1,864,283
Transfer of Funds to Charter Schools								62,529	80,780	214,015
<b>Total Expenditures</b>	<b>49,479,819</b>	<b>51,096,053</b>	<b>55,832,236</b>	<b>55,089,949</b>	<b>55,561,266</b>	<b>57,522,701</b>	<b>56,806,745</b>	<b>60,345,660</b>	<b>67,875,437</b>	<b>69,783,455</b>
<b>Excess (Deficiency) of revenues over (under) expenditures</b>	<b>656,547</b>	<b>593,823</b>	<b>(2,157,471)</b>	<b>(353,173)</b>	<b>882,087</b>	<b>529,806</b>	<b>2,774,913</b>	<b>2,747,785</b>	<b>(1,043,058)</b>	<b>(1,423,926)</b>

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

	Fiscal Year Ended June 30, 2023									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Other Financing sources (uses)										
Financed Purchases	\$ 418,682	\$ 542,628	\$ 1,301,653	\$ 406,633		\$ 371,505	\$ 764,827		\$ 412,965	
Bond Premium			414,244							
Payment to Escrow Agent			(4,712,642)							
Serial Bonds Debt Issued			4,395,000							
Total other financing sources (uses)	418,682	542,628	1,398,255	406,633		371,505	764,827		412,965	
Net Change in Fund Balances	\$ 1,075,229	\$ 1,136,451	\$ (759,216)	\$ 53,460	\$ 882,087	\$ 901,311	\$ 3,539,740	\$ 2,747,785	\$ (630,093)	\$ (1,423,926)
Debt Service as a Percentage of Noncapital Expenditures	3.09 %	3.23 %	3.59 %	2.26 %	2.07 %	1.99 %	1.75 %	1.02 %	0.94 %	0.87 %

Source: School District Financial Reports

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

Fiscal Year	Tuition	Transportation	Interest on Investments	Rental Income	Prior Year Refunds	SREC Revenue	Miscellaneous	Total
2014	\$ 136,697	\$ 13,036	\$ 7,436	\$ 6,277	\$ -0-	\$ -0-	\$ 175,585	\$ 339,031
2015	283,766	15,118	8,938	5,405	153,715	-0-	86,216	553,158
2016	247,926	20,846	19,957	7,151	259,679	168,583	102,633	826,775
2017	235,004	19,945	115,128	13,305	129,766	1,937	194,234	709,319
2018	170,800	28,999	151,346	10,695	93,381	25,677	146,257	627,155
2019	134,642	108,389	111,366	18,100	96,600	3,907	3,262	476,266
2020	138,506	127,637	94,456	47,002	-0-	79,778	143,156	630,535
2021	230,224	95,060	5,577	55,498	88,597	184,980	190,929	850,865
2022	138,082	153,774	2,479	63,900	9,276	-0-	89,040	456,551
2023	194,032	75,967	7,223	60,000	62,448	314,213	104,047	817,930

Source: School District records

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

Year Ended June 30,	Vacant Land	Residential	Farm Regular	Qualified Farm	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total	
												Direct School Tax	Estimated Actual (County Equalized Value)
2013 *	\$ 65,419,000	\$ 2,683,763,200	\$ 5,920,500	\$202,000	\$ 576,745,300	\$ 209,387,900	\$ 59,954,100	\$ 3,601,392,000	\$ 407,837,100	\$ -0-	\$ 3,601,392,000	\$ 1,147	\$ 3,935,116,405
2014	65,434,200	2,657,539,800	7,859,700	203,900	570,208,400	207,773,700	59,954,100	3,568,973,800	408,552,300	-0-	3,568,973,800	1,173	3,801,875,651
2015	60,924,200	2,657,056,500	7,855,000	204,100	564,369,300	206,651,600	58,654,300	3,555,715,000	409,409,900	-0-	3,555,715,000	1,200	3,829,398,626
2016	58,034,200	2,679,043,700	8,587,100	204,600	568,030,800	206,419,700	58,934,000	3,579,254,100	409,692,400	-0-	3,579,254,100	1,215	3,579,254,100
2017 *	55,226,400	2,696,621,000	8,587,100	185,500	568,456,100	205,161,400	58,846,400	3,593,083,900	413,450,900	-0-	3,593,083,900	1,235	3,593,083,900
2018 *	51,299,000	2,941,003,400	8,344,600	179,300	644,944,100	232,616,800	78,241,900	3,956,629,100	461,558,200	-0-	3,956,629,100	1,143	3,956,629,100
2019 *	46,732,900	3,000,131,300	8,253,800	187,900	662,902,000	245,525,000	123,177,900	4,086,910,800	514,871,900	-0-	4,086,910,800	1,129	4,212,185,628
2020 *	45,260,500	3,084,985,700	9,222,700	187,100	668,025,900	252,671,300	141,757,200	4,202,110,400	393,482,400	-0-	4,202,110,400	1,120	4,524,860,678
2021 *	44,486,800	3,154,729,900	10,304,500	127,200	666,972,500	258,146,600	160,303,700	4,295,071,200	399,960,700	-0-	4,295,071,200	1,117	4,548,703,196
2022 *	42,732,300	3,359,721,200	11,507,500	136,600	685,902,200	297,179,900	218,335,700	4,615,515,400	403,871,500	-0-	4,615,515,400	1,059	4,907,786,998

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

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

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

\* Revaluation/Reassessment Year

Source: Municipal Tax Assessor

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

Year Ended December 31,	Rockaway Township School District Direct			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Township of Rockaway	Regional School District	Morris County	
2013	\$ 1.135	\$ 0.012	\$ 1.147	\$ 0.797	\$ 0.698	\$ 0.270	\$ 2.912
2014	1.161	0.012	1.173	0.840	0.718	0.272	3.003
2015	1.188	0.012	1.200	0.857	0.734	0.269	3.060
2016	1.204	0.011	1.215	0.872	0.720	0.274	3.081
2017	1.224	0.011	1.235	0.872	0.728	0.287	3.122
2018	1.133	0.010	1.143	0.773	0.704	0.278	2.898
2019	1.119	0.010	1.129	0.746	0.711	0.267	2.853
2020	1.109	0.011	1.120	0.728	0.711	0.282	2.841
2021	1.107	0.010	1.117	0.728	0.717	0.276	2.838
2022	1.049	0.010	1.059	0.706	0.683	0.274	2.722

\* Revaluation of Real Property.

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

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

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

Source: Municipal Tax Collector and School Business Administrator

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

Taxpayer	2022	
	Taxable Assessed Value	% of Total District Net Assessed Value
Rockaway Center Associates/Corporate Property Investors, Inc	\$ 210,235,200	4.55 %
Tilcon	76,179,000	1.65 %
WPG Rockaway Commons LLC	68,896,200	1.49 %
Pondview Estates	58,197,800	1.26 %
Rustic Ridge, Inc.	38,153,400	0.83 %
Marketplace at Rockaway, LLC	36,127,800	0.78 %
Dover UE, LLC	30,200,000	0.65 %
100 Commons Way LLC c/o Gannett	27,450,000	0.59 %
Macy's	26,520,000	0.57 %
Target Corp	21,969,400	0.48 %
Total	<u>\$ 593,928,800</u>	<u>12.85 %</u>

Taxpayer	2013	
	Taxable Assessed Value	% of Total District Net Assessed Value
Rockaway Center Associates/Corporate Property Investors, Inc	\$ 199,045,400	6.90 %
MT. Hope Rock Products & Hydro	53,403,200	1.85 %
Marvin F. Poer and Compnay	30,121,400	1.04 %
MarketPlace at Rockaway, LLC	30,073,500	1.04 %
Dover VF C/O Vornado Realty Trust	27,552,700	0.95 %
Rustie Ridge, Inc	26,099,800	0.90 %
Macy's East, Inc./Federated Department Stores	25,346,900	0.88 %
Bergen Record	24,991,500	0.87 %
Target Corporation	19,445,300	0.67 %
Highlands at Morris	19,228,200	0.67 %
Total	<u>\$ 455,307,900</u>	<u>15.77 %</u>

Source: Municipal Tax Assessor



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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	\$ 41,483,350	\$ 41,483,350	100.00 %	\$ -0-
2015	42,255,478	42,255,478	100.00 %	-0-
2016	43,080,841	43,080,841	100.00 %	-0-
2017	43,919,236	43,919,236	100.00 %	-0-
2018	44,788,110	44,788,110	100.00 %	-0-
2019	45,675,341	45,675,341	100.00 %	-0-
2020	46,565,435	46,565,435	100.00 %	-0-
2021	47,506,707	47,506,707	100.00 %	-0-
2022	48,431,627	48,431,627	100.00 %	-0-
2023	49,253,616	49,253,616	100.00 %	-0-

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

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

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

Fiscal Year Ended June 30,	Governmental Activities		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Financed Purchases			
2014	\$ 5,370,000	\$ 1,963,966	\$ 7,333,966	0.36 %	\$ 301
2015	5,005,000	1,515,238	6,520,238	0.30 %	267
2016	4,395,000	1,659,571	6,054,571	0.27 %	249
2017	3,950,000	1,457,857	5,407,857	0.23 %	215
2018	3,540,000	927,838	4,467,838	0.18 %	174
2019	3,120,000	769,498	3,889,498	0.15 %	150
2020	2,690,000	614,101	3,304,101	0.12 %	127
2021	2,190,000	384,112	2,574,112	0.09 %	100
2022	1,675,000	558,847	2,233,847	0.08 %	86
2023	1,140,000	326,721	1,466,721	0.05 %	56

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

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

Source: School District Financial Reports

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions			
2014	\$ 5,370,000	\$ -0-	\$ 5,370,000	0.15 %	\$ 221
2015	5,005,000	-0-	5,005,000	0.14 %	205
2016	4,395,000	-0-	4,395,000	0.12 %	181
2017	3,950,000	-0-	3,950,000	0.11 %	157
2018	3,540,000	-0-	3,540,000	0.10 %	138
2019	3,120,000	-0-	3,120,000	0.08 %	121
2020	2,690,000	-0-	2,690,000	0.07 %	103
2021	2,190,000	-0-	2,190,000	0.05 %	85
2022	1,675,000	-0-	1,675,000	0.04 %	64
2023	1,140,000	-0-	1,140,000	0.02 %	44

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

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

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

Source: School District Financial Reports

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2022  
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable<sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
Rockaway Township	\$ 20,714,301	100.00 %	\$ 20,714,301
Morris County General Obligation Debt	253,387,955	4.33 %	<u>10,966,900</u>
Subtotal, Overlapping Debt			31,681,201
Rockaway Township School District Direct Debt			<u>1,140,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 32,821,201</u></u>

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2023

	Equalized Valuation Basis	
	2022	\$ 5,202,925,713
	2021	4,825,922,697
	2020	4,504,352,449
		\$ 14,533,200,859
Average Equalized Valuation of Taxable Property		\$ 4,844,400,286
Debt Limit (3% of Average Equalization Value)		\$ 145,332,009
Net Bonded School Debt		1,140,000
Legal Debt Margin		\$ 144,192,009

	Fiscal Year				
	2014	2015	2016	2017	2018
Debt Limit	\$ 115,829,425	\$ 114,705,189	\$ 115,894,648	\$ 77,559,806	\$ 123,032,035
Total Net Debt Applicable to Limit	5,370,000	5,005,000	4,395,000	3,950,000	3,540,000
Legal Debt Margin	\$ 110,459,425	\$ 109,700,189	\$ 111,499,648	\$ 73,609,806	\$ 119,492,035
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	4.64 %	4.36 %	3.79 %	5.09 %	2.88 %

	Fiscal Year				
	2019	2020	2021	2022	2023
Debt Limit	\$ 128,335,704	\$ 125,215,704	\$ 131,423,555	\$ 138,051,583	\$ 145,332,009
Total Net Debt Applicable to Limit	3,120,000	2,690,000	2,190,000	1,675,000	1,140,000
Legal Debt Margin	\$ 125,215,704	\$ 122,525,704	\$ 129,233,555	\$ 129,233,555	\$ 144,192,009
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	2.43 %	2.15 %	1.67 %	1.21 %	0.78 %

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

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

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

<u>Year Ended</u>	<u>Population <sup>a</sup></u>	<u>Per Capita Personal Income <sup>b</sup></u>	<u>Personal Income <sup>c</sup></u>	<u>Unemployment Rate <sup>d</sup></u>
2014	24,347	\$ 84,287	\$ 2,052,135,589	5.00 %
2015	24,401	88,298	2,154,559,498	4.20 %
2016	24,311	91,252	2,218,427,372	4.00 %
2017	25,188	93,544	2,356,186,272	3.60 %
2018	25,613	97,244	2,490,710,572	3.60 %
2019	25,866	99,140	2,564,355,240	3.20 %
2020	26,054	102,227	2,663,422,258	7.60%
2021	25,869	107,767	2,787,824,523	4.70%
2022	26,036	107,767 **	2,805,821,612 ***	2.80%
2023	26,036 *	107,767 **	2,805,821,612 ***	N/A

\* - Latest population data available (2022) was used for calculation purposes.

\*\* - Latest Morris County per capita personal income available (2021) was used for calculation purposes.

\*\*\* - Latest available population data (2022) and latest available Bergen County per capita personal income (2021) was used for calculation purposes.

N/A - Information unavailable.

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

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

	2022			2013		
	Employer	Employees	Percentage of Total Employment	Employer	Employees	Percentage of Total Employment
Atlantic Health System		10,516	3.91%	Novartis	6,200	2.26%
US Army Armament Research and Development		6,000	2.23%	Picatinny Arsenal	5,274	1.92%
Novartis		5,200	1.94%	Atlantic Health System	5,013	1.83%
Bayer Healthcare, LLC		3,483	1.30%	UPS	2,332	0.85%
Barclays		3,000	1.12%	County of Morris	1,928	0.70%
Automatic Data Processing, Inc.		2,200	0.82%	ADP	1,924	0.70%
Accenture		2,009	0.75%	Saint Clare's Hospital	1,841	0.67%
Deloitte & Touche		1,492	0.56%	AT&T	1,550	0.57%
St. Clare's		1,491	0.55%	Chilton Memorial Hospital	1,440	0.53%
County of Morris		1,438	0.54%	BASF Corporation	1,400	0.51%
Total		<u>36,829</u>	<u>13.71%</u>	Total	<u>28,902</u>	<u>10.54%</u>
Total Employment		<u>268,713</u>		Total Employment	<u>274,179</u>	

Source: Morris County Area Chamber of Commerce

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

<u>Function/Program</u>	<u>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>Instruction</u>										
Regular	176.5	169.5	178.5	177.5	183.0	180.0	184.0	187.0	191.0	194.0
Special Education	88.0	96.0	104.5	95.5	84.0	80.0	84.0	88.0	82.0	93.0
Other Special Education	8.0	18.5	14.5	18.5	19.5	18.5	18.5	21.0	21.0	18.0
<u>Support Services:</u>										
Student & Instruction Related Services	83.0	98.0	99.5	110.0	107.0	112.0	93.0	97.0	97.0	99.0
School Administrative Services	28.0	24.0	24.5	23.0	25.5	25.0	25.0	25.0	24.0	25.0
General Administrative Services	12.0	11.5	11.0	11.0	11.0	13.0	13.0	14.0	17.0	17.0
Plant Operations and Maintenance	31.0	31.0	31.0	32.5	33.5	31.0	34.0	34.0	36.0	37.0
Pupil Transportation	51.0	50.0	46.0	40.0	42.0	41.0	38.0	37.0	31.0	29.0
<u>Total</u>	<u>477.5</u>	<u>498.5</u>	<u>509.5</u>	<u>508.0</u>	<u>505.5</u>	<u>500.5</u>	<u>489.5</u>	<u>503.0</u>	<u>499.0</u>	<u>512.0</u>

Source: District Personnel Records



ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil <sup>d</sup>	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Elementary				
2014	2,394	\$ 47,036,187	\$ 19,648	2.92 %	273	12:1	12:1	2,407	2,314	-1.27 %	96.14 %
2015	2,348	47,799,864	20,358	3.61 %	284	12:1	12:1	2,363	2,269	-1.83 %	96.02 %
2016	2,422	49,426,100	20,407	0.24 %	298	12:1	12:1	2,406	2,309	1.82 %	95.97 %
2017	2,409	50,717,704	21,053	3.17 %	281	11:1	11:1	2,395	2,290	-0.46 %	95.62 %
2018	2,351	51,592,162	21,945	4.23 %	278	10:1	10:1	2,321	2,217	-3.09 %	95.52 %
2019	2,277	53,422,322	23,462	6.91 %	279	9:1	9:1	2,282	2,189	-1.68 %	95.92 %
2020	2,347	54,370,231	23,166	-1.26 %	290	8:1	8:1	2,358	2,294	3.33 %	97.29 %
2021	2,164	57,639,528	26,636	14.98 %	296	8:1	8:1	2,280	2,193	-3.31 %	96.18 %
2022	2,384	62,632,692	26,272	-1.36 %	294	8:1	8:1	2,383	2,259	4.52 %	94.80 %
2023	2,418	67,327,872	27,844	5.98 %	305	8:1	8:1	2,409	2,313	1.09 %	96.01 %

Note: Enrollment based on annual October District count.

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

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

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

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

Source: School District records

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>District Buildings</u>											
Birchwood											
Square Feet	24,914	24,914	24,914	24,914	24,914	24,914	24,914	24,914	24,914	24,914	24,914
Capacity (students)	232	232	232	232	232	232	232	232	232	232	232
Enrollment	295	279	279	307	315	295	282	269	254	279	293
Copeland											
Square Feet	46,733	46,733	46,733	46,733	46,733	46,733	46,733	46,733	46,733	46,733	46,733
Capacity (students)	408	408	408	408	408	408	408	408	408	408	408
Enrollment	904	878	872	861	817	794	773	786	788	852	856
C.A. Dwyer											
Square Feet	47,285	47,285	47,285	47,285	47,285	47,285	47,285	47,285	47,285	47,285	47,285
Capacity (students)	212	212	212	212	212	212	212	212	212	212	212
Enrollment	313	338	311	323	311	302	292	315	297	323	310
Dennis B. O'brien											
Square Feet	29,523	29,523	29,523	29,523	29,523	29,523	29,523	29,523	29,523	29,523	29,523
Capacity (students)	104	104	104	104	104	104	104	104	104	104	104
Enrollment	309	298	298	336	342	355	311	332	309	278	295
K.D. Malone											
Square Feet	26,990	26,990	26,990	26,990	26,990	26,990	26,990	26,990	26,990	26,990	26,990
Capacity (students)	216	216	216	216	216	216	216	216	216	216	216
Enrollment	258	251	266	272	272	252	258	272	235	260	281
Stony Brook											
Square Feet	26,396	26,396	26,396	26,396	26,396	26,396	26,396	26,396	26,396	26,396	26,396
Capacity (students)	249	249	249	249	249	249	249	249	249	249	249
Enrollment	363	350	322	323	352	353	361	373	281	392	383
Number of Schools at June 30, 2023											
Elementary = 5											
Middle School = 1											
Senior High School = 0											
Other = 0											

Note: Enrollment is based on the annual October district count

Source: School District Facilities Office

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

Undistributed Expenditures - Required Maintenance for School Facilities  
11-000-261-xxx

School Facilities	Fiscal Year Ended June 30,				
	2014	2015	2016	2017	2018
Birchwood	\$ 149,353	\$ 58,699	\$ 151,215	\$ 277,308	\$ 75,528
Copeland Middle	285,947	266,527	189,706	182,115	147,249
C.A Dwyer	126,282	210,800	187,533	131,494	198,184
Dennis B. O'Brien	196,161	146,150	156,618	113,782	53,669
K.D. Malone	156,643	195,985	231,627	245,389	260,808
Stony Brook	121,524	75,757	140,486	108,250	138,834
Grand Total	<u>\$ 1,035,910</u>	<u>\$ 953,918</u>	<u>\$ 1,057,185</u>	<u>\$ 1,058,338</u>	<u>\$ 874,272</u>

School Facilities	Fiscal Year Ended June 30,				
	2019	2020	2021	2022	2023
Birchwood	\$ 124,610	\$ 110,936	\$ 59,203	\$ 166,072	\$ 116,213
Copeland Middle	223,303	208,092	216,809	314,057	217,908
C.A Dwyer	158,370	210,549	137,825	82,937	117,952
Dennis B. O'Brien	157,437	131,459	222,344	62,702	105,239
K.D. Malone	132,899	120,180	144,474	183,132	306,246
Stony Brook	97,844	117,536	67,466	85,701	90,025
Grand Total	<u>\$ 894,463</u>	<u>\$ 898,752</u>	<u>\$ 848,121</u>	<u>\$ 894,601</u>	<u>\$ 953,583</u>

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

Source: School District records

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
INSURANCE SCHEDULE  
AS OF JUNE 30, 2023  
UNAUDITED

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

Source: School District records.

SINGLE AUDIT SECTION

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Rockaway Township School District, in the County of Morris (the "District") as of and for the fiscal year ended June 30, 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 November 8, 2023.

**Report on Internal Control Over Financial Reporting**

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

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

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

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

**Report on Compliance and Other Matters**

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

**Purpose of this Report**

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

November 8, 2023  
Mount Arlington, New Jersey

*Nisivoccia LLP*  
NISIVOCCIA LLP

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

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

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

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

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

We have audited the Board of Education of the Rockaway Township School District's (the "District's") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the fiscal year ended June 30, 2023. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

November 8, 2023  
Mount Arlington, New Jersey

*Nisivoccia LLP*  
NISIVOCCIA LLP

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass Through Grantor Program Title/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2022		Cash Received	Budgetary Expenditures	Prior Year Payable Canceled	Adjustment	Balance at June 30, 2023		Amount Provided to Subrecipient	
					Budgetary Accounts Receivable	Budgetary Unearned Revenue					Budgetary Accounts Receivable	Budgetary Unearned Revenue		
U.S. Department of Education:														
Passed-through State Department of Education:														
Special Revenue Fund:														
Special Education Cluster:														
I.D.E.A. Part B, Basic														
I.D.E.A. Part B, Preschool														
Total Special Education Cluster														
Elementary and Secondary Education Act:														
Title I														
Title I														
Total Title I														
Title I - SIA														
Title I - SIA														
Total Title I - SIA														
Title II, Part A														
Title II, Part A														
Total Title II, Part A														
Title III														
Title III														
Total Title III														
Title III - Immigrant														
Title III - Immigrant														
Total Title III - Immigrant														
Title IV														
Title IV														
Total Title IV														
Total Elementary and Secondary Education Act														
Education Stabilization Fund:														
COVID 19 - CRRSA:														
ESSER II														
Learning Acceleration														
Mental Health														
COVID 19 - ARP:														
ESSER III														
Accelerated Learning														
Summer Learning														
Beyond the School Day														
Mental Health														
Total Education Stabilization Fund														
Total Special Revenue Fund														
General Fund:														
Impact Aid														
Total U.S. Department of Education														

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass Through Grantor Program Title/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2022		Cash Received	Budgetary Expenditures	Prior Year Payable Canceled	Adjustment	Balance at June 30, 2023		Amount Provided to Subrecipient	
					Budgetary Accounts Receivable	Budgetary Unearned Revenue					Budgetary Accounts Receivable	Budgetary Unearned Revenue		
U.S. Department of Health and Human Services:														
General Fund:														
Medicaid Cluster:														
Medical Assistance Program	93-778	N/A	7/1/22-6/30/23	\$ 39,398			\$ 39,398	\$ (39,398)						
Medical Assistance Program	93-778	N/A	7/1/21-6/30/22	55,456			11,661	(11,661) *						
COVID-19 - Family First Coronavirus Response Act	93-778	N/A	1/1/21-12/31/21	2,859			2,859	(2,859) *						
Total U.S. Department of Health and Human Services / Medicaid Cluster							53,918	(53,918)						
U.S. Department of Agriculture:														
Passed-through State Department of Agriculture:														
Child Nutrition Cluster:														
Food Distribution Program	10-555	N/A	7/1/22-6/30/23	74,060			74,060	(71,870)			\$ 2,190			
Food Distribution Program	10-555	N/A	7/1/21-6/30/22	60,773				(3,992)						
COVID-19 - Seamless Summer Option	10-555	N/A	7/1/21-6/30/22	1,064,704			103,319							
School Breakfast Program	10-553	N/A	7/1/22-6/30/23	7,000			6,285	(7,000)			\$ (715)			
National School Lunch Program	10-555	N/A	7/1/22-6/30/23	268,893			246,986	(268,893)			(21,907)			
Supply Chain Assistance Funding	10-555	N/A	7/1/22-6/30/23	50,305			50,305					50,305		
Total Child Nutrition Cluster							480,955	(351,755)			(22,622)	52,495		
Total U.S. Department of Agriculture							480,955	(351,755)			(22,622)	52,495		
Total Federal Awards							\$ 1,906,919	\$ (2,179,407)	\$ 1,870	\$ -0-	\$ (551,709)	\$ 52,495	\$ 939	\$ -0-

N/A - Not Applicable

\* Prior Year Expenditures

Cancellation of Prior Year:	
Encumbrances Payable	\$ 970
Accounts Payable	900
	<u>\$ 1,870</u>

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

**ROCKAWAY TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2022		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2023		MEMO	
				Budgetary Accounts Receivable	Due to Grantor				GAAP Accounts Receivable	Due to Grantor	Budgetary Accounts Receivable	Cumulative Total Expenditures
<b>New Jersey Department of Education:</b>												
<b>General Fund:</b>												
Special Education Categorical Aid	23-495-034-5120-089	7/1/22-6/30/23	\$ 1,985,277			\$ 1,788,760	\$ (1,985,277)		\$		\$ (196,517)	\$ 1,985,277
Equalization Aid	23-495-034-5120-078	7/1/22-6/30/23	854,190			769,636	(854,190)				(84,554)	854,190
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	50,153			45,189	(50,153)				(4,964)	50,153
Transportation Aid	23-495-035-5120-014	7/1/22-6/30/23	549,225			494,859	(549,225)				(54,366)	549,225
Nonpublic Transportation Aid	23-495-035-5120-014	7/1/22-6/30/23	26,797				(26,797)		\$ (26,797)		(26,797)	26,797
Extraordinary Special Education Aid	23-495-034-5120-044	7/1/22-6/30/23	735,892				(735,892)		(735,892)		(735,892)	735,892
Reimbursed TPAF Social Security Contributions	23-495-034-5094-003	7/1/22-6/30/23	1,757,903			1,671,285	(1,757,903)		(86,618)		(86,618)	1,757,903
On-Behalf TPAF :												
Post Retirement Medical Contributions	23-495-034-5094-001	7/1/22-6/30/23	2,132,273			2,132,273	(2,132,273)					2,132,273
Pension Contributions	23-495-034-5094-002	7/1/22-6/30/23	8,005,764			8,005,764	(8,005,764)					8,005,764
Non-Contributory Insurance	23-495-034-5094-004	7/1/22-6/30/23	111,071			111,071	(111,071)					111,071
Long-Term Disability Insurance	23-495-034-5094-004	7/1/22-6/30/23	3,065			3,065	(3,065)					3,065
Special Education Categorical Aid	22-495-034-5120-089	7/1/21-6/30/22	\$ 1,678,301	\$ (165,963)		165,963						1,678,301
Equalization Aid	22-495-034-5120-078	7/1/21-6/30/22	854,190	(84,469)		84,469						854,190
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	50,153	(4,960)		4,960						50,153
Military Impact Aid	22-495-034-5120-114	7/1/21-6/30/22	320,582	(320,582)		320,582						320,582
Transportation Aid	22-495-035-5120-014	7/1/21-6/30/22	549,225	(54,311)		54,311						549,225
Nonpublic Transportation Aid	22-495-035-5120-014	7/1/21-6/30/22	21,385	(21,385)		21,385						21,385
Extraordinary Special Education Aid	22-495-034-5120-044	7/1/21-6/30/22	720,455	(720,455)		720,455						720,455
Reimbursed TPAF Social Security Contributions	22-495-034-5094-003	7/1/21-6/30/22	1,685,792	(82,053)		82,053						1,685,792
<b>Total General Fund State Aid</b>				<b>(1,454,178)</b>		<b>16,476,080</b>	<b>(16,211,610)</b>		<b>(849,307)</b>		<b>(1,189,708)</b>	<b>22,091,693</b>
<b>Special Revenue Fund:</b>												
<b>New Jersey Nonpublic Aid:</b>												
Technology	23-100-034-5120-373	7/1/22-6/30/23	126			126				\$	126	335
Nursing Services	23-100-034-5120-070	7/1/22-6/30/23	336			336	(335)				1	175
Textbook	23-100-034-5120-064	7/1/22-6/30/23	198			198	(175)				23	599
Security	23-100-034-5120-509	7/1/22-6/30/23	615			615	(599)				16	
Nonpublic Handicapped Services:												
Corrective Speech	23-100-034-5120-066	7/1/22-6/30/23	1,860			1,860					1,860	
New Jersey Nonpublic Aid:												
Technology	22-100-034-5120-373	7/1/21-6/30/22	126			\$ 126		\$ (126)				334
Nursing Services	22-100-034-5120-070	7/1/21-6/30/22	336			336	(2)					42
Textbook	22-100-034-5120-064	7/1/21-6/30/22	180			138	(138)					
Security	22-100-034-5120-509	7/1/21-6/30/22	525			525	(525)					
<b>Total Special Revenue Fund State Aid</b>						<b>3,135</b>	<b>(1,109)</b>				<b>2,026</b>	<b>5,690</b>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2022		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2023		MEMO	
				Budgetary Accounts Receivable	Due to Grantor				GAAP Accounts Receivable	Due to Grantor	Budgetary Accounts Receivable	Cumulative Total Expenditures
New Jersey Department of Education: Debt Service Fund: Debt Service Aid - State Support	23-100-034-5120-125	7/1/22-6/30/23	\$ 145,029			\$ 145,029	\$ (145,029)					\$ 145,029
Total Debt Service Fund						145,029	(145,029)					145,029
New Jersey School Development Authority: General Fund: Securing Our Children's Future Bond Act	20E00289	7/1/20-6/30/22	120,479	\$ (105,789)		105,789						(120,479)
Total Capital Projects Fund				(105,789)		105,789						(174,528)
New Jersey Department of Agriculture: Enterprise Fund: COVID-19 Seamless Summer Option	22-100-010-3350-023	7/1/21-6/30/22	24,691	(2,344)		2,344						24,691
State School Lunch Program	23-100-010-3350-023	7/1/20-6/30/22	15,081		13,845	(15,081)		\$ (1,236)		\$ (1,236)		15,081
State School Breakfast Program	23-100-010-3350-023	7/1/20-6/30/22	177		158	(177)		(19)		(19)		177
Total Enterprise Fund				(2,344)		16,347	(15,258)		(1,255)	(1,255)		47,905
Total State Awards Subject to Single Audit Determination				\$ (1,562,311)	\$ 791	\$ 16,746,380	\$ (16,373,006)	\$ (791)	\$ (850,562)	\$ 2,026	\$ (1,190,963)	\$ 22,115,789
Less: State Awards Not Subject to Single Audit Major Program Determination On-Behalf TPAF Pension System Contributions:												
On-Behalf TPAF Post Retirement Contributions	23-495-034-5094-001	7/1/22-6/30/23	(2,132,273)				2,132,273					
On-Behalf TPAF Pension Contributions	23-495-034-5094-002	7/1/22-6/30/23	(8,005,764)				8,005,764					
On-Behalf TPAF Non-Contributory Insurance	23-495-034-5094-004	7/1/22-6/30/23	(111,071)				111,071					
On-Behalf TPAF Long-Term Disability Insurance	23-495-034-5094-004	7/1/22-6/30/23	(3,065)				3,065					
Subtotal - On-Behalf TPAF Pension System Contributions							10,252,173					
Total State Awards Subject to Single Audit Major Program Determination							\$ (6,120,833)					

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of the Board of Education, Rockaway Township School District under programs of the federal and state governments for the fiscal year ended June 30, 2023. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$30,698) for the general fund and \$7,532 (of which \$3,917 relates to local grants) for the special revenue fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenue are reported on the Board’s basic financial statements on a GAAP basis as on the following page:

ROCKAWAY TOWNSHIP SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

(Continued)

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 443,442	\$ 16,180,912	\$ 16,624,354
Special Revenue Fund	1,387,825	1,109	1,388,934
Debt Service Fund		145,029	145,029
Enterprise Fund	351,755	15,258	367,013
Total Financial Awards	<u>\$ 2,183,022</u>	<u>\$ 16,342,308</u>	<u>\$ 18,525,330</u>

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2023. Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively.



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

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major federal and state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance Required by the Uniform Guidance and NJ OMB 15-08*.
- The auditor's report on compliance for the major federal and state programs for the District expresses an unmodified opinion on all major federal and state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District's programs tested as major federal and state programs for the current fiscal year consisted of the following federal and state awards:

<u>Program Title:</u>	<u>Assistance Listing/ State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
<u>Federal:</u>				
Impact Aid	84.041	7/1/22-6/30/23	\$ 389,524	\$ 389,524
Special Education Cluster:				
I.D.E.A Part B, Basic	84.027	7/1/22-9/30/23	592,301	592,301
I.D.E.A Part B, Preschool	84.173	7/1/22-9/30/23	34,383	34,383
<u>State:</u>				
State Aid - Public:				
Special Education Categorical Aid	23-495-034-5120-089	7/1/22-6/30/23	1,985,277	1,985,277
Equalization Aid	23-495-034-5120-078	7/1/22-6/30/23	854,190	854,190
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	50,153	50,153

- The threshold used for distinguishing between Type A and Type B federal and state programs was \$750,000.
- The District was determined not to be a "low-risk" auditee for federal and state programs.

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

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

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

Findings and Questioned Costs for Federal Awards:

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

Findings and Questioned Costs for State Awards:

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

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

Status of Prior Year Findings:

There were no findings or questioned costs for the year ended June 30, 2022.