

RAHWAY SCHOOL DISTRICT

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Rahway, New Jersey

ANNUAL COMPREHENSIVE

FINANCIAL REPORT

of the

Rahway School District

Rahway, New Jersey

For The Fiscal Year Ended June 30, 2024

Prepared by

Business Office

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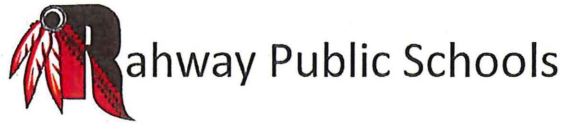
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INTRODUCTORY SECTION

Dr. Aleya Shoieb
Superintendent of Schools
ashoieb@rahway.net



Kline Place P.O. Box 1024
Rahway, NJ 07065
(732) 396-1000

Rafik Tawfik
Business Administrator/Board Secretary
Phone-732-396-1010
Fax-732-827-0517
rtawfik@rahway.net

January 10, 2025

Honorable President and Members of the Board of Education
Rahway Public Schools
1138 Kline Place
Rahway, NJ 07065

Dear Board Members:

The Annual Comprehensive Financial Report (“ACFR”) of the Rahway Public Schools (the “Board” or “District”) for the fiscal year ended June 30, 2024, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Rahway Public Schools. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District’s financial activities have been included.

Governmental Accounting Standards Board (“GASB”) requires 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”). This letter of transmittal is designed to complement the MD&A that should be read in conjunction with it. Rahway Public School’s MD&A can be found immediately following the “Independent Auditor’s Report”.

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, Management’s Discussion and Analysis and basic financial statements including the District-Wide financial statements presented in accordance with the provisions of the GASB Statements. The basic financial statements also include individual fund financial statements, Notes to Financial Statements and Required Supplementary Information (“RSI”). The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the requirements of 2 CFR 200-Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (U.S. Uniform Guidance), and the State 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 auditor’s report on the internal control

structure and compliance with applicable laws and regulations and findings and questioned costs, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES

The Rahway Public Schools is an independent reporting entity within the criteria adopted by the GASB. All funds of the District are included in this report. The Rahway Public Schools constitutes the District’s reporting entity. The District has no component units included in this report which meet the criteria of legally separate entities for which the District is financially accountable. In addition, the District is not includable in any other reporting entity as a component unit.

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular, advanced placement and special education courses. The District completed the 2023/2024 fiscal year with an enrollment of 4,278 which is 344 students more than the previous year’s enrollment. The following details the changes in the student enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2023/2024	4,278	8.04%
2022/2023	3,934	1.02%
2021/2022	3,875	1.01%
2020/2021	3,855	(1.18%)
2019/2020	3,901	1.00%
2018/2019	3,899	0.0%
2017/2018	3,899	1.02%
2016/2017	3,835	1.01%
2015/2016	3,794	1.03%
2014/2015	3,674	0.00%

2. ECONOMIC CONDITION AND OUTLOOK

The Rahway Public Schools continues to provide a high-quality education while maintaining a fiscally conservative approach. The Board has controlled costs and been mindful of the impact of its decisions on the local taxpayer. The State of New Jersey continues to add costly mandates while maintaining or reducing state aid with a 2% budget CAP. Despite the challenging environment, the Rahway Public Schools is committed to move forward with the expectation of full compliance to regulations, adherence to the strict budget CAP and understanding of the difficult economic conditions of our taxpayers while continuing to provide high quality instruction to students.

3. INTERNAL ACCOUNTING CONTROLS

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (“GAAP”). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of 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 than an adequate internal

control structure is in place to ensure compliance with applicable laws and regulations related to those programs.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, 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.

4. BUDGETARY CONTROLS

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

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

5. ACCOUNTING SYSTEM AND REPORTS

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

6. FINANCIAL INFORMATION AT FISCAL YEAR END

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. A detailed Management Discussion and Analysis follows this section of the report that discussed the District's financial performance for the year ended June 30, 2024.

7. DEBT ADMINISTRATION

During the 2023-2024 fiscal year the District did not obtain additional debt through referendum. The District continues to maintain and service its bond debt from previously financed obligations. The outstanding amount of existing bonds payable as of June 30, 2024 is \$45,500,000.

8. 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 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. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secure in accordance with the Act.

9. RISK MANAGEMENT

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

10. OTHER INFORMATION

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci, Bliss, LLP, was appointed by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of U.S. Uniform Guidance and New Jersey's OMB Circular NJOMB 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

11. ACKNOWLEDGMENTS

We would like to express our appreciation to the members of the Rahway 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,

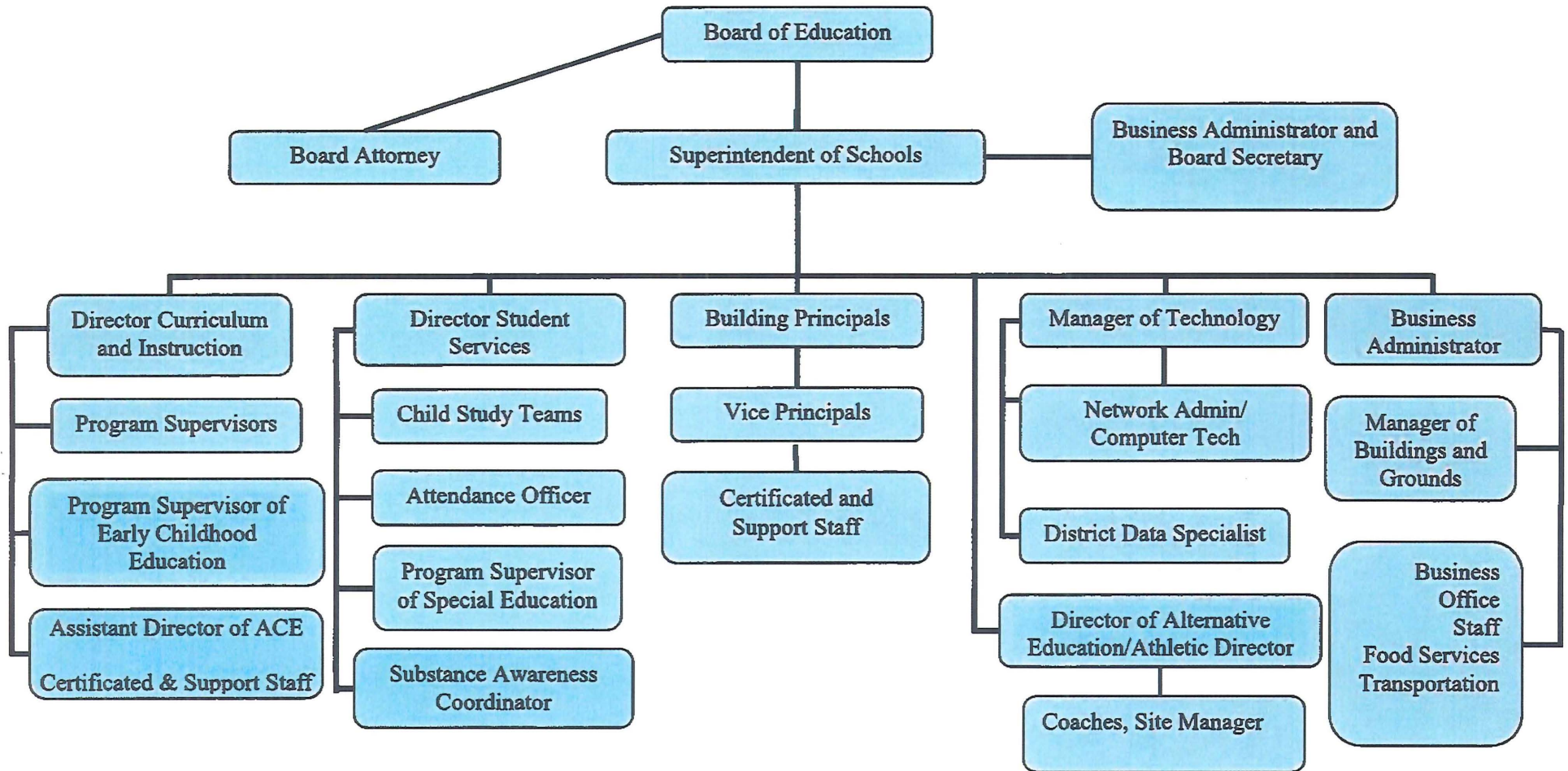


Dr. Aleya Shoieb
Superintendent of Schools



Mr. Rafik Tawfik
School Business Administrator/
Board Secretary

Exhibit: Organizational Chart



Adopted:
 Revised:
 NJSBA Review/Update:
 Readopted:
 Readopted:

August 31, 2010
 September 17, 2013
 May 2016
 December 20, 2016
 May 21, 2019

**RAHWAY BOARD OF EDUCATION
RAHWAY, NEW JERSEY 07065**

ROSTER OF OFFICIALS

JUNE 30, 2024

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Joseph Toma, President	2025
Bernard Robson, Vice-President	2024
Najah Allen	2024
Timothy Antisz	2025
Carlos Garay	2026
Laura Giacobbe	2025
Jennifer Moteiro	2026
Shanna Raysick	2024
Sean White	2026

Other Officials

Dr. Aleya Shoieb, Superintendent of Schools
Rafik Tawfik, Business Administrator/Board Secretary
Mark A Tabakin, Esq., Board Attorney

**RAHWAY BOARD OF EDUCATION
RAHWAY, NEW JERSEY 07065**

CONSULTANTS AND ADVISORS

JUNE 30, 2024

Independent Auditors

Lerch, Vinci & Bliss, LLP
17-17 Route 208 North
Fair Lawn, NJ 07410

Attorneys

Weiner Law Group
629 Parsippany Road
Parsippany, NJ 07054

Official Depositories

Bank of America
Wells Fargo
Columbia Bank
TD Bank
Northfield Bank
Bank of New York
Beneficial Bank
JP Morgan Chase
NJARM
State of New Jersey Cash Management Fund

FINANCIAL SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA
ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, RMA, PSA

DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA, PSA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA
JOHN CUIFFO, CPA, PSA

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Rahway School District
Rahway, New Jersey

Report on the Financial Statements

Opinions

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

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 and each major fund of the Rahway School District as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, 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. 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 Rahway School 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 misstatements, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Rahway School 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, 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 generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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 Rahway School District' 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 Rahway School 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, budgetary comparison information, pension information and other postemployment benefits information 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, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Rahway School District's basic financial statements. The accompanying schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Rahway School District. Such information is the responsibility of management and was derived from and relate 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 schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

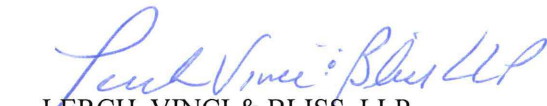
Other Information

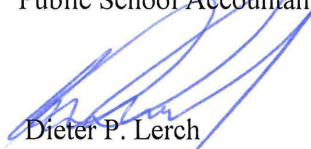
Management is responsible for the other information included in the annual report. The other information comprises the introductory section, financial schedules and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial 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 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 January 8, 2025 on our consideration of the Rahway School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Rahway School 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 the Rahway School District's internal control over financial reporting and compliance.


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


Dieter P. Lerch
Public School Accountant
PSA Number CS000756

Fair Lawn, New Jersey
January 8, 2025

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

RAHWAY BOARD OF EDUCATION

Management's Discussion and Analysis

This section of Rahway Board of Education's annual comprehensive financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2024. The intent of this section 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.

Management's Discussion and Analysis (MD&A) is an element of the Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement. Certain comparative information between the current year (2023-2024) and the prior year (2022-2023) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2023-2024 fiscal year include the following:

- The assets and deferred outflows of resources of the Rahway Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$53,657,328 (net position).
- Overall District revenues were \$114,312,336. General revenues accounted for \$83,440,862, or 73%, of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$30,871,474 of total revenues.
- The School District had \$104,898,928 in expenses for governmental activities; only \$28,041,730 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted State aid) of \$83,440,862 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$31,886,808 a decrease of \$17,249,940 when compared to the ending fund balance at June 30, 2023 of \$49,136,748. This decrease is primarily attributable to the continued expenditure of referendum funds for capital improvement projects.
- The General Fund unassigned fund balance at June 30, 2024 was in a deficit position of \$2,589,974. This deficit is the result of a delay in state aid payments received subsequent to year-end.
- The General Fund unassigned budgetary fund balance at June 30, 2024 was \$2,503,402 which represents an increase of \$598,638 when compared to the ending unassigned fund balance at June 30, 2023 of \$1,904,764.

RAHWAY BOARD OF EDUCATION

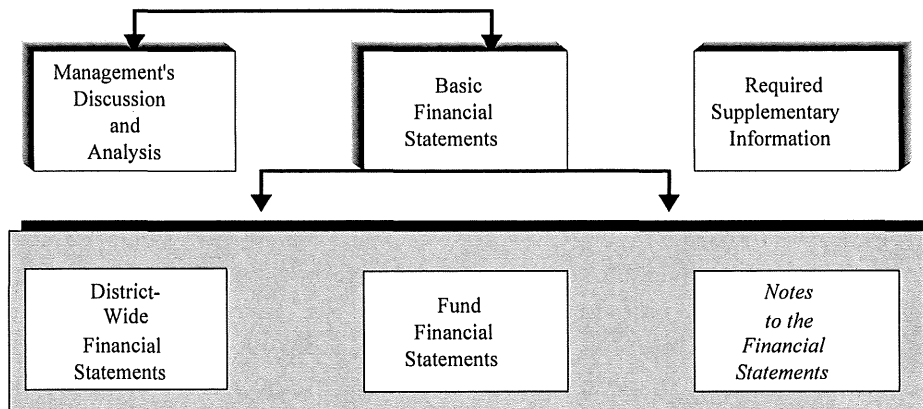
Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – Independent Auditor's Report, required supplementary information which includes the management's discussion and analysis (this section), the basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are district wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
 - The Governmental Funds statements tell how basic services 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 operated like businesses.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The table below shows how the various parts of this annual report are arranged and related to one another.



RAHWAY BOARD OF EDUCATION

Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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 are summarized below. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

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 or fiduciary, such as instruction, special education building maintenance, and community education	Activities the district operates similar to private businesses: Enterprise funds
Required financial statements	Statements of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenses, and Changes in Net Position Statement of Cash Flows
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, deferred outflows, liabilities, deferred inflows, 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 or long-term liabilities included	All assets, deferred outflows, liabilities, deferred inflows, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or Paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.

RAHWAY BOARD OF EDUCATION

Management's Discussion and Analysis

District-Wide Financial 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, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

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

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

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

- *Governmental Activities* – Most of the District's basic services are included here, such as regular instruction and special education, transportation, administration, and plant operation and maintenance. State and Federal Aids and tuition charged to other school districts finance most of these activities.
- *Business Type Activities* – These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The District's Food Service Fund is 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 bond covenants.
- The District establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues (federal and state grants).

RAHWAY BOARD OF EDUCATION

Management's Discussion and Analysis

Fund Financial Statements (Continued)

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 to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements that explains the relationship (or differences) 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 Fund is established to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that costs of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found following the fund financial statements.

Other Information

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process. The District adopts an annual expenditure budget for the general, special revenue and debt service funds. A budgetary comparison statement has been provided for these funds as required supplementary information. The required supplementary information can be found following the notes to the financial statements.

The District also presents required supplementary information regarding the accounting and reporting for pensions as required under GASB Statement No. 68 and post-retirement medical benefits as required under GASB Statement No. 75. The required supplementary information can be found following the notes to the financial statements.

Combining statements and schedules are presented immediately following the major budgetary comparisons if required.

RAHWAY BOARD OF EDUCATION

Management's Discussion and Analysis

DISTRICT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. The District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$53,657,328 and \$47,331,784 as of June 30, 2024 and 2023, respectively, as shown below.

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Net Position as of June 30, 2024 and 2023

	Governmental Activities		Business-Type Activities		Total	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Assets						
Current and Other Assets	\$ 38,262,623	\$ 55,937,331	\$ 888,011	\$ 1,174,592	\$ 39,150,634	\$ 57,111,923
Capital Assets	<u>78,875,330</u>	<u>58,993,051</u>	<u>330,865</u>	<u>374,028</u>	<u>79,206,195</u>	<u>59,367,079</u>
Total Assets	<u>117,137,953</u>	<u>114,930,382</u>	<u>1,218,876</u>	<u>1,548,620</u>	<u>118,356,829</u>	<u>116,479,002</u>
Deferred Outflows of Resources						
Deferred Amounts on Net Pension Liability	536,707	1,969,049			536,707	1,969,049
Deferred Amounts on Refunding of Debt	<u>152,670</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>152,670</u>	<u>-</u>
Total Deferred Outflows	<u>689,377</u>	<u>1,969,049</u>	<u>-</u>	<u>-</u>	<u>689,377</u>	<u>1,969,049</u>
Total Assets and Deferred Outflows	<u>117,827,330</u>	<u>116,899,431</u>	<u>1,218,876</u>	<u>1,548,620</u>	<u>119,046,206</u>	<u>118,448,051</u>
Liabilities						
Long-Term Liabilities	57,623,773	60,663,618			57,623,773	60,663,618
Other Liabilities	<u>6,908,203</u>	<u>8,307,281</u>	<u>16,218</u>	<u>90,350</u>	<u>6,924,421</u>	<u>8,397,631</u>
Total Liabilities	<u>64,531,976</u>	<u>68,970,899</u>	<u>16,218</u>	<u>90,350</u>	<u>64,548,194</u>	<u>69,061,249</u>
Deferred Inflows of Resources						
Deferred Amounts on Net Pension Liability	838,176	1,869,197			838,176	1,869,197
Deferred Commodities Revenue	<u>-</u>	<u>185,821</u>	<u>2,508</u>	<u>-</u>	<u>2,508</u>	<u>185,821</u>
Total Deferred Inflows	<u>838,176</u>	<u>2,055,018</u>	<u>2,508</u>	<u>-</u>	<u>840,684</u>	<u>2,055,018</u>
Total Liabilities and Deferred Inflows	<u>65,370,152</u>	<u>71,025,917</u>	<u>18,726</u>	<u>90,350</u>	<u>65,388,878</u>	<u>71,116,267</u>
Net Position						
Net Investment in Capital Assets	42,274,245	10,542,996	330,865	374,028	42,605,110	10,917,024
Restricted	19,678,765	48,375,962			19,678,765	48,375,962
Unrestricted	<u>(9,495,832)</u>	<u>(13,045,444)</u>	<u>869,285</u>	<u>1,084,242</u>	<u>(8,626,547)</u>	<u>(11,961,202)</u>
Total Net Position	<u>\$ 52,457,178</u>	<u>\$ 45,873,514</u>	<u>\$ 1,200,150</u>	<u>\$ 1,458,270</u>	<u>\$ 53,657,328</u>	<u>\$ 47,331,784</u>

RAHWAY BOARD OF EDUCATION

Management's Discussion and Analysis

The changes in net position for fiscal years ended 2024 and 2023 are as follows:

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenues						
Program Revenues						
Charges for Services	\$ 409,695	\$ 395,729	\$ 845,089	\$ 821,153	\$ 1,254,784	\$ 1,216,882
Operating Grants and Contributions	25,544,024	22,350,465	1,984,655	1,970,574	27,528,679	24,321,039
Capital Grants and Contributions	2,088,011				2,088,011	
General Revenues						
Property Taxes	49,967,073	47,860,010			49,967,073	47,860,010
State Aid	32,285,198	34,794,458			32,285,198	34,794,458
Investment Earnings	1,117,252	798,241			1,117,252	798,241
Miscellaneous	71,339	791,002	-	98,038	71,339	889,040
<u>Total Revenues</u>	<u>111,482,592</u>	<u>106,989,905</u>	<u>2,829,744</u>	<u>2,889,765</u>	<u>114,312,336</u>	<u>109,879,670</u>
Expenses						
Instruction						
Regular	36,829,309	34,962,234			36,829,309	34,962,234
Special Education	18,861,866	18,517,633			18,861,866	18,517,633
Other Instruction	6,000,571	5,866,226			6,000,571	5,866,226
School Sponsored Activities and Athletics	1,984,784				1,984,784	
Support Services						
Student and Instruction Related Services	13,159,362	16,603,447			13,159,362	16,603,447
General Administration Services	1,677,252	1,357,489			1,677,252	1,357,489
School Administration Services	5,221,549	5,304,254			5,221,549	5,304,254
Central Services	2,892,441	1,537,055			2,892,441	1,537,055
Plant Operation and Maintenance	10,052,651	4,978,159			10,052,651	4,978,159
Pupil Transportation	7,079,461	6,216,595			7,079,461	6,216,595
Unallocated Depreciation		2,199,170				2,199,170
Interest and Other Chgs on Long-Term Debt	1,139,682	1,281,041			1,139,682	1,281,041
Food Service	-	-	3,087,864	2,723,343	3,087,864	2,723,343
<u>Total Expenses</u>	<u>104,898,928</u>	<u>98,823,303</u>	<u>3,087,864</u>	<u>2,723,343</u>	<u>107,986,792</u>	<u>101,546,646</u>
Change in Net Position	6,583,664	8,166,602	(258,120)	166,422	6,325,544	8,333,024
Net Position, Beginning of Year	45,873,514	37,706,912	1,458,270	1,291,848	47,331,784	38,998,760
Net Position, End of Year	<u>\$ 52,457,178</u>	<u>\$ 45,873,514</u>	<u>\$ 1,200,150</u>	<u>\$ 1,458,270</u>	<u>\$ 53,657,328</u>	<u>\$ 47,331,784</u>

RAHWAY BOARD OF EDUCATION

Management's Discussion and Analysis

Governmental Activities

The financial position of the District improved significantly. However, maintaining existing programs with decreased enrollment, the provision of a multitude of special programs/services for disabled pupils, and increases in District health benefits costs places a great demand on the District's resources. As a result, careful management of expenses remains essential for the District to sustain its financial health.

Total and Net Cost of Governmental Activities. The following schedule presents the District's total costs of services provided by major activity. After applying program revenues, derived from charges for services, operating grants and contributions and capital grants and contributions, the net cost of these services is presented. The following is a comparative analysis of the total and the net cost of governmental activities for the fiscal years ended June 30, 2024 and 2023.

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Instruction				
Regular	\$ 36,829,309	\$ 34,962,234	\$ 25,769,982	\$ 26,282,256
Special Education	18,861,866	18,517,633	12,198,017	15,249,692
Other Instruction	6,000,571	5,866,226	5,365,498	4,891,631
School Sponsored Activities and Athletics	1,984,784		1,500,708	-
Support Services				
Student and Instruction Related Services	13,159,362	16,603,447	9,453,428	9,012,341
General Administration	1,677,252	1,357,489	1,668,140	1,357,489
School Administration Services	5,221,549	5,304,254	4,454,817	4,352,634
Central Services	2,892,441	1,537,055	2,638,117	1,537,055
Plant Operation and Maintenance	10,052,651	4,978,159	6,845,267	4,978,159
Pupil Transportation	7,079,461	6,216,595	6,078,730	5,300,175
Unallocated Depreciation		2,199,170	-	2,199,170
Interest and Other Charges on Long-Term Debt	1,139,682	1,281,041	884,494	916,507
Total	<u>\$ 104,898,928</u>	<u>\$ 98,823,303</u>	<u>\$ 76,857,198</u>	<u>\$ 76,077,109</u>

RAHWAY BOARD OF EDUCATION

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

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

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a combined fund balance of \$31,886,808 a decrease of \$17,249,940 from last year's fund balance of \$49,136,748. The decrease is primarily attributable to the continued expenditure of referendum funds for capital improvement projects.

Revenues for the District's governmental funds were \$119,304,390: total expenditures were \$136,554,330.

General Fund - The General Fund is the chief operating fund of the District and includes the primary operations in providing educational services to students.

Revenues of the General Fund were \$104,324,414 for the fiscal year ended June 30, 2024. State sources amounted to \$55,934,913, federal sources totaled \$243,778 and local sources were \$48,145,723.

Expenditures of the General Fund were \$101,319,366. Instructional expenditures were \$60,942,528, support services expenditures were \$39,934,795 and capital expenditures totaled \$442,043 for the fiscal year ended June 30, 2024. In addition, transfers were made to the Special Revenue Fund for the preschool program in the amount of \$581,388 and to the Capital Projects Fund for capital improvement projects in the amount of \$2,827,246.

Special Revenue Fund - The Special Revenue Fund includes all restricted Federal and State sources utilized in the operations of the district in providing educational services to students with special needs.

Revenues of the Special Revenue Fund were \$11,158,549 for the fiscal year ended June 30, 2024. State sources amounted to \$6,145,954, federal sources totaled \$4,568,442 and local sources were \$444,153.

Expenditures of the Special Revenue Fund were \$11,211,216. Instructional expenditures were \$7,023,763, support services expenditures were \$2,099,442 and capital expenditures totaled \$2,088,011 for the fiscal year ended June 30, 2024.

Capital Projects - The capital projects expenditures and other financing uses exceeded revenues and other financing sources by \$17,380,287, thereby decreasing the fund balance from \$28,141,776 at June 30, 2023 to \$10,761,489 at June 30, 2024. This decrease is the result of the continued expenditure of referendum funds for capital improvement projects.

RAHWAY BOARD OF EDUCATION

Management's Discussion and Analysis

Proprietary Funds

The District maintains an Enterprise Fund to account for activities, which are supported in part through user fees.

Enterprise Fund - The District uses Enterprise Funds to report activities related to the Food Services program. The District's Enterprise Fund provides the same type of information found in the district-wide financial statements, business-type activities, but in more detail. Factors concerning the finances of this Fund have already been addressed in the discussion of the District's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the annual operating budget several times. These budget amendments fall into the following categories

- Implementing budgets for specially funded projects, which include both federal and state grants.
- Reappropriation of June 30, 2023 encumbrances.
- Appropriation of Capital Reserve

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2024 and 2023 amounts to \$79,206,195 and \$59,367,079 (net of accumulated depreciation), respectively. The capital assets consist of land, buildings and improvements, and various other types of equipment. Depreciation charges for the fiscal year 2023-2024 amounted to \$2,855,308 for governmental activities and \$57,162 for the Business-Type activities.

The following is a comparative analysis of capital assets at June 30, 2024 and 2023.

	Governmental		Business- Type		Total	
	Activities		Activities			
	2024	2023	2024	2023	2024	2023
Land	\$ 1,546,445	\$ 1,546,445			\$ 1,546,445	\$ 1,546,445
Construction in Progress	19,281,116	12,796,904			19,281,116	12,796,904
Buildings and Improvements	52,759,134	41,620,084			52,759,134	41,620,084
Machinery and Equipment	5,288,635	3,029,618	330,865	374,028	5,619,500	3,403,646
Total	\$ 78,875,330	\$ 58,993,051	\$ 330,865	\$ 374,028	\$ 79,206,195	\$ 59,367,079

Additional information on the District's capital assets are presented in the Notes to the Financial Statements.

RAHWAY BOARD OF EDUCATION

Management's Discussion and Analysis

LONG TERM LIABILITIES

At June 30, 2024, the District's long-term liabilities consisted of compensated absences payable of \$1,336,865, serial bonds of \$45,946,338 (including unamortized premium) and net pension liability of \$10,340,570 totaling \$57,623,773. This is in comparison to long-term liabilities at June 30, 2023 of \$60,849,439, or a decrease of \$3,225,666.

Additional information on the District's long-term liabilities are presented in the Notes to the Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Many factors were considered by the District's administration during the process of developing the fiscal year 2024-2025 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing labor and related employee benefit costs. Other budgetary increases are anticipated with special education, and utilizes the required investment to repair the District's aging facilities.

These expenditures are to be paid for by the mandated 2% CAP on the property tax levy with certain allowable adjustments to the tax levy. In the future, any such allowable adjustments may not be permitted.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information contact the Business Office, Rahway Board of Education, 1139 Kline Place, Rahway, NJ 07065.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

**RAHWAY SCHOOL DISTRICT
STATEMENT OF NET POSITION
AS OF JUNE 30, 2024**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 36,748,513	\$ 362,569	\$ 37,111,082
Intergovernmental Receivables	1,491,842	298,249	1,790,091
Receivables, net		212,006	212,006
Internal Balances	22,268	(22,268)	
Inventory		37,455	37,455
Capital Assets Not Being Depreciated	20,827,561		20,827,561
Capital Assets, Being Depreciated, net	<u>58,047,769</u>	<u>330,865</u>	<u>58,378,634</u>
 Total Assets	 <u>117,137,953</u>	 <u>1,218,876</u>	 <u>118,356,829</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Refunding of Debt	152,670		152,670
Deferred Amount on Net Pension Liability	<u>536,707</u>	<u>-</u>	<u>536,707</u>
 Total Deferred Outflows of Resources	 <u>689,377</u>	 <u>-</u>	 <u>689,377</u>
 Total Assets and Deferred Outflows of Resources	 <u>117,827,330</u>	 <u>1,218,876</u>	 <u>119,046,206</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	1,166,767		1,166,767
Deposits Payable	2,079,222		2,079,222
Accrued Interest	532,388		532,388
Payable to Other Governments	28,136		28,136
Unearned Revenue	3,101,690	16,218	3,117,908
Noncurrent Liabilities			
Due Within One Year	2,869,811		2,869,811
Due Beyond One Year	<u>54,753,962</u>	<u>-</u>	<u>54,753,962</u>
 Total Liabilities	 <u>64,531,976</u>	 <u>16,218</u>	 <u>64,548,194</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Commodities Revenue		2,508	2,508
Deferred Amount on Net Pension Liability	<u>838,176</u>	<u>-</u>	<u>838,176</u>
 Total Deferred Inflows of Resources	 <u>838,176</u>	 <u>2,508</u>	 <u>840,684</u>
 Total Liabilities and Deferred Inflows of Resources	 <u>65,370,152</u>	 <u>18,726</u>	 <u>65,388,878</u>
NET POSITION			
Net Investment in Capital Assets	42,274,245	330,865	42,605,110
Restricted for:			
Debt Service	10,757		10,757
Maintenance	1,000,000		1,000,000
Capital Projects	17,817,191		17,817,191
Other Purposes	850,817		850,817
Unrestricted	<u>(9,495,832)</u>	<u>869,285</u>	<u>(8,626,547)</u>
 Total Net Position	 <u>\$ 52,457,178</u>	 <u>\$ 1,200,150</u>	 <u>\$ 53,657,328</u>

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

**RAHWAY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Functions/Programs:	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Instruction							
Regular	\$ 36,829,309	\$ 8,155	\$ 11,051,172		\$ (25,769,982)		\$ (25,769,982)
Special Education	18,861,866	9,785	6,654,064		(12,198,017)		(12,198,017)
Other Instruction	6,000,571		635,073		(5,365,498)		(5,365,498)
School Sponsored Activities	1,984,784	391,755	92,321		(1,500,708)		(1,500,708)
Support Services							
Student and Instruction Related Svcs.	13,159,362		3,705,934		(9,453,428)		(9,453,428)
General Administration	1,677,252		9,112		(1,668,140)		(1,668,140)
School Administration	5,221,549		766,732		(4,454,817)		(4,454,817)
Central Services	2,892,441		254,324		(2,638,117)		(2,638,117)
Plant Operations and Maintenance	10,052,651		1,119,373	\$ 2,088,011	(6,845,267)		(6,845,267)
Pupil Transportation	7,079,461		1,000,731		(6,078,730)		(6,078,730)
Interest on Long-Term Debt	1,139,682	-	255,188	-	(884,494)	-	(884,494)
Total Governmental Activities	<u>104,898,928</u>	<u>409,695</u>	<u>25,544,024</u>	<u>2,088,011</u>	<u>(76,857,198)</u>	<u>-</u>	<u>(76,857,198)</u>
Business-Type Activities							
Food Service	<u>3,087,864</u>	<u>845,089</u>	<u>1,984,655</u>	<u>-</u>	<u>-</u>	<u>\$ (258,120)</u>	<u>(258,120)</u>
Total business-type activities	<u>3,087,864</u>	<u>845,089</u>	<u>1,984,655</u>	<u>-</u>	<u>-</u>	<u>(258,120)</u>	<u>(258,120)</u>
Total Primary Government	\$ 107,986,792	\$ 1,254,784	\$ 27,528,679	\$ 2,088,011	(76,857,198)	(258,120)	(77,115,318)
General Revenues:							
Property Taxes Levied for:							
General Purposes					46,949,160		46,949,160
Debt Service					3,017,913		3,017,913
State Aid - Unrestricted					31,746,840		31,746,840
State Aid Restricted for Debt Service					538,358		538,358
Interest on Deposits					1,117,252		1,117,252
Miscellaneous Income					71,339		71,339
Total General Revenues					<u>83,440,862</u>	<u>-</u>	<u>83,440,862</u>
Change in Net Position					6,583,664	(258,120)	6,325,544
Net Position, Beginning of Year					<u>45,873,514</u>	<u>1,458,270</u>	<u>47,331,784</u>
Net Position, End of Year					<u>\$ 52,457,178</u>	<u>\$ 1,200,150</u>	<u>\$ 53,657,328</u>

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

FUND FINANCIAL STATEMENTS

**RAHWAY SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AS JUNE 30, 2024**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 23,346,804	\$ 2,488,386	\$ 10,913,323		\$ 36,748,513
Due from Other Funds	145,547			\$ 15,513	161,060
Receivables From Other Governments	<u>202,861</u>	<u>1,288,981</u>	<u>-</u>	<u>-</u>	<u>1,491,842</u>
Total Assets	<u>\$ 23,695,212</u>	<u>\$ 3,777,367</u>	<u>\$ 10,913,323</u>	<u>15,513</u>	<u>\$ 38,401,415</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 726,098	\$ 181,349			\$ 907,447
Accrued Salaries and Wages	1,099				1,099
Deposits Payable	2,079,222				2,079,222
Due to Other Funds	-		\$ 134,036	\$ 4,756	138,792
Payable to State Government	24,072	4,064			28,136
Payroll Deductions Payable	258,221				258,221
Unearned Revenue	<u>-</u>	<u>3,083,892</u>	<u>17,798</u>	<u>-</u>	<u>3,101,690</u>
Total Liabilities	<u>3,088,712</u>	<u>3,269,305</u>	<u>151,834</u>	<u>4,756</u>	<u>6,514,607</u>
Fund Balances					
Restricted					
Capital Reserve	16,553,625				16,553,625
Maintenance Reserve	1,000,000				1,000,000
Unemployment Compensation Reserve	342,755				342,755
Student Activities and Athletics		337,024			337,024
Scholarship Awards		171,038			171,038
Capital Projects			10,761,489		10,761,489
Debt Service				\$ 10,757	10,757
Excess Surplus	2,800,000				2,800,000
Excess Surplus, Designated for Subsequent Year's Expenditures	1,800,000				1,800,000
Assigned					
Year End Encumbrances	700,094				700,094
Unassigned (Deficit)	<u>(2,589,974)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,589,974)</u>
Total Fund Balances	<u>20,606,500</u>	<u>508,062</u>	<u>10,761,489</u>	<u>10,757</u>	<u>31,886,808</u>
Total Liabilities and Fund Balances	<u>\$ 23,695,212</u>	<u>\$ 3,777,367</u>	<u>\$ 10,913,323</u>	<u>\$ 15,513</u>	

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

**RAHWAY SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AS JUNE 30, 2024**

Total Fund Balances (Exhibit B-1)		\$ 31,886,808
 Amounts reported for <i>governmental activities</i> in the statement of net assets (A-1) are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$121,275,750 and the accumulated depreciation is \$42,400,420.		78,875,330
Accrued interest on long-term liabilities are not reported as liabilities in the fund.		(532,388)
Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over the life of the debt.		152,670
Certain amounts resulting from the measurement of the net pension liability are reported as either deferred inflows of resources or deferred outflows of resources on the statement of net position and deferred over future years.		
Deferred Outflows of Resources	\$ 536,707	
Deferred Inflows of Resources	<u>(838,176)</u>	
		(301,469)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Bonds Payable (including unamortized premium)	(45,946,338)	
Compensated Absences	(1,336,865)	
Net Pension Liability	<u>(10,340,570)</u>	
		<u>(57,623,773)</u>
 Net Position of Governmental Activities		 <u><u>\$ 52,457,178</u></u>

RAHWAY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources					
Property Tax Levy	\$ 46,949,160			\$ 3,017,913	\$ 49,967,073
Tuition	17,940				17,940
Interest on Deposits	1,107,284		\$ 9,968		1,117,252
Miscellaneous	71,339	\$ 444,153	-	-	515,492
Total - Local Sources	48,145,723	444,153	9,968	3,017,913	51,617,757
State Sources	55,934,913	6,145,954		793,546	62,874,413
Federal Sources	243,778	4,568,442	-	-	4,812,220
Total Revenues	104,324,414	11,158,549	9,968	3,811,459	119,304,390
EXPENDITURES					
Current					
Instruction					
Regular Instruction	35,486,170	5,675,607			41,161,777
Special Education Instruction	19,345,299	967,093			20,312,392
Other Instruction	4,411,713				4,411,713
School Sponsored Co-Curricular Activities	1,699,346	381,063			2,080,409
Support Services					
Student and Instruction Related Services	14,407,882	2,099,442			16,507,324
General Administration Services	1,581,812				1,581,812
School Administration Services	5,840,563				5,840,563
Business/Central Services	3,142,210				3,142,210
Plant Operations and Maintenance	7,849,827				7,849,827
Pupil Transportation	7,112,501				7,112,501
Debt Service					
Principal	-			2,589,000	2,589,000
Interest and Other Charges	-			1,227,215	1,227,215
Capital Outlay	442,043	2,088,011	20,207,533	-	22,737,587
Total Expenditures	101,319,366	11,211,216	20,207,533	3,816,215	136,554,330
Excess (Deficiency) of Revenues Over (Under) Expenditure	3,005,048	(52,667)	(20,197,565)	(4,756)	(17,249,940)
OTHER FINANCING SOURCES (USES)					
Transfers In		581,388	2,827,246	9,968	3,418,602
Transfers Out	(3,408,634)	-	(9,968)	-	(3,418,602)
Total Other Financing Sources and Uses	(3,408,634)	581,388	2,817,278	9,968	-
Net Change in Fund Balances	(403,586)	528,721	(17,380,287)	5,212	(17,249,940)
Fund Balance, Beginning of Year	21,010,086	(20,659)	28,141,776	5,545	49,136,748
Fund Balance, End of Year	\$ 20,606,500	\$ 508,062	\$ 10,761,489	\$ 10,757	\$ 31,886,808

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

**RAHWAY SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE DISTRICT-WIDE STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ (17,249,940)

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

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

Capital Outlays	\$ 22,737,587	
Depreciation Expense	<u>(2,855,308)</u>	
		19,882,279

The issuance of long term debt provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Principal Repayments:		
Bond Principal		2,589,000

Deferred amounts on refundings are reported in the governmental funds as expenditures in the year the bonds are issued. However, on the Statement of Activities, the costs are amortized over the life of the bonds. These costs are an addition in the reconciliation in the year issued and a deduction for the amortization in the reconciliation.

Current Year Amortization:		
Deferred Amount on Refunding		(33,151)

In the statement of activities certain expenses are measured by the amounts earned or accrued during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (paid):

Decrease in Accrued Interest	20,146	
Amortization of Original Issue Premium	100,538	
Decrease in Pension Expenses	1,111,905	
Increase in Compensated Absences	<u>162,887</u>	
		<u>1,395,476</u>

Change in Net Position of Governmental Activities (Exhibit A-2) \$ 6,583,664

**RAHWAY SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2024**

	Business-Type Activities Enterprise Fund <u>Food Service</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 362,569
Accounts Receivable	
Intergovernmental	298,249
Accounts	212,006
Inventory	<u>37,455</u>
Total Current Assets	<u>910,279</u>
Capital Assets	
Furniture, Machinery and Equipment	715,744
Less: Accumulated Depreciation	<u>(384,879)</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>330,865</u>
Total Assets	<u>1,241,144</u>
LIABILITIES	
Current Liabilities	
Due to Other Funds	22,268
Unearned Revenue	<u>16,218</u>
Total Current Liabilities	<u>38,486</u>
Total Liabilities	<u>38,486</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Commodities Revenue	<u>2,508</u>
Total Deferred Inflows of Resources	<u>2,508</u>
Total Liabilities and Deferred Inflows of Resources	<u>40,994</u>
NET POSITION	
Investment in Capital Assets	330,865
Unrestricted	<u>869,285</u>
Total Net Position	<u>\$ 1,200,150</u>

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

**RAHWAY SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Business-Type Activities Enterprise Fund <u>Food Service</u>
OPERATING REVENUES	
Charges for Services	
Daily Sales - Reimbursable Programs	\$ 456,396
Daily Sales - Non-Reimbursable Programs	382,636
Other Sales	<u>6,057</u>
 Total Operating Revenues	 <u>845,089</u>
OPERATING EXPENSES	
Cost of Sales	
Reimbursable Programs	957,845
Non-Reimbursable Programs	167,959
USDA Commodities	253,943
Salaries and Wages	1,019,948
Employee Benefits	62,203
Management Fee	113,328
Other Purchased Services	4,807
Supplies and Materials	129,033
Equipment	82,820
Repairs and Maintenance	104,920
Insurance	99,151
Laundry/Uniforms	7,339
Other Expenses	27,406
Depreciation	<u>57,162</u>
 Total Operating Expenses	 <u>3,087,864</u>
 Operating Loss	 <u>(2,242,775)</u>
NONOPERATING REVENUES	
State Sources	
State School Lunch Program	48,546
School Breakfast Program	2,650
Working Class Families State Supplement (NJEIE)	17,371
Federal Sources	
National School Lunch Program	
Cash Assistance	1,332,625
USDA Commodities	253,943
HHFKA Summer Seamless Option	36,965
National School Breakfast Program	194,218
COVID - Supply Chain Assistance	<u>98,337</u>
 Total Nonoperating Revenues	 <u>1,984,655</u>
 Change in Net Position	 (258,120)
 Net Position, Beginning of Year	 <u>1,458,270</u>
 Net Position, End of Year	 <u>\$ 1,200,150</u>

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

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

	Business-Type Activities Enterprise Fund <u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers	\$ 750,037
Payments for Employees Salaries and Benefits	(1,082,151)
Payments to Suppliers	<u>(1,725,870)</u>
Net Cash Used for Operating Activities	<u>(2,057,984)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Receipts from State and Federal Subsidies	<u>1,548,289</u>
Net Cash Provided By Non-Capital Financing Activities	<u>1,548,289</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of Capital Assets	<u>(13,999)</u>
Net Cash Used for Capital and Related Financing Activities	<u>(13,999)</u>
Net Decrease in Cash and Cash Equivalents	(523,694)
Cash and Cash Equivalents—Beginning of Year	<u>886,263</u>
Cash and Cash Equivalents—End of Year	<u>\$ 362,569</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ <u>(2,242,775)</u>
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities	
Depreciation	57,162
Food Distribution (USDA Commodities) National School Lunch Program	253,943
Changes in Assets, Liabilities and Deferred Inflows of Resources	
(Increase) in Accounts Receivable, Net	(74,941)
(Increase) in Inventory	(2,017)
Increase in Deferred Inflows of Resources	2,508
(Decrease) in Unearned Revenue	(20,111)
(Decrease) in Accounts Payable	<u>(31,753)</u>
Total Adjustments	<u>184,791</u>
Net Cash Used For Operating Activities	<u>\$ (2,057,984)</u>
Non Cash Financing Activities	
Fair Value of Food Distribution Program	<u>\$ 247,580</u>

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

NOTES TO THE FINANCIAL STATEMENTS

**RAHWAY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Rahway School District (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of nine elected officials and is responsible for the fiscal control of the District. A Superintendent of Schools is appointed by the Board and is responsible for the administrative control of the District. A School Business Administrator/Board Secretary is also appointed by the Board and oversees the business functions of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property. The Board currently operates a Pre-Kindergarten through grade twelve (12) school district.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls. The Superintendent of Schools is the Chief Administrative Officer of the District who is responsible for general supervision of all schools, planning and operational functions of the District. The School Business Administrator/Board Secretary is the Chief Financial Officer and is responsible for budgeting, financial accounting and reporting and reports through the Superintendent of Schools to the Board

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

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

B. New Accounting Standards

During fiscal year 2024, the District adopted the following GASB statements:

- GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, will be effective beginning with the fiscal year ending June 30, 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

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

- GASB Statement No. 101, *Compensated Absences*, will be effective beginning with the fiscal year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

**RAHWAY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB Statement No. 102, *Certain Risk Disclosures*, will be effective beginning with the fiscal year ending June 30, 2025. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a school district vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a school district's financial condition.
- GASB Statement No. 103, *Financial Reporting Model Improvements*, will be effective beginning with the fiscal year ending June 30, 2026. The requirements for MD&A will improve the quality of the analysis of changes from the prior year, which will enhance the relevance of that information. They also will provide clarity regarding what information should be presented in MD&A. The requirements for the separate presentation of unusual or infrequent items will provide clarity regarding which items should be reported separately from other inflows and outflows of resources. The definitions of operating revenues and expenses and of nonoperating revenues and expenses will replace accounting policies that vary from school district to school district, thereby improving comparability. The addition of a subtotal for operating income (loss) and noncapital subsidies will improve the relevance of information provided in the proprietary fund statement of revenues, expenses, and changes in fund net position. The requirement for presentation of major component unit information will improve comparability. The requirement that budgetary comparison information be presented as RSI will improve comparability, and the inclusion of the specified variances and the explanations of significant variances will provide more useful information for making decisions and assessing accountability.

C. Basis of Presentation - Financial Statements

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the District's enterprise funds. Fiduciary funds are excluded from the district-wide financial statements. Currently the District has no fiduciary funds.

District-Wide Financial Statements

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

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

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

**RAHWAY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements

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

The District reports the following major governmental funds:

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

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal, state and local financial programs, with the exception of grants for major capital projects and the child nutrition programs, student activity funds derived from athletic events or other activities of pupil organizations and private donations for scholarship awards.

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

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

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

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

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

Reclassifications

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

**RAHWAY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting

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

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

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

1. Cash and Cash Equivalents

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

2. Receivables

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

**RAHWAY SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

3. *Inventories*

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

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

4. *Capital Assets*

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost except for intangible right-to-use leased assets the measurement of which is discussed in Note 1. E.9. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>Assets</u>	<u>Years</u>
Buildings and Building Improvements	15-30
Machinery and Equipment	5-20

5. *Deferred Outflows/Inflows of Resources*

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

**RAHWAY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

5. Deferred Outflows/Inflows of Resources (Continued)

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

6. Compensated Absences

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

7. Pensions

In the district-wide financial statements and proprietary fund types in the fund financial statements, for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the retirement systems sponsored and administered by the State of New Jersey and additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

8. Long-Term Obligations

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

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

**RAHWAY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. Net Position/Fund Balance

District-Wide Statements

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

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

Governmental Fund Statements

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

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

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

Maintenance Reserve – This restriction was created by the District in accordance with NJAC 6A:23A-14.2 to accumulate funds for the required maintenance of school facilities in accordance with the EFCA (NJSA 18A:7G-9) for a thorough and efficient education. (See Note 2D).

Unemployment Compensation Reserve – This restriction was created in accordance with R.S. 43:21-7.3 to reserve funds for unemployment compensation claims reimbursable to the State under the District’s election for payment in lieu of contributions (benefit reimbursement method). (See Note 4A).

Student Activities – This restriction was created in accordance with NJAC 6A:23A-16.12 to represent the accumulation of funds derived from athletic events and other student organizations reserved for the payment of student group activities.

Scholarship Awards – This restriction was created to represent the accumulation of donor restricted funds specifically earmarked for student scholarship awards.

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

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

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2024 audited excess surplus that is required to be appropriated in the 2024/2025 original budget certified for taxes.

Excess Surplus – Designated for Subsequent Year’s Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2023 audited excess surplus that was appropriated in the 2024/2025 original budget certified for taxes.

**RAHWAY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Governmental Fund Statements (Continued)

Restricted Fund Balance (Continued)

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

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

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

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

10. *Fund Balance Policies*

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Board of Education itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the school district that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. The District has no committed fund balances at year end.

Amounts in the assigned fund balance classification are intended to be used by the Board of Education for specific purposes but do not meet the criteria to be classified as committed. The Board has authorized the School Business Administrator/Board Secretary to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

F. Revenues and Expenditures/Expenses

1. *Program Revenues*

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

**RAHWAY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

2. *Property Taxes*

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

3. *Tuition Revenues and Expenditures*

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

Tuition Expenditures - Tuition charges for the fiscal years 2022-2023 and 2023-2024 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

4. *On-Behalf Payments*

Revenues and expenditures of the general fund include payments made by the State of New Jersey on-behalf of the District for social security, pension, long-term disability insurance and post-retirement medical benefit contributions for District employees enrolled in the Teacher Pension and Annuity Fund (TPAF) retirement system.

Revenues and expenses of governmental activities, business-type activities and proprietary funds include the State’s proportionate share of the on-behalf actuarial determined pension and post-retirement medical benefit amounts attributable to the District for District employees enrolled in the TPAF retirement system.

5. *Proprietary Funds, Operating and Nonoperating Revenues and Expenses*

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

**RAHWAY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

The District must prepare its budget in compliance with applicable laws limiting the amount by which the general fund property tax levy can increase in the annual school budget. The 2010 Tax Levy CAP Law is calculated using the formulas and provisions of NJSA 18A:7F-38. The law was originally adopted in 2007 and was most recently amended in 2018. The core of the tax-levy cap calculation is a 2% increase to the previous budget year's general fund tax levy with exceptions only for enrollment increases, increases for certain pension contributions in excess of 2%, certain healthcare increases, and amounts approved by a simple majority of voters at a special election. Additionally, school districts can bank the unused tax levy for use in any of the next three (3) succeeding budget years if they were not granted approval to exceed the tax levy cap by the voters. The restrictions are solely on the tax levy for the general fund and are not applicable to the debt service fund.

The annual budget is adopted in the spring of the preceding year for the general and special revenue funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. The Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2023/2024. Also, during 2023/2024 the Board increased the original general fund budget by \$1,052,778 and the original special revenue fund budget by \$2,419,998. The increases were funded by state aid, grant awards and the reappropriation of prior year general fund encumbrances.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described in the Notes to Required Supplementary Information (RSI). Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

**RAHWAY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Excess Expenditures Over Appropriations

The following is a summary of expenditures in excess of available appropriations. The overexpended appropriations resulted in unfavorable variances.

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund			
Current Expenditures			
Instruction - Regular Programs			
Regular Programs - Home Instruction			
Salaries of Teachers	\$ 25,000	\$ 51,778	\$ 26,778
Regular Programs - Undistributed Instruction			
Other Salaries for Instruction	307,240	355,787	48,547
Instruction - Special Education			
Multiple Disabilities			
Salaries of Teachers	555,616	566,861	11,245
Resource Room/Resource Center			
Salaries of Teachers	3,582,699	3,870,300	287,601
Autism			
Other Salaries for Instruction	136,127	165,277	29,150
Preschool Disabilities - Full Time			
Salaries of Teachers	415,285	501,637	86,352
Other Salaries for Instruction	228,637	307,951	79,314
Home Instruction			
Salaries of Teachers	45,000	106,408	61,408
Bilingual Education			
Salaries of Teachers	1,124,963	1,173,552	48,589
Other Salaries for Instruction	201,935	209,799	7,864
School Sponsored Co-Curricular Activities			
Salaries	260,511	281,010	20,499
School Sponsored Athletics			
Salaries	480,126	490,656	10,530
Other Alternative Education Programs - Support Services			
Salaries	82,089	88,328	6,239
Undistributed Expenditures			
Instruction			
Tuition to CSSD and Regional Day Schools	19,808	157,405	137,597
Health Services			
Salaries	408,296	430,744	22,448
Other Support Services - Students - Extra Svc			
Salaries	323,498	450,276	126,778
Guidance			
Salaries of Other Professional Staff	1,051,269	1,089,968	38,699
Child Study Teams			
Salaries of Other Professional Staff	1,743,399	1,788,048	44,649
Educational Media Services/School Library			
Salaries	359,742	494,502	134,760

**RAHWAY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Excess Expenditures Over Appropriations (Continued)

Support Services General Administration					
Unused Vacation Payment to Terminated/Retired Staff		\$	24,895	\$	24,895
Admin. Info. Technology					
Salaries	\$	616,415	670,667	54,252	
Custodial Services					
Salaries		1,647,494	1,793,788	146,294	
Unused Vacation Payment to Terminated/Retired			14,581	14,581	
Other Purchased Property Services		88,400	99,224	10,824	
Energy (Natural Gas)		391,650	464,424	72,774	
Energy (Electricity)		513,450	540,549	27,099	
Security					
Salaries		1,177,269	1,294,904	117,635	
Purchased Professional and Technical Services		3,759	4,034	275	
Student Transportation Services					
Salaries for Non-Instructional Aides		13,300	36,075	22,775	
Salaries for Pupil Transportation (Between Home and School) - Special Ed.		56,144	98,254	42,110	
Unallocated Benefits - Employee Benefits					
Social Security Contribution		800,000	959,151	159,151	
Special Revenue Fund					
Support Services					
Salaries of Program Directors		70,000	81,500	11,500	

C. Deficit Fund Equity

The District has an unassigned fund deficit of \$2,589,974 in the General Fund as of June 30, 2024 as reported in the fund financial statements (modified accrual basis). NJSA 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record these delayed state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions", requires that intergovernmental transactions (revenue, expenditure, asset, liability) should be recognized in symmetry (i.e., if one government recognizes an asset, the other government recognizes a liability). Since the State of New Jersey is recording certain 2023/2024 budgeted state aid payments in the subsequent fiscal year, the school district cannot recognize such payments on the GAAP (fund) financial statements until the year the State records the payable. Due to the timing difference of recording these delayed state aid payments, the General Fund deficit does not alone indicate that the District is facing financial difficulties; however, unless the State of New Jersey budgets the delayed payments in future years, the District may also report fund deficits in the future.

Pursuant to NJSA 18A:22-44.2, any negative unreserved, undesignated (i.e., unassigned) general fund balance that is reported as a direct result of a delay in the payment of state aid until the following fiscal year, is not considered as a violation of New Jersey Statute or regulation and is not considered an item in need of corrective action. The District deficit in the GAAP (fund) financial statements of \$2,589,974 in the General Fund is less than the delayed state aid payments at June 30, 2024.

**RAHWAY SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. Capital Reserve

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

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

The activity of the capital reserve for the fiscal year ended June 30, 2024 is as follows:

Balance, July 1, 2023		\$ 16,959,153
Increased by		
Interest Earnings	\$ 100	
Deposits Approved by Board Resolution	<u>2,421,618</u>	
Total Increases		<u>2,421,718</u>
		19,380,871
Decreased by:		
Withdrawals Approved by Board Resolution		<u>(2,827,246)</u>
Balance, June 30, 2024		<u>\$ 16,553,625</u>

The June 30, 2024 LRFP balance of the total costs of uncompleted capital projects is estimated by management to be \$20,000,000. The withdrawals from the capital reserve were for use in a department approved facilities project, consistent with the District’s Long Range Facilities Plan.

E. Maintenance Reserve

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

Funds placed in the maintenance reserve are restricted to required maintenance activities for a school facility as reported in the comprehensive maintenance plan. A District may appropriate funds into the maintenance reserve in the annual General Fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts or both. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the reserve cannot at any time exceed four percent of the replacement cost of the school district’s school facilities for the current year.

**RAHWAY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

E. Maintenance Reserve (Continued)

The activity of the maintenance reserve for the fiscal year ended June 30, 2024 is as follows:

Balance, July 1, 2023		\$ 875,668
Increased by		
Interest Earnings	\$ 100	
Deposits Approved by Board Resolution	<u>124,232</u>	
Total Increases		<u>124,332</u>
Balance, June 30, 2024		<u>\$ 1,000,000</u>

The June 30, 2024 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$3,485,676.

F. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for 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 fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year’s budget. The excess fund balance at June 30, 2024 is \$4,600,000. Of this amount, \$1,800,000 was designated and appropriated in the 2024/2025 original budget certified for taxes and the remaining amount of \$2,800,000 is required to be appropriated in the 2025/2026 original budget certified for taxes.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for deposits in excess of the FDIC and NCUSIF insured amounts. GUDPA does not protect intermingled trust funds, withholdings from an employee’s salary or funds which may pass to the local government upon the happening of a future condition.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2024, the book value of the Board's deposits were \$37,111,082 and bank and brokerage firm balances of the Board’s deposits amounted to \$44,270,759. The Board's deposits which are displayed on the various fund balance sheets as “cash and cash equivalents” or “cash with fiscal agents” are categorized as:

Depository Account

Insured	\$ 41,827,200
Uninsured and Collateralized	<u>2,443,559</u>
	<u>\$ 44,270,759</u>

**RAHWAY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2024 the Board’s bank balance of \$2,443,559 was exposed to custodial credit risk as follows:

Depository Account

Uninsured and Collateralized:

Collateral held by pledging financial institution's trust department but not in
the Board's name

\$ 2,443,559

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America; Government Money Market Mutual Funds; 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 obligations bear a fixed rate of interest not dependent on any index or other external factor; 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; 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 “Local Authorities Fiscal Control Law,” (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 school districts; Local Government investment pools; 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); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2024, the Board had no outstanding investments.

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Board will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Board does not have a policy for custodial credit risk.

Interest Rate Risk – Interest rate risk is the risk that changes in the market interest rate will adversely affect the fair value of an investment. The Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments as noted above (N.J.S.A. 18A:20-37). The District does not have an investment policy that would further limit its investment choices.

Concentration of Credit Risk – The concentration of credit risk is the risk of loss that may be caused by the Board’s investment in a single issuer. The Board places no limit in the amount the District may invest in any one issuer.

**RAHWAY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2024 for the district’s individual major funds, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Total</u>
Receivables:				
Accounts			\$ 212,006	\$ 212,006
Intergovernmental-				
Federal		\$ 1,288,981	285,402	1,574,383
State	\$ 202,861	-	12,847	215,708
	<u>202,861</u>	<u>1,288,981</u>	<u>510,255</u>	<u>2,002,097</u>
Gross Receivables	202,861	1,288,981	510,255	2,002,097
Less: Allowance for Uncollectibles	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 202,861</u>	<u>\$ 1,288,981</u>	<u>\$ 510,255</u>	<u>\$ 2,002,097</u>

C. Unearned Revenue

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

Special Revenue Fund	
Unencumbered Grant Draw Downs	\$ 2,290,179
Grant Draw Downs Reserved for Encumbrances	793,713
Capital Projects Fund	
Unrealized School Facilities Grants	<u>17,798</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 3,101,690</u>

**RAHWAY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

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

	<u>Balance, July 1, 2023</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Balance, June 30, 2024</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,546,445			\$ 1,546,445
Construction in Progress	<u>12,796,904</u>	<u>\$ 19,281,116</u>	<u>\$ (12,796,904)</u>	<u>19,281,116</u>
Total Capital Assets, Not Being Depreciated	<u>14,343,349</u>	<u>19,281,116</u>	<u>(12,796,904)</u>	<u>20,827,561</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	78,312,425	607,239	12,796,904	91,716,568
Machinery and Equipment	<u>6,239,147</u>	<u>2,849,232</u>	<u>(356,758)</u>	<u>8,731,621</u>
Total Capital Assets Being Depreciated	<u>84,551,572</u>	<u>3,456,471</u>	<u>12,440,146</u>	<u>100,448,189</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(36,692,341)	(2,265,093)		(38,957,434)
Machinery and Equipment	<u>(3,209,529)</u>	<u>(590,215)</u>	<u>356,758</u>	<u>(3,442,986)</u>
Total Accumulated Depreciation	<u>(39,901,870)</u>	<u>(2,855,308)</u>	<u>356,758</u>	<u>(42,400,420)</u>
Total Capital Assets, Being Depreciated, Net	<u>44,649,702</u>	<u>601,163</u>	<u>12,796,904</u>	<u>58,047,769</u>
Governmental Activities Capital Assets, Net	<u>\$ 58,993,051</u>	<u>\$ 19,882,279</u>	<u>\$ -</u>	<u>\$ 78,875,330</u>

**RAHWAY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance, July 1, 2023	Increases	Decreases	Balance, June 30, 2024
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 728,847	\$ 13,999	\$ (27,102)	\$ 715,744
Total Capital Assets Being Depreciated	<u>728,847</u>	<u>13,999</u>	<u>(27,102)</u>	<u>715,744</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(354,819)	(57,162)	27,102	(384,879)
Total Accumulated Depreciation	<u>(354,819)</u>	<u>(57,162)</u>	<u>27,102</u>	<u>(384,879)</u>
Total Capital Assets, Being Depreciated, Net	<u>374,028</u>	<u>(43,163)</u>	<u>-</u>	<u>330,865</u>
Business-Type Activities Capital Assets, Net	<u>\$ 374,028</u>	<u>\$ (43,163)</u>	<u>\$ -</u>	<u>\$ 330,865</u>

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

Governmental Activities:	
Instruction	
Regular	\$ 15,198
Special Education	9,698
Other Instruction	18,020
School-Sponsored/Activities and Athletics	<u>14,781</u>
Total Instruction	<u>57,697</u>
Support Services	
Student and Instruction Related Services	29,050
General Administrative Services	157,360
School Administrative Services	31,449
Plant Operations and Maintenance	2,571,282
Pupil Transportation	<u>8,470</u>
Total Support Services	<u>2,797,611</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,855,308</u>
Business-Type Activities:	
Food Service Fund	<u>\$ 57,162</u>
Total Depreciation Expense-Business-Type Activities	<u>\$ 57,162</u>

**RAHWAY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2024:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Elevator Addition - Madison School	\$ 1,724,294	\$ 428,026
Window and Door Replacements - Franklin & Roosevelt Schools	3,463,383	428,026
Vestibule, Façade and Other Improvements	7,638,698	885,892
Masonry, Site Repairs and Other Improvements - Cleveland School	1,695,400	1,684,600
Window and Door Replacements - Various Schools	3,071,583	2,105,417
Gym Renovation - 7th/8th Grand Academy	361,390	1,082,160

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2024, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 118,523
General Fund	Debt Service Fund	4,756
General Fund	Food Service Fund	22,268
Debt Service Fund	Capital Projects Fund	<u>15,513</u>
Total		<u>\$ 161,060</u>

The above balances are the result of revenues earned or other financing sources received in one fund which are due to another fund and/or expenditures paid by one fund on behalf of another fund.

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

**RAHWAY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Long-Term Debt

General Obligation Bonds

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

Bonds payable at June 30, 2024 are comprised of the following issues:

\$14,270,000, 2017 Bonds, due in annual installments of \$1,320,000 to \$1,365,000 through February 15, 2030, interest at 3.00% to 5.00%	\$8,050,000
\$38,714,000, 2021 Bonds, due in annual installments of \$1,250,000 to \$2,500,000 through July 15, 2041, interest at 2.00% to 2.25%%	37,450,000
Total	<u>\$45,500,000</u>

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

Governmental Activities:

Fiscal Year Ending June 30,	Serial Bonds		
	Principal	Interest	Total
2025	\$ 2,570,000	\$ 1,149,075	\$ 3,719,075
2026	2,580,000	1,058,075	3,638,075
2027	2,585,000	966,575	3,551,575
2028	2,595,000	874,825	3,469,825
2029	2,605,000	782,575	3,387,575
2030-2034	12,615,000	2,829,075	15,444,075
2035-2039	12,500,000	1,486,565	13,986,565
2040-2042	<u>7,450,000</u>	<u>248,751</u>	<u>7,698,751</u>
	<u>\$ 45,500,000</u>	<u>\$ 9,395,516</u>	<u>\$ 54,895,516</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2024 was as follows:

3.5% of Equalized Valuation Basis (Municipal)	\$ 124,394,220
Less: Net Debt Issued and Authorized but not Issued	<u>(45,500,049)</u>
Remaining Borrowing Power	<u>\$ 78,894,171</u>

**RAHWAY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

G. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2024, was as follows:

	Balance, July 1, 2023	Additions	Reductions	Balance, June 30, 2024	Due Within One Year
Governmental Activities:					
Bonds Payable	\$ 48,089,000		\$ (2,589,000)	\$ 45,500,000	\$ 2,570,000
Add: Premium	546,876	-	(100,538)	446,338	-
	<u>48,635,876</u>	<u>-</u>	<u>(2,689,538)</u>	<u>45,946,338</u>	<u>2,570,000</u>
Total Bonds Payable	48,635,876	-	(2,689,538)	45,946,338	2,570,000
Compensated Absences	1,499,752	\$ 38,938	(201,825)	1,336,865	299,811
Net Pension Liability	10,713,811	-	(373,241)	10,340,570	-
	<u>10,713,811</u>	<u>-</u>	<u>(373,241)</u>	<u>10,340,570</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 60,849,439</u>	<u>\$ 38,938</u>	<u>\$ (3,264,604)</u>	<u>\$ 57,623,773</u>	<u>\$ 2,869,811</u>

For the governmental activities, the liabilities for compensated absences and net pension liability are generally liquidated by the general fund.

NOTE 4 OTHER INFORMATION

A. Risk Management

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

The District is a member of the New Jersey Schools Insurance Group (NJSIG or Group). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims.

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

**RAHWAY SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

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

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

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

Fiscal Year Ending June 30,	District Contributions	Employee Contributions	Interest Earnings	Amount Reimbursed	Ending Balance	
					Payroll Deduction Payable	Restricted Fund Balance
2024	None	\$ 64,692	\$ 6,870	\$ 159,894	\$ 120,241	\$ 342,755

B. Contingent Liabilities

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

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2024, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2024, the District had no estimated arbitrage earnings due to the IRS.

**RAHWAY SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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

Public Employees' Retirement System (PERS) – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees. PERS is a cost sharing multiple employer defined benefit pension plan. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division's) Annual Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions.

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

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reached age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members 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 ten years of service credit and have not reached the service retirement age for the respective tier.

Teachers' Pension and Annuity Fund (TPAF) – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees. TPAF is a cost sharing multiple- employer defined benefit pension plan with a special funding situation, by which the State is responsible to fund 100% of local employer contributions, excluding any local employer early retirement incentive (ERI) contributions. For additional information about TPAF, please refer to the State Division of Pension and Benefits (Division's) Annual Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions.

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are 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.

**RAHWAY SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

The following represent 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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members 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 retirement age for their respective tier. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

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

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS or TPAF on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS or TPAF on or after November 2, 2008 and do not earn the minimum salary required for tier 3 enrollment or do not work the minimum required hours for tier 4 and tier 5 enrollments but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

Other Pension Funds

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

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

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

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits (“Division”), issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

**RAHWAY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

The authority to amend the provisions of the above plans rests with legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for TPAF and PERS, once a Target Funded Ratio (TFR) is met. The Pension Plan Design Committees will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation of final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committees will also have the authority to reactivate the cost of living adjustment (COLA) on pensions. However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a 30-year projection period.

Measurement Focus and Basis of Accounting

The financial statements of the retirement systems are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the pension trust funds. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Investment Valuation

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Empower Retirement (formerly Prudential) is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date. The net increase or decrease in the fair value of investments includes the net realized and unrealized gains or losses on investments.

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

**RAHWAY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2023 is \$14.6 billion and the plan fiduciary net position as a percentage of the total pension liability is 65.23%. The collective net pension liability of the State funded TPAF at June 30, 2023 is \$51.1 billion and the plan fiduciary net position as a percentage of total pension liability is 34.68%.

The total pension liabilities for the June 30, 2023 measurement date were determined based on actuarial valuations as of July 1, 2022 which were rolled forward to June 30, 2023.

Actuarial Methods and Assumptions

In the July 1, 2022 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary’s report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee’s annual compensation for fiscal year 2024.

PERS employers’ and TPAF State’s nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2024 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State’s annual pension contribution was more than the actuarial determined amount. For local PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2024, 2023 and 2022 were equal to the required contributions.

During the fiscal years ended June 30, 2024, 2023 and 2022 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively, for normal cost pension and unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2024	\$ 954,164	\$ 12,455,696	\$ 79,770
2023	895,055	11,673,210	72,758
2022	807,081	12,128,515	60,048

**RAHWAY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2024, 2023 and 2022 the State contributed \$4,568, \$4,195 and \$4,462, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB Statement No. 85, *Omnibus 2017* (GASB No. 85). The DCRP contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure, as well as, the district-wide financial statements (accrual basis) as an expense.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$2,613,808 during the fiscal year ended June 30, 2024 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

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

Public Employees Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense based on a measurement date no earlier than the end of the employer's prior fiscal year. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2022 through June 30, 2023. Employer allocation percentages have been rounded for presentation purposes. Contributions from employers are recognized when due based on statutory requirements.

Although the NJ Division of Pensions and Benefits ("Division") administers one cost-sharing multiple employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2023 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2023.

At June 30, 2024, the District reported in the statement of net position (accrual basis) a liability of \$10,340,570 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2022. The District's proportionate share of the net pension liability was based on the ratio of the District's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2023. At June 30, 2023, the District's proportionate share was 0.07139 percent, which was an increase of 0.0004 percent from its proportionate share measured as of June 30, 2022 of 0.07099 percent.

**RAHWAY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

For the fiscal year ended June 30, 2024, the District recognized in the district-wide statement of activities (accrual basis) pension expense/(benefit) of \$(157,741) for PERS. The pension contribution made by the District during the current 2023/2024 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2024 with a measurement date of the prior fiscal year end of June 30, 2023. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2024 for contributions made subsequent to the measurement date. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 98,869	\$ 42,269
Changes of Assumptions	22,716	626,683
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	47,620	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>367,502</u>	<u>169,224</u>
Total	<u>\$ 536,707</u>	<u>\$ 838,176</u>

At June 30, 2024, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense/(benefit) as follows:

<u>Year Ending June 30,</u>	<u>Total</u>
2025	\$ (539,115)
2026	(204,388)
2027	495,573
2028	(56,134)
2029	2,595
Thereafter	<u>-</u>
	<u>\$ (301,469)</u>

**RAHWAY SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

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

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75-6.55%
	Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

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

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

**RAHWAY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the PERS's target asset allocation as of June 30, 2023 are summarized in the following table:

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

**RAHWAY SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate

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

Sensitivity of Net Pension Liability

The following presents the District’s proportionate share of the PERS net pension liability calculated using the discount rate of 7.00, as well as what the District’s proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease <u>6.00%</u>	Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's Proportionate Share of the PERS Net Pension Liability	\$ <u>13,461,222</u>	\$ <u>10,340,570</u>	\$ <u>7,684,483</u>

The sensitivity analysis was based on the proportionate share of the District’s net pension liability as of the measurement date of June 30, 2023. A sensitivity analysis specific to the District’s net pension liability at June 30, 2023 was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

**RAHWAY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense based on a measurement date no earlier than the end of the employer's prior fiscal year. The non-employer allocation percentages presented are based on the ratio of the State's actual contributions made as an employer and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2022 through June 30, 2023. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. 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. For the fiscal year ended June 30, 2023, the State's pension contribution was more than the actuarial determined amount.

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

For the fiscal year ended June 30, 2024, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$3,530,946 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2024 the State's proportionate share of the net pension liability attributable to the District is \$143,726,673. The net pension liability was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2022. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2023. At June 30, 2023, the State's share of the net pension liability attributable to the District was .28163 percent, which was a decrease of .00889 percent from its proportionate share measured as of June 30, 2022 of .29052 percent.

**RAHWAY SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

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

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75-4.25%
	Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

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

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

**RAHWAY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the TPAF's target asset allocation as of June 30, 2023 are summarized in the following table:

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

Discount Rate

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

**RAHWAY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Sensitivity of Net Pension Liability

The following presents the State’s proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 7.00%, as well as what the State’s proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00% percent) or 1-percentage-point higher (8.00% percent) than the current rate:

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 169,479,829</u>	<u>\$ 143,726,673</u>	<u>\$ 122,036,395</u>

The sensitivity analysis was based on the State’s proportionate share of the net pension liability attributable to the District at as of the measurement date of June 30, 2023. A sensitivity analysis specific to the State’s proportionate share of the net pension liability attributable to the District at June 30, 2023 was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

E. Post-Retirement Medical Benefits

The State of New Jersey sponsors and administers the post-retirement health benefit program plan for school districts.

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in a Custodial Fund in the New Jersey Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a qualified trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a multiple-employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

The State of New Jersey sponsors and administers the following post-retirement health benefit program plan covering certain local school district employees, including those Board employees and retirees eligible for coverage.

**RAHWAY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

State Health Benefit Program Fund – Local Education Retired Employees Plan (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage, prescription drug benefits and Medicare Part B reimbursement to qualified retired education employees and their covered dependents. The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of the PERS, the Police and Firemen Retirement System (PFRS) or Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents.

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 or more years 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 State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above Fund. The financial reports may be accessed via the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2022:

Active Plan Members	217,212
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>152,383</u>
Total	<u>369,595</u>

Measurement Focus and Basis of Accounting

The financial statements of the post-employment health benefit plans are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the post-employment health benefit plan. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2023 is \$52.4 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities at June 30, 2023 were determined based on actuarial valuations as of June 30, 2022 which were rolled forward to June 30, 2023.

**RAHWAY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

In the June 30, 2022 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contributions

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.44 billion to the OPEB plan in fiscal year 2023.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2024, 2023 and 2022 were \$3,389,984, \$3,066,524 and \$2,833,711, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense based on a measurement date no earlier than the end of the employer's prior fiscal year. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2022 through June 30, 2023. Nonemployer allocation percentages have been rounded for presentation purposes.

In accordance with GASB No. 75, the District is not required to recognize an OPEB liability for the post-employment health benefit plan. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to the plan on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 75 is zero percent and the State's proportionate share is 100% of the OPEB liability attributable to the District. Therefore, in addition, the District does not recognize any portion of the collective deferred outflows of resources and deferred inflows of resources related to the plan.

For the fiscal year ended June 30, 2024, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$4,492,936. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2024 the State's proportionate share of the OPEB liability attributable to the District is \$133,438,588. The nonemployer allocation percentages are based on the ratio of the State's proportionate share of the OPEB liability attributable to the District at June 30, 2023 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2023. At June 30, 2023, the state's share of the OPEB liability attributable to the District was .25484 percent, which was an increase of .25200 percent from its proportionate share measured as of June 30, 2022 of .00284 percent.

**RAHWAY SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Actuarial Assumptions

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

	<u>PERS</u>	<u>TPAF</u>
Salary Increases	2.75% to 6.55% Based on Years of Service	2.75% to 4.25% Based on Years of Service

Preretirement mortality rates were based on the Pub-2010 Health “Teachers” (TPAF) and “General” (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disabled retirees. Future disabled retirees was based on the Pub-2010 “General” (PERS) and “Teachers” (TPAF) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

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

100% of active members are considered to participate in the plan upon retirement.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.5% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

**RAHWAY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Discount Rate

The discount rate for June 30, 2023 was 3.65%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the Total OPEB Liability

The change in the State’s proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2024 (measurement date June 30, 2023) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2022 Measurement Date	\$ <u>127,627,255</u>
Changes Recognized for the Fiscal Year:	
Service Cost	5,490,449
Interest on the Total OPEB Liability	4,699,544
Differences Between Expected and Actual Experience	(1,104,679)
Changes of Assumptions	268,957
Gross Benefit Payments	(3,663,371)
Contributions from the Member	<u>120,433</u>
Net Changes	<u>\$ 5,811,333</u>
Balance, June 30, 2023 Measurement Date	<u>\$ 133,438,588</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54% in 2022 to 3.65% in 2023.

The change in the total OPEB liability was based on the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2023.

**RAHWAY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State’s proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 3.65%, as well as what the State’s proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65%) or 1-percentage-point higher (4.65%) than the current rate:

	1% Decrease <u>(2.65%)</u>	Current Discount Rate <u>(3.65%)</u>	1% Increase <u>(4.65%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 156,433,836</u>	<u>\$ 133,438,588</u>	<u>\$ 114,976,073</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the State’s proportionate share of the OPEB liability attributable to the District calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease <u> </u>	Healthcare Cost Trend Rates <u> </u>	1% Increase <u> </u>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 110,774,601</u>	<u>\$ 133,438,588</u>	<u>\$ 163,094,474</u>

The sensitivity analyses were based on the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2023. Sensitivity analyses specific to the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2023 were not provided by the pension system.

F. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential school tax revenue must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district’s local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For Rahway School District, the District’s share of abated taxes resulting from the municipality having entered into a tax abatement agreement is indeterminate.

**RAHWAY SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 5 RECENT HEALTHCARE DEVELOPMENTS

In early March of 2020, the World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a newly discovered strain of coronavirus. On March 13, 2020, the President of the United States declared a national public health emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. The Governor of the State declared a state of emergency and a public health emergency on March 9, 2020. In response to the COVID-19 pandemic, federal and State legislation and executive orders were implemented to mitigate the spread of the disease and provide relief to State and local governments. The pandemic and certain mitigation measures altered the behavior of businesses and people with negative impacts on regional, State and local economies. The national public health emergency and the State public health emergency have since ended, while the state of emergency declared by the State and several executive orders signed by the Governor remain to manage COVID-19 on an endemic level. Depending on future circumstances, ongoing actions could be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19, its variants or other critical health care challenges.

To date, the overall finances and operations of the Board have not been materially adversely affected by the COVID-19 pandemic. Nonetheless, the degree of any future impact to the Board's operations and finances is difficult to predict due to the dynamic nature of the COVID-19 pandemic and any additional actions that may be taken by governmental and other health care authorities to manage the COVID-19 pandemic.

The American Rescue Plan Act of 2021, H.R. 1319 (the "Plan"), signed into law by the President of the United States on March 11, 2021, provided \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic. The Plan, in part, provides funding for State and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the Board.

The Board has been awarded a total of \$7,382,053 in federal aid to address the effects of the COVID-19 pandemic.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

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

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
REVENUES					
Local Sources					
Local Tax Levy	\$ 46,949,160		\$ 46,949,160	\$ 46,949,160	
Tuition from Other LEA's within the State	30,000		30,000	9,785	\$ (20,215)
Tuition from Individuals				8,155	8,155
Interest Earned in Capital Reserve Fund	100		100	100	
Interest Earned in Maintenance Reserve Fund	100		100	100	
Interest Earned in Unemployment Compensation Reserve				6,870	6,870
Interest on Deposits	50,000		50,000	1,100,214	1,050,214
Unrestricted Miscellaneous Revenues	50,000	-	50,000	71,339	21,339
Total Local Sources	47,079,360	-	47,079,360	48,145,723	1,066,363
State Sources					
Special Education Aid	3,859,824		3,859,824	3,859,824	
Equalization Aid	31,869,511		31,869,511	31,869,511	
Security Aid	1,032,364		1,032,364	1,032,364	
Transportation Aid	916,421		916,421	916,421	
Extraordinary Aid	650,000		650,000	1,353,958	703,958
Nonpublic Transportation Aid				74,165	74,165
On Behalf TPAF Contributions (Non-Budgeted)					
Pension				12,315,247	12,315,247
NCGI Premium				140,449	140,449
Post-Retirement Medical				3,389,984	3,389,984
Long Term Disability Insurance				4,568	4,568
Reimbursed Social Security	-	-	-	2,613,808	2,613,808
Total State Sources	38,328,120	-	38,328,120	57,570,299	19,242,179
Federal Sources					
Medicaid Reimbursements	187,596	-	187,596	243,778	56,182
Total Federal Sources	187,596	-	187,596	243,778	56,182
Total Revenues	85,595,076	-	85,595,076	105,959,800	20,364,724
EXPENDITURES					
CURRENT EXPENDITURES					
Instruction - Regular Programs					
Salaries of Teachers					
Kindergarten	1,139,017		1,139,017	1,121,347	17,670
Grades 1-5	7,815,900		7,815,900	7,106,790	709,110
Grades 6-8	4,553,750		4,553,750	4,416,463	137,287
Grades 9-12	6,434,256		6,434,256	6,276,517	157,739
Regular Programs - Home Instruction					
Salaries of Teachers	25,000		25,000	51,778	(26,778)
Purchased Professional-Educational Services	25,126	\$ 27,500	52,626	40,844	11,782
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	307,240		307,240	355,787	(48,547)
Purchased Professional-Educational Services	3,000		3,000	1,428	1,572
Other Purchased Services	128,885	7,057	135,942	87,017	48,925
General Supplies	1,201,003	(49,237)	1,151,766	895,830	255,936
Textbooks	65,415	(2,375)	63,040	27,659	35,381
Other Objects	133,050	17,886	150,936	124,297	26,639
Total Regular Programs	21,831,642	831	21,832,473	20,505,757	1,326,716

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

EXHIBIT C-1

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Instruction - Special Education					
Learning /Language Disabilities					
Salaries of Teachers	\$ 310,405	\$ 190,476	\$ 500,881	\$ 365,009	\$ 135,872
Other Salaries for Instruction	134,234		134,234	108,512	25,722
General Supplies	9,000	-	9,000	4,390	4,610
Total Learning /Language Disabilities	453,639	190,476	644,115	477,911	166,204
Emotional Resolution Impairment					
Salaries of Teachers	493,507		493,507	292,079	201,428
Other Salaries for Instruction	123,030		123,030	98,952	24,078
General Supplies	8,000	-	8,000	4,613	3,387
Total Emotional Resolution Impairment	624,537	-	624,537	395,644	228,893
Multiple Disabilities					
Salaries of Teachers	555,616		555,616	566,861	(11,245)
Other Salaries for Instruction	357,586		357,586	312,037	45,549
General Supplies	7,000	-	7,000	6,467	533
Other Objects	4,500	(2,500)	2,000	-	2,000
Total Multiple Disabilities	924,702	(2,500)	922,202	885,365	36,837
Resource Room/Resource Center					
Salaries of Teachers	3,773,175	(190,476)	3,582,699	3,870,300	(287,601)
Other Salaries for Instruction	474,707		474,707	356,643	118,064
General Supplies	18,000		18,000	16,910	1,090
Textbooks	2,550	(2,550)	-	-	-
Total Resource Room/Resource Center	4,268,432	(193,026)	4,075,406	4,243,853	(168,447)
Autism					
Salaries of Teachers	483,071		483,071	367,665	115,406
Other Salaries for Instruction	136,127		136,127	165,277	(29,150)
General Supplies	35,000	2,500	37,500	36,359	1,141
Total Autism	654,198	2,500	656,698	569,301	87,397
Preschool Disabilities - Full - Time					
Salaries of Teachers	415,285		415,285	501,637	(86,352)
Other Salaries for Instruction	228,637		228,637	307,951	(79,314)
General Supplies	10,000	1,500	11,500	10,697	803
Total Preschool Disabilities - Full - Time	653,922	1,500	655,422	820,285	(164,863)

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

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Home Instruction					
Salaries of Teachers	\$ 45,000		\$ 45,000	\$ 106,408	\$ (61,408)
Purchased Professional-Educational Services	10,000	\$ (7,500)	2,500	-	2,500
Total Home Instruction	<u>55,000</u>	<u>(7,500)</u>	<u>47,500</u>	<u>106,408</u>	<u>(58,908)</u>
Total Special Education	<u>7,634,430</u>	<u>(8,550)</u>	<u>7,625,880</u>	<u>7,498,767</u>	<u>127,113</u>
Bilingual Education					
Salaries of Teachers	1,124,963		1,124,963	1,173,552	(48,589)
Other Salaries for Instruction	201,935		201,935	209,799	(7,864)
General Supplies	15,000	668	15,668	9,633	6,035
Textbooks	6,030	-	6,030	-	6,030
Total Bilingual Education	<u>1,347,928</u>	<u>668</u>	<u>1,348,596</u>	<u>1,392,984</u>	<u>(44,388)</u>
School Sponsored Co/Extra Curricular Activities					
Salaries	260,511		260,511	281,010	(20,499)
Purchased Services	127,014		127,014	105,958	21,056
Supplies and Materials	77,500	1,361	78,861	57,399	21,462
Other Objects	33,900	-	33,900	10,007	23,893
Total School Sponsored Co/Extra Curricular Activities	<u>498,925</u>	<u>1,361</u>	<u>500,286</u>	<u>454,374</u>	<u>45,912</u>
School Sponsored Athletics - Instruction					
Salaries	480,126		480,126	490,656	(10,530)
Purchased Services	166,430	9,825	176,255	84,850	91,405
Supplies and Materials	257,750	(1,128)	256,622	200,320	56,302
Other Objects	52,500	-	52,500	52,242	258
Total School Sponsored Athletics - Instruction	<u>956,806</u>	<u>8,697</u>	<u>965,503</u>	<u>828,068</u>	<u>137,435</u>
Before/After School Programs - Instruction					
Salaries of Teacher Tutors	49,300	-	49,300	26,008	23,292
Total Before/After School Programs - Instruction	<u>49,300</u>	<u>-</u>	<u>49,300</u>	<u>26,008</u>	<u>23,292</u>
Summer School - Instruction					
Salaries of Teachers	34,740		34,740	17,444	17,296
Salaries of Reading Specialists	3,000		3,000	2,140	860
General Supplies	5,000	-	5,000	1,863	3,137
Total Summer School - Support Services	<u>42,740</u>	<u>-</u>	<u>42,740</u>	<u>21,447</u>	<u>21,293</u>

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

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Instructional Alternative Ed Program - Instruction					
Salaries of Teachers	\$ 1,006,567		\$ 1,006,567	\$ 815,152	\$ 191,415
General Supplies	16,000		16,000	8,886	7,114
Textbooks	6,000	-	6,000	1,478	4,522
Total Instructional Alternative Ed Program - Instruction	1,028,567	-	1,028,567	825,516	203,051
Instructional Alternative Ed Program - Support Svcs.					
Salaries	128,258		128,258	123,023	5,235
Purchased Services	5,496		5,496	5,496	
Supplies and Materials	20,000	\$ (618)	19,382	4,902	14,480
Other Objects	2,100	618	2,718	2,618	100
Total Instructional Alternative Ed Program-Support Svcs.	155,854	-	155,854	136,039	19,815
Total Alternative Education Programs	1,184,421	-	1,184,421	961,555	222,866
Other Alternative Ed Programs - Instruction					
Salaries of Teachers	150,122	-	150,122	149,126	996
Total Other Alternative Ed Programs - Instruction	150,122	-	150,122	149,126	996
Other Alternative Ed Programs - Support Services					
Salaries	82,089	-	82,089	88,328	(6,239)
Total Other Alternative Ed Programs - Support Services	82,089	-	82,089	88,328	(6,239)
Total Other Alternative Ed Programs	232,211	-	232,211	237,454	(5,243)
Total - Instruction	33,778,403	3,007	33,781,410	31,926,414	1,854,996
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within State-Regular	19,610		19,610		19,610
Tuition to Other LEAs Within State-Special	2,531,590	(539,963)	1,991,627	1,867,149	124,478
Tuition to County Voc. School- Regular	740,000		740,000	733,100	6,900
Tuition to County Voc. School- Special	90,000		90,000	8,000	82,000
Tuition to CSSD and Regional Day Schools		19,808	19,808	157,405	(137,597)
Tuition to Private School for Disabled W/I	5,099,944	(39,926)	5,060,018	4,841,255	218,763
Tuition - State Facilities	44,372	-	44,372	4,500	39,872
Total Undistributed Expenditures - Instruction	8,525,516	(560,081)	7,965,435	7,611,409	354,026
Attendance and Social Work					
Salaries	192,907		192,907	190,902	2,005
Supplies and Materials	6,700	-	6,700	6,310	390
Total Attendance and Social Work	199,607	-	199,607	197,212	2,395

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

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Health Services					
Salaries	\$ 480,232	\$ (71,936)	\$ 408,296	430,744	\$ (22,448)
Purchased Professional and Technical Services	57,970	143,660	201,630	196,771	4,859
Supplies and Materials	14,593	9,685	24,278	24,182	96
Other Objects	750	(100)	650	510	140
Total Health Services	553,545	81,309	634,854	652,207	(17,353)
Speech, OT, PT & Related Services					
Salaries	661,086	(3,485)	657,601	587,588	70,013
Purchased Professional - Educational Services	968,246	101,412	1,069,658	991,527	78,131
Supplies and Materials	2,400		2,400	2,132	268
Other Objects	2,100	-	2,100	1,771	329
Total Speech, OT, PT & Related Services	1,633,832	97,927	1,731,759	1,583,018	148,741
Other Support Services - Students - Extra Svc					
Salaries	323,498		323,498	450,276	(126,778)
Purchased Professional - Educational Services	2,532,511	133,800	2,666,311	2,341,547	324,764
Other Objects	500	1,000	1,500	1,180	320
Total Other Support Services - Students - Extra Svc.	2,856,509	134,800	2,991,309	2,793,003	198,306
Guidance					
Salaries of Other Professional Staff	1,051,269		1,051,269	1,089,968	(38,699)
Salaries of Secretarial and Clerical Assistants	97,954		97,954	93,510	4,444
Purchased Professional - Educational Services	189,946	12,973	202,919	141,800	61,119
Other Purchased Professional and Technical Services	9,000	-	9,000	6,716	2,284
Supplies and Materials	17,760	(5,722)	12,038	2,955	9,083
Other Objects	2,500	-	2,500	360	2,140
Total Undistributed Expenditures - Guidance	1,368,429	7,251	1,375,680	1,335,309	40,371
Child Study Teams					
Salaries of Other Professional Staff	1,727,125	16,274	1,743,399	1,788,048	(44,649)
Salaries of Secretarial and Clerical Assistants	204,439		204,439	201,814	2,625
Purchased Professional - Educational Services	66,000	51,500	117,500	115,738	1,762
Miscellaneous Purchased Services	22,492		22,492	21,168	1,324
Supplies and Materials	15,900	3,974	19,874	19,738	136
Total Undistributed Expenditures - Child Study Teams	2,035,956	71,748	2,107,704	2,146,506	(38,802)
Improvement of Instruction Services					
Salaries of Supervisors of Instruction	794,502	(49,891)	744,611	663,924	80,687
Salaries of Other Professional Staff	63,175	(1,600)	61,575	58,054	3,521
Salaries of Secretarial and Clerical Assistants	61,921		61,921	48,202	13,719
Purchased Prof-Educational Services	85,000	6,000	91,000	90,169	831
Other Purchased Services	22,538		22,538	14,789	7,749
Supplies and Materials	9,500		9,500	2,578	6,922
Other Objects	13,500	-	13,500	6,427	7,073
Total Improvement of Instruction Services/ Other Support Services-Instructional Staff	1,050,136	(45,491)	1,004,645	884,143	120,502

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

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Educational Media Services/School Library					
Salaries	\$ 359,742		\$ 359,742	\$ 494,502	\$ (134,760)
Supplies and Materials	25,138	(1,767)	23,371	18,927	4,444
Total Educational Media Services/School Library	384,880	(1,767)	383,113	513,429	(130,316)
Instructional Staff Training Serv.					
Salaries of Other Professional Staff	25,000	(6,500)	18,500	7,125	11,375
Other Purchased Services	7,000	5,490	12,490	6,672	5,818
Other Objects	2,000	-	2,000	1,549	451
Total Instructional Staff Training Serv.	34,000	(1,010)	32,990	15,346	17,644
Support Services General Administration					
Salaries	397,112		397,112	375,667	21,445
Unused Vacation Payment to Terminated/Retired Staff				24,895	(24,895)
Legal Services	120,000		120,000	102,264	17,736
Audit Fees	48,285	(158)	48,127	47,375	752
Architect/Engineering Services		70,848	70,848	42,037	28,811
Other Purchased Professional Services	84,850	18,815	103,665	103,665	
Purchased Technical Services	13,000	8,800	21,800	21,523	277
Communications/Telephone	76,000	(3,600)	72,400	49,504	22,896
BOE Other Purchased Services	6,000	17,142	23,142	22,554	588
Miscellaneous Purchased Services	496,119	46,817	542,936	541,368	1,568
General Supplies	2,000	4,401	6,401	6,061	340
BOE In-House Training/Meeting Supplies	1,000	1,767	2,767	2,767	
Miscellaneous Expenditures	1,500	354,266	355,766	6,562	349,204
BOE Member Dues & Fees	31,500	3,000	34,500	34,461	39
Total Support Services General Administration	1,277,366	522,098	1,799,464	1,380,703	418,761
Support Services School Administration					
Salaries of Principals/Asst. Principals/Program Dir.	2,727,581	(3,000)	2,724,581	2,616,643	107,938
Salaries of Secretarial and Clerical Assistants	756,304		756,304	737,744	18,560
Unused Vacation Payment to Terminated/Retired	40,000		40,000		40,000
Other Purchased Services	186,498		186,498	185,544	954
Supplies and Materials	58,195	4,720	62,915	54,309	8,606
Other Objects	35,600	200	35,800	21,606	14,194
Total Support Services School Administration	3,804,178	1,920	3,806,098	3,615,846	190,252
Central Services					
Salaries	825,871	28,792	854,663	831,838	22,825
Purchased Technical Services		25,990	25,990	25,990	
Miscellaneous Purchased Services	57,504	20,874	78,378	78,135	243
Supplies and Materials	6,000	22,963	28,963	28,829	134
Miscellaneous Expenditures	7,500	1,221	8,721	8,721	-
Total Central Services	896,875	99,840	996,715	973,513	23,202
Admin. Info. Technology					
Salaries	626,715	(10,300)	616,415	670,667	(54,252)
Other Purchased Services	343,285	54,394	397,679	397,057	622
Supplies and Materials	185,152	1,822	186,974	182,262	4,712
Other Objects	3,000	20,200	23,200	22,795	405
Total Admin. Info. Technology	1,158,152	66,116	1,224,268	1,272,781	(48,513)

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

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Required Maintenance for School Facilities					
Salaries	\$ 631,295	\$ (5,000)	\$ 626,295	501,811	\$ 124,484
Cleaning, Repair and Maintenance Services	905,126	(13,275)	891,851	543,677	348,174
General Supplies	216,000	3,838	219,838	156,593	63,245
Other Objects	5,500	-	5,500	4,270	1,230
Total Required Maint. for School Facilities	1,757,921	(14,437)	1,743,484	1,206,351	537,133
Custodial Services					
Salaries	1,647,494		1,647,494	1,793,788	(146,294)
Unused Vacation Payment to Terminated/Retired				14,581	(14,581)
Purchased Professional and Technical Services	66,750	(40,200)	26,550	20,968	5,582
Cleaning, Repair and Maintenance Services	150,000	(16,545)	133,455	69,656	63,799
Rental of Land & Bldg. Other Than Lease Purchase Agreement	141,586	13,600	155,186	150,813	4,373
Other Purchased Property Services	88,400		88,400	99,224	(10,824)
Insurance	150,171	23,495	173,666	173,666	
Miscellaneous Purchased Services	4,350	(1,648)	2,702	1,016	1,685
General Supplies	239,800	2,377	242,177	179,943	62,234
Energy (Natural Gas)	391,650		391,650	464,424	(72,774)
Energy (Electricity)	513,450	-	513,450	540,549	(27,099)
Total Custodial Services	3,393,651	(18,921)	3,374,730	3,508,628	(133,899)
Care & Upkeep of Grounds					
Cleaning, Repair and Maintenance Services	507,300	95,802	603,102	231,252	371,850
General Supplies	48,000	7,443	55,443	33,029	22,414
Total Care & Upkeep of Grounds	555,300	103,245	658,545	264,281	394,264
Security					
Salaries	1,174,269	3,000	1,177,269	1,294,904	(117,635)
Purchased Professional and Technical Services		3,759	3,759	4,034	(275)
Miscellaneous Purchased Services		1,525	1,525	1,525	
Supplies and Materials	10,000	6,849	16,849	16,849	-
Total Security	1,184,269	15,133	1,199,402	1,317,312	(117,910)
Total Undist. Expend.-Oper & Main of Plant Serv.	6,891,141	85,020	6,976,161	6,296,572	679,589
Student Transportation Services					
Salaries for Non-Instructional Aides	13,300		13,300	36,075	(22,775)
Salaries for Pupil Transportation (Between Home and School) - Regular Students	312,000		312,000	181,646	130,354
Salaries for Pupil Transportation (Between Home and School) - Special Ed.	56,144		56,144	98,254	(42,110)
Salaries for Pupil Transportation (Other Than Between Home and School)	109,050		109,050	105,190	3,860
Cleaning, Repair and Maintenance Services	10,000	33,359	43,359	38,154	5,205
Rental Payments - School Buses	2,000	(500)	1,500		1,500
Contracted Services - Aid in Lieu of Payments - Nonpublic Schools	160,000	16,720	176,720	159,574	17,146
Contracted Services - Aid in Lieu of Payments - Charter Schools	15,000		15,000	8,738	6,262
Contracted Services - Aid in Lieu of Payments - Choice Schools	6,000	6,000	12,000	10,485	1,515
Contracted Services (Between Home and School) - Vendors	387,862	(12,000)	375,862	308,846	67,016
Contracted Services (Other than Between Home and School) - Vendors	75,245	75,018	150,263	66,453	83,810
Contracted Services - (Spec. Ed. Students) - Vendors	600,968	130,000	730,968	704,353	26,615
Contracted Services (Regular Students) - ESCs and CTAs	110,470	268,091	378,561	360,367	18,194
Contracted Services (Spd. Ed. Students) - ECSs & CTAs	4,017,893	951,912	4,969,805	4,821,640	148,165
Misc. Purchased Services- Transportation	10,000		10,000		10,000
General Supplies	11,500	19,687	31,187	27,315	3,872
Other Objects	500	2,716	3,216	3,216	-
Total Student Transportation Services	5,897,932	1,491,003	7,388,935	6,930,306	458,629

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

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Unallocated Benefits - Employee Benefits					
Social Security Contribution	\$ 800,000		\$ 800,000	\$ 959,151	\$ (159,151)
Other Retirement Contributions - PERS	939,750	\$ 14,414	954,164	954,164	
Other Retirement Contributions - Regular	80,000		80,000	79,770	230
Workmen's Compensation	311,262		311,262	263,462	47,800
Health Benefits	10,675,461	(1,533,174)	9,142,287	8,908,196	234,091
Tuition Reimbursement	135,000		135,000	132,758	2,242
Other Employee Benefits	630,500	500	631,000	515,200	115,800
Unused Sick Payment to Terminated/Retired Staff	250,000	-	250,000	162,349	87,651
Total Unallocated Benefits - Employee Benefits	13,821,973	(1,518,260)	12,303,713	11,975,050	328,663
On Behalf TPAF Contributions (Non-Budgeted)					
Pension				12,315,247	(12,315,247)
NCGL Premium				140,449	(140,449)
Post-Retirement Medical				3,389,984	(3,389,984)
Long Term Disability Insurance				4,568	(4,568)
Reimbursed Social Security	-	-	-	2,613,808	(2,613,808)
Total On-Behalf TPAF Contributions	-	-	-	18,464,056	(18,464,056)
Total Undistributed Expenditures	52,390,027	532,423	52,922,450	68,640,409	(15,717,959)
Interest Earned on Maintenance Reserve	100	-	100	-	100
Total Current Expenditures	86,168,530	535,430	86,703,960	100,566,823	(13,862,863)
CAPITAL OUTLAY					
Equipment:					
Undistributed Expenditures:					
School-Sponsored and Other Instructional Program	25,000		25,000	4,490	20,510
Instruction		80,876	80,876	80,876	
Operation & Maintenance of Plant Serv.		7,185	7,185	7,185	
Required Maintenance for School Facilities	283,769	(65,803)	217,966	127,263	90,703
Care and Upkeep of Grounds		18,501	18,501	18,501	
Security	128,606	203,728	332,334	203,728	128,606
Total Equipment	437,375	244,487	681,862	442,043	239,819
Facilities Acquisition and Construction Serv.					
Architect/Engineering Services		170,044	170,044		170,044
Assessment for Debt Service on SDA Funding	38,595	-	38,595	38,595	-
Total Facilities Acquisition and Constr. Services	38,595	170,044	208,639	38,595	170,044
Interest Deposit to Capital Reserve	100	-	100	-	100
Total Capital Outlay	476,070	414,531	890,601	480,638	409,963
Transfer Funds to Charter School	169,088	102,817	271,905	271,905	-
Total Expenditures	86,813,688	1,052,778	87,866,466	101,319,366	(13,452,900)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,218,612)	(1,052,778)	(2,271,390)	4,640,434	6,911,824

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

EXHIBIT C-1

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
Other Financing Sources (Uses)					
Operating Transfers Out	\$ (581,388)		\$ (581,388)	\$ (581,388)	
Capital Reserve Transfer to Capital Projects	-	-	-	(2,827,246)	\$ (2,827,246)
Total Other Financing Sources (Uses)	<u>(581,388)</u>	<u>-</u>	<u>(581,388)</u>	<u>(3,408,634)</u>	<u>(2,827,246)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/ (Under) Expenditures and Other Financing (Uses)	(1,800,000)	\$ (1,052,778)	(2,852,778)	1,231,800	4,084,578
Fund Balances, Beginning of Year	<u>24,468,076</u>	<u>-</u>	<u>24,468,076</u>	<u>24,468,076</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 22,668,076</u>	<u>\$ (1,052,778)</u>	<u>\$ 21,615,298</u>	<u>\$ 25,699,876</u>	<u>\$ 4,084,578</u>
 <u>Recapitulation of Fund Balance:</u>					
Restricted					
Capital Reserve				\$ 16,553,625	
Maintenance Reserve				1,000,000	
Unemployment Compensation Reserve				342,755	
Excess Surplus, Designated for Subsequent Year's Expenditures				1,800,000	
Excess Surplus				2,800,000	
Assigned					
Year End Encumbrances				700,094	
Unassigned				<u>2,503,402</u>	
				25,699,876	
Reconciliation to Governmental Funds Statements (GAAP):					
Less: State Aid Not Recognized on GAAP Basis (June 30, 2024)				<u>(5,093,376)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>20,606,500</u>	

**RAHWAY SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
REVENUES					
Local Sources		\$ 146,194	\$ 146,194	\$ 443,873	\$ 297,679
State Sources	\$ 6,729,926	205,094	6,935,020	5,510,558	(1,424,462)
Federal Sources	2,223,338	2,068,710	4,292,048	3,469,081	(822,967)
Total Revenues	<u>8,953,264</u>	<u>2,419,998</u>	<u>11,373,262</u>	<u>9,423,512</u>	<u>(1,949,750)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	2,245,919	(418,737)	1,827,182	1,432,058	395,124
Other Salaries for Instruction	576,216	107,720	683,936	536,505	147,431
Purchased Professional-Educational Services	50,000	18,327	68,327	32,017	36,310
Other Purchased Services	1,019,105	(969,105)	50,000	12,642	37,358
Tuition		969,105	969,105	919,598	49,507
General Supplies	250,000	769,212	1,019,212	685,208	334,004
Other Objects	50,000	16,000	66,000	5,013	60,987
Student Activity and Athletics (Non-budget)	-	-	-	381,063	(381,063)
Total Instruction	<u>4,191,240</u>	<u>492,522</u>	<u>4,683,762</u>	<u>4,004,104</u>	<u>679,658</u>
Support Services					
Salaries of Supervisors of Instruction	199,863		199,863	194,034	5,829
Salaries of Program Directors	70,000		70,000	81,500	(11,500)
Salaries of Other Professional Staff	394,046	24,336	418,382	312,509	105,873
Salaries of Secretarial and Clerical Asst.	95,000		95,000	80,093	14,907
Salaries of Master Teachers	227,766		227,766	226,786	980
Other Salaries	99,755		99,755	83,218	16,537
Personal Services - Employee Benefits	958,504	125,314	1,083,818	975,602	108,216
Purchased Professional-Educational Services		387,416	387,416	118,048	269,368
Purchased Educational Services - Contracted Pre-K	2,469,750		2,469,750	2,695,657	(225,907)
Other Purchased Prof. Services	78,728	1,920	80,648	17,145	63,503
Clean, Repair & Maintenance Services	15,000		15,000	-	15,000
Purchased Technical Services		1,716	1,716	-	-
Rental	85,000	27,600	112,600	53,431	59,169
Contracted Services - Transportation	30,000	2,000	32,000	10,200	21,800
Other Purchased Services	30,000	144,372	174,372	81,561	92,811
Travel	5,000	6,447	11,447	-	11,447
Supplies and Materials	195,000	231,285	426,285	187,255	239,030
Other Objects	60,000	10,000	70,000	16,170	53,830
Scholarship Awards (Non-budget)	-	-	-	5,000	(5,000)
Total Support Services	<u>5,013,412</u>	<u>962,406</u>	<u>5,975,818</u>	<u>5,139,925</u>	<u>1,061,800</u>
Facilities Acquisition and Construction					
Instructional Equipment	300,000		300,000	42,720	257,280
Noninstructional Equipment	30,000	965,070	995,070	808,035	187,035
Total Facilities Acq. & Construction	<u>330,000</u>	<u>965,070</u>	<u>1,295,070</u>	<u>850,755</u>	<u>444,315</u>
Total Expenditures	<u>9,534,652</u>	<u>2,419,998</u>	<u>11,954,650</u>	<u>9,994,784</u>	<u>2,185,773</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(581,388)	-	(581,388)	(571,272)	236,023
Other Financing Sources					
Operating Transfers In	581,388	-	581,388	581,388	-
Total Other Financing Sources	<u>581,388</u>	<u>-</u>	<u>581,388</u>	<u>581,388</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/ (Under) Expenditures	-	-	-	10,116	236,023
Fund Balances, Beginning of Year	497,946	-	497,946	497,946	-
Fund Balances, End of Year	<u>\$ 497,946</u>	<u>\$ -</u>	<u>\$ 497,946</u>	<u>\$ 508,062</u>	<u>\$ 236,023</u>
Recapitulation of Fund Balance:					
Restricted				\$ 337,024	
Student Activities and Athletics				171,038	
Scholarship Awards				-	
Fund Balance (Deficit) Per Governmental Funds (GAAP)				<u>\$ 508,062</u>	

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

**RAHWAY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual amounts (budgetary basis) revenue from the budgetary comparison schedule	(C-1) \$ 105,959,800	(C-2) \$ 9,423,512
Difference - Budget to GAAP		
Encumbrances for good and services ordered but not received are reported in the year the order is placed for budgetary purposes but in the year the goods and services are received for financial reporting purposes.		
Prior Year Encumbrances (net of cancellations)		2,010,145
Current Year Encumbrances		(793,713)
State Aid payments recognized for GAAP Purposes not recognized for Budgetary statements. (June 30, 2024)	(5,093,376)	
State Aid payments not recognized for budgetary purposes but recognized for GAAP statements. (June 30, 2023)	<u>3,457,990</u>	<u>518,605</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	(B-2) \$ <u>104,324,414</u>	(B-2) \$ <u>11,158,549</u>
Uses/Outflows of Resources		
Actual amounts (budgetary basis) total expenditures from the budgetary comparison schedule	(C-1) \$ 101,319,366	(C-2) \$ 9,994,784
Encumbrances for good and services ordered but not received are reported in the year the order is placed for budgetary purposes but in the year the goods and services are received for financial reporting purposes.		
Prior Year Encumbrances (net of cancellations)		2,010,145
Current Year Encumbrances	<u>-</u>	<u>(793,713)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	(B-2) \$ <u>101,319,366</u>	(B-2) \$ <u>11,211,216</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PENSION AND OTHER POST-EMPLOYMENT BENEFITS INFORMATION

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

Public Employees Retirement System

Last Ten Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's Proportion of the Net Position Liability (Asset)	0.07139%	0.07099%	0.06892%	0.06807%	0.07107%	0.07297%	0.07167%	0.07023%	0.06856%	0.06829%
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 10,340,570</u>	<u>\$ 10,713,811</u>	<u>\$ 8,164,078</u>	<u>\$ 11,101,727</u>	<u>\$ 12,807,482</u>	<u>\$ 14,368,167</u>	<u>\$ 16,685,264</u>	<u>\$ 20,801,102</u>	<u>\$ 15,391,074</u>	<u>\$ 12,786,008</u>
District's Covered Payroll	<u>\$ 5,342,409</u>	<u>\$ 5,180,254</u>	<u>\$ 5,031,469</u>	<u>\$ 4,856,616</u>	<u>\$ 4,872,923</u>	<u>\$ 5,002,754</u>	<u>\$ 5,050,038</u>	<u>\$ 4,988,875</u>	<u>\$ 4,776,139</u>	<u>\$ 5,999,031</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	193.56%	206.82%	162.26%	228.59%	262.83%	287.21%	330.40%	416.95%	322.25%	213.13%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.92%	52.08%

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

RAHWAY SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF DISTRICT CONTRIBUTIONS

Public Employees Retirement System

Last Ten Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 954,164	\$ 895,255	\$ 807,081	\$ 744,738	\$ 691,399	\$ 725,853	\$ 664,011	\$ 623,943	\$ 589,460	\$ 562,984
Contributions in Relation to the Contractually Required Contribution	<u>954,164</u>	<u>895,255</u>	<u>807,081</u>	<u>744,738</u>	<u>691,399</u>	<u>725,853</u>	<u>664,011</u>	<u>623,943</u>	<u>589,460</u>	<u>562,984</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	<u>\$ 6,576,118</u>	<u>\$ 5,342,409</u>	<u>\$ 5,180,254</u>	<u>\$ 5,031,469</u>	<u>\$ 4,856,616</u>	<u>\$ 4,872,923</u>	<u>\$ 5,002,754</u>	<u>\$ 5,050,038</u>	<u>\$ 4,988,875</u>	<u>\$ 5,999,031</u>
Contributions as a Percentage of Covered Payroll	14.51%	16.76%	15.58%	14.80%	14.24%	14.90%	13.27%	12.36%	11.82%	9.38%

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

Teachers Pension and Annuity Fund

Last Ten Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 143,726,673</u>	<u>\$ 149,892,964</u>	<u>\$ 139,644,063</u>	<u>\$ 186,320,854</u>	<u>\$ 172,347,374</u>	<u>\$ 176,319,156</u>	<u>\$ 183,567,827</u>	<u>\$ 222,939,941</u>	<u>\$ 178,289,678</u>	<u>\$ 146,406,723</u>
Total	<u>\$ 143,726,673</u>	<u>\$ 149,892,964</u>	<u>\$ 139,644,063</u>	<u>\$ 186,320,854</u>	<u>\$ 172,347,374</u>	<u>\$ 176,319,156</u>	<u>\$ 183,567,827</u>	<u>\$ 222,939,941</u>	<u>\$ 178,289,678</u>	<u>\$ 146,406,723</u>
District's Covered Payroll	<u>\$ 35,243,986</u>	<u>\$ 33,817,638</u>	<u>\$ 32,396,227</u>	<u>\$ 32,375,603</u>	<u>\$ 32,375,052</u>	<u>\$ 31,106,793</u>	<u>\$ 29,260,202</u>	<u>\$ 28,564,832</u>	<u>\$ 28,147,406</u>	<u>\$ 32,555,698</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	34.68%	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.74%	33.64%

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

**RAHWAY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Change of Benefit Terms: None.

Change of Assumptions: Assumptions used in calculating the net pension liability and statutorily required employer contribution are presented in Note 4D.

**RAHWAY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF
TOTAL OPEB LIABILITY**

Postemployment Health Benefit Plan

Last Seven Fiscal Years*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability							
Service Cost	\$ 5,490,449	\$ 7,194,309	\$ 8,280,031	\$ 4,534,612	\$ 4,300,235	\$ 4,752,737	\$ 5,761,043
Interest on Total OPEB Liability	4,699,544	3,382,263	3,918,917	3,738,353	4,511,166	4,739,743	4,082,447
Changes of Benefit Terms			(160,795)				
Differences Between Expected and Actual Experience	(1,104,679)	3,460,504	(27,591,551)	29,400,751	(17,372,276)	(8,797,165)	
Changes of Assumptions	268,957	(34,237,157)	149,042	30,954,751	1,546,080	(13,058,785)	(17,055,751)
Gross Benefit Payments	(3,663,371)	(3,350,232)	(3,087,009)	(2,950,181)	(3,183,083)	(3,042,894)	(2,714,546)
Contribution from the Member	<u>120,433</u>	<u>107,477</u>	<u>100,187</u>	<u>89,420</u>	<u>94,356</u>	<u>105,168</u>	<u>99,956</u>
Net Change in Total OPEB Liability	5,811,333	(23,442,836)	(18,391,178)	65,767,706	(10,103,522)	(15,301,196)	(9,826,851)
Total OPEB Liability - Beginning	<u>127,627,255</u>	<u>151,070,091</u>	<u>169,461,269</u>	<u>103,693,563</u>	<u>113,797,085</u>	<u>129,098,281</u>	<u>138,925,132</u>
Total OPEB Liability - Ending	<u>\$ 133,438,588</u>	<u>\$ 127,627,255</u>	<u>\$ 151,070,091</u>	<u>\$ 169,461,269</u>	<u>\$ 103,693,563</u>	<u>\$ 113,797,085</u>	<u>\$ 129,098,281</u>
District's Proportionate Share of OPEB Liability	\$0	\$0	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share of OPEB Liability	<u>133,438,588</u>	<u>127,627,255</u>	<u>151,070,091</u>	<u>169,461,269</u>	<u>103,693,563</u>	<u>113,797,085</u>	<u>129,098,281</u>
Total OPEB Liability - Ending	<u>\$ 133,438,588</u>	<u>\$ 127,627,255</u>	<u>\$ 151,070,091</u>	<u>\$ 169,461,269</u>	<u>\$ 103,693,563</u>	<u>\$ 113,797,085</u>	<u>\$ 129,098,281</u>
District's Covered Payroll	<u>\$ 40,586,395</u>	<u>\$ 38,997,892</u>	<u>\$ 37,427,696</u>	<u>\$ 37,232,219</u>	<u>\$ 37,247,975</u>	<u>\$ 36,109,547</u>	<u>\$ 34,310,240</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%	0%

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

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

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 75. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**RAHWAY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Changes in Benefit Terms:

None.

Changes of Assumptions

Assumptions used in calculating the OPEB liability are presented in Note 4E.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

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

	Exhibit E-1a Totals	IDEA - Part B Basic	Title I	Title I SIA	Title II-A	Title III	Title III Immigrant	Title IV	Grand Total
REVENUES									
Intergovernmental									
State	\$ 5,510,558								\$ 5,510,558
Federal	1,339,597	\$ 1,178,331	\$ 520,854	\$ 115,365	\$ 139,133	\$ 79,284	\$ 12,103	\$ 84,414	3,469,081
Local	443,873	-	-	-	-	-	-	-	443,873
Total Revenues	7,294,028	1,178,331	520,854	115,365	139,133	79,284	12,103	84,414	9,423,512
EXPENDITURES									
Instruction									
Salaries of Teachers	1,189,876		159,315	53,425	267	29,175			1,432,058
Other Salaries for Instruction	535,681		229			595			536,505
Purchased Prof. and Educational Services	30,517		1,500						32,017
Other Purchased Services	12,642								12,642
Tuition		919,598							919,598
General Supplies	237,153	29,630	259,160	45,940		33,265	11,128	68,932	685,208
Other Objects		1,696	1,092			1,736		489	5,013
Student Activities and Athletics	381,063	-	-	-	-	-	-	-	381,063
Total Instruction	2,386,932	950,924	421,296	99,365	267	64,771	11,128	69,421	4,004,104
Support Services									
Salaries of Supervisors of Instruction	194,034								194,034
Salaries of Program Directors	81,500								81,500
Salaries of Other Prof. Staff	248,310		445		60,754	3,000			312,509
Salaries of Sec. & Clerical Asst.	80,093								80,093
Salaries of Master Teachers	226,786								226,786
Other Salaries	83,218								83,218
Personal Svcs-Employee Benefits	975,602								975,602
Purchased Professional-Educational Services	-		53,850	16,000	36,367	5,856	975	5,000	118,048
Purchased Educational Services - Contracted Pre-K	2,469,750	225,907							2,695,657
Other Purchased Prof. Services	17,145								17,145
Purchased Technical Services	1,716								1,716
Rental	53,431								53,431
Contracted Services- Transp.	10,200								10,200
Other Purchased Services	8,240	1,500	30,056		26,513	5,410		9,842	81,561
Supplies and Materials	158,098		15,207		13,552	247		151	187,255
Other Objects	14,490				1,680				16,170
Scholarship Awards	5,000								5,000
Total Support Services	4,627,613	227,407	99,558	16,000	138,866	14,513	975	14,993	5,139,925
Facilities Acquisition and Construction									
Instructional Equipment	42,720								42,720
Noninstructional Equipment	808,035								808,035
Total Facilities Acq. & Construction	850,755	-	-	-	-	-	-	-	850,755
Total Expenditures	7,865,300	1,178,331	520,854	115,365	139,133	79,284	12,103	84,414	9,994,784
Excess (Deficiency) of Revenues Over (Under) Expenditures	(571,272)	-	-	-	-	-	-	-	(571,272)
Other Financing Sources									
Operating Transfers In	581,388								581,388
Total Other Financing Sources	581,388	-	-	-	-	-	-	-	581,388
Excess (Deficiency) of Revenues and Other Financing Sources Over/ (Under) Expenditures	10,116	-	-	-	-	-	-	-	10,116
Fund Balances, Beginning of Year (Restated)	497,946								497,946
Fund Balances, End of Year	\$ 508,062	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 508,062

**RAHWAY SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Preschool Education <u>Aid</u>	CRRSA		ARP ESSER III			SDA Capital and Maintenance	Nonpublic Nursing	Other Local/ Private Grants	Student Activities	Scholarships	Totals Carried Forward
		ESSER II	Accelerated Learning	ESSER III	Accelerated Learning	Evidence Based Summer Learning						
REVENUES												
Intergovernmental												
State	\$ 5,479,109						\$ 29,529	\$ 1,920				\$ 5,510,558
Federal		\$ 346,333	\$ 24,251	\$ 683,271	\$ 205,742	\$ 40,000						1,339,597
Local Sources									47,694	\$ 391,755	\$ 4,424	443,873
Total Revenues	5,479,109	346,333	24,251	683,271	205,742	40,000	29,529	1,920	47,694	391,755	4,424	7,294,028
EXPENDITURES												
Instruction												
Salaries of Teachers	1,131,981				2,723	27,586	27,586					1,189,876
Other Salaries for Instruction	514,543		21,138									535,681
Purchased Prof. and Educational Services	30,517											30,517
Other Purchased Services	12,642											12,642
General Supplies	43,378			193,775								237,153
Student Activities and Athletics										\$ 381,063		381,063
Total Instruction	1,733,061		21,138	193,775	2,723	27,586	27,586			381,063		2,386,932
Support Services												
Salaries of Supervisors of Instruction	194,034											194,034
Salaries of Program Directors	81,500											81,500
Salaries of Other Prof. Staff	109,142				139,168							248,310
Salaries of Sec. & Clerical Asst.	80,093											80,093
Salaries of Master Teachers	226,786											226,786
Other Salaries	83,218											83,218
Personal Svcs-Employee Benefits	885,310		1,613		63,851	12,414	12,414					975,602
Purchased Educational Services - Contracted Pre-K	2,469,750											2,469,750
Other Purchased Prof. Services	15,225								1,920			17,145
Purchased Technical Services										1,716		1,716
Rental	53,431											53,431
Contracted Services- Transp.	10,200											10,200
Other Purchased Services	1,789	4,951	1,500									8,240
Supplies and Materials	61,748	96,350										158,098
Other Objects	12,490									2,000		14,490
Scholarship Awards											\$ 5,000	5,000
Total Support Services	4,284,716	101,301	3,113		203,019	12,414	12,414		1,920	3,716		4,627,613
Facilities Acquisition and Construction												
Instructional Equipment	42,720											42,720
Noninstructional Equipment		245,032		489,496			29,529		43,978			808,035
Total Facilities Acq. & Construction	42,720	245,032		489,496			29,529		43,978			850,755
Total Expenditures	6,060,497	346,333	24,251	683,271	205,742	40,000	29,529	1,920	47,694	381,063	5,000	7,865,300
Excess (Deficiency) of Revenues Over (Under) Expenditures	(581,388)									10,692	(576)	(571,272)
Other Financing Sources												
Operating Transfers In	581,388											581,388
Total Other Financing Sources	581,388											581,388
Excess (Deficiency) of Revenues and Other Financing Sources Over/ (Under) Expenditures										10,692	(576)	10,116
Fund Balances, Beginning of Year										326,332	171,614	497,946
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 337,024	\$ 171,038	\$ 508,062

**RAHWAY SCHOOL DISTRICT
SPECIAL REVENUE FUND
STATEMENT OF PRESCHOOL EDUCATION AID EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Modified Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
Instruction					
Salaries of Teachers	\$ 1,203,707		\$ 1,203,707	\$ 1,131,981	\$ 71,726
Other Salaries for Instruction	576,216		576,216	514,543	61,673
Purchased Professional-Educational Services	50,000		50,000	30,517	19,483
Other Purchased Services	50,000		50,000	12,642	37,358
General Supplies	250,000		250,000	43,378	206,622
Other Objects	50,000	-	50,000	-	50,000
Total Instruction	<u>2,179,923</u>	<u>-</u>	<u>2,179,923</u>	<u>1,733,061</u>	<u>446,862</u>
Support Services					
Salaries of Supervisors of Instruction	199,863		199,863	194,034	5,829
Salaries of Program Directors	70,000		70,000	81,500	(11,500)
Salaries of Other Professional Staff	182,025		182,025	109,142	72,883
Salaries of Secretarial and Clerical Asst.	95,000		95,000	80,093	14,907
Salaries of Master Teachers	227,766		227,766	226,786	980
Other Salaries	99,755		99,755	83,218	16,537
Personal Services - Employee Benefits	958,504		958,504	885,310	73,194
Purchased Educational Services - Contracted Pre-K	2,469,750		2,469,750	2,469,750	
Other Purchased Prof. Services	78,728		78,728	15,225	63,503
Cleaning, Repair and Maintenance Services	15,000		15,000		15,000
Rentals	85,000		85,000	53,431	31,569
Contracted Services- Transp.	30,000		30,000	10,200	19,800
Travel	5,000		5,000		5,000
Miscellaneous Purchased Services	30,000		30,000	1,789	28,211
Supplies and Materials	195,000		195,000	61,748	133,252
Other Objects	60,000	-	60,000	12,490	47,510
Total Support Services	<u>4,801,391</u>	<u>-</u>	<u>4,801,391</u>	<u>4,284,716</u>	<u>516,675</u>
Facilities Acquisition and Construction Services					
Instructional Equipment	300,000		300,000	42,720	257,280
Non-Instructional Equipment	30,000	-	30,000	-	30,000
Total Facilities Acquisition and Construction Services	<u>330,000</u>	<u>-</u>	<u>330,000</u>	<u>42,720</u>	<u>287,280</u>
Total Expenditures	<u>\$ 7,311,314</u>	<u>\$ -</u>	<u>\$ 7,311,314</u>	<u>\$ 6,060,497</u>	<u>\$ 1,250,817</u>

Calculation of Budget & Carryover

Total Revised 2023-24 Preschool Education Aid Allocation	\$ 6,012,900
Actual Preschool Education Aid Carryover (June 30, 2023)	1,944,160
Cancellation of Prior Year Purchase Order	145,438
Budgeted Transfer from General Fund	581,388
<u>Total Preschool Education Aid Funds Available for 2023-24 Budget</u>	<u>8,683,886</u>
Less: 2023-24 Budgeted Preschool Education Aid (Including Prior year budgeted carryover)	7,311,314
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2024	1,372,572
Add: June 30, 2024 Unexpended Preschool Education Aid	1,250,817
2023-24 Carryover- Preschool Education Aid	\$ 2,623,389
2023-24 Preschool Education Aid Carryover Budgeted for Preschool Programs in 2024-25	<u>\$ 1,944,160</u>

CAPITAL PROJECTS FUND

**RAHWAY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Original Appropriations</u>	<u>Expenditures to Date Prior Years</u>	<u>Current Year</u>	<u>Balance June 30, 2024</u>
<u>2021 Referendum</u>				
Referendum - Franklin Elementary School	\$ 5,880,046	\$ 3,562,436	\$ 879,784	\$ 1,437,826
Referendum - Grover Cleveland Elementary School	2,287,419	354,481	957,977	974,961
Referendum - Madison Elementary School	5,482,098	1,176,818	2,605,068	1,700,212
Referendum - Roosevelt Elementary School	9,670,176	2,858,889	3,657,391	3,153,896
Referendum - 7th and 8th Grade Academy	7,531,429	1,864,290	8,248,028	(2,580,889)
Referendum - Rahway High School	<u>7,862,881</u>	<u>756,902</u>	<u>2,294,013</u>	<u>4,811,966</u>
Total 2021 Referendum	38,714,049	10,573,816	18,642,261	9,497,972
Roosevelt School Masonry and Front Entrance Improvements	1,279,000	1,277,408		1,592
Security Grant (Alyssa's Law)	212,332	194,534		17,798
Window & Door Replacement - Grover Cleveland School	1,158,927		1,044,596	114,331
Gym Floor Upgrade - 7th/8th Grade Academy	1,587,944		456,922	1,131,022
Bus Depot Project - High School (Professional Fees)	48,375		38,301	10,074
Art Room Conversion - Grover Cleveland School (Professional Fees)	<u>32,000</u>	<u>-</u>	<u>25,453</u>	<u>6,547</u>
	<u>\$ 43,032,627</u>	<u>\$ 12,045,758</u>	<u>\$ 20,207,533</u>	<u>\$ 10,779,336</u>
			Project Balances	\$ 10,779,336
			Less:	
			Debt Authorized but not Issued	(49)
			Fund Balance - Budgetary Basis	<u>\$ 10,779,287</u>

**RAHWAY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Revenues and Other Financing Sources**State Sources**

Local Sources

Transfer from Capital Reserve	\$ 2,827,246
Interest on Deposits	<u>9,968</u>

Total Revenues and Other Financing Sources	<u>2,837,214</u>
--------------------------------------------	------------------

Expenditures and Other Financing Uses**Construction Services**

Legal Services	28,044
Architectural/Engineering Services	146,264
Purchased Professional and Technical Services	380,830
Construction Services	19,652,395

Other Financing Uses

Transfer to Debt Service Fund - Interest Earnings	<u>9,968</u>
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Total Expenditures and Other Financing Uses	<u>20,217,501</u>
---------------------------------------------	-------------------

Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(17,380,287)
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Fund Balance- Beginning of Year	<u>28,159,574</u>
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Fund Balance- Ending of Year	<u><u>\$ 10,779,287</u></u>
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Recapitulation:

Restricted for Capital Projects

Year End Encumbrances	\$ 7,602,730
Available for Capital Project Expenditures	<u>3,176,557</u>

	10,779,287
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Reconciliation to Governmenta Fund Statements (GAAP):

Unearned Revenue - Security Grant (Alyssa's Law)	<u>(17,798)</u>
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Fund Balance, GAAP Basis	<u><u>\$ 10,761,489</u></u>
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**RAHWAY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
2021 REFERENDUM - FRANKLIN ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds and Transfers	\$ 5,880,046	-	\$ 5,880,046	\$ 5,880,046
Total Revenues and Other Financing Sources	<u>5,880,046</u>	<u>-</u>	<u>5,880,046</u>	<u>5,880,046</u>
Expenditures and Other Financing Uses				
Legal Services	16,545	\$ 4,652	21,197	29,401
Purchased Professional and Technical Services	451,949	40,943	492,892	615,093
Construction Services	<u>3,093,942</u>	<u>834,189</u>	<u>3,928,131</u>	<u>5,235,552</u>
Total Expenditures and Other Financing Uses	<u>3,562,436</u>	<u>879,784</u>	<u>4,442,220</u>	<u>5,880,046</u>
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 2,317,610</u>	<u>\$ (879,784)</u>	<u>\$ 1,437,826</u>	<u>\$ -</u>
Additional project information:				
Project Number(s)	4290-080-20-2000 4290-080-20-5000			
Grant Date	N/A			
Bond Authorization Date	12/15/21			
Bonds Authorized	\$ 5,880,046			
Bonds Issued	\$ 5,880,046			
Original Authorized Cost	\$ 5,880,046			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 5,880,046			
Percentage Increase(Decrease) Over Original Authorized Cost	0.0%			
Percentage Completion	75.55%			
Original Target Completion Date	6/30/2025			
Revised Target Completion Date	6/30/2025			

**RAHWAY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
2021 REFERENDUM - GROVER CLEVELAND ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds and Transfers	\$ 2,287,419	-	\$ 2,287,419	\$ 2,287,419
Total Revenues and Other Financing Sources	<u>2,287,419</u>	<u>-</u>	<u>2,287,419</u>	<u>2,287,419</u>
Expenditures and Other Financing Uses				
Legal Services	5,974	\$ 1,585	7,559	11,438
Purchased Professional Services	154,393	30,485	184,878	231,091
Construction Services	<u>194,114</u>	<u>925,907</u>	<u>1,120,021</u>	<u>2,044,890</u>
Total Expenditures and Other Financing Uses	<u>354,481</u>	<u>957,977</u>	<u>1,312,458</u>	<u>2,287,419</u>
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 1,932,938</u>	<u>\$ (957,977)</u>	<u>\$ 974,961</u>	<u>\$ -</u>
Additional project information:				
Project Number	4290-090-20-1000			
Grant Date	N/A			
Bond Authorization Date	12/15/21			
Bonds Authorized	\$ 2,287,419			
Bonds Issued	\$ 2,287,419			
Original Authorized Cost	\$ 2,287,419			
Additional Authorized Cost				
Revised Authorized Cost	\$ 2,287,419			
Percentage Increase(Decrease) Over Original Authorized Cost	0.0%			
Percentage Completion	57.38%			
Original Target Completion Date	6/30/2025			
Revised Target Completion Date	6/30/2025			

**RAHWAY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
2021 REFERENDUM - MADISON ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds and Transfers	\$ 5,482,098	-	\$ 5,482,098	\$ 5,482,098
Total Revenues and Other Financing Sources	<u>5,482,098</u>	<u>-</u>	<u>5,482,098</u>	<u>5,482,098</u>
Expenditures and Other Financing Uses				
Legal Services	\$ 14,319	\$ 3,799	18,118	27,412
Purchased Professional Services	395,825	45,925	441,750	582,714
Construction Services	<u>766,674</u>	<u>2,555,344</u>	<u>3,322,018</u>	<u>4,871,972</u>
Total Expenditures and Other Financing Uses	<u>1,176,818</u>	<u>2,605,068</u>	<u>3,781,886</u>	<u>5,482,098</u>
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 4,305,280</u>	<u>\$ (2,605,068)</u>	<u>\$ 1,700,212</u>	<u>\$ -</u>
Additional project information:				
Project Number(s)	4290-110-20-4000 4290-110-20-1000 4290-110-20-6000			
Grant Date	N/A			
Bond Authorization Date	12/15/21			
Bonds Authorized	\$ 5,482,098			
Bonds Issued	\$ 5,482,098			
Original Authorized Cost	\$ 5,482,098			
Additional Authorized Cost				
Revised Authorized Cost	\$ 5,482,098			
Percentage Increase(Decrease) Over Original				
Authorized Cost	0.0%			
Percentage Completion	68.99%			
Original Target Completion Date	6/30/2025			
Revised Target Completion Date	6/30/2025			

**RAHWAY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
2021 REFERENDUM - ROOSEVELT ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds and Transfers	\$ 9,670,176	-	\$ 9,670,176	\$ 9,670,176
Total Revenues and Other Financing Sources	<u>9,670,176</u>	<u>-</u>	<u>9,670,176</u>	<u>9,670,176</u>
Expenditures and Other Financing Uses				
Legal Services	26,444	\$ 7,278	33,722	48,350
Purchased Professional Services	721,316	74,656	795,972	1,052,579
Construction Services	<u>2,111,129</u>	<u>3,575,457</u>	<u>5,686,586</u>	<u>8,569,247</u>
Total Expenditures and Other Financing Uses	<u>2,858,889</u>	<u>3,657,391</u>	<u>6,516,280</u>	<u>9,670,176</u>
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 6,811,287</u>	<u>\$ (3,657,391)</u>	<u>\$ 3,153,896</u>	<u>\$ -</u>
Additional project information:				
Project Number	4290-120-20-3000			
Grant Date	N/A			
Bond Authorization Date	12/15/21			
Bonds Authorized	\$ 9,670,176			
Bonds Issued	\$ 9,670,176			
Original Authorized Cost	\$ 9,670,176			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 9,670,176			
Percentage Increase(Decrease) Over Original Authorized Cost	0.0%			
Percentage Completion	67.39%			
Original Target Completion Date	6/30/2025			
Revised Target Completion Date	6/30/2025			

**RAHWAY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
2021 REFERENDUM - 7TH AND 8TH GRADE ACADEMY
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds and Transfers	\$ 7,531,429	-	\$ 7,531,429	\$ 7,531,429
Total Revenues and Other Financing Sources	<u>7,531,429</u>	<u>-</u>	<u>7,531,429</u>	<u>7,531,429</u>
Expenditures and Other Financing Uses				
Legal Services	19,673	\$ 5,246	24,919	24,919
Purchased Professional Services	535,892	68,688	604,580	604,580
Construction Services	<u>1,308,725</u>	<u>8,174,094</u>	<u>9,482,819</u>	<u>6,901,930</u>
Total Expenditures and Other Financing Uses	<u>1,864,290</u>	<u>8,248,028</u>	<u>10,112,318</u>	<u>7,531,429</u>
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 5,667,139</u>	<u>\$ (8,248,028)</u>	<u>\$ (2,580,889)</u>	<u>\$ -</u>

Additional project information:

Project Number	4290-060-20-2000
Grant Date	N/A
Bond Authorization Date	12/15/21
Bonds Authorized	\$ 7,531,429
Bonds Issued	\$ 7,531,429
Original Authorized Cost	\$ 7,531,429
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 7,531,429
Percentage Increase(Decrease) Over Original Authorized Cost	0.0%
Percentage Completion	134.27%
Original Target Completion Date	6/30/2025
Revised Target Completion Date	6/30/2025

**RAHWAY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
2021 REFERENDUM - RAHWAY HIGH SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds and Transfers	\$ 7,862,832	-	\$ 7,862,832	\$ 7,862,881
Total Revenues and Other Financing Sources	<u>7,862,832</u>	<u>-</u>	<u>7,862,832</u>	<u>7,862,881</u>
Expenditures and Other Financing Uses				
Legal Services	20,538	\$ 5,484	26,022	39,314
Purchased Professional and Technical Services	534,556	107,111	641,667	665,007
Construction Services	<u>201,808</u>	<u>2,181,418</u>	<u>2,383,226</u>	<u>7,158,560</u>
Total Expenditures and Other Financing Uses	<u>756,902</u>	<u>2,294,013</u>	<u>3,050,915</u>	<u>7,862,881</u>
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 7,105,930</u>	<u>\$ (2,294,013)</u>	<u>\$ 4,811,917</u>	<u>\$ -</u>
Additional project information:				
Project Number(s)	4290-050-20-1000 4290-050-20-3000			
Grant Date	N/A			
Bond Authorization Date	12/15/21			
Bonds Authorized	\$ 7,862,832			
Bonds Issued	\$ 7,862,832			
Original Authorized Cost	\$ 7,862,881			
Additional Authorized Cost	\$ -			
Revised Authorized Cost	\$ 7,862,881			
Percentage Increase(Decrease) Over Original Authorized Cost	0.0%			
Percentage Completion	38.80%			
Original Target Completion Date	6/30/2025			
Revised Target Completion Date	6/30/2025			

**RAHWAY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
ROOSEVELT SCHOOL MASONRY AND FRONT ENTRANCE IMPROVEMENTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	\$ 1,279,000	-	\$ 1,279,000	\$ 1,279,000
Total Revenues and Other Financing Sources	<u>1,279,000</u>	<u>-</u>	<u>1,279,000</u>	<u>1,279,000</u>
Expenditures and Other Financing Uses				
Construction Services	<u>1,277,408</u>	-	<u>1,277,408</u>	<u>1,279,000</u>
Total Expenditures and Other Financing Uses	<u>1,277,408</u>	<u>-</u>	<u>1,277,408</u>	<u>1,279,000</u>
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 1,592</u>	<u>\$ -</u>	<u>\$ 1,592</u>	<u>\$ -</u>
Additional project information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 1,279,000			
Additional Authorized Cost				
Revised Authorized Cost	\$ 1,279,000			
Percentage Increase(Decrease) Over Original Authorized Cost	0.0%			
Percentage Completion	99.88%			
Original Target Completion Date	6/30/2022			
Revised Target Completion Date	6/30/2022			

**RAHWAY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
SECURITY PROJECTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Securing Our Children's Future (Alyssa's Grant)	\$ 212,332	-	\$ 212,332	\$ 212,332
Total Revenues and Other Financing Sources	<u>212,332</u>	<u>-</u>	<u>212,332</u>	<u>212,332</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	48,558		48,558	48,800
Construction Services	<u>145,976</u>	<u>-</u>	<u>145,976</u>	<u>163,532</u>
Total Expenditures and Other Financing Uses	<u>194,534</u>	<u>-</u>	<u>194,534</u>	<u>212,332</u>
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 17,798</u>	<u>\$ -</u>	<u>\$ 17,798</u>	<u>\$ -</u>

Additional project information:

Project Number	N/A
Grant Date	6/30/21
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 212,332
Additional Authorized Cost	
Revised Authorized Cost	\$ 212,332
Percentage Increase(Decrease) Over Original Authorized Cost	0.0%
Percentage Completion	91.62%
Original Target Completion Date	6/30/2022
Revised Target Completion Date	6/30/2023

**RAHWAY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
WINDOW AND DOOR REPLACEMENTS - GROVER CLEVELAND SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	-	\$ 1,158,927	\$ 1,158,927	\$ 1,158,927
Total Revenues and Other Financing Sources	-	1,158,927	1,158,927	1,158,927
Expenditures and Other Financing Uses				
Construction Services	-	1,044,596	1,044,596	1,158,927
Total Expenditures and Other Financing Uses	-	1,044,596	1,044,596	1,158,927
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	-	\$ 114,331	\$ 114,331	\$ -

Additional project information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,158,927
Additional Authorized Cost	
Revised Authorized Cost	\$ 1,158,927
Percentage Increase(Decrease) Over Original Authorized Cost	0.0%
Percentage Completion	90.13%
Original Target Completion Date	6/30/2025
Revised Target Completion Date	6/30/2025

**RAHWAY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
GYM FLOOR UPGRADE - 7th / 8th GRADE ACADEMY
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	-	\$ 1,587,944	\$ 1,587,944	\$ 1,587,944
Total Revenues and Other Financing Sources	-	1,587,944	1,587,944	1,587,944
Expenditures and Other Financing Uses				
Purchased Professional Services		95,532	95,532	117,947
Construction Services	-	361,390	361,390	1,040,980
Total Expenditures and Other Financing Uses	-	456,922	456,922	1,158,927
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ -	\$ 1,131,022	\$ 1,131,022	\$ 429,017
Additional project information:				
Project Number		N/A		
Grant Date		N/A		
Bond Authorization Date		N/A		
Bonds Authorized		N/A		
Bonds Issued		N/A		
Original Authorized Cost	\$	1,587,944		
Additional Authorized Cost				
Revised Authorized Cost	\$	1,587,944		
Percentage Increase(Decrease) Over Original Authorized Cost		0.0%		
Percentage Completion		39.43%		
Original Target Completion Date		6/30/2025		
Revised Target Completion Date		6/30/2025		

**RAHWAY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
BUS DEPOT PROJECT - HIGH SCHOOL (PROFESSIONAL FEES)
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	-	\$ 48,375	\$ 48,375	\$ 48,375
Total Revenues and Other Financing Sources	-	48,375	48,375	48,375
Expenditures and Other Financing Uses				
Purchased Professional Services	-	38,301	38,301	48,375
Total Expenditures and Other Financing Uses	-	38,301	38,301	48,375
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	-	\$ 10,074	\$ 10,074	-

Additional project information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 48,375
Additional Authorized Cost	
Revised Authorized Cost	\$ 48,375
Percentage Increase(Decrease) Over Original Authorized Cost	0.0%
Percentage Completion	79.18%
Original Target Completion Date	6/30/2025
Revised Target Completion Date	6/30/2025

**RAHWAY SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
ART ROOM CONVERSION - GROVER CLEVELAND SCHOOL (PROFESSIONAL FEES)
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve	-	\$ 32,000	\$ 32,000	\$ 32,000
Total Revenues and Other Financing Sources	-	32,000	32,000	32,000
Expenditures and Other Financing Uses				
Purchased Professional Services	-	25,453	25,453	32,000
Total Expenditures and Other Financing Uses	-	25,453	25,453	32,000
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	-	\$ 6,547	\$ 6,547	-

Additional project information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 32,000
Additional Authorized Cost	
Revised Authorized Cost	\$ 32,000
Percentage Increase(Decrease) Over Original Authorized Cost	0.0%
Percentage Completion	79.54%
Original Target Completion Date	6/30/2025
Revised Target Completion Date	6/30/2025

ENTERPRISE FUND

**RAHWAY SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2021**

THIS STATEMENT IS NOT APPLICABLE

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

**ENTERPRISE FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

THIS STATEMENT IS NOT APPLICABLE

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**ENTERPRISE FUNDS
COMBINING STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

THIS STATEMENT IS NOT APPLICABLE

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

FIDUCIARY FUNDS
(Not Applicable)

LONG-TERM DEBT

**RAHWAY SCHOOL DISTRICT
LONG-TERM DEBT GROUP
SCHEDULE OF PAYABLE BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2023</u>	<u>Retired</u>	<u>Balance, June 30, 2024</u>
			<u>Date</u>	<u>Amount</u>				
2017 Refunding School Bonds	10/12/2017	\$ 14,270,000	2/15/2025	\$ 1,320,000	5.00%	\$ 9,375,000	\$ 1,325,000	\$ 8,050,000
			2/15/2026	1,330,000	5.00%			
			2/15/2027	1,335,000	5.00%			
			2/15/2028	1,345,000	5.00%			
			2/15/2029	1,355,000	5.00%			
			2/15/2030	1,365,000	3.00%			
2021 School Bonds	12/15/2021	38,714,000	7/15/2024-2029	1,250,000	2.00%	<u>38,714,000</u>	<u>1,264,000</u>	<u>37,450,000</u>
			7/15/2030-2031	2,500,000	2.00%			
			7/15/2032-2039	2,500,000	2.13%			
			7/15/2040	2,500,000	2.25%			
			7/15/2041	2,450,000	2.25%			
					<u>\$ 48,089,000</u>	<u>\$ 2,589,000</u>	<u>\$ 45,500,000</u>	
						Paid by Budget Appropriation	<u>\$ 2,589,000</u>	

RAHWAY SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER LEASE PURCHASE AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Not Applicable

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

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 3,017,913		\$ 3,017,913	\$ 3,017,913	
State Sources:					
Debt Service Aid	793,546	-	793,546	793,546	-
Total Revenues	<u>3,811,459</u>	<u>-</u>	<u>3,811,459</u>	<u>3,811,459</u>	<u>-</u>
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	1,227,215		1,227,215	1,227,215	
Redemption of Principal	2,589,000	-	2,589,000	2,589,000	-
Total Regular Debt Service	<u>3,816,215</u>	<u>-</u>	<u>3,816,215</u>	<u>3,816,215</u>	<u>-</u>
Total Expenditures	<u>3,816,215</u>	<u>-</u>	<u>3,816,215</u>	<u>3,816,215</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under)					
Expenditures	(4,756)	-	(4,756)	(4,756)	-
Other Financing Sources					
Operating Transfers In	-	-	-	9,968	-
Excess (Deficiency) to Fund Balance	<u>(4,756)</u>	<u>-</u>	<u>(4,756)</u>	<u>5,212</u>	<u>-</u>
Fund Balance, Beginning of Year	<u>5,545</u>	<u>-</u>	<u>5,545</u>	<u>5,545</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 789</u>	<u>\$ -</u>	<u>\$ 789</u>	<u>\$ 10,757</u>	<u>\$ -</u>
Recapitulation of Fund Balance:					
Restricted for Debt Service					
Designated for Subsequent Year Expenditures				\$ 789	
Available for Future Debt Service Obligations				<u>9,968</u>	
				<u>\$ 10,757</u>	

STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

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

J-10 to J-13

Demographic and Economic Information

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

J-14 and J-15

Operating Information

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

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

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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018 (Restated)	2019	2020 (Restated)	2021	2022	2023	2024
Governmental Activities										
Net Investment in Capital Assets	\$ 30,207,183	\$ 30,063,065	\$ 29,781,907	\$ 31,546,571	\$ 29,646,771	\$ 30,766,084	\$ 30,968,536	\$ 2,254,747	\$ 10,542,996	\$ 42,274,245
Restricted	997,352	794,434	895,635	1,800,789	1,534,928	3,891,630	8,752,905	50,795,908	48,375,963	20,678,765
Unrestricted	(13,893,485)	(13,856,923)	(15,214,668)	(17,021,587)	(15,218,709)	(14,956,062)	(13,346,570)	(13,922,062)	(13,045,445)	(10,495,832)
Total Governmental Activities Net Position	\$ 17,311,050	\$ 17,000,576	\$ 15,462,874	\$ 16,325,773	\$ 15,962,990	\$ 19,701,652	\$ 26,374,871	\$ 39,128,593	\$ 45,873,514	\$ 52,457,178
Business-Type Activities										
Net Investment in Capital Assets	\$ 218,345	\$ 210,704	\$ 237,965	\$ 277,235	\$ 399,064	\$ 245,196	\$ 264,596	\$ 300,560	\$ 374,028	\$ 330,865
Unrestricted	262,250	327,426	378,393	408,276	301,064	423,782	509,942	887,745	1,084,242	869,285
Total Business-Type Activities Net Position	\$ 480,595	\$ 538,130	\$ 616,358	\$ 685,511	\$ 700,128	\$ 668,978	\$ 774,538	\$ 1,188,305	\$ 1,458,270	\$ 1,200,150
District-Wide										
Net Investment in Capital Assets	\$ 30,425,528	\$ 30,273,769	\$ 30,019,872	\$ 31,823,806	\$ 30,045,835	\$ 31,011,280	\$ 31,233,132	\$ 2,555,307	\$ 10,917,024	\$ 42,605,110
Restricted	997,352	794,434	895,635	1,800,789	1,534,928	3,891,630	8,752,905	50,795,908	48,375,963	20,678,765
Unrestricted	(13,631,235)	(13,529,497)	(14,836,275)	(16,613,311)	(14,917,645)	(14,532,280)	(12,836,628)	(13,034,317)	(11,961,203)	(9,626,547)
Total District Net Position	\$ 17,791,645	\$ 17,538,706	\$ 16,079,232	\$ 17,011,284	\$ 16,663,118	\$ 20,370,630	\$ 27,149,409	\$ 40,316,898	\$ 47,331,784	\$ 53,657,328

Source: District financial statements

Note 1 - Net Position at June 30, 2014 is restated to reflect the implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions".

Note 2 - Net Position at June 30, 2018 is restated to reflect unrecorded capital lease.

Note 3 - Net Position at June 30, 2020 is restated to reflect the implementation of GASB Statement No. 84, "Fiduciary Activities".

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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 29,461,782	\$ 30,435,067	\$ 33,754,182	\$ 36,120,448	\$ 37,077,468	\$ 34,208,910	\$ 38,750,801	\$ 33,302,338	\$ 34,962,234	\$ 36,829,309
Special Education	13,953,279	15,323,175	16,122,698	16,379,398	16,515,940	16,757,803	18,219,928	18,884,244	18,517,633	18,861,866
Other Instruction	5,910,360	6,366,627	7,273,051	6,688,664	6,551,102	6,501,603	4,754,837	6,583,200	5,866,226	6,000,571
School Sponsored Activities And Athletics	1,864,893	1,509,226	1,710,069	2,833,299	1,466,336	1,361,485	1,354,162	1,269,025	1,357,489	1,984,784
Support Services:										
Student & Instruction Related Services	10,061,008	10,378,087	11,554,534	11,038,296	12,466,445	14,422,099	13,698,085	15,810,861	16,603,443	13,159,362
School Administrative Services	3,744,723	3,905,494	4,365,967	4,278,755	3,900,152	3,892,595	5,578,488	5,964,863	5,304,254	5,221,549
General and Business Administration	2,410,863	2,611,111	2,912,724	3,006,425	2,525,423	2,689,815	3,542,863	1,233,534	1,537,055	4,569,693
Plant Operations And Maintenance	5,421,145	6,118,554	6,951,651	6,596,710	6,866,975	5,537,396	5,630,763	4,680,022	4,978,159	10,052,651
Pupil Transportation	2,979,789	3,188,226	3,408,215	3,257,858	3,257,638	3,164,305	3,152,555	5,236,117	6,216,596	7,079,461
Interest On Long-Term Debt	1,010,774	964,640	879,093	631,501	519,425	482,402	404,319	795,745	1,281,041	1,139,682
Unallocated Depreciation	829,339	2,088,171	2,082,760	2,084,193	2,072,590	2,072,590	2,123,933	2,268,764	2,199,170	-
Total Governmental Activities Expenses	<u>77,647,955</u>	<u>82,888,378</u>	<u>91,014,944</u>	<u>92,915,547</u>	<u>93,219,494</u>	<u>91,091,003</u>	<u>97,210,734</u>	<u>96,028,713</u>	<u>98,823,300</u>	<u>104,898,928</u>
Business-Type Activities:										
Food Service	1,824,015	1,847,465	1,921,104	1,999,302	2,163,227	1,634,566	976,948	2,453,667	2,717,806	3,087,864
Total Business-Type Activities Expense	<u>1,824,015</u>	<u>1,847,465</u>	<u>1,921,104</u>	<u>1,999,302</u>	<u>2,163,227</u>	<u>1,634,566</u>	<u>976,948</u>	<u>2,453,667</u>	<u>2,717,806</u>	<u>3,087,864</u>
Total District Expenses	<u>\$ 79,471,970</u>	<u>\$ 84,735,843</u>	<u>\$ 92,936,048</u>	<u>\$ 94,914,849</u>	<u>\$ 95,382,721</u>	<u>\$ 92,725,569</u>	<u>\$ 98,187,682</u>	<u>\$ 98,482,380</u>	<u>\$ 101,541,106</u>	<u>\$ 107,986,792</u>
Program Revenues										
Governmental Activities:										
Charges For Services:										
Instruction (Tuition)	\$ 236,132	\$ 331,789	\$ 350,879	\$ 184,918	\$ 97,632	\$ 31,015	\$ 71,173			\$ 17,940
School Sponsored Co-Curricular							165,776	\$ 292,812	\$ 395,729	391,755
Operating Grants And Contributions	18,852,052	21,803,690	27,806,766	30,960,984	29,260,113	26,793,693	35,638,337	23,462,321	22,350,465	25,544,024
Capital Grants And Contributions	762,087	54,915	33,202	193,556	111,105	630,770	117,434	-	-	2,088,011
Total Governmental Activities Program Revenues	<u>19,850,271</u>	<u>22,190,394</u>	<u>28,190,847</u>	<u>31,339,458</u>	<u>29,468,850</u>	<u>27,455,478</u>	<u>35,992,720</u>	<u>23,755,133</u>	<u>22,746,194</u>	<u>28,041,730</u>
Business-Type Activities:										
Charges For Services										
Food Service	\$ 607,632	\$ 641,764	\$ 692,435	\$ 767,537	\$ 827,039	\$ 570,014	\$ 7,705	\$ 150,682	\$ 821,153	\$ 845,089
Operating Grants And Contributions	1,235,033	1,263,236	1,306,897	1,300,918	1,350,805	1,168,404	1,074,803	2,716,752	1,965,038	1,984,655
Total Business Type Activities Program Revenues	<u>1,842,665</u>	<u>1,905,000</u>	<u>1,999,332</u>	<u>2,068,455</u>	<u>2,177,844</u>	<u>1,738,418</u>	<u>1,082,508</u>	<u>2,867,434</u>	<u>2,786,191</u>	<u>2,829,744</u>
Total District Program Revenues	<u>\$ 21,692,936</u>	<u>\$ 24,095,394</u>	<u>\$ 30,190,179</u>	<u>\$ 33,407,913</u>	<u>\$ 31,646,694</u>	<u>\$ 29,193,896</u>	<u>\$ 37,075,228</u>	<u>\$ 26,622,567</u>	<u>\$ 25,532,385</u>	<u>\$ 30,871,474</u>

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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net (Expense)/Revenue										
Governmental Activities	\$ (57,797,684)	\$ (60,697,984)	\$ (62,824,097)	\$ (61,576,089)	\$ (63,750,644)	\$ (63,635,525)	\$ (61,218,014)	\$ (72,273,580)	\$ (76,077,106)	\$ (76,857,198)
Business-Type Activities	18,650	57,535	78,228	69,153	14,617	103,852	105,560	413,767	68,385	(258,120)
Total District-Wide Net Expense	<u>\$ (57,779,034)</u>	<u>\$ (60,640,449)</u>	<u>\$ (62,745,869)</u>	<u>\$ (61,506,936)</u>	<u>\$ (63,736,027)</u>	<u>\$ (63,531,673)</u>	<u>\$ (61,112,454)</u>	<u>\$ (71,859,813)</u>	<u>\$ (76,008,721)</u>	<u>\$ (77,115,318)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied For General Purposes, Net	\$ 39,216,163	\$ 40,000,486	\$ 40,800,496	\$ 41,616,506	\$ 42,229,149	\$ 43,073,732	\$ 44,796,679	\$ 44,796,679	\$ 45,692,613	\$ 46,949,160
Taxes Levied For Debt Service	2,359,901	2,341,924	2,364,271	2,357,438	2,336,278	2,241,403	1,826,494	1,798,210	2,167,397	3,017,913
Federal and State Aid - Unrestricted	17,637,507	17,685,449	17,725,995	18,387,937	18,273,727	19,886,661	20,844,989	31,605,110	34,794,458	31,746,840
State Aid Restricted for Debt Service	131,346	136,551	141,947	147,560	153,103	154,994	32,143			538,358
Investment Earnings	5,864	4,958	7,184	43,744	88,982	55,990	35,679			1,117,252
Miscellaneous Income	281,653	218,142	246,502	337,652	306,622	229,351	355,249	452,566	1,589,243	71,339
Total Governmental Activities	<u>59,632,434</u>	<u>60,387,510</u>	<u>61,286,395</u>	<u>62,890,837</u>	<u>63,387,861</u>	<u>65,642,131</u>	<u>67,891,233</u>	<u>78,652,565</u>	<u>84,243,711</u>	<u>83,440,862</u>
Business-Type Activities:										
Investment Earnings	-	-	-	-	-	-	-	-	98,038	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>98,038</u>	<u>-</u>
Total District-Wide	<u>\$ 59,632,434</u>	<u>\$ 60,387,510</u>	<u>\$ 61,286,395</u>	<u>\$ 62,890,837</u>	<u>\$ 63,387,861</u>	<u>\$ 65,642,131</u>	<u>\$ 67,891,233</u>	<u>\$ 78,652,565</u>	<u>\$ 84,341,749</u>	<u>\$ 83,440,862</u>
Change in Net Position										
Governmental Activities	\$ 1,834,750	\$ (310,474)	\$ (1,537,702)	\$ 1,314,748	\$ (362,783)	\$ 2,006,606	\$ 6,673,219	\$ 6,378,985	\$ 8,166,605	\$ 6,583,664
Business-Type Activities	18,650	57,535	78,228	69,153	14,617	103,852	105,560	413,767	166,423	(258,120)
Total District	<u>\$ 1,853,400</u>	<u>\$ (252,939)</u>	<u>\$ (1,459,474)</u>	<u>\$ 1,383,901</u>	<u>\$ (348,166)</u>	<u>\$ 2,110,458</u>	<u>\$ 6,778,779</u>	<u>\$ 6,792,752</u>	<u>\$ 8,333,028</u>	<u>\$ 6,325,544</u>

Source: District financial statements

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

	2015	2016	2017	2018	Fiscal Year Ended June 30,		2021	2022	2023	2024
					2019	2020				
						(Restated)				
General Fund										
Restricted	\$ 3,266,531	\$ 3,242,254	\$ 3,156,217	\$ 5,136,815	\$ 5,163,027	\$ 7,211,000	\$ 9,822,711	\$ 14,085,866	\$ 20,254,846	\$ 22,496,380
Assigned	1,561,419	1,313,967	1,633,539	1,364,585	692,591	470,840	390,978	558,250	755,240	700,094
Unassigned	<u>(1,083,300)</u>	<u>(1,032,327)</u>	<u>(1,116,141)</u>	<u>(1,248,642)</u>	<u>(1,279,139)</u>	<u>(1,567,631)</u>	<u>(223,877)</u>	<u>1,257,104</u>	<u>-</u>	<u>(2,589,974)</u>
Total General Fund	<u>\$ 3,744,650</u>	<u>\$ 3,523,894</u>	<u>\$ 3,673,615</u>	<u>\$ 5,252,758</u>	<u>\$ 4,576,479</u>	<u>\$ 6,114,209</u>	<u>\$ 9,989,812</u>	<u>\$ 15,901,220</u>	<u>\$ 21,010,086</u>	<u>\$ 20,606,500</u>
All Other Governmental Funds										
Restricted	\$ 258,772	\$ 171,370	\$ 170,025	\$ 174,979	\$ 546,075	\$ 615,286	\$ 2,640,335	\$ 37,364,405	\$ 28,645,266	\$ 11,280,308
Unassigned	<u>(8,931)</u>	<u>-</u>	<u>(927)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(490,846)</u>	<u>(518,605)</u>	<u>-</u>
Total All Other Governmental Funds	<u>\$ 249,841</u>	<u>\$ 171,370</u>	<u>\$ 169,098</u>	<u>\$ 174,979</u>	<u>\$ 546,075</u>	<u>\$ 615,286</u>	<u>\$ 2,640,335</u>	<u>\$ 36,873,559</u>	<u>\$ 28,126,661</u>	<u>\$ 11,280,308</u>

Sources: District financial statements

Note 3 - Fund Balance at June 30, 2020 is restated to reflect the implementation of GASB Statement No. 84, "Fiduciary Activities".

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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Tax Levy	\$ 41,576,064	\$ 42,342,410	\$ 43,164,767	\$ 43,973,944	\$ 44,565,427	\$ 45,315,135	\$ 46,623,173	\$ 46,594,889	\$ 47,860,010	\$ 49,967,073
Tuition Charges	236,132	331,789	350,879	184,918	97,632	31,015	71,173	19,954	4,199	17,940
Interest Earnings	5,864	4,958	7,184	43,744	88,982	55,990	35,679	35,001	798,241	1,117,252
Miscellaneous	1,015,179	310,280	351,387	362,585	359,755	486,424	541,064	759,569	1,052,532	515,492
State Sources	28,279,334	29,006,061	29,951,219	33,798,980	38,211,749	40,708,971	43,909,210	53,336,708	57,246,475	62,874,413
Federal Sources	2,017,130	1,965,221	1,963,366	1,974,464	1,930,452	1,959,963	3,404,131	3,864,386	5,580,011	4,812,220
Total Revenue	73,129,703	73,960,719	75,788,802	80,338,635	85,253,997	88,557,498	94,584,430	104,610,507	112,541,468	119,304,390
Expenditures										
Instruction										
Regular Instruction	26,325,219	26,086,026	26,695,428	29,178,860	33,319,376	31,910,455	34,297,301	29,162,469	30,331,783	41,161,777
Special Education Instruction	13,025,789	13,957,864	13,784,205	14,065,015	15,268,374	16,022,703	16,706,874	8,201,138	8,331,539	20,312,392
Other Instruction	6,529,226	6,764,472	7,057,419	8,004,534	7,202,082	7,419,047	5,455,723	3,691,521	3,772,309	6,492,122
Support Services:										
Student and Inst. Related Services	9,409,499	9,142,151	9,517,981	9,077,915	11,408,307	13,727,178	12,469,697	11,588,851	13,344,175	16,507,324
General Administration	1,097,749	1,185,225	1,132,094	1,389,832	1,201,899	1,295,859	1,301,851	1,204,285	1,298,137	1,581,812
School Administrative Services	3,384,777	3,387,118	3,522,731	3,496,204	3,564,583	3,657,430	4,934,847	3,388,066	3,476,253	5,840,563
Central Services	1,263,954	1,308,361	1,372,351	1,352,776	1,375,720	1,527,533	1,891,345	1,404,084	1,665,701	3,142,210
Plant Operations And Maintenance	5,426,941	5,958,799	6,205,672	5,991,319	6,420,522	5,496,400	5,450,989	5,076,899	5,236,402	7,849,827
Pupil Transportation	2,974,809	3,180,317	3,396,606	3,245,247	3,246,602	3,159,370	3,144,273	5,245,119	6,230,173	7,112,501
Unallocated Benefits										
Capital Outlay	1,213,129	143,181	42,765	223,255	202,594	917,622	920,420	27,826,372	29,053,557	22,737,587
Debt Service:										
Principal	2,141,601	2,184,163	2,031,201	2,196,185	1,840,000	2,019,235	1,519,770	1,310,000	1,330,000	2,589,000
Refunding Escrow										
Interest and Other Charges	1,002,525	962,269	882,900	706,084	714,816	669,735	590,688	533,800	1,360,693	1,227,215
Total Expenditures	73,795,218	74,259,946	75,641,353	78,927,226	85,764,875	87,822,567	88,683,778	103,179,873	116,179,499	136,554,330
Excess (Deficiency) of Revenues Over (Under) Expenditures	(665,515)	(299,227)	147,449	1,411,409	(510,878)	734,931	5,900,652	1,430,634	(3,638,031)	(17,249,940)
Other Financing Sources (Uses)										
Capital Leases (Non-Budgeted)	898,673									
Proceeds from Bond Sale				16,176,649				38,714,000		-
Proceeds From Refunding Lease				(16,003,034)	205,695					-
Transfers In	505,872	1,126	3,246	8,753	386,361	220,505	3,141,861	394,236	549,987	3,418,602
Transfers Out	(505,872)	(1,126)	(3,246)	(8,753)	(386,361)	(220,505)	(3,141,861)	(394,236)	(549,987)	(3,418,602)
Total Other Financing Sources (Uses)	898,673	-	-	173,615	205,695	-	-	38,714,000	-	-
Net Change in Fund Balances	\$ 233,158	\$ (299,227)	\$ 147,449	\$ 1,585,024	\$ (305,183)	\$ 734,931	\$ 5,900,652	\$ 40,144,634	\$ (3,638,031)	\$ (17,249,940)
Debt Service as a Percentage of Noncapital Expenditures	4.33%	4.25%	3.85%	3.69%	2.99%	3.09%	2.40%	1.87%	2.55%	3.35%

* Noncapital expenditures are total expenditures less capital outlay.

Source: District financial statements

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

Fiscal Year Ended June 30,	Interest Earned	Tuition	Refunds	Athletic Admissions	BPU Solar Rebates	E-Rate Reimbursement	Stale Dated Checks	Miscellaneous	Total
2015	\$ 4,521	\$ 236,132	\$ 12,270	\$ 10,525	\$ 43,730	\$ 72,520		\$ 142,608	\$ 522,306
2016	3,632	331,789	28,725	11,636	36,600	51,066		90,315	553,763
2017	4,940	350,879	37,885	14,634	72,900	4,317		116,766	602,321
2018	34,991	184,918	44,285	13,144	98,800	43,218		138,205	557,561
2019	73,577	97,632	102,178	16,653	28,872	36,756		122,163	477,831
2020	36,945	31,015	18,091	11,757	23,540		\$ 61,195	114,768	297,311
2021	21,646	71,173	231,025	2,142	38,940	30,165		52,977	448,068
2022	35,001		51,419	6,711				334,728	427,859
2023	798,241	5,054	25,128	9,840				579,744	1,418,007
2024	1,107,284	17,940						71,339	1,196,563

Source: District financial statements

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2015	\$ 11,693,800	\$ 965,379,100			\$ 128,395,100	\$ 288,458,100	\$ 51,824,500	\$ 1,445,750,600	\$ 3,442,157	\$ 1,449,192,757	\$ 2,525,811,497	\$ 2.896
2016	9,648,500	967,400,100			132,439,900	272,162,800	72,261,000	1,453,912,300	3,542,314	1,457,454,614	2,529,176,515	2.935
2017	9,758,100	966,655,600			130,209,200	272,104,200	72,236,600	1,450,963,700	57	1,450,963,757	2,543,223,255	3.003
2018	13,442,400	968,768,800			128,482,600	249,791,200	67,738,510	1,428,223,510	55	1,428,223,565	2,582,162,059	3.100
2019	12,726,700	971,631,900			129,481,300	249,712,000	67,738,500	1,431,290,400	51	1,431,290,451	2,565,496,417	3.140
2020	14,225,300	975,344,850			127,167,150	250,115,600	68,948,400	1,435,801,300	51	1,435,801,351	2,998,857,784	3.158
2021	13,139,700	981,387,950			125,764,350	250,115,600	70,863,500	1,441,271,100	51	1,441,271,151	2,958,505,052	3.234
2022	12,815,700	988,130,150			129,002,050	250,115,600	70,560,100	1,450,623,600	51	1,450,623,651	3,225,232,057	3.300
2023	18,888,100	995,708,116			126,615,750	252,445,600	68,749,200	1,462,406,766	41	1,462,406,807	3,579,148,878	3.345
2024	19,040,966	1,004,071,850			126,955,750	252,445,600	69,039,300	1,471,553,466	37	1,471,553,503	-	3.393

Source: County Abstract of Ratables

^a Tax rates are per \$100

**RAHWAY SCHOOL DISTRICT
PROPERTY TAX RATES
PER \$100 OF ASSESSED VALUATION
LAST TEN YEARS
(Unaudited)**

<u>Calendar Year</u>	<u>Total</u>	<u>Local School District</u>	<u>Municipality (1)</u>	<u>County</u>
2015	\$ 6.317	\$ 2.896	\$ 2.490	\$ 0.931
2016	6.389	2.935	2.519	0.935
2017	6.528	3.003	2.581	0.944
2018	6.693	3.100	2.642	0.951
2019	6.837	3.140	2.679	1.018
2020	6.925	3.158	2.716	1.051
2021	6.951	3.234	2.716	1.001
2022	7.022	3.300	2.713	1.009
2023	7.172	3.345	2.825	1.002
2024	7.405	3.393	2.971	1.041

(1) Includes Library

Source: Tax Duplicate, City of Rahway

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

2024

Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
Merck Sharp & Dohme Corp.	\$ 196,750,200	13.37%
PSQ TIC II Holdings LLC	14,505,400	0.99%
Park Terrace at Rahway, LLC	6,684,500	0.45%
Alard Realty Associates, LLC	5,477,900	0.37%
Family Hospitality LLC	5,207,000	0.35%
3101-15 Ave I, LLC	5,000,000	0.34%
Woodbridge Avenel LLC	4,025,000	0.27%
HRM 970 New Brunswick LLC	3,665,300	0.25%
313 Regina Ave A LLC	3,659,600	0.25%
RSI Bank	3,441,400	0.23%
	<u>\$ 248,416,300</u>	<u>16.88%</u>

2015

Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
Merck & Co.	\$ 230,082,500	15.88%
80 E Milton Avenue LLC	12,227,600	0.84%
Park Terrace at Rahway, LLC	6,684,500	0.46%
Alard Realty Enterprises	5,477,900	0.38%
3101-15 Ave I LLC	5,362,000	0.37%
Family Hospitality, LLC	5,307,000	0.37%
Rahway Industrial Site	4,252,700	0.29%
Woodbridge Plaza, LLC	4,025,300	0.28%
Ninette Group LP	3,659,600	0.25%
Individual Taxpayer #1	3,616,100	0.25%
	<u>\$ 280,695,200</u>	<u>19.37%</u>

Source: Municipal Tax Assessor

**RAHWAY SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2015	\$ 41,576,064	\$ 41,576,064	100.00%	N/A
2016	42,342,410	42,342,410	100.00%	N/A
2017	43,164,767	43,164,767	100.00%	N/A
2018	43,973,944	43,973,944	100.00%	N/A
2019	44,565,427	44,565,427	100.00%	N/A
2020	45,315,135	45,315,135	100.00%	N/A
2021	46,623,173	46,623,173	100.00%	N/A
2022	46,594,889	46,594,889	100.00%	N/A
2023	47,860,010	46,360,008	96.87%	\$ 1,500,002
2024	49,967,073	49,967,073	100.00%	N/A

N/A - Not Applicable

Source: District records.

**RAHWAY SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Population	Per Capita
	General Obligation Bonds	Certificates of Participation	Capital Leases	Capital Leases	Total District		
2015	\$ 20,080,000	\$ 3,225,000	\$ 1,176,549		\$ 24,481,549	29,171	\$ 839
2016	19,025,000	2,630,000	642,386		22,297,386	29,284	761
2017	17,930,000	2,010,000	326,185		20,266,185	29,628	684
2018	15,600,000	1,365,000			16,965,000	29,806	569
2019	14,430,000	695,000	448,309		15,573,309	29,911	521
2020	13,315,000		448,309		13,763,309	29,832	461
2021	12,015,000		228,539		12,243,539	29,911	409
2022	49,419,000				49,419,000	29,693	1,664
2023	48,089,000				48,089,000	29,813	1,613
2024	45,500,000	-			45,500,000	29,813 *	1,526

Source: District records

* - Estimated Based on Prior Year, Current Year Information Not Available

RAHWAY 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 ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2015	\$ 20,080,000		\$ 20,080,000	1.39%	\$ 688
2016	19,025,000		19,025,000	1.31%	650
2017	17,930,000		17,930,000	1.24%	605
2018	15,600,000		15,600,000	1.09%	523
2019	14,430,000		14,430,000	1.01%	482
2020	13,315,000		13,315,000	0.93%	446
2021	12,015,000		12,015,000	0.83%	402
2022	49,419,000		49,419,000	3.41%	1,664
2023	48,089,000		48,089,000	3.29%	1,613
2024	45,500,000		45,500,000	3.09%	1,526

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

**RAHWAY SCHOOL DISTRICT
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
FOR THE YEAR ENDED DECEMBER 31, 2023
(Unaudited)**

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt: (1)			
Rahway School District	\$ 46,825,000	\$ 46,825,000	
City of Rahway	<u>110,290,833</u>	<u>51,469,355</u>	<u>\$ 58,821,478</u>
Total Direct Debt	<u>157,115,833</u>	<u>98,294,355</u>	<u>58,821,478</u>
Overlapping Debt Apportioned to the Municipality:			
Union County (2)			24,363,653
Rahway Valley Sewerage Authority (3)			<u>12,569,824</u>
Total Overlapping Debt			<u>36,933,477</u>
Total Direct and Overlapping Debt			<u>\$ 95,754,955</u>

(1) Rahway's Chief Financial Officer and Annual Debt Statement - December 31, 2023.

(2) Union County Treasurer's Office. The County Debt was apportioned to Rahway City by dividing the City's 2023 equalized value by the total 2020 equalized value for Union County.

(3) Overlapping Debt Based upon the City of Rahway's share of flow to the authority.

* The source for this computation was the 2023 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.

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

Legal Debt Margin Calculation for Fiscal Year 2024

Equalized Valuation Basis		
2023		\$ 3,957,799,096
2022		3,524,352,770
2021		<u>3,180,209,841</u>
		<u>\$ 10,662,361,707</u>
Average Equalized Valuation Of Taxable Property		<u>\$ 3,554,120,569</u>
Debt Limit (4% of Average Equalization Value)		<u>\$ 142,164,823</u>
Total Net Debt Applicable to Limit		<u>45,500,049</u>
Legal Debt Margin		<u>\$ 96,664,774</u>

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Debt Limit	\$ 107,165,113	\$ 102,499,225	\$ 100,183,911	\$ 101,539,711	\$ 105,440,232	\$ 111,305,338	\$ 115,594,589	\$ 120,912,712	\$ 128,360,212	\$ 142,164,823
Total Net Debt Applicable To Limit	<u>20,080,000</u>	<u>19,025,000</u>	<u>17,930,000</u>	<u>15,600,000</u>	<u>14,430,000</u>	<u>13,315,000</u>	<u>12,015,000</u>	<u>49,419,049</u>	<u>48,089,049</u>	<u>45,500,049</u>
Legal Debt Margin	<u>\$ 87,085,113</u>	<u>\$ 83,474,225</u>	<u>\$ 82,253,911</u>	<u>\$ 85,939,711</u>	<u>\$ 91,010,232</u>	<u>\$ 97,990,338</u>	<u>\$ 103,579,589</u>	<u>\$ 71,493,663</u>	<u>\$ 80,271,163</u>	<u>\$ 96,664,774</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	18.74%	18.56%	17.90%	15.36%	13.69%	11.96%	10.39%	40.87%	37.46%	32.01%

Source: Annual Debt Statements

**RAHWAY SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS
(Unaudited)**

<u>Year Ended December 31,</u>	<u>Per Capita Income (A)</u>	<u>Unemployment Rate</u>	<u>School District Population (B)</u>
2015	\$ 60,596	6.6%	29,171
2016	62,697	5.6%	29,284
2017	61,978	5.3%	29,628
2018	64,342	4.5%	29,806
2019	67,346	4.0%	29,911
2020	68,867	10.5%	29,832
2021	72,543	7.4%	29,911
2022	77,007	4.4%	29,693
2023	76,616	5.3%	29,813
2024	Not available	Not available	29,813 (B)

Source: United States Bureau of Census
School District Records

(A)- Represents County of Union

(B)- Estimated, Bureau of Census

N/A - Not Available as of date of audit

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

<u>Employer</u>	<u>2024</u>		<u>2015</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

Information for this schedule was not available

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

<u>Function/Program</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Instruction										
Regular	237	237	236	252	257	257	254	257	265	265
Special Education	103	103	103	103	107	107	138	144	146	146
Other Special Education	48	48	48	48	48	48	40	33	34	34
Support Services:										
Student and Instruction Related Services	28	28	27	31	32	32	45	42	47	47
General Administration	3	3	3	3	3	3	3	3	3	3
School Administrative Services	26	26	26	26	26	26	33	37	37	37
Central Services	6	6	6	6	6	6	5	6	6	6
Administrative Information Technology	4	4	4	4	4	4	6	6	6	6
Plant Operations And Maintenance	37	37	36	36	36	36	33	34	34	34
Pupil Transportation	1	1	1	1	1	1	1	1	2	2
Other Support Services	65	65	65	65	65	65	47	44	45	45
Total	<u>558</u>	<u>558</u>	<u>555</u>	<u>575</u>	<u>585</u>	<u>585</u>	<u>605</u>	<u>607</u>	<u>625</u>	<u>180</u>

Source: District Personnel Records

RAHWAY SCHOOL DISTRICT
 OPERATING STATISTICS
 LAST TEN FISCAL YEARS
 (Unaudited)

Fiscal Year	Enrollment ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Pupil/Teacher Ratio				Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	Middle School	Senior High School				
2015	3,674	\$ 70,651,092	\$ 19,230	5.23%	312	1:13	1:13	1:12	3,749	3,532	0.92%	94.21%
2016	3,794	70,970,333	18,706	-2.73%	315	1:14	1:14	1:13	3,754	3,535	0.13%	94.17%
2017	3,835	72,684,487	18,953	1.32%	315	1:14	1:14	1:13	3,754	3,535	0.00%	94.17%
2018	3,899	75,801,702	19,441	2.58%	319	1:13	1:12	1:11	3,813	3,561	1.57%	93.39%
2019	3,899	83,007,465	21,289	9.51%	319	1:13	1:12	1:11	3,944	3,699	3.44%	93.79%
2020	3,901	84,215,975	21,588	1.40%	319	1:13	1:12	1:11	3,933	3,769	-0.28%	95.83%
2021	3,855	85,652,900	22,219	2.92%	319	1:13	1:12	1:11	4,041	3,667	2.75%	90.74%
2022	3,875	98,632,606	25,454	14.56%	336	1:13	1:12	1:11	3,997	3,624	-1.09%	90.67%
2023	3,934	105,430,723	26,800	5.29%	336	1:12	1:12	1:12	4,099	3,731	2.55%	91.02%
2024	4,278	110,000,528	25,713	-4.06%	333	1:14	1:13	1:12	4,207	3,853	2.63%	91.59%

Sources: District records

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

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<u>District Building</u>										
<u>Elementary</u>										
Franklin School										
Square Feet	81,760	81,760	81,760	81,760	81,760	81,760	81,760	81,760	81,760	81,760
Capacity (students)	661	661	661	661	661	661	661	661	661	661
Enrollment	542	644	661	648	719	656	609	626	682	759
Cleveland School										
Square Feet	68,825	68,825	68,825	68,825	68,825	68,825	68,825	68,825	68,825	68,825
Capacity (students)	532	540	540	540	540	540	540	540	540	540
Enrollment	528	538	543	551	544	511	513	482	548	632
Madison School										
Square Feet	54,015	54,015	54,015	54,015	54,015	54,015	54,015	54,015	54,015	54,015
Capacity (students)	322	322	322	322	322	322	322	322	322	322
Enrollment	299	365	355	350	351	354	338	389	407	429
Roosevelt School										
Square Feet	78,810	78,810	78,810	78,810	78,810	78,810	78,810	78,810	78,810	78,810
Capacity (students)	754	754	754	754	754	754	754	754	754	754
Enrollment	666	627	605	612	611	602	579	587	617	579
<u>Middle School</u>										
Square Feet	144,611	144,611	144,611	144,611	144,611	144,611	144,611	144,611	144,611	144,611
Capacity (students)	913	913	913	913	913	913	913	913	913	913
Enrollment	949	557	555	651	694	767	728	689	729	606
<u>High School</u>										
Square Feet	176,133	176,135	176,135	176,135	176,135	176,135	176,135	176,135	176,135	176,135
Capacity (students)	1,084	1,084	1,084	1,084	1,084	1,084	1,084	1,084	1,084	1,084
Enrollment	1,072	1,070	1,116	1,092	1,025	1,041	1,087	1,223	1,312	1,319
<u>Other</u>										
Square Feet-Ace Building-St Mary's	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Square Feet-Press Box-Vets Field	200	200	200	200	200	200	200	200	200	200
Square Feet-Hoagland Field House	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
Square Feet-Concession Stand-Vets										
Square Feet-Athletic Office/Locker Room	2,930	2,930	2,930	2,930	2,930	2,930	2,930	2,930	2,930	2,930

Number of Schools at June 30, 2024
 Elementary = 4
 Middle School = 1
 Senior High School = 1
 Other = 5

Source: District Records

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
School Facilities										
Madison	\$ 72,874	\$ 86,606	\$ 113,132	\$ 72,157	\$ 89,540	\$ 67,958	\$ 86,836	\$ 113,881	\$ 186,994	\$ 202,947
Grover Cleveland	105,466	69,824	122,773	83,854	104,054	86,590	110,644	145,105	79,586	86,376
Roosevelt	109,027	105,831	161,912	91,211	113,184	99,153	126,697	166,156	98,485	106,887
Franklin	137,626	140,108	135,041	94,141	116,819	102,864	131,439	172,376	113,719	123,420
Middle School	160,453	192,998	169,430	207,672	257,700	181,938	232,479	304,886	345,155	374,601
High School	<u>262,409</u>	<u>233,268</u>	<u>196,296</u>	<u>278,376</u>	<u>345,436</u>	<u>221,599</u>	<u>283,158</u>	<u>371,439</u>	<u>227,629</u>	<u>247,048</u>
Total School Facilities	847,855	828,635	898,584	827,411	1,026,733	760,102	971,253	1,273,843	1,051,568	1,141,279
Other Facilities	<u>77,088</u>	<u>52,634</u>	<u>82,026</u>	<u>98,476</u>	<u>122,199</u>	<u>25,452</u>	<u>32,522</u>	<u>42,651</u>	<u>59,957</u>	<u>65,072</u>
Grand Total	<u>\$ 924,943</u>	<u>\$ 881,269</u>	<u>\$ 980,610</u>	<u>\$ 925,887</u>	<u>\$ 1,148,932</u>	<u>\$ 785,554</u>	<u>\$ 1,003,775</u>	<u>\$ 1,316,494</u>	<u>\$ 1,111,525</u>	<u>\$ 1,206,351</u>

Source: District records

**RAHWAY SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2024
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
New Jersey Schools Insurance Group		
<u>Article I - Property</u>		
Real and Personal Property	\$ 350,000,000	5,000
Extra Expense	50,000,000	5,000
Valuable Papers and Records	10,000,000	5,000
Demolition and Increased Cost of Construction	25,000,000	
Loss of Business Income/Tuition	100,000	
Limited Builders Risk	10,000,000	
Special Flood Hazard Area Flood Zones	25,000,000	500,000
Accounts Receivable	250,000	
Flood (All Flood Zones)	75,000,000	10,000
Earthquake	50,000	
Terrorism	1,000,000	
<u>Article II - Electronic Data Processing</u>		
Data Processing Equipment Including Data and Media, Extra Expense, Business Income, Duplicates, Transit and Debris Removal	350,000,000	1,000
Computer Virus	250,000	1,000
<u>Article III - Equipment Breakdown</u>		
Combined Single Limit per Accident for Property Damage and Business Income	100,000,000	25,000
<u>Article IV - Crime</u>		
Public Employee Dishonesty with Faithful Performance	500,000	1,000
Forgery or Alteration	250,000	1,000
Theft, Disappearance and Destruction - Loss of Money & Securities	100,000	500
Money Orders & Counterfeit Paper Currency	100,000	500
Computer Fraud	500,000	1,000
<u>Article V - Comprehensive General Liability</u>		
Bodily Injury and Property Damage	31,000,000	
Products and Completed Operations	31,000,000	
Sexual Abuse	15,000,000	
Communicable Disease Outbreak	1,000,000	
Personal Injury and Advertising Injury	31,000,000	
Employee Benefits Liability	31,000,000	1,000
<u>Article VI - Automobile</u>		
Any Auto	31,000,000	1,000
Uninsured/Underinsured Motorists	25,000	
Personal Injury Protection	250,000	
Terrorism	1,000,000	
Commnicable Disease	1,000,000	

Source: School District's records

SINGLE AUDIT SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA
ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, RMA, PSA

DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA, PSA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA
JOHN CUIFFO, CPA, PSA

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

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Rahway School District
Rahway, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities and each major fund of the Rahway School District as of and for the fiscal year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the Rahway School District's basic financial statements and have issued our report thereon dated January 8, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Rahway School 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 Rahway School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Rahway School District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2024-001 through 2024-003 that we consider to be a significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Rahway School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and which re described in the accompanying schedule of findings and questioned costs as items 2024-002 and 2024-003.

We also noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Rahway School District in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated January 8, 2025.

Rahway School District's Responses to Findings

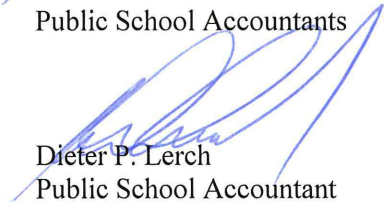
Government Auditing Standards requires the auditor to perform limited procedures on the Rahway School District's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The Rahway School District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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



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



Dieter P. Lerch
Public School Accountant
PSA Number CS000756

Fair Lawn, New Jersey
January 8, 2025



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE
OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE U.S. UNIFORM GUIDANCE AND
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE REQUIRED BY NEW JERSEY OMB
CIRCULAR 15-08**

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Rahway School District
Rahway, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Rahway School District's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Rahway School District's major federal and state programs for the fiscal year ended June 30, 2024. The Rahway School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Rahway School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2024.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; 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 audit requirements of New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Our responsibilities under those standards, U.S. Uniform Guidance and New Jersey OMB Circular 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 Rahway School 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 Rahway School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Rahway School 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 generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, U.S. Uniform Guidance and New Jersey 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 omission, misrepresentation, 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 Rahway School District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, U.S. Uniform Guidance, and New Jersey OMB Circular 15-08, we:

- Exercise professional judgement 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 Rahway School 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 Rahway School 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 U.S. Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Rahway School 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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with U.S. Uniform Guidance and New Jersey OMB Circular 15-08 which are described in the accompanying schedule of findings and questioned costs as items 2024-004 through 2024-006. Our opinion on each major federal and state program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the Rahway School District's responses to the noncompliance findings identified in our compliance audit and described in the accompanying schedule of findings and questioned costs. The Rahway School District's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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. 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-04 and 2024-006 to be significant deficiencies.

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.

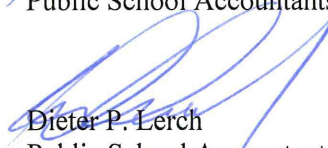
Government Auditing Standards requires the auditor to perform limited procedures on the Rahway School District's response to the internal control over compliance findings identified in our compliance audit and described in the accompanying schedule of findings and questioned costs. The Rahway School District's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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

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

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Rahway School District, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated January 8, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.


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


Dieter P. Lerch
Public School Accountant
PSA Number CS000756

Fair Lawn, New Jersey
January 8, 2025

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

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	FAIN Number	Grant Period	Award Amount	Balance July 1, 2023	Carryover Amount		Cash Received	Budgetary Expenditures	Cancelled Prior Year Encumbrances	Prior Year Adjustment	Carryover Funds Released		Balance, June 30, 2024		Due to Grantor at June 30, 2024	MEMO GAAP Receivable	
						Unearned Revenue	Accounts Receivable					Unearned Revenue	Accounts Receivable	(Account Receivable)	Unearned Revenue			
U.S. Department of Education Passed-through State Department of Agriculture																		
Food Distribution Program - National School Lunch Program																		
Non-Cash Assistance	10.550	241N304N1099	7/1/23-6/30/24	\$ 247,580			\$ 247,580	\$ 245,072						\$ 2,508				
Non-Cash Assistance	10.550	231N304N1099	7/1/23-6/30/23	226,694	\$ 8,871				8,871									
Cash Assistance	10.555	241N304N1099	7/1/23-6/30/24	1,332,625			1,091,829	1,332,625						\$ (240,796)			\$ 240,796	
Cash Assistance	10.555	231N304N1099	7/1/22-6/30/23	1,320,662	(96,550)		96,550											
Cash Assistance	10.555	191N304N1099	7/1/22-6/30/23															
HHFKA - Performance Based Seamless Summer Option	10.555	241N304N1099	7/1/23-6/30/24	36,965			30,361	36,965						(6,604)			6,604	
HHFKA - Performance Based Seamless Summer Option	10.555	231N304N1099	7/1/22-6/30/23	34,819	(2,466)		2,466											
National School Breakfast Program	10.553	241N304N1099	7/1/23-6/30/24	194,218			156,216	194,218						(38,002)			38,002	
National School Breakfast Program	10.553	231N304N1099	7/1/22-6/30/23	165,953	(13,136)		13,136											
COVID - Supply Chain Assistance Award	10.555	N/A	7/1/23-6/30/24	98,337			98,337	98,337										
COVID - Supply Chain Assistance Award	10.555	N/A	7/1/22-6/30/23	188,161	12,679										12,679			
Total Child Nutrition Cluster					(90,602)			1,736,475	1,916,088					(285,402)	15,187			285,402
NSLP Equipment Assistance Grant	10.579	241N304N1099	7/1/23-6/30/24	15,191			15,191	15,191										
Local Food for Schools (LFS) Cooperative Program	10.185		7/1/23-6/30/24	15,226			15,226	15,226										
Pandemic EBT Administrative Costs	10.649		7/1/23-6/30/24	3,256			3,256	3,256										
Total U.S. Department of Agriculture - Enterprise Fund					(90,602)			1,770,148	1,949,761					(285,402)	15,187			285,402
U.S. Department of Health and Human Services Passed-through State Department of Education:																		
General Fund																		
Medicaid Assistance	93.778	2405N35MAP	7/1/23-6/30/24	243,778			243,778	243,778										
Total U.S. Department of Health and Human Services								243,778	243,778									
U.S. Department of Education Passed-through State Department of Education																		
Special Revenue Fund																		
IDEA Part B - Basic	84.027A	H027A230100	7/1/23-9/30/24	1,201,225		\$ 1,581	\$ (1,581)	1,147,693	1,178,331					(55,113)	24,475			30,638
IDEA Part B - Basic	84.027A	H027A220100	7/1/22-9/30/23	1,105,080	(219,432)	(1,581)	1,581	219,432										
ARP - Individuals with Disabilities	84.027X	H077X210100	7/1/21-9/30/22	206,497	(50)			50										
IDEA Part B - Preschool	84.173A	H173A230114	7/1/23-9/30/24	35,796										(35,796)	35,796			
ARP - Preschool Grants for Children with Disabilities	84.173X	H173X210114	7/1/21-9/30/22	17,530	(7,953)			7,953										
Total Special Education Cluster					(227,435)			1,375,128	1,178,331					(90,909)	60,271			30,638
Title III	84.365A	S365A230030	7/1/23-9/30/24	69,475		65,454	(65,454)	40,720	79,284					(94,209)	55,645			38,564
Title III - Immigrant	84.365A	S365A220030	7/1/22-9/30/23	123,603	(29,299)	(65,454)	65,454	17,496			\$ 11,803	\$ (22,487)	\$ 22,487					
Title III - Immigrant	84.365A	S365A230030	7/1/23-9/30/24	15,084				5,103	12,103					(9,981)	2,981			7,000
Title III - Immigrant	84.365A	S365A220030	7/1/22-9/30/23															
Total Title III Cluster					(29,299)			63,319	91,387			11,803	(22,487)	22,487	(104,190)	58,626		45,564
Title I	84.010	S010A230030	7/1/23-9/30/24	780,661		117,396	(117,396)	290,649	520,854					(607,408)	377,203			230,205
Title I	84.010	S010A220030	7/1/22-9/30/23	878,422	(633,961)	(117,396)	117,396	590,461			43,500							
Title I SIA	84.010	S010A230030	7/1/23-9/30/24	219,400		90,000	(90,000)	81,608	115,365					(227,792)	194,035			33,757
Title I SIA	84.010	S010A220030	7/1/22-9/30/23	161,419	(14,523)	(90,000)	90,000	11,023			3,500	(11,838)	11,838					
Title IIA	84.367	S367A230029	7/1/23-9/30/24	121,889		119,507	(119,507)	104,584	139,133					(136,812)	102,263			34,549
Title IIA	84.367	S367A220029	7/1/22-9/30/23	249,437	(42,733)	(119,507)	119,507	28,116			14,617							
Title IV Part A	84.424A	S424A230031	7/1/23-9/30/24	60,433		51,750	(51,750)	21,711	84,414					(90,472)	27,769			62,703
Title IV Part A	84.424A	S424A220031	7/1/22-9/30/23	82,687	(15,736)	(51,750)	51,750	6,915			8,821	(12,111)	12,111					
Elementary and Secondary School Emergency Relief (ESSER II) Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act																		
ESSER II	84.425D	S425D240027	3/13/20-9/30/23	1,844,474	(1,062,666)			1,145,235	346,333	\$ 245,032	18,732	(21,272)	21,272					
Learning Acceleration	84.425D	S425D240027	3/13/20-9/30/23	118,369	(29,528)			52,231	24,251		1,548	(1,552)	1,552					
Elementary and Secondary School Emergency Relief (ESSER II) American Rescue Plan																		
ESSER III	84.425U	S425U240027	3/13/20-9/30/24	4,145,337	(2,188,887)			1,852,024	683,271	235,422				(784,712)				784,712
Learning Acceleration	84.425U	S425U240027	3/13/20-9/30/24	403,588	(88,690)			227,579	205,742					(66,853)				66,853
Mental Health	84.425U	S425U240027	3/13/20-9/30/24	88,501	(88,501)			88,501										
Evidence Based Summer Learning and Enrichment	84.425U	S425U240027	3/13/20-9/30/24	40,000				40,000	40,000									
Evidence Based Comprehensive Beyond the School Day	84.425U	S425U240027	3/13/20-9/30/24	40,000				40,000	40,000									
ESSER Cluster Total					(3,458,272)			3,445,570	1,339,597	480,454	20,280	(22,824)	22,824	(851,565)				851,565
Total U.S. Department of Education - Special Revenue Fund					(4,421,959)			6,019,084	3,469,081	480,454	102,521	(69,260)	69,260	(2,109,148)	820,167			1,288,981
Total Federal Awards					\$ (4,512,561)	\$ -	\$ -	\$ 8,033,010	\$ 5,662,620	\$ 480,454	\$ 102,521	\$ (69,260)	\$ 69,260	\$ (2,394,550)	\$ 835,354	\$ -	\$ -	\$ 1,574,383

RAHWAY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

State Grantor/Program Title	Grant or State Project Number	Award Amount	Grant Period From	Balance, July 1, 2023							Refund Prior Years' Balances	June 30, 2024		MEMO	
				Unearned Revenue/ (Accts Rec.)	Due to Grantor	Carryover Amount	Cash Received	Budgetary Expenditures	General Fund Contribution	Adjustment		(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable
General Fund:															
State Department of Education:															
Equalization Aid	24-495-034-5120-078	\$ 31,869,511	7/1/23-6/30/24				\$ 28,706,576	\$ 31,869,511				\$ (3,162,935)			\$ 31,869,511
Equalization Aid	23-495-034-5120-078	30,657,132	7/1/22-6/30/23	\$ (3,040,264)			3,040,264								
Security Aid	24-495-034-5120-084	1,032,364	7/1/23-6/30/24				929,906	1,032,364				(102,458)			1,032,364
Security Aid	23-495-034-5120-084	1,032,364	7/1/22-6/30/23	(102,379)			102,379								
Special Education Aid	24-495-034-5120-089	3,859,824	7/1/23-6/30/24				3,476,750	3,859,824				(383,074)			3,859,824
Special Education Aid	23-495-034-5120-089	2,263,445	7/1/22-6/30/23	(224,466)	-	-	224,466	-	-	-	-	-	-	-	-
Total State Aid Public Cluster				(3,367,109)	-	-	36,480,341	36,761,699	-	-	-	(3,648,467)	-	-	36,761,699
Transportation Aid	24-495-034-5120-014	916,421	7/1/23-6/30/24				825,470	916,421				(90,951)			916,421
Transportation Aid	23-495-034-5120-014	916,421	7/1/22-6/30/23	(90,881)			90,881								
Nonpublic Transportation	not available	74,165	7/1/23-6/30/24					74,165				(74,165)		\$ 74,165	74,165
Nonpublic Transportation	not available	53,664	7/1/22-6/30/23	(53,664)	-	-	53,664	-	-	-	-	-	-	-	-
Total Transportation Aid Cluster				(144,545)	-	-	970,015	990,586	-	-	-	(165,116)	-	-	990,586
Extraordinary Aid	24-100-034-5120-044	1,353,958	7/1/23-6/30/24					1,353,958				(1,353,958)			1,353,958
Extraordinary Aid	23-100-034-5120-044	947,338	7/1/22-6/30/23	(947,338)			947,338								
Reimbursed TPAF Social Security Contributions	24-495-034-5094-003	2,613,808	7/1/23-6/30/24				2,485,112	2,613,808				(128,696)		128,696	2,613,808
Reimbursed TPAF Social Security Contributions	23-495-034-5094-003	2,535,026	7/1/22-6/30/23	(123,865)			123,865								
On-Behalf TPAF Pension Contribution	24-495-034-5094-006	12,315,247	7/1/23-6/30/24				12,315,247	12,315,247							12,315,247
On-Behalf TPAF Non-Contributory Group Insurance	24-495-034-5094-007	140,449	7/1/23-6/30/24				140,449	140,449							140,449
On-Behalf TPAF Long Term Disability Insurance	24-495-034-5094-007	4,568	7/1/23-6/30/24				4,568	4,568							4,568
On-Behalf TPAF Post Retirement Medical Benefits	24-495-034-5094-001	3,389,984	7/1/23-6/30/24				3,389,984	3,389,984							3,389,984
Total General Fund				(4,582,857)	-	-	56,856,919	57,570,299	-	-	-	(5,296,237)	-	-	57,570,299
Special Revenue Fund:															
State Department of Education:															
N.J. Nonpublic Aid:															
Textbook Aid	23-100-034-5120-064	858	7/1/22-6/30/23		\$ 858						\$ 858				
Nursing Services	24-100-034-5120-070	1,920	7/1/23-6/30/24				1,920	1,920							1,920
Technology Initiative	24-100-034-5120-373	784	7/1/23-6/30/24				784						\$ 784		
Technology Initiative	23-100-034-5120-373	546	7/1/22-6/30/23		546							546			
Security Aid	24-100-034-5120-509	3,280	7/1/23-6/30/24				3,280							3,280	
Security Aid	23-100-034-5120-509	2,665	7/1/22-6/30/23		2,665							2,665			
Preschool Education Aid	24-495-034-5120-086	6,012,900	7/1/23-6/30/24			\$ 1,944,160	5,411,610	6,060,497	\$ 581,388	\$ 145,438		(601,290)	\$ 2,623,389		6,060,497
Preschool Education Aid	23-495-034-5120-086	5,186,052	7/1/22-6/30/23	1,425,555		(1,944,160)	518,605								
SDA Capital and Emergent Needs Grant		98,872	7/1/22-6/30/23				98,872	29,529					69,343		29,529
SDA Capital and Emergent Needs Grant		100,238	7/1/23-6/30/24				100,238						100,238		
Total Special Revenue Fund				1,425,555	4,069	-	6,135,309	6,091,946	581,388	145,438	4,069	(601,290)	2,792,970	4,064	6,091,946

RAHWAY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

State Grantor/Program Title	Grant or State Project Number	Award Amount	Grant Period From	Balance, July 1, 2023			Cash Received	Budgetary Expenditures	General Fund Contribution	Adjustment	Refund Prior Years' Balances	Balance, June 30, 2024			MEMO	
				Unearned Revenue/(Accts Rec.)	Due to Grantor	Carryover Amount						(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
Debt Service Fund:																
Debt Service Aid - Type II	24-495-034-5120-075	793,546	7/1/23-6/30/24	-	-	-	\$ 793,546	\$ 793,546	-	-	-	-	-	-	-	\$ 793,546
Total Debt Service Fund				-	-	-	793,546	793,546	-	-	-	-	-	-	-	793,546
Enterprise Fund:																
School Breakfast Program	24-100-010-3350-023	2,650	7/1/23-6/30/24				2,165	2,650				\$ (485)			\$ 485	2,650
School Breakfast Program	23-100-010-3350-023	2,917	7/1/22-6/30/23	\$ (218)			218									
School Lunch Program	24-100-010-3350-023	48,546	7/1/23-6/30/24				39,836	48,546				(8,710)			8,710	48,546
School Lunch Program	23-100-010-3350-023	47,381	7/1/22-6/30/23	(3,456)			3,456									
Working Class Families State Supplement (NJEIE)	24-100-010-3350-023	17,371	7/1/23-6/30/24	-	-	-	13,719	17,371	-	-	-	(3,652)	-	-	3,652	17,371
Total Enterprise Fund				(3,674)	-	-	59,394	68,567	-	-	-	(12,847)	-	-	12,847	68,567
Capital Projects Fund:																
Securing Our Children's Future (Alyssa's Grant)	22-034-5120-588-001	212,332		17,798	-	-	-	-	-	-	-	-	\$ 17,798	-	-	194,534
Total Capital Projects Fund				17,798	-	-	-	-	-	-	-	-	17,798	-	-	194,534
Total State Financial Assistance Subject to Single Audit Determination				(3,143,178)	4,069	-	63,845,168	64,524,358	581,388	145,438	4,069	(5,910,374)	2,810,768	4,064	215,708	64,718,892
Less:																
State Assistance Not Subject to Single Audit:																
TPAF Pension	24-495-034-5094-006	12,315,247	7/1/23-6/30/24				(12,315,247)	(12,315,247)								
TPAF NCGI Contribution	24-495-034-5094-007	140,449	7/1/23-6/30/24				(140,449)	(140,449)								
TPAF LTDI Contribution	24-495-034-5094-007	4,568	7/1/23-6/30/24				(4,568)	(4,568)								
TPAF Post-Retirement Medical Contribution	24-495-034-5094-001	3,389,984	7/1/23-6/30/24	-	-	-	(3,389,984)	(3,389,984)	-	-	-	-	-	-	-	-
State Assistance Subject to Major Program Determination				\$ (3,143,178)	\$ 4,069	\$ -	\$ 47,994,920	\$ 48,674,110	\$ 581,388	\$ 145,438	\$ 4,069	\$ (5,910,374)	\$ 2,810,768	\$ 4,064	\$ 215,708	\$ 64,718,892

**RAHWAY SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 1 REPORTING ENTITY

The Rahway School District (the “Board” or the “District”) received and participated in numerous Federal Award and State Financial Assistance programs in the form of cost reimbursement grants and revenue sharing entitlements. The Board is the reporting entity for these programs. The Board is defined in Note 1 (A) to the Board’s Financial Statements.

NOTE 2 BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance (the “Schedules”) present the activity of all federal and state programs of the Board. All federal awards received directly from federal agencies or passed through other government agencies are included on the schedule of expenditures of federal awards. All state awards received directly from state agencies or passed through other government agencies are included in the schedule of expenditures of state financial assistance. The information in these Schedules are 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 OMB Circular Letter 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Schedules are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in the Notes to the Budgetary Comparison Schedules (RSI) and Note 1(D) to the Board's financial statements, respectively. Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements. The Board’s summary of significant accounting policies are described in Note 1 to the Board’s financial statements.

NOTE 4 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$1,635,386 for the general fund and an increase of \$1,735,037 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board’s financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 243,778	\$ 55,934,913	\$ 56,178,691
Special Revenue Fund	4,568,442	6,145,954	10,714,396
Debt Service Fund		793,546	793,546
Food Service Fund	<u>1,916,016</u>	<u>68,567</u>	<u>1,984,583</u>
Total Awards and Financial Assistance	<u>\$ 6,728,236</u>	<u>\$ 62,942,980</u>	<u>\$ 69,671,216</u>

**RAHWAY SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE 5 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6 OTHER INFORMATION

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$2,613,808 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2024. The amount reported as TPAF Pension System Contributions in the amount of \$12,455,696, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$3,389,984 and TPAF Long-Term Disability Insurance in the amount of \$4,568 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2024.

NOTE 7 ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

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

NOTE 8 DE MINIMIS INDIRECT COST RATE

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

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

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

2) Were significant deficiency(ies) identified that were not considered to be material weaknesses? X yes none reported

Noncompliance material to the basic financial statements noted? X yes no

Federal Awards Section

Internal Control over compliance:

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

2) Were significant deficiency(ies) identified that were not considered to be material weaknesses? yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with U.S. Uniform Guidance yes X none

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027</u>	<u>H027A230100</u>	<u>IDEA Part B Basic</u>
<u>84.425D</u>	<u>S425D240027</u>	<u>Coronavirus Response and Relief Supplemental Act (CRRSA - ESSER II)</u>
<u>84.425U</u>	<u>S425U240027</u>	<u>American Rescue Plan (ARP - ESSER III)</u>

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

Auditee qualified as low-risk auditee? yes X no

RAHWAY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Part I – Summary of Auditor’s Results

State Awards Section

Internal Control over compliance:

- 1) Material weakness(es) identified? _____ yes X no
- 2) Were significant deficiency(ies) identified that were not considered to be material weaknesses? X yes _____ none reported

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

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08, as amended? X yes _____ none

Identification of major programs:

<u>State Grant/Project Numbers</u>	<u>Name of State Program</u>
<u>24-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>24-495-034-5120-089</u>	<u>Special Education Aid</u>
<u>24-495-034-5120-084</u>	<u>Security Aid</u>
<u>24-495-034-5094-003</u>	<u>Reimbursed TPAF Social Security Contributions</u>
<u>24-495-034-5120-086</u>	<u>Preschool Education Aid</u>

Dollar threshold used to distinguish between Type A and Type B Programs \$ 1,460,223

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

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

Part 2 – Schedule of Financial Statement Findings

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

Finding 2024-001

Our audit indicated that the beginning of year general ledger balances were not in agreement with the prior year audited balances.

Criteria or Specific Requirement

Generally Accepted Accounting Principles

Condition

The District's general ledger did not include adjustments from the prior year audit, resulting in beginning balances not being in agreement with audited balances.

Context

The District's general ledger includes 122 accounts for which transactions are posted. Of that total, 18 accounts in the General Fund, 10 accounts in the Special Revenue Fund, 2 accounts in the Capital Projects Fund, 2 accounts in the Debt Service Fund and 16 accounts in the Food Service Fund required adjustment of the beginning of year balances to ensure agreement with the prior year audited balances.

Effect

The balances reported and the records of the Board Secretary did not reflect audited balances.

Cause

Unknown

Recommendation

The beginning general ledger balances be adjusted to ensure agreement with the prior year audit.

View of Responsible Officials and Planned Corrective Action

Management has reviewed this finding and has indicated that correction action will be taken.

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

Part 2 – Schedule of Financial Statement Findings

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

Finding 2024-002

Our audit indicated numerous budget appropriation line items were overexpended.

Criteria or Specific Requirement

State of New Jersey Department of Education Budgeting Guidelines

Condition

Expenditures were incurred charged to individual budgetary line items for which sufficient appropriations were not available.

Context

Expenditures were incurred for thirty-one (31) individual budgetary line items in the General Fund for a total of \$18,580,833. Available appropriations such line items totaled \$16,659,121, resulting in overexpenditures amounting to \$1,921,712. Expenditures were incurred for one (1) budgetary line item in the Special Revenue Fund in the amount of \$81,500. The available appropriation in that line items was \$70,000, resulting in an overexpenditure of \$11,500.

Effect

Expenditures exceeded available appropriations in individual budget line items.

Cause

Budget appropriation transfers were not made to ensure sufficient line item funds were available for expenditures incurred.

Recommendation

Budget appropriation transfers be made prior to the commitment of District funds to ensure sufficient funds are available.

View of Responsible Officials and Planned Corrective Action

Management has reviewed this finding and has indicated that correction action will be taken.

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

Part 2 – Schedule of Financial Statement Findings

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

Finding 2024-003

Our audit indicated that payments were made for purchases and services related to landscaping, cafeteria equipment and athletic supplies, the cost of which exceeded that statutory threshold, without seeking bid through public advertisement.

Criteria or Specific Requirement

Public School Contracts Law

Condition

Bids were not sought through public advertisement for expenditures for purchases and services exceeding the statutory threshold.

Context

Payments were made in the amounts of \$86,397 for landscaping services; \$120,438 for cafeteria equipment; and \$163,480 for athletic supplies without seeking bids through public advertisement.

Effect

The District is not in compliance with the statutory requirements of the Public School Contracts Law.

Cause

Unknown.

Recommendation

Bids be sought through public advertisement for bids for landscaping services, cafeteria equipment purchases and athletic supplies when such costs exceed the statutory threshold of \$44,000.

View of Responsible Officials and Planned Corrective Action

Management has reviewed this finding and has indicated that correction action will be taken.

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

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

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

CURRENT YEAR FEDERAL AWARDS

There are none.

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

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

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

CURRENT YEAR STATE AWARDS

Finding 2024-004

Our audit indicated numerous budget appropriation line items were overexpended.

State Program Information

Equalization Aid	495-034-5120-078
Special Education Aid	495-034-5120-089
Security Aid	495-034-5120-084

Criteria or Specific Requirement

State Grant Compliance Supplement – State Aid Public – Special Tests and Provisions

Condition

Expenditures were incurred charged to individual budgetary line items for which sufficient appropriations were not available.

Questioned Costs

None.

Context

Expenditures were incurred for thirty-one (31) individual budgetary line items in the General Fund for a total of \$18,580,833. Available appropriations such line items totaled \$16,659,121, resulting in overexpenditures amounting to \$1,921,712. Expenditures were incurred for one (1) budgetary line item in the Special Revenue Fund in the amount of \$81,500. The available appropriation in that line items was \$70,000, resulting in an overexpenditure of \$11,500.

Effect

Expenditures exceeded available appropriations in individual budget line items.

Cause

Budget appropriation transfers were not made to ensure sufficient line item funds were available for expenditures incurred.

Recommendation

Budget appropriation transfers be made prior to the commitment of District funds to ensure sufficient funds are available.

View of Responsible Officials and Planned Corrective Action

Management has reviewed this finding and has indicated that correction action will be taken.

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

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

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

CURRENT YEAR STATE AWARDS

Finding 2024-005

Our audit indicated that budget appropriation transfers which exceeded the statutory maximums were made without seeking approval of the Executive County Superintendent.

State Program Information

Equalization Aid	495-034-5120-078
Special Education Aid	495-034-5120-089
Security Aid	495-034-5120-084

Criteria or Specific Requirement

State Grant Compliance Supplement – State Aid Public – Special Tests and Provisions

Condition

Budget appropriation transfers were made in excess of the statutory maximum without seeking County approval.

Questioned Costs

None.

Context

- Budget appropriation transfers were made into the General Administration line items in the amount of \$363,368, or 25.33% of the available appropriations. The maximum amount allowed by statute without requiring County approval is \$143,583, or 10% of available appropriations.
- Budget appropriation transfers were made from the Personal Services – Employee Benefits line items in the amount of \$1,518,260, or 11% of the available appropriations. The maximum amount allowed by statute without requiring County approval is \$1,382,197, or 10% of available of appropriations.
- Budget appropriation transfers of \$170,044 were made into the Facilities Acquisition and Construction Services line items. All transfers into these line items require County approval.

Effect

Budget appropriation transfers were made without seeking the required approval of the County.

Cause

Unknown.

Recommendation

County approval be sought for budget appropriation transfers exceeding the statutory maximum.

View of Responsible Officials and Planned Corrective Action

Management has reviewed this finding and has indicated that correction action will be taken.

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

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

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

CURRENT YEAR STATE AWARDS

Finding 2024-006

Our audit indicated that payments were made for purchases and services related to landscaping, cafeteria equipment and athletic supplies, the cost of which exceeded that statutory threshold, without seeking bid through public advertisement.

State Program Information

Equalization Aid	495-034-5120-078
Special Education Aid	495-034-5120-089
Security Aid	495-034-5120-084

Criteria or Specific Requirement

State Grant Compliance Supplement – State Aid Public – Special Tests and Provisions

Condition

Bids were not sought through public advertisement for expenditures for purchases and services exceeding the statutory threshold.

Questioned Costs

None.

Context

Payments were made in the amounts of \$86,397 for landscaping services; \$120,438 for cafeteria equipment; and \$163,480 for athletic supplies without seeking bids through public advertisement.

Effect

The District is not in compliance with the statutory requirements of the Public School Contracts Law.

Cause

Unknown.

Recommendation

Bids be sought through public advertisement for bids for landscaping services, cafeteria equipment purchases and athletic supplies when such costs exceed the statutory threshold of \$44,000.

View of Responsible Officials and Planned Corrective Action

Management has reviewed this finding and has indicated that correction action will be taken.

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

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

STATUS OF PRIOR YEAR FINDINGS

Finding 2023-003

The District's net cash resources in the food service fund exceeded 3 months average expenditures.

Current Status

See general comment in Auditor's Management Report.