

ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Rockaway, New Jersey

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT
of the
Rockaway Borough Public School District
Rockaway, New Jersey
For The Fiscal Year Ended June 30, 2025**

**Prepared by
Business Office**

**ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
TABLE OF CONTENTS**

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	1-5
Organizational Chart	6
Roster of Officials	7
Consultants and Advisors	8
FINANCIAL SECTION	
Independent Auditor's Report	9-11
REQUIRED SUPPLEMENTARY INFORMATION – PART I	
Management's Discussion and Analysis	12-21
Basic Financial Statements	
A. District-wide Financial Statements	
A-1 Statement of Net Position	22
A-2 Statement of Activities	23
B. Fund Financial Statements	
<i>Governmental Funds</i>	
B-1 Balance Sheet	24-25
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	26
B-3 Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances with the District-Wide Statements	27
<i>Proprietary Funds</i>	
B-4 Statement of Net Position	28
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position	29
B-6 Statement of Cash Flows	30
<i>Fiduciary Funds – Not Applicable</i>	
Notes to the Financial Statements	31-70

ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT

TABLE OF CONTENTS

Page

REQUIRED SUPPLEMENTARY INFORMATION – PART II

C. Budgetary Comparison Schedules

C-1	Budgetary Comparison Schedule – General Fund	71-76
C-2	Budgetary Comparison Schedule – Special Revenue Fund	77

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART II

C-3	Budgetary Comparison Schedule – Note to Required Supplementary Information	78
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REQUIRED SUPPLEMENTARY INFORMATION – PART III

L. Schedules Related to Accounting and Reporting for Pensions and OPEB (GASB 68)

L-1	Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Public Employees Retirement System	79
L-2	Required Supplementary Information – Schedule of District Contributions – Public Employees Retirement System	80
L-3	Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Teachers Pension and Annuity Fund	81
L-4	Notes to Required Supplementary Information – Net Pension Liability	82

REQUIRED SUPPLEMENTARY INFORMATION – PART IV

M. Schedules Related to Accounting and Reporting for Postemployment Benefits Other Than Pension (GASB 75)

M-1	Required Supplementary Information – Schedule of District’s Proportionate Share of Total OPEB Liability	83
M-2	Notes to Required Supplementary Information – OPEB Liability	84

OTHER SUPPLEMENTARY INFORMATION

D. School Level Schedules – Not Applicable

E. Special Revenue Fund

E-1	Combining Schedule of Program Revenues and Expenditures Special Revenue Fund – Budgetary Basis	85-86
E-2	Schedule of Preschool Education Aid Schedule of Expenditures Budgetary Basis – Not Applicable	

F. Capital Projects Fund

F-1	Summary Schedule of Project Expenditures	87
F-2	Summary Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis	88
F-2a	Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis – 2020 Referendum – Various School Improvements	89

ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT

TABLE OF CONTENTS

Page

OTHER SUPPLEMENTARY INFORMATION (Continued)

G. Proprietary Funds

G-1	Combining Statement of Net Position – Not Applicable	90
G-2	Combining Statement of Revenues, Expenses and Changes in Net Position – Not Applicable	90
G-3	Combining Statement of Cash Flows – Not Applicable	90

H. Fiduciary Funds – Not Applicable

I. Long-Term Debt

I-1	Schedule of Serial Bonds	91
I-2	Schedule of Capital Financing Agreements	92
I-3	Debt Service Fund Budgetary Comparison Schedule	93

J. STATISTICAL SECTION (Unaudited)

J-1	Net Position by Component	94
J-2	Changes in Net Position	95-96
J-3	Fund Balances – Governmental Funds	97
J-4	Changes in Fund Balances - Governmental Funds	98
J-5	General Fund - Other Local Revenue by Source	99
J-6	Assessed Value and Actual Value Tax Property	100
J-7	Direct and Overlapping Property Tax Rates	101
J-8	Principal Property Taxpayers	102
J-9	Property Tax Levies and Collections	103
J-10	Ratios of Outstanding Debt by Type	104
J-11	Ratios of Net General Bonded Debt Outstanding	105
J-12	Direct and Overlapping Governmental Activities Debt	106
J-13	Legal Debt Margin Information	107
J-14	Demographic and Economic Statistics	108
J-15	Principal Employers	109
J-16	Full-Time Equivalent District Employees by Function/Program	110
J-17	Operating Statistics	111
J-18	School Building Information	112
J-19	Schedule of Required Maintenance for School Facilities	113
J-20	Insurance Schedule	114

**ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
TABLE OF CONTENTS**

Page

SINGLE AUDIT SECTION

K-1	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	115-116
K-2	Report on Compliance for each Major State Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of State Financial Assistance as Required by New Jersey OMB Circular 15-08 - Independent Auditor’s Report	117-119
K-3	Schedule of Expenditures of Federal Awards	120-121
K-4	Schedule of Expenditures of State Financial Assistance	122
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	123-124
K-6	Schedule of Findings and Questioned Costs – Part 1 – Summary of Auditor’s Results	125-126
K-6	Schedule of Findings and Questioned Costs – Part 2– Financial Statement Findings	127-132
K-6	Schedule of Findings and Questioned Costs – Part 3 – Federal Awards and State Financial Assistance Findings and Questioned Costs	133-143
K-7	Summary Schedule of Prior Year Audit Findings – Not Applicable	

INTRODUCTORY SECTION



ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT

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

TEL: 973-625-8600

FAX: 973-625-7355

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

Dear Board Members:

The annual comprehensive financial report of the Rockaway Borough Public School District for the fiscal year ended June 30, 2025, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operation of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

1) REPORTING ENTITY AND ITS SERVICES: The Rockaway Borough Public School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB-14. All funds and account groups of the district are included in this report. The Rockaway Borough Board of Education and all its schools constitute the District's reporting entity. The district provides a full range of educational services appropriate to grade levels Pre- K through 8. These include regular, and special education for handicapped young men and women. The district completed the 2024-2025 fiscal year with an enrollment of 601 students.

The following details the changes in student enrollment over the last ten years:

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2024-2025	601	+5.8%
2023-2024	566	+1.6%
2022-2023	557	+2.7%
2021-2022	542	+3.4%
2020-2021	524	(5.9%)
2019-2020	557	(0.7%)
2018-2019	561	(2.3%)
2017-2018	574	(2.2%)
2016-2017	587	+3.8%
2015-2016	565	(2.5%)

2) ECONOMIC CONDITIONS AND OUTLOOK: The Rockaway area is undergoing development and expansion which will most likely impact student enrollment for the district. There is one planned 70-unit affordable senior and supportive housing development, with utility work underway and construction expected to follow. The other is a new 77-unit affordable housing development consisting of two buildings, located off Van Dyne Ave. Enrollment has been trending upwards the last two years. The borough does have additional land available for new and redevelopment of existing lots. The last district demographic study, completed on April 17, 2018, (before the passage of a 12.5M dollar district school buildings referenda on September 24, 2019) projected a total of 607 students, which is compatible with a total district functional capacity of 601, before the completion of Lincoln's 3 kindergarten classroom addition, which was opened on September 1, 2021, and added more functional student capacity.

3) MAJOR INITIATIVES:

Academic Programs

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

Enrichment opportunities include accelerated offerings in Language Arts and Mathematics at the middle school that are offered, advanced math classes for 8th graders at Morris Hills or Morris Knolls High Schools, a K-8 Gifted and Talented program, and numerous after school co-curricular activities.

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

Our Special Education offerings include general education with support, in-class resource, resource room, LLD, MD and Pre-K programs. We have a full-time Occupational Therapist and two full-time Speech Therapists on staff. We contract for a Physical Therapist and Behaviorists for those students deemed eligible. We also contract with an Occupational Therapist for additional students above our staff member's caseload. Wherever possible, all special education students are given exposure to the mainstream and/or the least restrictive environment through individualized programming and scheduling. Specific students are also exposed to community-based instruction opportunities.

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

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

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

Facilities and Security

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

Our Emergency Management (EM) Team investigates opportunities to improve the safety and security of our schools. Our district currently has an excellent security camera system as well as door magnets in all classrooms that ensure teachers can quickly lock their door in the event of an emergency. We have AEDs available in the buildings in compliance with code, and each school has an AED Team that is trained to follow our district protocol in the event of a targeted incident. We conduct all mandated security drills annually, including AED drills. We also update our Emergency Management Manual frequently, in consultation with the local police department. Further, our team has worked with local law enforcement, starting with our Class 3 Officers, to train both staff and students in the various drills required by the state of New Jersey. We continue to make live streaming of our in-house video surveillance available to the local police to enhance response to potential emergencies. In response to the growing number of security issues both national and local, we continue to utilize the services of two Class III officers in conjunction with the Rockaway Borough Police. We also monitor student computer use with Gon Guardian and Beacon programs.

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line- item basis. Open encumbrances at year-end are either canceled or are included as re-appropriation of fund balance in the subsequent year. Those amounts are to be re-appropriated are reported as reservations of fund balance at June 30, 2025.

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

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

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

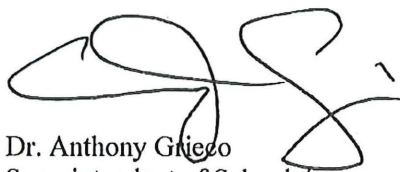
9) OTHER INFORMATION: Independent Audit- State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci & Bliss, LLP, was elected by the Board's audit committee. In addition to meeting the requirements set forth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

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

Respectfully submitted,



Dr. Giovanni Cusmano
Interim District Business Administrator/
Secretary of the Board of Education

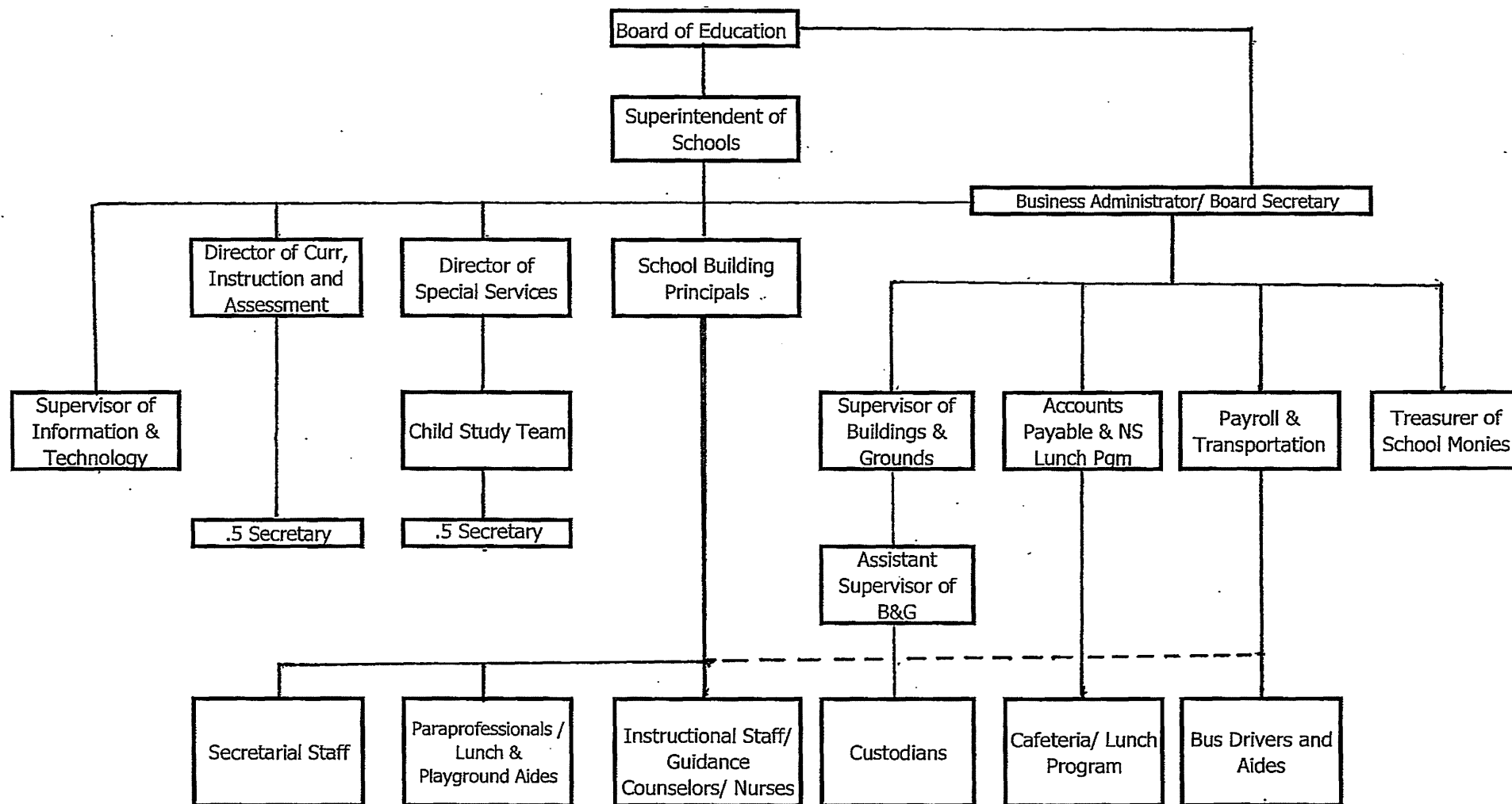


Dr. Anthony Grieco
Superintendent of Schools/
Chief School Administrator

Rockaway Borough Board of Education

Organization Chart

Policy #1110



Adopted: Inception of District
Revised: 9/27/2022

**ROCKAWAY BOROUGH SCHOOL DISTRICT
BOROUGH OF ROCKAWAY, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2025**

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
Edward Graf, President	2026
Jennifer Dahl, Vice-President	2026
Vanessa Dorgilles	2027
Faride Hernandez	2027
Brian Riveccio	2025

OTHER OFFICIALS

Dr. Anthony Grieco, Superintendent of Schools

William Stepka, School Business Administrator/Board Secretary

John DiPaola, Treasurer of School Monies

ROCKAWAY BOROUGH SCHOOL DISTRICT

CONSULTANTS AND ADVISORS

AUDIT FIRM

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

BOARD ATTORNEY

Methfessel & Werbel, P.C.
2025 Lincoln Highway, Suite 200
Edison, NJ 08818

OFFICIAL DEPOSITORY

Santander Bank
110 East Main Street
Rockaway, NJ 07866

ARCHITECT OF RECORD

Parette Somjen Architects
439 Route 46, Suite 4
Rockaway, NJ 07866

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
Rockaway Borough Public School District
Rockaway, 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 Rockaway Borough Public School District, as of and for the fiscal year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the Rockaway Borough Public School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Rockaway Borough Public School District as of June 30, 2025, 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 Rockaway Borough Public 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 Rockaway Borough Public 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 Rockaway Borough Public School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Rockaway Borough Public 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 Rockaway Borough Public School District's basic financial statements. The accompanying schedule of expenditures of federal awards 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 Rockaway Borough Public 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 December 4, 2025 on our consideration of the Rockaway Borough Public 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 Rockaway Borough Public 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 Rockaway Borough Public School District's internal control over financial reporting and compliance.

LERCH, VINCI & BLISS, LLP

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


Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
December 4, 2025

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025

The discussion and analysis of the Rockaway Borough Public School District's (the "District") financial performance provides an overall review by management of the District's financial activities for the fiscal year ended June 30, 2025. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the financial statements as well as the financial statements themselves to enhance their understanding of the District's financial performance.

Financial Highlights

- The liabilities and deferred inflows of resources of the District exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$250,369. (net position)
- Total School District's net position decreased \$1,206,176 or 126%.
- District-Wide general revenues accounted for \$11,462,892, or 78 percent, of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$3,203,364, or 22 percent, of total revenues of \$14,666,256.
- The District had \$15,602,334 in expenses related to governmental activities; only \$2,914,885 were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$11,462,892 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 \$585,871. Of this amount, \$501,945 is restricted for capital projects, \$113,920 is restricted for unemployment compensation claims, \$26,617 is restricted for excess surplus, \$33,737 is restricted for student activities and scholarship awards and \$32,000 is assigned for year end encumbrances and the remaining amount is the unassigned fund deficit of \$(122,348).
- Among governmental funds, the General Fund had \$14,349,755 in revenues and \$15,382,082 in expenditures and other financing uses. The General Fund's fund balance decreased \$1,032,327 from the previous year to \$127,508 at June 30, 2025.
- The General Fund unassigned budgetary fund balance increased \$13,635 from the previous year to \$263,635 at June 30, 2025.

Using the Annual Comprehensive Financial Report (ACFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Rockaway

ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025

Borough Public School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

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

Reporting the District as a Whole

One of the most important questions asked about the District is "How did we do financially during the fiscal year ended June 30, 2025?" The *Statement of Net Position* and the *Statement of Activities*, which appear first in the District's financial statements, report information on the District as a whole and its activities in such a way as to answer this question. These statements include all assets, deferred outflows/inflows of resources and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Position and the Statement of Activities, the District is divided into two distinct kinds of activities:

- Governmental Activities – most of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extra-curricular activities.
- Business-Type Activities – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods and services provided. The District's food service program is reported as a business-type activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial statements provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. The District's governmental funds are the General, Special Revenue, Capital Projects and Debt Service Funds.

ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025

Governmental Funds

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

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements will essentially match the information provided in statements for the District as a whole.

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 the general and special revenue 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 and individual financial schedules are presented immediately following the major budgetary comparisons if required.

The District as a Whole

The *Statement of Net Position* provides the perspectives of the District as a whole, showing assets, deferred outflows of resources, liabilities, deferred inflows of resources and the difference between them (net position). Net position may serve over time as a useful indicator of a government's financial position.

The following provides a summary of the District's net position as of June 30, 2025 and 2024.

The District's combined net position was \$(250,369) and \$955,807 at June 30, 2025 and 2024, respectively. This was an decrease of \$1,206,176, or 126 percent, from the prior year.

ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025

	Net Position As of June 30, 2025 and 2024					
	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
	(Restated)				(Restated)	
ASSETS						
Current Assets	\$ 655,357	\$ 1,752,110	\$ 44,485	\$ 108,436	\$ 699,842	\$ 1,860,546
Capital Assets	<u>12,551,597</u>	<u>13,328,631</u>	<u>104,284</u>	<u>35,082</u>	<u>12,655,881</u>	<u>13,363,713</u>
Total Assets	<u>13,206,954</u>	<u>15,080,741</u>	<u>148,769</u>	<u>143,518</u>	<u>13,355,723</u>	<u>15,224,259</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Amount on Net Pension Liability	<u>87,532</u>	<u>265,645</u>	<u>-</u>	<u>-</u>	<u>87,532</u>	<u>265,645</u>
Total Deferred Outflows of Resources	<u>87,532</u>	<u>265,645</u>	<u>-</u>	<u>-</u>	<u>87,532</u>	<u>265,645</u>
Total Assets and Deferred Outflows of Resources	<u>13,294,486</u>	<u>15,346,386</u>	<u>148,769</u>	<u>143,518</u>	<u>13,443,255</u>	<u>15,489,904</u>
LIABILITIES						
Other Liabilities	69,486	333,527	5,115	17,806	74,601	351,333
Long-Term Liabilities	<u>13,390,431</u>	<u>13,879,216</u>	<u>-</u>	<u>-</u>	<u>13,390,431</u>	<u>13,879,216</u>
Total Liabilities	<u>13,459,917</u>	<u>14,212,743</u>	<u>5,115</u>	<u>17,806</u>	<u>13,465,032</u>	<u>14,230,549</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred Amount on Net Pension Liability	228,592	303,109			228,592	303,109
Deferred Commodities Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>439</u>	<u>-</u>	<u>439</u>
Total Deferred Inflows of Resources	<u>228,592</u>	<u>303,109</u>	<u>-</u>	<u>439</u>	<u>228,592</u>	<u>303,548</u>
Total Liabilities and Deferred Inflows of Resources	<u>13,688,509</u>	<u>14,515,852</u>	<u>5,115</u>	<u>18,245</u>	<u>13,693,624</u>	<u>14,534,097</u>
NET POSITION						
Net Investment in Capital Assets	2,522,416	2,770,478	104,284	35,082	2,626,700	2,805,560
Restricted	224,976	857,827			224,976	857,827
Unrestricted	<u>(3,141,415)</u>	<u>(2,797,771)</u>	<u>39,370</u>	<u>90,191</u>	<u>(3,102,045)</u>	<u>(2,707,580)</u>
Total Net Position	<u>\$ (394,023)</u>	<u>\$ 830,534</u>	<u>\$ 143,654</u>	<u>\$ 125,273</u>	<u>\$ (250,369)</u>	<u>\$ 955,807</u>

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 used these capital assets to provide services to 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. Restricted net position represents amounts reserved for specific purposes by outside parties or state laws and regulations. Unrestricted net position represents amounts available to the government that are neither restricted nor invested in capital assets.

ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025

The following schedule shows changes in the District's net position for fiscal years ended June 30, 2025 and 2024.

Change in Net Position
for the Fiscal Years Ended June 30, 2025 and 2024

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Revenues						
Program Revenues						
Charges for Services	\$ 315,174	\$ 84,826	\$ 129,839	\$ 173,501	\$ 445,013	\$ 258,327
Operating Grants and Contributions	2,507,511	1,006,147	158,640	126,730	2,666,151	1,132,877
Capital Grants and Contributions	92,200				92,200	-
General Revenues						
Property Taxes	9,876,529	9,391,869			9,876,529	9,391,869
Unrestricted State Aid and Local Contributions	1,477,615	5,755,613			1,477,615	5,755,613
Other	108,748	66,451	-	-	108,748	66,451
Total Revenues	<u>14,377,777</u>	<u>16,304,906</u>	<u>288,479</u>	<u>300,231</u>	<u>14,666,256</u>	<u>16,605,137</u>
Expenses						
Instruction						
Regular	5,034,906	6,012,190			5,034,906	6,012,190
Special Education	2,347,241	2,427,466			2,347,241	2,427,466
Other Instruction	810,983	542,064			810,983	542,064
School Sponsored Activities and Athletics	190,764	262,047			190,764	262,047
Support Services						
Student and Instruction Related Services	2,809,218	3,452,275			2,809,218	3,452,275
General Administration Services	562,125	852,199			562,125	852,199
School Administration Services	440,071	157,210			440,071	157,210
Central and Other Support Services	450,140	505,204			450,140	505,204
Plant Operations and Maintenance	2,129,790	1,648,556			2,129,790	1,648,556
Pupil Transportation	542,169	340,319			542,169	340,319
Interest on Long Term Debt	284,927	380,925			284,927	380,925
Food Service	-	-	270,098	286,036	270,098	286,036
Total Expenses	<u>15,602,334</u>	<u>16,580,455</u>	<u>270,098</u>	<u>286,036</u>	<u>15,872,432</u>	<u>16,866,491</u>
Increase (Decrease) in Net Position	(1,224,557)	(275,549)	18,381	14,195	(1,206,176)	(261,354)
Beginning of Year, Net Position	830,534	4,714,844	125,273	111,078	955,807	4,825,922
Prior Period Adjustments	-	(3,608,761)	-	-	-	(3,608,761)
Ending of Year, Net Position	<u>\$ (394,023)</u>	<u>\$ 830,534</u>	<u>\$ 143,654</u>	<u>\$ 125,273</u>	<u>\$ (250,369)</u>	<u>\$ 955,807</u>

ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025

Governmental Activities

The District's total revenues were \$14,377,777 for the fiscal year ended June 30, 2025, property taxes of \$9,876,529 made up 69 percent of revenues. Federal, state and local grants and contributions of \$4,077,326 accounted for another 28 percent of revenues for the fiscal years ended June 30, 2025.

The total cost of all programs and services was \$15,602,334 for the fiscal year ended June 30, 2025. The District's expenses are predominantly related to educating and caring for students. Instruction costs were \$8,383,894 (54%) of total expenses and support services costs were \$6,933,513 (44%) of total expense for the fiscal year ended June 30, 2025. Interest on long term debt was \$284,927 (2%) of total expenses for the fiscal year ended June 30, 2025.

For fiscal year 2025, total governmental activities expenses exceeded revenues decreasing net position for governmental activities by \$1,224,557 from the previous year.

Total and Net Cost of Governmental Activities. The District's total cost of services was \$15,602,334. After applying program revenues, derived from operating and capital grants and contributions of \$2,599,711 and charges for services of \$315,174 the net cost of services of the District is \$12,687,449 for the fiscal year ended June 30, 2025.

Total and Net Cost of Services
for the Fiscal Years Ended June 30, 2025 and 2024

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Instruction				
Regular	\$ 5,034,906	\$ 6,012,190	\$ 4,297,687	\$ 5,470,436
Special Education	2,347,241	2,427,466	1,274,708	2,378,158
Other Instruction	810,983	542,064	662,665	530,602
School Sponsored Activities and Athletics	190,764	262,047	177,170	262,047
Support Services				
Student and Instruction Related Services	2,809,218	3,452,275	2,403,140	3,026,107
General Administration Services	562,125	852,199	523,937	836,583
School Administration Services	440,071	157,210	388,179	153,404
Central and Other Support Services	450,140	505,204	414,795	505,203
Plant Operations and Maintenance	2,129,790	1,648,556	1,905,126	1,605,698
Pupil Transportation	542,169	340,319	469,901	340,319
Interest on Long Term Debt	284,927	380,925	170,141	380,925
Total	<u>\$ 15,602,334</u>	<u>\$ 16,580,455</u>	<u>\$ 12,687,449</u>	<u>\$ 15,489,482</u>

The dependence of tax revenues to support governmental activities is apparent.

ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025

Business-Type Activities

The only business-type activity is the food service operation. The program had revenues of \$288,479 compared to expenses of \$270,098 for the fiscal year ended June 30, 2025. Of the revenues, 45% were from charges for services paid by patrons for daily food served and 55% were from State and Federal reimbursements for the fiscal year ended June 30, 2025.

For fiscal year 2025, total business-type activities revenues exceeded expenses increasing net position for business-type activities by \$18,381 from the previous year.

The School District's 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.

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$15,818,652 and expenditures were \$16,807,216 for the fiscal year ended June 30, 2025. Therefore fund balances of governmental funds decreased \$988,564 from the previous year to \$585,871 at June 30, 2025.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal years ending June 30, 2025 and 2024.

<u>Revenue</u>	<u>Fiscal Year</u> <u>Year Ended</u>		<u>Amount of</u> <u>Increase/</u> <u>(Decrease)</u>	<u>Percent</u> <u>Change</u>
	<u>2025</u>	<u>2024</u>		
Local Sources:				
Property Taxes	\$ 9,876,529	\$ 9,391,869	\$ 484,660	5%
Other	495,275	475,711	19,564	4%
State Sources	5,103,183	5,044,527	58,656	1%
Federal Sources	<u>343,665</u>	<u>542,964</u>	<u>(199,299)</u>	-37%
Total	<u>\$ 15,818,652</u>	<u>\$ 15,455,071</u>	<u>\$ 363,581</u>	2%

For fiscal year 2025 total governmental revenues increased \$363,581, or 2%, from the previous year.

ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2025

The following schedule represents a summary of the governmental funds expenditures for the fiscal years ending June 30, 2025 and 2024.

<u>Expenditure</u>	<u>Fiscal Year</u> <u>Year Ended</u>		<u>Amount of</u>	<u>Percent</u> <u>Change</u>
	<u>2025</u>	<u>2024</u>	<u>Increase/</u> <u>(Decrease)</u>	
Current				
Instruction	\$ 9,439,850	\$ 7,984,941	\$ 1,454,910	18%
Support Services	6,521,059	7,134,257	(613,198)	-9%
Debt Service	768,239	755,925	12,314	2%
Capital Outlay	<u>78,068</u>	<u>550,794</u>	<u>(472,726)</u>	-86%
Total	<u>\$ 16,807,216</u>	<u>\$ 16,425,916</u>	<u>\$ 381,300</u>	2%

For fiscal year 2025, total governmental funds expenditures increased \$381,300, or 2%.

Of the governmental funds, the General Fund had \$14,349,755 in revenues (predominately property taxes), \$15,375,582 in expenditures and \$6,500 in other financing uses. As a result, the General Fund's fund balance decreased \$1,032,327 from \$1,159,835 at June 30, 2024 to \$127,508 at June 30, 2025.

General Fund Budgetary Highlights

The District's budget is prepared according to New Jersey Law, and is based on accounting for certain transactions on the budgetary basis of accounting for revenues, expenditures and encumbrances. The most significant budget fund is the General Fund.

During the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to prevent over-expenditures in specific line item accounts.

For fiscal year 2025 General Fund budgetary expenditures and other financing uses exceeded budgetary revenues and other financing sources decreasing budgetary fund balance \$852,713. After deducting fund balances restricted and assigned, the unassigned budgetary fund balance increased \$13,635 from an unassigned fund balance of \$250,000 at June 30, 2024 to \$263,635 at June 30, 2025. In addition, at June 30, 2025 the District had balances in its capital reserve of \$77,319, unemployment compensation reserve of \$113,920, and reserved excess surplus of \$26,617.

ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025

Capital Assets

At the end of fiscal years 2025, the District had \$12,551,597 invested in land, buildings, land improvements, furniture, equipment and vehicles net of depreciation for governmental activities. For 2024-2025 depreciation expenses for governmental activities was \$855,102 and for business-type activities was \$8,796. The following schedule is a comparison of capital assets net of depreciation at June 30, 2025 and 2024.

Capital Assets, Net of Depreciation
As of June 30, 2025 and 2024

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
		(Restated)		
Land	\$ 177,000	\$ 177,000		
Building and Building Improvements	11,350,073	12,009,172		
Land Improvements	504,518	502,687		
Machinery and Equipment	<u>520,006</u>	<u>639,772</u>	\$ 104,284	\$ 35,082
Total	<u>\$ 12,551,597</u>	<u>\$ 13,328,631</u>	<u>\$ 104,284</u>	<u>\$ 35,082</u>

Additional information on the District's capital assets can be found in Note 3 of this report.

Long-Term Liabilities

At June 30, 2025, the District had \$13,390,431 of long-term liabilities. For fiscal year 2025 total outstanding long-term liabilities decreased by \$488,785 from the prior year. The following schedule is a comparison of the long-term liabilities at June 30, 2025 and 2024.

Long-Term Liabilities
As of June 30, 2025 and 2024

	<u>Governmental Activities</u>	
	<u>2025</u>	<u>2024</u>
		(Restated)
Serial Bonds (including unamortized premium)	\$ 10,434,555	\$ 10,907,691
Capital Financing Agreements	19,252	29,428
Compensated Absences	1,428,990	1,349,759
Net Pension Liability	<u>1,507,634</u>	<u>1,592,338</u>
Total	<u>\$ 13,390,431</u>	<u>\$ 13,879,216</u>

Additional information on Rockaway Borough Public School District's long-term liabilities can be found in Note 3 of this report.

ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025

For the Future

The Rockaway Borough Public School District is proud of its community support of the public schools. A major concern is the continued enrollment growth of the District with the increased reliance on local property taxes.

Rockaway Borough Public School District's budget for 2025-2026 was approved in April of 2025. Budgeted expenditures in the General Fund increased 7% to \$13,475,295 for fiscal year 2025-2026. The increase was the result of increases in special education instruction, tuition and related services costs as well as employee health benefits in the 2025-2026 budget.

In conclusion, the Rockaway Borough Public School District has committed itself to educational excellence for many years. The School District's system for financial planning, budgeting and internal financial controls are being improved annually. The School District plans to continue its fiscal management to meet the challenges of the future.

Contacting the District's Financial Management

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

DISTRICT-WIDE FINANCIAL STATEMENTS

ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
STATEMENT OF NET POSITION
AS OF JUNE 30, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 606,831	\$ 16,025	\$ 622,856
Receivables, net	48,526	26,539	75,065
Inventory		1,921	1,921
Capital Assets, Not Being Depreciated	177,000		177,000
Capital Assets, Being Depreciated, Net	<u>12,374,597</u>	<u>104,284</u>	<u>12,478,881</u>
Total Assets	<u>13,206,954</u>	<u>148,769</u>	<u>13,355,723</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>87,532</u>	<u>-</u>	<u>87,532</u>
Total Deferred Outflows of Resources	<u>87,532</u>	<u>-</u>	<u>87,532</u>
Total Assets and Deferred Outflows of Resources	<u>13,294,486</u>	<u>148,769</u>	<u>13,443,255</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	43,975		43,975
Payable to Other Governments	21,693		21,693
Unearned Revenue	3,818	5,115	8,933
Noncurrent Liabilities			
Due Within One Year	455,770		455,770
Due Beyond One Year	<u>12,934,661</u>	<u>-</u>	<u>12,934,661</u>
Total Liabilities	<u>13,459,917</u>	<u>5,115</u>	<u>13,465,032</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>228,592</u>	<u>-</u>	<u>228,592</u>
Total Deferred Inflows of Resources	<u>228,592</u>	<u>-</u>	<u>228,592</u>
Total Liabilities and Deferred Inflows of Resources	<u>13,688,509</u>	<u>5,115</u>	<u>13,693,624</u>
NET POSITION			
Net Investment in Capital Assets	2,522,416	104,284	2,626,700
Restricted for			
Capital Projects	77,319		77,319
Unemployment Compensation	113,920		113,920
Student Activities	29,532		29,532
Scholarship Awards	4,205		4,205
Unrestricted	<u>(3,141,415)</u>	<u>39,370</u>	<u>(3,102,045)</u>
Total Net Position	<u>\$ (394,023)</u>	<u>\$ 143,654</u>	<u>\$ (250,369)</u>

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

ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Instruction							
Regular	\$ 5,034,906	\$ 44,910	\$ 687,309	\$ 5,000	\$ (4,297,687)		\$ (4,297,687)
Special Education	2,347,241	206,911	865,622		(1,274,708)		(1,274,708)
Other Instruction	810,983		148,318		(662,665)		(662,665)
School-Sponsored Activities and Athletics	190,764		13,594		(177,170)		(177,170)
Support Services							
Student and Instruction Related Services	2,809,218	63,353	342,725		(2,403,140)		(2,403,140)
General Administrative Services	562,125		38,188		(523,937)		(523,937)
School Administrative Services	440,071		51,892		(388,179)		(388,179)
Central Services and Info. Technology	450,140		35,345		(414,795)		(414,795)
Plant Operations and Maintenance	2,129,790		137,464	87,200	(1,905,126)		(1,905,126)
Pupil Transportation	542,169		72,268		(469,901)		(469,901)
Interest on Debt	284,927	-	114,786	-	(170,141)	-	(170,141)
Total Governmental Activities	15,602,334	315,174	2,507,511	92,200	(12,687,449)	-	(12,687,449)
Business-Type Activities							
Food Service	270,098	129,839	158,640	-	-	18,381	18,381
Total Business-Type Activities	270,098	129,839	158,640	-	-	18,381	18,381
Total Primary Government	\$ 15,872,432	\$ 445,013	\$ 2,666,151	\$ 92,200	(12,687,449)	18,381	(12,669,068)
General Revenues							
Taxes:							
Property Taxes - General Purposes					9,360,002		9,360,002
Property Taxes - Debt Service, Net					516,527		516,527
Unrestricted State Aid					1,352,253		1,352,253
State Aid for Debt Principal					125,362		125,362
Investment Earnings					33,674		33,674
Miscellaneous Income					75,074	-	75,074
Total General Revenues					11,462,892	-	11,462,892
Change in Net Position					(1,224,557)	18,381	(1,206,176)
Net Position, Beginning of Year <i>(Restated)</i>					830,534	125,273	955,807
Net Position, End of Year					\$ (394,023)	\$ 143,654	\$ (250,369)

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

FUND FINANCIAL STATEMENTS

ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 354,554	\$ 58,943	\$ 193,334		\$ 606,831
Intergovernmental Receivables	8,406	305	39,815		48,526
Due from Other Funds	-	-	191,477	-	191,477
Total Assets	\$ 362,960	\$ 59,248	\$ 424,626	\$ -	\$ 846,834
LIABILITIES AND FUND BALANCES					
Liabilities					
Accrued Salaries and Wages	\$ 736				736
Payroll Deductions and Withholdings Payable	28,402				28,402
Payable to Other Governments		\$ 21,693			21,693
Due to Other Funds	191,477				191,477
Other Liabilities	14,837				14,837
Unearned Revenue	-	3,818	-	-	3,818
Total Liabilities	235,452	25,511	-	-	260,963
Fund Balances					
Restricted:					
Capital Reserve	29,819				29,819
Capital Reserve - Designated for Subsequent Year's Expenditures	47,500				47,500
Unemployment Compensation Reserve	113,920				113,920
Excess Surplus - Designated for Subsequent Year's Expenditures	26,617				26,617
Capital Projects			\$ 424,626		424,626
Student Activities		29,532			29,532
Scholarship Awards		4,205			4,205
Assigned:					
Year End Encumbrances	32,000				32,000
Unassigned	(122,348)	-	-	-	(122,348)
Total Fund Balances	127,508	33,737	424,626	-	585,871
Total Liabilities and Fund Balances	\$ 362,960	\$ 59,248	\$ 424,626	\$ -	\$ 846,834

**ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2025**

Total Fund Balances - Governmental Funds (Exhibit B-1) **\$ 585,871**

Amounts reported for governmental activities in the statement of net position (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 \$18,446,757 and the accumulated depreciation is \$5,895,160.

12,551,597

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 amortized over future years.

Deferred Outflows of Resources	\$ 87,532	
Deferred Inflows of Resources	<u>(228,592)</u>	(141,060)

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. Long-term liabilities at year end consist of the following:

Bonds Payable (including unamortized premium)	(10,434,555)	
Capital Financing Agreements	(19,252)	
Compensated Absences	(1,428,990)	
Net Pension Liability	<u>(1,507,634)</u>	<u>(13,390,431)</u>

Total Net Position of Governmental Activities (Exhibit A-1) **\$ (394,023)**

The accompanying Notes to the Financial Statements are an Integral Part of this Statement.

ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources					
Property Taxes	\$ 9,360,002			\$ 516,527	\$ 9,876,529
Tuition	251,821				251,821
Interest	33,674				33,674
Miscellaneous	75,074	\$ 63,357	\$ 71,349	-	209,780
Total - Local Sources	9,720,571	63,357	71,349	516,527	10,371,804
Intergovernmental					
State Sources	4,629,184	233,851		240,148	5,103,183
Federal Sources	-	343,665	-	-	343,665
Total Revenues	14,349,755	640,873	71,349	756,675	15,818,652
EXPENDITURES					
Current					
Instruction					
Regular Instruction	5,682,571	94,989			5,777,560
Special Education Instruction	2,400,926	174,021			2,574,947
Other Instruction	804,263	90,564			894,827
School-Sponsored Activities and Athletics	120,762	71,754			192,516
Support Services					
Student and Instruction Related Services	2,858,836	159,943			3,018,779
General Administrative Services	606,985				606,985
School Administrative Services	510,456				510,456
Central Services and Info. Technology	492,621				492,621
Plant Operations and Maintenance	1,344,823	37,148			1,381,971
Pupil Transportation	510,247				510,247
Debt Service					
Principal	10,176			395,000	405,176
Interest and Other Charges	1,388			361,675	363,063
Capital Outlay	31,528	20,851	25,689	-	78,068
Total Expenditures	15,375,582	649,270	25,689	756,675	16,807,216
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,025,827)	(8,397)	45,660	-	(988,564)
OTHER FINANCING SOURCES (USES)					
Transfers In		6,500			6,500
Transfers Out	(6,500)	-	-	-	(6,500)
Total Other Financing Sources and Uses	(6,500)	6,500	-	-	-
Net Change in Fund Balances	(1,032,327)	(1,897)	45,660	-	(988,564)
Fund Balance, Beginning of Year	1,159,835	35,634	378,966	-	1,574,435
Fund Balance, End of Year	\$ 127,508	\$ 33,737	\$ 424,626	\$ -	\$ 585,871

The accompanying Notes to the Financial Statements are an Integral Part of this Statement.

**ROCKAWAY BOROUGH PUBLIC 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, 2025**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) **\$ (988,564)**

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 shown in the statement and allocated over their estimated useful lives as annual depreciation expense. This is the amount by which depreciation exceeds capital outlay in the current period.

Capital Outlay	\$ 78,068	
Depreciation Expense	<u>(855,102)</u>	
		(777,034)

In the statement of activities, certain operating expenses - compensated absences and pension 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):

Increase in Compensated Absences	(79,231)	
Decrease in Pension Expenses	<u>136,960</u>	
		57,729

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

Principal Payments		
Bond Principal	395,000	
Capital Financing Agreements Principal	<u>10,176</u>	
		405,176

Governmental funds report the effect of premiums and other such items related to the issuance of bonds when they are first issued, whereas these amounts are deferred and amortized in the statement of activities.

Amortization of Bond Premium		<u>78,136</u>
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Change in Net Position of Governmental Activities (Exhibit A-2) **\$ (1,224,557)**

ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2025

	Business-type Activities - Enterprise Funds <u>Food Service Fund</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 16,025
Intergovernmental Receivable	7,447
Other Accounts Receivable	19,092
Inventory	<u>1,921</u>
Total Current Assets	<u>44,485</u>
Noncurrent Assets	
Capital Assets	
Equipment	258,154
Accumulated Depreciation	<u>(153,870)</u>
Total Noncurrent Assets	<u>104,284</u>
Total Assets	<u>148,769</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	
Unearned Revenue	<u>5,115</u>
Total Liabilities	<u>5,115</u>
NET POSITION	
Investment in Capital Assets	104,284
Unrestricted	<u>39,370</u>
Total Net Position	<u>\$ 143,654</u>

**ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Business-type Activities - Enterprise Funds <u>Food Service Fund</u>
OPERATING REVENUES	
Charges for Services	
Daily Sales - Reimbursable Programs	\$ 90,503
Daily Sales - Non-Reimbursable Programs	<u>39,336</u>
Total Operating Revenues	<u>129,839</u>
OPERATING EXPENSES	
Salaries and Benefits	120,251
Cost of Sales - Reimbursable Programs	82,872
Cost of Sales - Non-Reimbursable Programs	15,797
Management Fee	15,817
Other Purchased Services	14,170
Supplies and Materials	8,534
Miscellaneous	3,861
Depreciation Expense	<u>8,796</u>
Total Operating Expenses	<u>270,098</u>
Operating (Loss)	<u>(140,259)</u>
NONOPERATING REVENUES	
State Sources	
School Lunch Program	7,572
School Breakfast Program	18
Summer EBT Program for Children	321
Federal Sources	
National School Breakfast Program	602
National School Lunch Program	98,611
Summer EBT Program for Children	322
SFA Equipment Grant	37,233
Food Distribution Program	<u>13,961</u>
Total Nonoperating Revenues	<u>158,640</u>
Change in Net Position	18,381
Net Position, Beginning of Year	<u>\$ 125,273</u>
Net Position, End of Year	<u><u>\$ 143,654</u></u>

ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Non-Major Food Service <u>Fund</u>
Cash Flows from Operating Activities	
Cash Received from Customers	\$ 138,940
Cash Payments for Employees Salaries and Benefits	(120,251)
Cash Payments to Suppliers for Goods and Services	<u>(140,934)</u>
Net Cash (Used For) Operating Activities	<u>(122,245)</u>
Cash Flows from Noncapital Financing Activities	
Cash Received from State and Federal Reimbursements	<u>142,701</u>
Net Cash Provided by Noncapital Financing Activities	<u>142,701</u>
Cash Flows from Capital and Related Financing Activities	
Purchase of Capital Assets	<u>(77,998)</u>
Net Cash (Used for) Capital and Related Financing Activities	<u>(77,998)</u>
Net (Decrease) in Cash and Cash Equivalents	(57,542)
Cash and Cash Equivalents, Beginning of Year	\$ <u>73,567</u>
Cash and Cash Equivalents, End of Year	\$ <u><u>16,025</u></u>
Reconciliation of Operating (Loss) to Net Cash (Used For) Operating Activities	
Operating (Loss)	\$ <u>(140,259)</u>
Adjustments to Reconcile Operating (Loss) to Net Cash (Used For) Operating Activities	
Depreciation	8,796
Non-Cash Federal Assistance - Food Distribution Program	13,961
Change in Assets and Liabilities	
(Increase) Decrease in Other Accounts Receivable	8,522
(Increase) Decrease in Inventories	(135)
Increase (Decrease) in Accounts Payable	(13,270)
Increase (Decrease) in Unearned Revenue	579
Increase (Decrease) in Deferred Commodities Revenue	<u>(439)</u>
Total Adjustments	<u>18,014</u>
Net Cash (Used For) Operating Activities	\$ <u><u>(122,245)</u></u>
Non-Cash Financing Activities	
Value Received - Food Distribution Program	\$ <u><u>13,522</u></u>

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

NOTES TO THE FINANCIAL STATEMENTS

**ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Rockaway Borough Public School District (the "District") is an instrumentality of the State of New Jersey, established to function as an education institution. The Board of Education (the "Board") consists of five 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 eight (8) 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 and 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 Rockaway Borough Public 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 2025, the District adopted the following GASB statements:

- GASB Statement No. 101, *Compensated Absences*, was 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.
- GASB Statement No. 102, *Certain Risk Disclosures*, was 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.

**ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

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

- 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.
- GASB Statement No. 104, *Disclosure of Certain Capital Assets*, will be effective beginning with the fiscal year ending June 30, 2026. The objective of this Statement is to provide user of governmental financial statements with essential information about certain types of capital assets. The requirements of this Statement will improve financial reporting by provided users of the financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Additionally, the disclosure requirements will improve consistency and comparability between governments.

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.

**ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

District-Wide Financial Statements (Continued)

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.

Fund Financial Statements

Separate fund financial statements are provided for governmental, proprietary, and fiduciary activities, even though the latter are excluded from the district-wide financial statements. 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 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 funds which are 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.

**ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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 and fiduciary 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 Board 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 Board's policy to use restricted resources first, then unrestricted resources as they are needed.

Use of Estimates

The preparation of financial statements requires management of the District to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of accrued revenues and expenses/expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

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

1. Cash, Cash Equivalents and Investments

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.

Investments are reported at fair value and are limited by N.J.S.A. 18A:20-37.

**ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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 Board 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 and intangible right-to-use subscription assets. 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>
Land Improvements	20
Buildings	45-50
Building Improvements	10-20
Machinery and Equipment	5-10
Vehicles	8-12

**ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

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 Board has only one item which arises under the accrual basis of accounting that qualifies for reporting in this category. The 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.

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 Board has only one type of item which arises under the accrual basis of accounting that qualifies for reporting in this category. The 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.

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 Board'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.

**ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

8. Financing Agreements

Capital financing agreements and other financing agreements are financed purchase contracts that transfer ownership of the underlining assets or items (i.e. expendable supplies) to the District by the end of the agreement and do not contain termination options. Capital financing agreements and other financing agreements are recognized as long-term liabilities along with the related capital asset or expenses being financed, respectively, in the district-wide and proprietary fund type financial statements.

In the governmental fund financial statements, capital financing agreements and other financing agreements are recognized as other financing sources at the face amount of the financed purchase contract. Assets and supplies financed under these agreements are reported as capital outlay or current expenditures, respectively.

9. Long-Term Obligations

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported with the unamortized bond premium. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

In the fund financial statements, governmental fund types recognize bond premiums, 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

10. 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.

**ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

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).

Capital Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the 2025/2026 original budget certified for taxes.

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).

Excess Surplus – Designated for Subsequent Year's Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2024 audited excess surplus that was appropriated in the 2025/2026 original budget certified for taxes.

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

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 is the accumulation of donor restricted funds specifically earmarked for student scholarship awards.

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

**ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

11. 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.

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 2023/2024 and 2024/2025 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, including on-behalf payments for post-retirement medical contributions for District employees enrolled in the Public Employees Retirement System (PERS).

**ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

4. *On-Behalf Payments (Continued)*

Revenues and expenses of governmental activities 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, including the on-behalf actuarial determined post-retirement medical benefit amounts attributable to the District for District employees enrolled in the PERS 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 is 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. Lease transactions are accounted for on the GAAP basis.

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, special revenue and debt service 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. Effective for the 2025/2026 school year budget, voter approval is not required for budgets that meet levy cap requirements regardless of when the school board member elections are held.

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 2024/2025. Also, during 2024/2025 the Board increased the original budget of the general fund by \$257,169 and the special revenue fund by \$111,544. The increase was funded by the additional appropriation of emergency reserve, grant awards, student activity revenues and the reappropriation of prior year encumbrances. During the fiscal year the Board authorized and approved the additional fund balance appropriation of emergency reserve from the general fund.

**ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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.

B. Deficit Fund Equity

The District has an unassigned fund deficit of \$122,348 in the General Fund as of June 30, 2025 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 2024/2025 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 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) 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 \$122,348 in the General Fund is less than the delayed state aid payments at June 30, 2025.

C. 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.

**ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Capital Reserve (Continued)

The activity of the capital reserve for the fiscal year ended June 30, 2025 is as follows:

Balance, July 1, 2024		\$	401,880
Increased by:			
Deposits Approved by Board Resolution			<u>25,116</u>
Decreased by:			
Withdrawals Approved in District Budget	\$	74,677	
Transfer (Loan) Approved by Commissioner of Education		<u>275,000</u>	
			<u>349,677</u>
Balance, June 30, 2025		\$	<u><u>77,319</u></u>

The June 30, 2025 LRFP balance of the total costs of uncompleted capital projects is estimated by management to be \$22,599,400. The withdrawals of capital reserve approved in the District budget were for use in a department approved facilities project, consistent with the District's Long-Range Facilities Plan in the amount of \$30,660 and to reimburse general fund for prior year SDA Debt Service Assessment charges in the amount of \$44,017 in accordance with N.J.A.C. 6A:23A-14.1 (8). In addition, the District requested from the Commissioner of Education to withdrawal capital reserve to prevent a deficit in general fund unassigned fund balance. The Commissioner approved the District to borrow an amount not to exceed \$320,000 from the Capital Reserve specifically for the purpose of implementing the corrective action plan to prevent an unassigned fund deficit in the general fund. The District must repay the borrowed amount back to the capital reserve over the next two fiscal years (2025/2026 and 2026/2027). \$47,500 of the capital reserve balance at June 30, 2025 was designated and appropriated for use in the 2025/2026 original budget certified for taxes.

D. 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.

**ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. Maintenance Reserve (Continued)

The activity of the maintenance reserve for the fiscal year ended June 30, 2025 is as follows:

Balance, July 1, 2024	\$ 30,000
Decreased by:	
Withdrawals Approved in the District Budget	<u>30,000</u>
Balance, June 30, 2025	<u>\$ -</u>

The June 30, 2025 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$471,929.

E. Emergency Reserve

An emergency reserve account was established by the District. The accumulation of funds will be used to finance unanticipated General Fund current expenditures required for a thorough and efficient education in subsequent fiscal years.

Funds placed in the emergency reserve are restricted to finance reasonably unforeseeable costs and shall not include additional costs due to poor planning. A District may appropriate funds into the emergency 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. Withdrawals from the reserve require the approval of the Commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent or the withdrawal is included in the original budget certified for taxes to finance school security improvements to school facilities pursuant to 18A:7G-6(c)1. Pursuant to NJAC 6A:23A-14.4(A), the balance in the reserve cannot at any time exceed the greater of \$250,000 or one percent of the school district's General Fund budget as certified for taxes up to a maximum of \$1,000,000

The activity of the emergency reserve for the fiscal year ended June 30, 2025 is as follows:

Balance, July 1, 2024	\$ 250,000
Decreased by:	
Withdrawals Approved by Board Resolution	<u>250,000</u>
Balance, June 30, 2025	<u>\$ -</u>

The District requested and received approval from the Commissioner of Education to withdraw \$250,000 from the emergency reserve for the express purpose of funding unanticipated costs related to out-of-district placements in 2024/2025 school year.

F. 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, 2025 is \$26,617. All of the \$26,617 at year-end was designated and appropriated in the 2025/2026 original budget certified for taxes.

ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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, 2025, the book value of the Board's deposits was \$622,856 and bank and brokerage firm balances of the Board's deposits amounted to \$1,118,784. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

Depository Account

Insured	\$ 1,073,610
Uninsured and Collateralized	<u>45,174</u>
	<u>\$ 1,118,784</u>

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, 2025, the Board's bank balances of \$45,174 were exposed to custodial credit risk as follows:

Uninsured and Collateralized:

Collateral held by pledging financial institutions' trust department but not in the Board's name	<u>\$ 45,174</u>
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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.

**ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Continued)

As of June 30, 2025, 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.

B. Receivables

Receivables as of June 30, 2025 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>Capital Projects</u>	<u>Food Service</u>	<u>Total</u>
Receivables:					
Intergovernmental					
Federal		\$ 305		\$ 6,849	\$ 7,154
State	\$ 8,406	-	\$ 39,815	598	48,819
Accounts	-	-	-	19,092	19,092
Gross Receivables	8,406	305	39,815	26,539	75,065
Less: Allowance for					
Uncollectibles	-	-	-	-	-
Net Total Receivables	<u>\$ 8,406</u>	<u>\$ 305</u>	<u>\$ 39,815</u>	<u>\$ 26,539</u>	<u>\$ 75,065</u>

ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2025 was as follows:

	Balance, July 1, 2024 (Restated)	Increases	Decreases	Balance, June 30, 2025
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 177,000	-	-	\$ 177,000
Total Capital Assets, Not Being Depreciated	177,000	-	-	177,000
Capital Assets, Being Depreciated:				
Building and Building Improvements	15,716,357	\$ 41,540		15,757,897
Land Improvements	848,347	31,528		879,875
Machinery and Equipment	1,626,985	5,000	-	1,631,985
Total Capital Assets Being Depreciated	18,191,689	78,068	-	18,269,757
Less Accumulated Depreciation for:				
Building and Building Improvements	(3,707,185)	(700,639)		(4,407,824)
Land Improvements	(345,660)	(29,697)		(375,357)
Machinery and Equipment	(987,213)	(124,766)	-	(1,111,979)
Total Accumulated Depreciation	(5,040,058)	(855,102)	-	(5,895,160)
Total Capital Assets, Being Depreciated, Net	13,151,631	(777,034)	-	12,374,597
Governmental Activities, Capital Assets, Net	\$ 13,328,631	\$ (777,034)	\$ -	\$ 12,551,597
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Equipment	\$ 180,156	\$ 77,998		\$ 258,154
Less Accumulated Depreciation for Equipment	(145,074)	(8,796)	-	(153,870)
Total Capital Assets, Being Depreciated, Net	35,082	69,202	-	104,284
Business-Type Activities Capital Assets, Net	\$ 35,082	\$ 69,202	\$ -	\$ 104,284

**ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Capital Assets (Continued)

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

Governmental Activities:

Instruction	
Regular	\$ 43,038
Total Instruction	<u>43,038</u>
Support Services	
Student and Instruction Related Services	19,950
General Administration	4,198
Operations and Maintenance	755,137
Transporation	<u>32,779</u>
Total Support Services	<u>812,064</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 855,102</u>

Business-Type Activities:

Food Service Fund	\$ 8,796
Total Depreciation Expense-Business-Type Activities	<u>\$ 8,796</u>

D. 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	\$ 3,818
Total Unearned Revenue for Governmental Funds	<u>\$ 3,818</u>

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2025, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Capital Projects Fund	General Fund	<u>\$ 191,477</u>

The above balance is the result of covering cash balances which were in an overdraft position.

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

**ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers (Continued)

Interfund transfers

	<u>Transfer In:</u> Special Revenue <u>Fund</u>
<u>Transfer Out:</u>	
General Fund	\$ <u>6,500</u>

The above transfers was the result of revenues earned in one fund to finance expenditures in another fund.

F. Financing Agreements

Capital Financing Agreements

The District entered into the following agreement to finance the acquisition of capital assets under a capital financing agreement. The repayment of this financing agreement is subject to the annual appropriation of funds in the District's approved budget.

Capital financing agreements at June 30, 2025 are comprised of the following:

\$41,387, fiscal year 2023 agreement for copier machines for a term of 4 years due in monthly installments of \$875 to \$960 through March 28, 2027, interest at 5.60% through February 15, 2025.	\$ <u>19,252</u>
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The maturity schedule of the remaining capital financial agreement payments for principal and interest is as follows:

Governmental Activities:

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 10,770	\$ 803	\$ 11,573
2027	<u>8,482</u>	<u>199</u>	<u>8,681</u>
	<u>\$ 19,252</u>	<u>\$ 1,002</u>	<u>\$ 20,254</u>

**ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt

General Obligation Bonds

The Board issued general obligation bonds through the Morris County Improvement Authority to provide funds for the acquisition and construction of major capital facilities and other capital assets and 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, 2025 are comprised of the following issue:

\$10,935,000, 2020 Governmental Loan Revenue Bonds, due in annual installments of \$415,000 to \$710,000 through December 30, 2040, interest at 3.00% to 5.00% \$ 9,270,000

The maturity schedule of the remaining capital financing agreement payments for principal and interest is as follows:

Governmental Activities:

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 415,000	\$ 341,425	\$ 756,425
2027	435,000	320,175	755,175
2028	455,000	297,925	752,925
2029	480,000	274,550	754,550
2030	505,000	249,925	754,925
2031-2035	2,880,000	886,750	3,766,750
2036-2040	3,390,000	366,150	3,756,150
2041	<u>710,000</u>	<u>10,650</u>	<u>720,650</u>
	<u>\$ 9,270,000</u>	<u>\$ 2,747,550</u>	<u>\$ 12,017,550</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2025 was as follows:

3.0% of Equalized Valuation Basis (Municipal)	\$ 29,344,719
Less: Net Debt Issued and Authorized but not Issued	<u>(9,270,000)</u>
Remaining Borrowing Power	<u>\$ 20,074,719</u>

**ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2025, was as follows:

	Balance, July 1, 2024 (Restated)	Additions	Reductions	Balance, June 30, 2025	Due Within One Year
Governmental Activities:					
Bonds Payable	\$ 9,665,000		\$ 395,000	\$ 9,270,000	\$ 415,000
Add: Unamortized Premium	1,242,691	-	78,136	1,164,555	-
	10,907,691	-	473,136	10,434,555	415,000
Capital Financing Agreements	29,428		10,176	19,252	10,770
Net Pension Liability	1,592,338	\$ 66,273	150,977	1,507,634	
Compensated Absences *	1,349,759	79,231	-	1,428,990	30,000
Governmental Activity Long-Term Liabilities	<u>\$ 13,879,216</u>	<u>\$ 145,504</u>	<u>\$ 634,289</u>	<u>\$ 13,390,431</u>	<u>\$ 455,770</u>

* The change in compensated absences liability is presented as a net number.

For the governmental activities, the liabilities for capital financing agreements 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 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 School Boards Association Insurance Group ("NJSBAIG" or "Group"). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims. NJSBAIG also provides insured coverage (multi-peril) to its member school districts.

The relationship between the Board and the insurance group 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 Group, to report claims on a timely basis, cooperate with the management of the fund, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the Group. Members have a contractual obligation to fund any deficit of the Group attributable to a membership year during which they were a member.

NJSBAIG 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 group are on file with the School's Business Administrator.

**ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

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, reimbursements to the State for benefits paid and the ending balance of the District's restricted fund balance for unemployment compensation claims in the General Fund for the current and previous two years:

<u>Fiscal Year Ended June 30,</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2025	None	\$ 14,837	\$ 26,392	\$ 113,920
2024	None	17,185	4,814	140,313
2023	None	14,642	15,229	127,942

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, 2025, 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, 2025, the District has not estimated its arbitrage earnings due to the IRS, if any.

**ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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.nj.gov/treasury/pensions/annual-reports.

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 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 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.nj.gov/treasury/pensions/annual-reports.

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.

**ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans

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 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 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.nj.gov/treasury/pensions.

**ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans

Plan Amendments

The authority to amend the provisions of the above plans rests with new 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.nj.gov/treasury/doinvest.

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2024 is \$13.7 billion and the plan fiduciary net position as a percentage of the total pension liability is 68.22%. The collective net pension liability of the State funded TPAF at June 30, 2024 is \$49.5 billion and the plan fiduciary net position as a percentage of total pension liability is 37.99%.

ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Collective Net Pension Liability (Continued)

The total pension liabilities for the June 30, 2024 measurement date were determined based on actuarial valuations as of July 1, 2023 which were rolled forward to June 30, 2024.

Actuarial Methods and Assumptions

In the July 1, 2023 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 member 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 2025.

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, 2025 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, 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 2025, 2024 and 2023 were equal to the required contributions.

During the fiscal years ended June 30, 2025, 2024 and 2023 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 accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended June 30,	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2025	\$ 150,977	\$ 1,735,298	\$ 33,054
2024	146,931	1,584,201	32,824
2023	148,866	1,576,926	29,990

**ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2025, 2024 and 2023 the State contributed \$1,087, \$850, and \$806, 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 \$377,182 during the fiscal year ended June 30, 2025 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, 2023 through June 30, 2024. 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/(benefit) 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, 2024 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2024.

**ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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)

At June 30, 2025, the District reported in the statement of net position (accrual basis) a liability of \$1,507,634 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2023. 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, 2024. At June 30, 2024, the District's proportionate share was .01110 percent, which was an increase of .00011 percent from its proportionate share measured as of June 30, 2023 of .01099 percent.

For the fiscal year ended June 30, 2025, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$14,017 for PERS. The pension contribution made by the District during the current 2024/2025 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, 2025 with a measurement date of the prior fiscal year end of June 30, 2024. 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, 2025 for contributions made subsequent to the measurement date. At June 30, 2025, 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	\$ 30,201	\$ 4,014
Changes of Assumptions	1,873	17,153
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		69,905
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>55,458</u>	<u>137,520</u>
Total	<u>\$ 87,532</u>	<u>\$ 228,592</u>

**ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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)

At June 30, 2025, 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</u> <u>June 30,</u>	<u>Total</u>
2026	\$ (85,587)
2027	16,058
2028	(54,840)
2029	(17,268)
2030	577
Thereafter	<u>-</u>
	<u>\$ (141,060)</u>

Actuarial Assumptions

The District's total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. 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.

ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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)

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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, 2024) 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, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	7.10%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Investment Grade Credit	7.00%	5.37%
US Equity	28.00%	8.63%
Non-US Developed Markets Equity	12.75%	8.85%
Emerging Markets Equity	5.50%	10.66%
High Yield	4.50%	6.74%
Real Assets	3.00%	8.20%
Private Credit	8.00%	8.90%
Real Estate	8.00%	10.95%
Private Equity	13.00%	12.40%
International Small Cap Equity	1.25%	8.85%

**ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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, 2024. 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.

The following presents the District's proportionate share of the PERS net pension liability as of the June 30, 2024 measurement date 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 (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 2,003,275</u>	<u>\$ 1,507,634</u>	<u>\$ 1,085,846</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, 2024. A sensitivity analysis specific to the District's net pension liability at June 30, 2024 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.nj.gov/treasury/pensions.

**ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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, 2023 through June 30, 2024. 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, 2024, 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, 2025, the District recognized in the district-wide statement of activities (accrual basis) pension expense/(benefit) of (\$67,027) 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, 2025 the State's proportionate share of the net pension liability attributable to the District is \$18,374,375. The net pension liability was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2023. 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, 2024. At June 30, 2024, the state's share of the net pension liability attributable to the District was .03718 percent, which was a decrease of .00139 percent from its proportionate share measured as of June 30, 2023 of .03857 percent.

**ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75-5.65%
	Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with 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, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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, 2024) 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, 2024 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%	7.10%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Investment Grade Credit	7.00%	5.37%
US Equity	28.00%	8.63%
Non-US Developed Markets Equity	12.75%	8.85%
Emerging Markets Equity	5.50%	10.66%
High Yield	4.50%	6.74%
Real Assets	3.00%	8.20%
Private Credit	8.00%	8.90%
Real Estate	8.00%	10.95%
Private Equity	13.00%	12.40%
International Small Cap Equity	1.25%	8.85%

Discount Rate

The discount rate used to measure the total pension liability for TPAF was 7.00% as of June 30, 2024. 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.

**ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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 as of the June 30, 2024 measurement date 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 (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 21,840,546</u>	<u>\$ 18,374,375</u>	<u>\$ 15,455,204</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District 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.nj.gov/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, 2024. 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.

**ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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.

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 post-retirement 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.nj.gov/treasury/pensions.

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2023:

Active Plan Members	219,185
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>153,556</u>
Total	<u>372,741</u>

**ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Measurement Focus and Basis of Accounting

The financial statements of the post-employment health benefit plan 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, 2024 is \$59.7 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 July 1, 2023 which were rolled forward to June 30, 2024.

Actuarial Methods and Assumptions

In the July 1, 2023 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 \$1.50 billion to the OPEB plan in fiscal year 2024.

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, 2025, 2024 and 2023 were \$507,055, \$436,079 and \$420,002, 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.

**ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

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, 2023 through June 30, 2024. 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, 2025, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$868,505. 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, 2025, the State's proportionate share of the OPEB liability attributable to the District is \$22,700,045. The State's proportionate share of the OPEB liability attributable to the District was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2023. 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, 2024 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2024. At June 30, 2023, the state's share of the OPEB liability attributable to the District was .03805 percent, which was a decrease of .00049 percent from its proportionate share measured as of June 30, 2023 of .03854 percent.

Actuarial Assumptions

The OPEB liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. 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%	2.75% to 5.65%
	Based on Years of Service	Based on Years of Service

Mortality Rates

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 disables 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 July 1, 2023 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.

**ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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)**

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 7.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is, increasing to 19.36% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO the trend is, increasing to 22.88% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% and decreases to a 4.50% long-term trend rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2024 was 3.93%. 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, 2025 (measurement date June 30, 2024) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2023 Measurement Date	\$ 20,178,566
Changes Recognized for the Fiscal Year:	
Service Cost	897,547
Interest on the Total OPEB Liability	747,232
Differences Between Expected and Actual Experience	(270,432)
Changes of Assumptions	1,698,265
Gross Benefit Payments	(570,673)
Contributions from the Member	19,540
Net Changes	\$ 2,521,479
Balance, June 30, 2024 Measurement Date	\$ 22,700,045

Changes of assumptions and other inputs reflect a change in the discount rate from 3.65% in 2023 to 3.93% in 2024.

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, 2024.

ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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 as of the June 30, 2024 measurement date calculated using the discount rate of 3.93%, 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 (2.93%) or 1-percentage-point higher (4.93%) than the current rate:

	1% Decrease <u>(2.93%)</u>	Current Discount Rate <u>(3.93%)</u>	1% Increase <u>(4.93%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 26,586,614</u>	<u>\$ 22,700,045</u>	<u>\$ 19,574,437</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 as of the June 30, 2024 measurement date 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	1% Increase <u></u>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 18,909,303</u>	<u>\$ 22,700,045</u>	<u>\$ 27,637,737</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2024. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2024 were not provided by the pension system.

ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 5 RESTATEMENT

During fiscal year 2025, the District determined that the implementation of GASB No. 101 "Compensated Absences" materially changed their compensated absences liability. In addition, the District determined that error corrections for unrecorded depreciation expenses on capital assets and unrecorded premium on bonds and related amortization expenses materially changed the District's capital assets and long-term bond liability, respectively. The Rockaway Borough Public School District has determined that the effect of GASB No. 101 and the error corrections on the financial statements previously reported as of and for the fiscal year ended June 30, 2024 are as follows:

Governmental Activities

The financial statements of the governmental activities as of June 30, 2024 have been restated to reflect certain activities related to compensated absences, capital assets and bonds payable. The effect of this restatement is to decrease net position of governmental activities by \$3,608,761 from \$4,439,295 as previously reported to \$830,534 as of June 30, 2024.

	<u>District-wide Net Position</u>
	<u>Governmental Activities</u>
Balance July 1, 2024 - As Reported	\$ 4,439,295
Change in Accounting Principle (Adoption of GASB No. 101)	(1,153,221)
Error Correction - Record Accumulated Depreciation on Capital Assets	(1,212,849)
Error Correction - Record Unamortized Premium on Bonds	<u>(1,242,691)</u>
Depreciation on Capital Assets	<u>\$ 830,534</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART II
BUDGETARY COMPARISON SCHEDULES

**ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
REVENUES					
Local Sources					
Property Taxes	\$ 9,360,002		\$ 9,360,002	\$ 9,360,002	
Tuition from Individuals	55,440		55,440	44,910	\$ (10,530)
Tuition from Other LEA's	269,508		269,508	206,911	(62,597)
Interest			-	33,674	33,674
Private Contributions	51,000		51,000	22,953	(28,047)
Miscellaneous	72,605	-	72,605	52,121	(20,484)
Total Local Sources	9,808,555	-	9,808,555	9,720,571	(87,984)
State Sources					
Equalization Aid	1,270,360		1,270,360	1,270,360	
Special Education Aid	513,091		513,091	513,091	
Security Aid	74,022		74,022	74,022	
Transportation Aid	60,781		60,781	60,781	
Stabilization Budget Aid	68,010		68,010	67,010	(1,000)
Extraordinary Aid	287,198		287,198	194,506	(92,692)
Nonpublic School Transportation Aid			-	8,406	8,406
Menstrual Products Reimbursement	3,758		3,758		(3,758)
Lead Testing for Schools	3,500		3,500		(3,500)
On-behalf TPAF Contributions - (Non-Budget)					
Pension Contribution				1,714,065	1,714,065
Pension - NCGI Premium				21,233	21,233
Post-Retirement Medical Benefits				507,055	507,055
Long-Term Disability Insurance Premium				1,087	1,087
Reimbursed TPAF Social Security Payments (Non-Budget)	-	-	-	377,182	377,182
Total State Sources	2,280,720	-	2,280,720	4,808,798	2,528,078
Total Revenues	12,089,275	-	12,089,275	14,529,369	2,440,094
EXPENDITURES					
CURRENT					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool	92,953	\$ (1,433)	91,520	91,060	460
Kindergarten	253,095	(14,247)	238,848	238,455	393
Grades 1-5	1,604,353	(27,702)	1,576,651	1,574,588	2,063
Grades 6-8	1,005,622	132,030	1,137,652	1,136,441	1,211
Regular Program - Home Instruction					
Salaries of Teachers	2,300	-	2,300		2,300
Purchased Professional-Educational Services	4,000	(1,100)	2,900	2,232	668
Regular Programs - Undistributed Instruction					
Purchased Professional - Educational Services	3,875	423	4,298	4,298	-
Purchased Technical Services	126,122	(10,534)	115,588	113,300	2,288
Other Purchased Services	54,325	7,434	61,759	57,975	3,784
General Supplies	101,070	(9,269)	91,801	90,782	1,019
Textbooks	267,350	(38,984)	228,366	228,320	46
Miscellaneous Expenditures	2,885	(1,801)	1,084	1,065	19
Total Regular Programs	3,517,950	34,817	3,552,767	3,538,516	14,251
Special Education					
Learning and/or Language Disabilities					
Salaries of Teachers	141,260	(7,343)	133,917	133,489	428
Other Salaries for Instruction	29,896	(5,423)	24,473	23,990	483
General Supplies	500	408	908	908	-
Total Learning and/or Language Disabilities	171,656	(12,358)	159,298	158,387	911

ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT (Continued)					
Special Education (Continued)					
Multiple Disabilities					
Salaries of Teachers	\$ 143,264	\$ (3,529)	\$ 139,735	\$ 139,704	\$ 31
Other Salaries for Instruction	72,611	14,411	87,022	86,842	180
General Supplies	1,500	395	1,895	1,895	-
Total Multiple Disabilities	217,375	11,277	228,652	228,441	211
Resource Room/Resource Center					
Salaries of Teachers	513,575	13,215	526,790	525,727	1,063
Other Salaries for Instruction	219,390	(47,603)	171,787	170,042	1,745
General Supplies	2,500	(1,766)	734	657	77
Total Resource Room/Resource Center	735,465	(36,154)	699,311	696,426	2,885
Preschool Disabilities - Part-Time					
Salaries of Teachers	63,484	18	63,502	63,459	43
Other Salaries for Instruction	118,952	(17,226)	101,726	101,724	2
General Supplies	2,000	(400)	1,600	1,112	488
Total Preschool Disabilities - Part-Time	184,436	(17,608)	166,828	166,295	533
Home Instruction					
Salaries of Teachers	1,000	5,566	6,566	6,556	10
Purchased Professional - Educational Services	3,000	(2,800)	200	-	200
Total Home Instruction	4,000	2,766	6,766	6,556	210
Total Special Education	1,312,932	(52,077)	1,260,855	1,256,105	4,750
Basic Skills/Remedial					
Salaries of Teachers	161,059	(461)	160,598	160,598	-
General Supplies	1,600	(4)	1,596	875	721
Total Basic Skills/Remedial	162,659	(465)	162,194	161,473	721
Bilingual Education					
Salaries of Teachers	158,271	2,219	160,490	160,269	221
Purchased Professional - Educational Services	2,500	(2,500)	-	-	-
General Supplies	2,800	(2,633)	167	59	108
Total Bilingual Education	163,571	(2,914)	160,657	160,328	329
School Sponsored Co/Extra-Curricular Activities					
Salaries	34,519	12,347	46,866	46,866	-
Supplies and Materials	4,000	(3,313)	687	687	-
Miscellaneous Expenditures	400	(400)	-	-	-
Total School Sponsored Co/Extra-Curricular Activities	38,919	8,634	47,553	47,553	-
School Sponsored Athletics					
Salaries	26,232	4,748	30,980	28,850	2,130
Other Purchased Services	10,625	(6,500)	4,125	3,965	160
Supplies and Materials	7,000	-	7,000	7,000	-
Miscellaneous Expenditures	1,800	(1,300)	500	465	35
Total School Sponsored Athletics	45,657	(3,052)	42,605	40,280	2,325
Other Supplemental/At-Risk Programs					
Salaries	183,461	(1,096)	182,365	182,365	-
Supplies and Materials	1,500	-	1,500	475	1,025
Other Supplemental/At Risk Programs	184,961	(1,096)	183,865	182,840	1,025
Total Instruction	5,426,649	(16,153)	5,410,496	5,387,095	23,401

ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State-Special		\$ 31,432	\$ 31,432	\$ 31,239	\$ 193
Tuition to APSSD Within the State	\$ 244,024	112,912	356,936	350,567	6,369
Total Undistributed Expenditures - Instruction	244,024	144,344	388,368	381,806	6,562
Health Services					
Salaries	201,363	(3,552)	197,811	197,772	39
Other Purchased Services	15,625	1,450	17,075	15,819	1,256
Supplies and Materials	5,601	(946)	4,655	4,655	-
Supplies - Menstrual Products	600	(5)	595	-	595
Total Health Services	223,189	(3,053)	220,136	218,246	1,890
Speech, OT, PT & Related Services					
Salaries	192,361	38,505	230,866	230,694	172
Purchased Professional and Technical Services	131,200	(48,140)	83,060	83,060	-
Supplies and Materials	1,500	(370)	1,130	1,130	-
Total Speech, OT, PT & Related Services	325,061	(10,005)	315,056	314,884	172
Other Support Serv. Students - Extra. Svcs.					
Salaries	220,393	59,670	280,063	280,063	-
Purchased Professional-Educational Services	238,800	(19,677)	219,123	219,123	-
Supplies and Materials	1,250	(253)	997	997	-
Total Other Support Serv. Students - Extra. Serv.	460,443	39,740	500,183	500,183	-
Guidance					
Salaries of Other Professional Staff	127,807	1,190	128,997	128,980	17
Supplies and Materials	2,000	(1,651)	349	184	165
Total Guidance	129,807	(461)	129,346	129,164	182
Child Study Team					
Salaries of Secretarial and Clerical Assistants	34,103	(1,562)	32,541	32,541	-
Purchased Professional-Educational Services	379,955	5,798	385,753	385,753	-
Supplies and Materials	4,100	1,274	5,374	5,374	-
Total Child Study Team	418,158	5,510	423,668	423,668	-
Improvement of Instructional Services					
Salaries of Supervisor of Instruction	336,863	(210,088)	126,775	126,771	4
Salaries of Other Professional Staff	5,034	(520)	4,514	4,514	-
Salaries of Secretarial and Clerical Assistants	148,015	(2,560)	145,455	145,439	16
Other Objects	2,755	(750)	2,005	2,004	1
Total Improvement of Instructional Services	492,667	(213,918)	278,749	278,728	21
Educational Media Services/School Library					
Salaries	76,118	1,102	77,220	77,220	-
Salaries of Technology Coordinators	102,589	8,424	111,013	110,501	512
Purchased Professional/Technology Services	3,700	(1,461)	2,239	2,201	38
Other Purchased Services	1,900	(501)	1,399	1,399	-
Supplies and Materials	2,300	1,061	3,361	2,792	569
Total Educational Media Serv./School Library	186,607	8,625	195,232	194,113	1,119

ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
General Administration					
Salaries	\$ 262,384	\$ 388	\$ 262,772	\$ 262,771	\$ 1
Legal Services	10,000	18,247	28,247	28,247	-
Audit Fees	26,200	-	26,200	26,200	-
Architectural/Engineering Services	19,650	(6,544)	13,106	12,721	385
Purchased Technical Services	1,200	25	1,225	1,225	-
Communications/Telephone	35,717	4,280	39,997	39,728	269
Miscellaneous Purchased Services	5,000	(4,450)	550	550	-
BOE Other Purchased Services	89,258	(28,389)	60,869	59,010	1,859
General Supplies	3,250	(1,500)	1,750	1,636	114
Miscellaneous Expenditures	3,325	61	3,386	3,386	-
BOE Membership Dues and Fees	6,822	(61)	6,761	6,538	223
Total General Administration	462,806	(17,943)	444,863	442,012	2,851
School Administration					
Salaries of Principal/Asst. Principals/Prog. Dir.	58,712	214,337	273,049	273,049	-
Salaries of Secretarial and Clerical Assistants	29,364	831	30,195	29,957	238
Other Purchased Services	13,350	(213)	13,137	11,839	1,298
Supplies and Materials	2,740	(697)	2,043	2,012	31
Other Objects	3,170	1,685	4,855	4,655	200
Total School Administration	107,336	215,943	323,279	321,512	1,767
Central Services					
Salaries	269,125	19,002	288,127	285,676	2,451
Purchased Professional Services	45,262	(11,917)	33,345	33,345	-
Miscellaneous Purchased Services	2,850	(1,115)	1,735	1,735	-
Supplies and Materials	2,730	387	3,117	2,961	156
Miscellaneous Expenditures	2,730	1,858	4,588	4,557	31
Total Central Services	322,697	8,215	330,912	328,274	2,638
Required Maintenance for School Facilities					
Cleaning, Repair and Maintenance	30,000	11,750	41,750	4,309	37,441
Lead Testing Drinking Water	3,500	229	3,729	3,729	-
General Supplies	5,850	(450)	5,400	4,624	776
Total Required Maintenance for School Facilities	39,350	11,529	50,879	12,662	38,217
Custodial Services					
Salaries	422,133	(4,710)	417,423	417,255	168
Salaries of Non-Instructional Aides	81,584	66,816	148,400	147,993	407
Purchased Prof. And Technical Serv.	11,554	52	11,606	11,026	580
Cleaning, Repair and Maint. Serv.	45,750	12,687	58,437	58,025	412
Other Purchased Property Services	12,000	(3,687)	8,313	8,313	-
Insurance	31,873	27,510	59,383	59,383	-
General Supplies	78,500	(17,029)	61,471	60,844	627
Energy (Natural Gas)	92,500	6,905	99,405	98,209	1,196
Energy (Electricity)	83,000	9,438	92,438	85,383	7,055
Energy (Gasoline)	5,000	-	5,000	2,694	2,306
Other Objects	3,500	(403)	3,097	2,922	175
Total Custodial Services	867,394	97,579	964,973	952,047	12,926

ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures (Continued)					
Care and Upkeep of Grounds					
Cleaning, Repair and Maint. Serv.	\$ 12,500	\$ (1,748)	\$ 10,752	\$ 10,752	
General Supplies	3,500	(500)	3,000	2,721	\$ 279
Total Care and Upkeep of Grounds	16,000	(2,248)	13,752	13,473	279
Security					
Purchased Prof. And Technical Serv.	105,000	15,900	120,900	120,819	81
Total Security	105,000	15,900	120,900	120,819	81
Student Transportation Services					
Salaries of Non-Instructional Aides	23,102	(3,789)	19,313	18,634	679
Salaries for Pupil Transportation (Between Home and School)-Regular	4,000	(4,000)			-
Salaries for Pupil Transportation (Between Home and School)-Spec. Ed.	68,266	(22,480)	45,786	45,744	42
Salaries for Pupil Transportation (Other than Between Home and School)	5,000	(3,000)	2,000	1,831	169
Management Fee - ESC and CTSA Transportation Program	750	-	750	560	190
Cleaning, Repair, and Maintenance Services	8,000	-	8,000	7,070	930
Contracted Serv. - Aid in Lieu of Payments - Non-Public	28,600	(6,000)	22,600	22,561	39
Contracted Services (Other than Between Home and School)-Vendors	10,000	18,700	28,700	27,935	765
Contract Services (Between Home and School)-Joint Agreements		5,142	5,142	5,142	-
Contracted Services (Spl. Ed. Students) - Vendors		45,400	45,400	45,400	-
Contract Services (Regular Students)-ESCs and CTSA	2,000	29,590	31,590	31,500	90
Contract Services (Special Ed Students)-ESCs and CTSA	245,600	24,030	269,630	269,483	147
General Supplies	750	(750)			-
Transportation Supplies	3,500	(300)	3,200	3,188	12
Other Objects	1,000	1,660	2,660	2,405	255
Total Student Transportation Services	400,568	84,203	484,771	481,453	3,318
Unallocated Benefits - Employee Benefits					
Social Security Contributions	182,764	21,207	203,971	203,880	91
Other Retirement Contributions-PERS	184,800	(28,948)	155,852	155,852	-
Other Retirement Contributions-Regular		35,200	35,200	33,054	2,146
Unemployment Compensation (Non-Budget)		-		26,393	(26,393)
Workmen's Compensation	61,898	(164)	61,734	61,734	-
Health Benefits	1,794,736	(161,707)	1,633,029	1,625,207	7,822
Tuition Reimbursement	20,000	15,431	35,431	32,330	3,101
Other Employee Benefits	67,050	14,366	81,416	81,363	53
Total Unallocated Benefits - Employee Benefits	2,311,248	(104,615)	2,206,633	2,219,813	(13,180)
On-behalf TPAF Contributions - (Non-Budget):					
Pension Contribution				1,714,065	(1,714,065)
Pension - NCGI Premium				21,233	(21,233)
Post Retirement Medical Benefits				507,055	(507,055)
Long Term Disability Insurance Premium				1,087	(1,087)
Reimbursed TPAF Social Security Payments (Non-Budget)	-	-	-	377,182	(377,182)
Total On-Behalf Payments	-	-	-	2,620,622	(2,620,622)
Total Undistributed Expenditures	7,112,355	279,345	7,391,700	9,953,479	(2,561,779)
Total - Current Expenditures	12,539,004	263,192	12,802,196	15,340,574	(2,538,378)

**ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Final To Actual
CAPITAL OUTLAY					
EXPENDITURES (Continued)					
Facilities Acquisition and Construction Services					
Construction Services	\$ 30,660	\$ 868	\$ 31,528	\$ 31,528	-
Assessment for Debt Service on SDA Funding	3,480	-	3,480	3,480	-
Total Facilities Acquisition and Construction Services	34,140	868	35,008	35,008	-
Total Capital Outlay	34,140	868	35,008	35,008	-
Transfer to Charter School	13,391	(13,391)	-	-	-
Total Expenditures	12,586,535	250,669	12,837,204	15,375,582	\$ (2,538,378)
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	(497,260)	(250,669)	(747,929)	(846,213)	(98,284)
Other Financing Sources (Uses)					
Transfer from Other Funds	44,017	-	44,017		(44,017)
Transfer Out - Special Revenue Fund (Athletics)	-	(6,500)	(6,500)	(6,500)	-
Total Other Financing Sources (Uses)	44,017	(6,500)	37,517	(6,500)	(44,017)
Net Change in Fund Balances	\$ (453,243)	\$ (257,169)	\$ (710,412)	\$ (852,713)	\$ (142,301)
Fund Balance, Beginning of Year	1,366,204	-	1,366,204	1,366,204	-
Fund Balance, End of Year	\$ 912,961	\$ (257,169)	\$ 655,792	\$ 513,491	\$ (142,301)
Recapitulation					
Restricted Fund Balance:					
Capital Reserve				\$ 29,819	
Capital Reserve - Designated for Subsequent Year's Expenditures				47,500	
Unemployment Compensation Reserve				113,920	
Excess Surplus - Designated for Subsequent Year's Expenditures				26,617	
Assigned Fund Balance:					
Year End Encumbrances				32,000	
Unassigned Fund Balance				<u>263,635</u>	
Reconciliation to Governmental Funds Statements (GAAP):				513,491	
Less: State Aid Revenue Not Recognized on GAAP Basis				<u>(385,983)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 127,508</u>	

ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
State	\$ 188,846	58,243	\$ 247,089	\$ 233,851	\$ (13,238)
Federal	357,818	(9,165)	348,653	327,814	(20,839)
Other	5,020	58,337	63,357	63,357	-
Total Revenues	551,684	107,415	659,099	625,022	(34,077)
EXPENDITURES					
Instruction					
Salaries of Teachers	43,976	38,116	82,092	82,092	-
Purchased Professional and Technical Services	1,951	(1,951)	-	-	-
Purchased Professional and Educational Services	105,773	(1,971)	103,802	90,564	13,238
Tuition	152,743	21,278	174,021	174,021	-
Supplies and Materials	39,027	(36,799)	2,228	2,158	70
Textbooks	9,582	1,157	10,739	10,739	-
Co-curricular/Extra-curricular Activities	10,050	55,966	66,016	66,016	-
Athletic Activities	-	6,500	6,500	5,738	762
Total Instruction	363,102	82,296	445,398	431,328	14,070
Support Services					
Employee Benefits	8,242	(8,242)	-	-	-
Purchased Professional and Technical Services	102,409	(42,568)	59,841	56,023	3,818
Purchased Professional and Educational Services	37,481	9,442	46,923	46,110	813
Cleaning, Repairs, and Maintenance	-	37,148	37,148	37,148	-
Supplies and Materials	45,480	12,617	58,097	57,810	287
Scholarship Awards	-	-	-	-	-
Total Support Services	193,612	8,397	202,009	197,091	4,918
Capital Outlay					
Buildings	-	15,851	15,851	-	15,851
Instructional Equipment	-	5,000	5,000	5,000	-
Total Capital Outlay	-	20,851	20,851	5,000	15,851
Total Expenditures	556,714	111,544	668,258	633,419	34,839
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,030)	(4,129)	(9,159)	(8,397)	762
OTHER FINANCING SOURCES (USES)					
Transfer In	-	6,500	6,500	6,500	-
Total Other Financing Sources and Uses	-	6,500	6,500	6,500	-
Net Change in Fund Balances	(5,030)	2,371	(2,659)	(1,897)	762
Fund Balances, Beginning of Year	35,634	-	35,634	35,634	-
Fund Balances, End of Year	\$ 30,604	\$ 2,371	\$ 32,975	\$ 33,737	\$ 762
Recapitulation of Fund Balance					
Student Activities				\$ 29,532	
Scholarship Awards				4,205	
				\$ 33,737	

ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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	\$ 14,529,369	\$ 625,022
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized. Encumbrances, June 30, 2024, net of cancellations		15,851
State Aid payment recognized for GAAP purposes, not recognized for Budgetary statements (2023/2024 State Aid)	206,369	
State Aid payment recognized for budgetary purposes, not recognized for GAAP statements (2024/2025 State Aid)	<u>(385,983)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 14,349,755</u>	<u>\$ 640,873</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 15,375,582	\$ 633,419
Difference - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes. Encumbrances, June 30, 2024, net of cancellations	<u>\$ -</u>	<u>15,851</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 15,375,582</u>	<u>\$ 649,270</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III
PENSION AND OTHER POST-EMPLOYMENT BENEFIT INFORMATION

ROCKAWAY BOROUGH PUBLIC 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>2025</u>	<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>
District's Proportion of the Net Position Liability (Asset)	0.01110 %	0.01099 %	0.01180 %	0.01251 %	0.01161 %	0.01183 %	0.01154 %	0.01224 %	0.01165 %	0.01184 %
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 1,507,634	\$ 1,592,338	\$ 1,781,457	\$ 1,481,566	\$ 1,893,384	\$ 2,131,178	\$ 2,272,629	\$ 2,848,911	\$ 3,449,765	\$ 2,657,210
District's Covered Payroll	\$ 868,206	\$ 861,154	\$ 881,477	\$ 855,519	\$ 887,514	\$ 847,022	\$ 822,539	\$ 766,200	\$ 827,170	\$ 798,905
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	173.65 %	184.91 %	202.10 %	173.18 %	213.34 %	251.61 %	276.29 %	371.82 %	417.06 %	332.61 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.22 %	65.23 %	62.91 %	70.33 %	58.32 %	56.27 %	53.60 %	48.10 %	40.14 %	47.93 %

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

**ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT CONTRIBUTIONS**

Public Employees Retirement System

Last Ten Fiscal Years

	<u>2025</u>	<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>
Contractually Required Contribution	\$ 150,977	\$ 146,931	\$ 148,860	\$ 146,466	\$ 127,014	\$ 115,049	\$ 114,809	\$ 113,376	\$ 103,478	\$ 101,768
Contributions in Relation to the Contractually Required Contribution	<u>150,977</u>	<u>146,931</u>	<u>148,860</u>	<u>146,466</u>	<u>127,014</u>	<u>115,049</u>	<u>114,809</u>	<u>113,376</u>	<u>103,478</u>	<u>101,768</u>
Contribution Deficiently (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	\$ 911,255	\$ 868,206	\$ 861,154	\$ 881,477	\$ 855,619	\$ 887,514	\$ 847,022	\$ 822,539	\$ 766,200	\$ 827,170
Contributions as a Percentage of Covered Payroll	16.57 %	16.92 %	17.29 %	16.62 %	14.84 %	12.96 %	13.55 %	13.78 %	13.51 %	12.30 %

**ROCKAWAY BOROUGH PUBLIC 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>2025</u>	<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>
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)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>18,374,375</u>	<u>19,685,310</u>	<u>19,542,661</u>	<u>17,868,402</u>	<u>21,666,185</u>	<u>20,024,652</u>	<u>20,110,653</u>	<u>20,438,528</u>	<u>21,560,345</u>	<u>19,729,129</u>
Total	<u>\$ 18,374,375</u>	<u>\$ 19,685,310</u>	<u>\$ 19,542,661</u>	<u>\$ 17,868,402</u>	<u>\$ 21,666,185</u>	<u>\$ 20,024,652</u>	<u>\$ 20,110,653</u>	<u>\$ 20,438,528</u>	<u>\$ 21,560,345</u>	<u>\$ 19,729,129</u>
District's Covered Payroll	\$ 5,210,105	\$ 4,751,034	\$ 4,337,514	\$ 4,353,282	\$ 4,280,292	\$ 3,850,735	\$ 3,422,549	\$ 3,258,734	\$ 3,271,256	\$ 3,082,348
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0.00 %	0.00 %	0.00 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	37.99 %	34.68 %	32.29 %	35.52 %	24.60 %	26.95 %	26.49 %	25.41 %	22.33 %	28.71 %

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

**ROCKAWAY BOROUGH PUBLIC 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, 2025**

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.

REQUIRED SUPPLEMENTARY INFORMATION - PART IV

POSTEMPLOYMENT BENEFITS INFORMATION

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

Postemployment Health Benefit Plan

Last Eight Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018
Service Cost	\$ 897,547	\$ 901,760	\$ 1,184,411	\$ 1,377,362	\$ 735,519	\$ 687,125	\$ 751,849	\$ 905,881
Interest on Total OPEB Liability	747,232	710,664	498,966	585,907	568,462	701,271	742,379	639,925
Changes of Benefit Terms				(24,040)				
Differences Between Expected and Actual Experience	(270,432)	233,102	87,880	(3,842,355)	3,764,491	(3,117,354)	(1,543,485)	-
Changes of Assumptions	1,698,265	40,672	(5,050,815)	22,283	4,550,834	234,308	(2,028,528)	(2,655,234)
Gross Benefit Payments	(570,673)	(553,974)	(494,241)	(461,530)	(433,723)	(482,396)	(472,678)	(468,133)
Contribution from the Member	19,540	18,212	15,855	14,979	13,146	14,300	16,336	17,238
Net Change in Total OPEB Liability	2,521,479	1,350,436	(3,757,944)	(2,327,394)	9,198,729	(1,962,296)	(2,534,127)	(1,560,323)
Total OPEB Liability - Beginning	20,178,566	18,828,130	22,586,074	24,913,468	15,714,739	17,677,035	20,211,162	21,771,485
Total OPEB Liability - Ending	<u>\$ 22,700,045</u>	<u>\$ 20,178,566</u>	<u>\$ 18,828,130</u>	<u>\$ 22,586,074</u>	<u>\$ 24,913,468</u>	<u>\$ 15,714,739</u>	<u>\$ 17,677,035</u>	<u>\$ 20,211,162</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	<u>22,700,045</u>	<u>20,178,566</u>	<u>18,828,130</u>	<u>22,586,074</u>	<u>15,714,739</u>	<u>15,714,739</u>	<u>17,677,035</u>	<u>20,211,162</u>
Total OPEB Liability - Ending	<u>\$ 22,700,045</u>	<u>\$ 20,178,566</u>	<u>\$ 18,828,130</u>	<u>\$ 22,586,074</u>	<u>\$ 15,714,739</u>	<u>\$ 15,714,739</u>	<u>\$ 17,677,035</u>	<u>\$ 20,211,162</u>
District's Covered Payroll	<u>\$ 6,078,311</u>	<u>\$ 5,612,188</u>	<u>\$ 5,218,991</u>	<u>\$ 5,208,801</u>	<u>\$ 5,167,806</u>	<u>\$ 4,697,757</u>	<u>\$ 4,245,088</u>	<u>\$ 4,024,934</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	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.

**ROCKAWAY BOROUGH PUBLIC 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, 2025**

Changes in Benefit Terms:

None.

Changes of Assumptions

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

SCHOOL LEVEL SCHEDULES

(General Fund)

NOT APPLICABLE

SPECIAL REVENUE FUND

ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	From Exhibit E-1	IDEIA Part B Basic	IDEIA Part B Preschool	SDA Emergent and Capital Maintenance Needs	Title I Part A	Title II Part A	Title III Immigrant	Title IV	Exhibit E-1 Grant Total
REVENUES									
Intergovernmental									
State	\$ 196,703			\$ 37,148					\$ 233,851
Federal	-	\$ 214,089	\$ 8,681		\$ 80,974	\$ 11,671	\$ 2,335	\$ 10,064	327,814
Other	63,357	-	-	-	-	-	-	-	63,357
Total Revenues	260,060	214,089	8,681	37,148	80,974	11,671	2,335	10,064	625,022
EXPENDITURES									
Instruction									
Salaries of Teachers	-				79,757		2,335		82,092
Purchased Professional and Educational Services	90,564								90,564
Tuition	-	174,021							174,021
Supplies and Materials	-				614			1,544	2,158
Textbooks	10,739								10,739
Co-curricular/Extra-curricular Activities	66,016								66,016
Athletic Activities	5,738	-	-	-	-	-	-	-	5,738
Total Instruction	173,057	174,021	-	-	80,371	-	2,335	1,544	431,328
Support Services									
Purchased Professional and Technical Services	-	35,068	8,681		603	11,671			56,023
Purchased Professional and Educational Services	37,590							8,520	46,110
Cleaning, Repairs, and Maintenance	-			37,148					37,148
Supplies and Materials	57,810	-	-	-	-	-	-	-	57,810
Total Support Services	95,400	35,068	8,681	37,148	603	11,671	-	8,520	197,091
Capital Outlay									
Instructional Equipment	-	5,000	-	-	-	-	-	-	5,000
Total Capital Outlay	-	5,000	-	-	-	-	-	-	5,000
Total Expenditures	268,457	214,089	8,681	37,148	80,974	11,671	2,335	10,064	633,419
Other Financing Sources/(Uses)									
Transfer In	6,500	-	-	-	-	-	-	-	6,500
Total Other Financing Sources/(Uses)	6,500	-	-	-	-	-	-	-	6,500
Net Change in Fund Balance	(1,897)	-	-	-	-	-	-	-	(1,897)
Fund Balance, Beginning of Year	35,634	-	-	-	-	-	-	-	35,634
Fund Balance, End of Year	\$ 33,737	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,737

CAPITAL PROJECTS FUND

**ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

<u>Project Title</u>	<u>Appropriation</u>	<u>Expended</u>		<u>Balance, June 30, 2025</u>
		<u>Prior Year</u>	<u>Current Year</u>	
2020 School Bond Referendum				
Various School Improvements and Renovations	\$ 12,944,349	\$ 12,494,034	\$ 25,689	\$ 424,626
 <u>Reconciliation to GAAP Basis</u>				
Project Balance, June 30, 2025				\$ 424,626
Fund Balance, June 30, 2025 - GAAP Basis				\$ 424,626
 <u>Recapitulation of Fund Balance</u>				
Restricted for Capital Projects				
Designated for Subsequent Year's Debt Service Expenditures				\$ 378,966
Available for Capital Projects				45,660
Total Fund Balance, GAAP Basis				\$ 424,626

**ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Revenues and Other Financing Sources

Local Reimbursement - PSE&G	\$ 71,349
-----------------------------	-----------

Total Revenues and Other Financing sources	71,349
--	--------

Expenditures and Other Financing Uses

Construction Services	25,689
-----------------------	--------

Total Expenditures and Other Financing Uses	25,689
---	--------

Excess of Revenues and Other Financing Sources	
--	--

Over Expenditures and Other Financing Uses	45,660
--	--------

Fund Balance, Beginning of Year	378,966
---------------------------------	---------

Fund Balance, End of Year	\$ 424,626
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Reconciliation to GAAP

Fund Balance, June 30, 2025 - Budgetary Basis	\$ 424,626
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Fund Balance, June 30, 2025 - GAAP Basis	\$ 424,626
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ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS -
BUDGETARY BASIS
2020 REFERENDUM - VARIOUS SCHOOL IMPROVEMENTS
FROM INCEPTION AND THROUGH THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenue and Other Financing Sources:				
Bond Proceeds	\$ 10,935,000		\$ 10,935,000	\$ 10,935,000
Premium on Bonds	1,545,000		1,545,000	1,545,000
Transfer from Capital Reserve	393,000		393,000	393,000
Local Reimbursement - PSE&G	-	\$ 71,349	71,349	71,349
Total Revenues	12,873,000	71,349	12,944,349	12,944,349
Expenditures				
Purchase Professional and Technical Services	1,140,879		1,140,879	1,200,000
Construction Services	11,353,155	25,689	11,378,844	11,744,349
Total Expenditures	12,494,034	25,689	12,519,723	12,944,349
Excess (deficiency) of Revenues over (under) Expenditures	\$ 378,966	\$ 45,660	\$ 424,626	\$ -

Additional Project Information:

Project Number	27-4480-050/060-18/19-1000
Bonds Authorization Date	2/19/2020
Bonds Authorized	\$ 12,480,000
Bonds Issued	10,935,000
Original Authorized Cost	12,873,000
Additional Authorization	71,349
Revised Authorized Cost	\$ 12,944,349
Percentage Completion	100.00%
Original Target Completion Date	6/30/2022
Revised Target Completion Date	6/30/2026

ENTERPRISE FUND

EXHIBIT G-1

**ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2025**

Financial Statements are Presented on Exhibit B-4

EXHIBIT G-2

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Financial Statements are Presented on Exhibit B-5

EXHIBIT G-3

**PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Financial Statements are Presented on Exhibit B-6

FIDUCIARY FUNDS

NOT APPLICABLE

LONG-TERM DEBT

**ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2024</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance, June 30, 2025</u>
MCIA - Governmental Loan Revenue Bond Series 2020	3/11/2020	\$ 10,935,000	12/30/25	\$ 415,000	5.00%				
			12/30/26	435,000	5.00%				
			12/30/27	455,000	5.00%				
			12/30/28	480,000	5.00%				
			12/30/29	505,000	5.00%				
			12/30/30	530,000	5.00%				
			12/30/31	555,000	4.00%				
			12/30/32	575,000	4.00%				
			12/30/33	600,000	4.00%				
			12/30/34	620,000	3.00%				
			12/30/35	640,000	3.00%				
			12/30/36	660,000	3.00%				
			12/30/37	680,000	3.00%				
			12/30/38	700,000	3.00%				
			12/30/39	710,000	3.00%				
			12/30/40	710,000	3.00%	\$ 9,665,000	-	\$ 395,000	\$ 9,270,000
						<u>\$ 9,665,000</u>	<u>\$ -</u>	<u>\$ 395,000</u>	<u>\$ 9,270,000</u>
						<u>\$ 9,665,000</u>	<u>\$ -</u>	<u>\$ 395,000</u>	<u>\$ 9,270,000</u>

EXHIBIT I-2

ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
SCHEDULE OF CAPITAL FINANCING AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

<u>Purpose</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance, June 30, 2024</u>	<u>Matured</u>	<u>Balance, June 30, 2025</u>
<u>Capital Financing Agreements:</u>					
5 Savin Digital Copiers	\$ 41,387	5.60%	\$ <u>29,428</u>	\$ <u>10,176</u>	\$ <u>19,252</u>

ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
LONG-TERM DEBT
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Original Budget</u>	<u>Budget Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local Sources					
Property Taxes	\$ 516,527	-	\$ 516,527	\$ 516,527	-
State Sources					
Debt Service Aid	240,148	-	240,148	240,148	-
	<u>756,675</u>	<u>-</u>	<u>756,675</u>	<u>756,675</u>	<u>-</u>
Total Revenues					
	<u>756,675</u>	<u>-</u>	<u>756,675</u>	<u>756,675</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Redemption of Bond Principal	395,000	-	395,000	395,000	-
Interest on Bonds	361,675	-	361,675	361,675	-
	<u>756,675</u>	<u>-</u>	<u>756,675</u>	<u>756,675</u>	<u>-</u>
Total Expenditures					
	<u>756,675</u>	<u>-</u>	<u>756,675</u>	<u>756,675</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity

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

J-10 to J-13

Demographic and Economic Information

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

J-14 and J-15

Operating Information

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

J-16 to J-20

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

ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	As of June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities										
Net Investment in Capital Assets	\$ 1,230,651	\$ 1,218,157	\$ 1,216,989	\$ 1,241,046	\$ (3,286,995)	\$ 801,904	\$ 2,350,620	\$ 4,332,846	\$ 2,770,478	\$ 2,522,416
Restricted	1,001,867	1,224,510	1,578,866	2,040,046	8,507,833	5,245,683	4,231,167	2,465,881	857,827	224,976
Unrestricted	(2,273,057)	(2,491,005)	(2,618,215)	(2,609,563)	(2,422,136)	(2,357,488)	(1,257,847)	(2,083,883)	(2,797,771)	(3,141,415)
Total Governmental Activities Net Position	<u>\$ (40,539)</u>	<u>\$ (48,338)</u>	<u>\$ 177,640</u>	<u>\$ 671,529</u>	<u>\$ 2,798,702</u>	<u>\$ 3,690,099</u>	<u>\$ 5,323,940</u>	<u>\$ 4,714,844</u>	<u>\$ 830,534</u>	<u>\$ (394,023)</u>
Business-Type Activities										
Net Investment in Capital Assets	\$ 10,980	\$ 10,856	\$ 10,258	\$ 28,006	\$ 34,326	\$ 33,927	\$ 32,931	\$ 5,876	\$ 35,082	\$ 104,284
Restricted										
Unrestricted	32,737	49,363	63,719	53,009	53,846	44,300	\$ 95,192	\$ 105,201	90,191	39,370
Total Business-Type Activities Net Position	<u>\$ 43,717</u>	<u>\$ 60,219</u>	<u>\$ 73,977</u>	<u>\$ 81,015</u>	<u>\$ 88,172</u>	<u>\$ 78,227</u>	<u>\$ 128,123</u>	<u>\$ 111,077</u>	<u>\$ 125,273</u>	<u>\$ 143,654</u>
District-Wide										
Net Investment in Capital Assets	\$ 1,241,631	\$ 1,229,013	\$ 1,227,248	\$ 1,269,052	\$ (3,252,670)	\$ 835,831	\$ 2,383,551	\$ 4,338,722	\$ 2,805,560	\$ 2,626,700
Restricted	1,001,867	1,224,510	1,578,866	2,040,046	8,507,833	5,245,883	4,231,167	2,465,881	857,827	224,976
Unrestricted	(2,240,320)	(2,441,642)	(2,554,496)	(2,556,555)	(2,368,290)	(2,313,188)	(1,162,655)	(1,978,682)	(2,707,580)	(3,102,045)
Total District Net Position	<u>\$ 3,178</u>	<u>\$ 11,881</u>	<u>\$ 251,618</u>	<u>\$ 752,543</u>	<u>\$ 2,886,873</u>	<u>\$ 3,768,526</u>	<u>\$ 5,452,063</u>	<u>\$ 4,825,921</u>	<u>\$ 955,807</u>	<u>\$ (250,369)</u>

Note 1 - Net Position at June 30, 2024 is restated to reflect the implementation of GASB Statement No. 101, "Compensated Absences" and error corrections for capital assets and unamortized premium on bonds.

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

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities										
Instruction										
Regular	\$ 3,638,231	\$ 4,108,295	\$ 4,250,365	\$ 4,402,464	\$ 4,244,894	\$ 4,955,863	\$ 5,044,437	\$ 6,098,916	\$ 6,012,190	\$ 5,034,906
Special Education	1,619,006	1,719,317	1,819,231	1,707,310	1,680,520	1,940,633	1,842,778	2,043,510	2,305,659	2,347,241
Other Instruction	508,913	613,015	599,297	488,742	439,391	520,538	390,121	412,347	542,064	810,983
School Sponsored Activities and Athletics				132,611	208,423	200,030	236,243	243,606	262,047	190,764
Support Services:										
Tuition	468,985	218,548	321,942	336,736	219,307	120,957	178,613	89,244	121,807	
Student & Instruction Related Services	2,040,760	2,314,460	2,415,434	2,450,182	2,604,841	2,694,247	3,017,290	3,274,604	3,469,774	2,809,218
General Administrative Services	718,366	759,934	629,022	448,513	340,385	731,292	784,524	843,781	848,719	562,125
School Administrative Services	584,089	646,645	468,637	689,106	595,108	178,495	163,298	18,293	157,210	440,071
Central Services and Info. Technology			367,770	392,758	383,421	423,089	432,435	476,593	505,203	450,140
Plant Operations and Maintenance	946,075	956,155	1,071,027	1,203,032	1,078,355	1,115,631	1,249,388	1,709,550	1,648,555	2,129,790
Pupil Transportation	315,167	318,560	232,822	285,063	254,432	206,254	418,095	4,282,139	340,319	542,169
Capital Outlay - Non-depreciable	3,480	3,480	18,480	3,480	3,480	3,480	3,607	3,480	3,480	
Charter Schools		14,850	55,436	46,931	47,778	44,250	13,922	44,579		
Interest on Long-Term Debt						531,178	421,550	399,175	381	284,927
Total Governmental Activities Expenses	10,843,073	11,673,259	12,249,462	12,546,927	12,100,335	13,665,939	14,196,303	16,304,459	16,597,952	15,602,334
Business-Type Activities:										
Food Service	196,379	194,816	195,720	208,272	151,729	97,481	312,683	272,809	286,036	270,098
Total Business-Type Activities Expense	196,379	194,816	195,720	208,272	151,729	97,481	312,683	272,809	286,036	270,098
Total District Expenses	\$ 11,039,452	\$ 11,868,074	\$ 12,445,182	\$ 12,755,199	\$ 12,252,065	\$ 13,763,419	\$ 14,508,986	\$ 16,577,268	\$ 16,883,988	\$ 15,872,432
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instruction (Tuition)	81,128	201,658			749,403				206,911	251,821
Support Services						15,926	65,631	100,917	84,826	63,353
Operating Grants and Contributions	2,695,638	3,053,947	655,166	689,987		725,227	1,246,538	1,084,436	1,023,644	2,507,511
Capital Grants and Contributions	-									92,200
Total Governmental Activities Program Revenues	2,776,766	3,255,605	655,166	689,987	749,403	741,153	1,312,169	1,185,353	1,315,381	2,914,885
Business-Type Activities:										
Charges for Services										
Food Service	\$ 119,945	\$ 128,827	\$ 129,890	\$ 130,756	\$ 89,229		\$ 36,351	\$ 132,061	\$ 173,501	\$ 129,839
Operating Grants and Contributions	81,424	85,734	79,588	84,553	69,658	87,536	326,228	149,761	126,730	158,640
Total Business Type Activities Program Revenues	201,369	214,561	209,478	215,309	158,887	87,536	362,579	281,822	300,231	288,479
Total District Program Revenues	\$ 3,735,711	\$ 4,429,461	\$ 4,873,814	\$ 3,875,523	\$ 3,609,153	\$ 4,953,564	\$ 1,674,748	\$ 1,467,175	\$ 1,615,612	\$ 3,203,364
Net (Expense)/Revenue										
Governmental Activities	\$ (8,066,307)	\$ (8,417,654)	\$ (11,594,295)	\$ (11,586,940)	\$ (11,350,932)	\$ (12,924,786)	\$ (12,884,134)	\$ (15,119,106)	\$ (15,489,482)	\$ (12,687,449)
Business-Type Activities	4,990	19,745	13,758	7,037	7,157	(9,945)	49,896	9,013	14,196	18,381
Total District-Wide Net Expense	\$ (8,061,317)	\$ (8,397,909)	\$ (11,580,537)	\$ (11,579,903)	\$ (11,343,775)	\$ (12,934,731)	\$ (12,834,238)	\$ (15,110,093)	\$ (15,475,286)	\$ (12,669,068)

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

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 7,700,021	\$ 7,900,691	\$ 8,106,108	\$ 8,539,308	\$ 8,539,307	\$ 9,241,271	\$ 9,371,917	\$ 9,371,917	\$ 8,875,854	\$ 9,360,002
Property Taxes Levied for Debt Service, Net									516,015	516,527
Federal and State Aid Not Restricted	131,503	455,979	3,649,203	3,650,641	3,329,234	4,440,778	4,561,315	5,000,504	5,496,563	1,352,253
State Aid for Debt Principal										125,362
Investment Earnings	3,412	4,286		3,684		2,725			125,362	33,674
Restricted Federal and State Aids							510,752	273,640	259,050	75,074
Miscellaneous Income	13,111	48,900	64,962	157,195	64,565	28,088	73,991	49,178	66,451	
Special Item-Accounts Payable Canceled		965								
Premium on Bond Sale					1,545,000					
Total Governmental Activities	<u>7,849,011</u>	<u>8,409,856</u>	<u>11,820,272</u>	<u>12,350,828</u>	<u>13,478,105</u>	<u>13,712,862</u>	<u>14,517,975</u>	<u>14,695,239</u>	<u>15,339,295</u>	<u>11,462,892</u>
Business-Type Activities:										
Special Item-Accounts Receivable Canceled	-	(3,242)	-	-	-	-	-	-	-	-
Total Business-Type Activities	<u>-</u>	<u>(3,242)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total District-Wide	<u>\$ 11,094,221</u>	<u>\$ 11,267,108</u>	<u>\$ 11,940,842</u>	<u>\$ 12,129,166</u>	<u>\$ 12,364,843</u>	<u>\$ 12,716,353</u>	<u>\$ 14,517,975</u>	<u>\$ 14,695,239</u>	<u>\$ 15,339,295</u>	<u>\$ 11,462,892</u>
Change in Net Position										
Governmental Activities	\$ (217,295)	\$ (7,798)	\$ 225,977	\$ 493,888	\$ 2,127,173	\$ 788,077	\$ 1,633,841	\$ (423,867)	\$ (275,549)	\$ (1,224,557)
Business-Type Activities	4,990	16,503	13,758	7,037	7,157	(9,945)	49,896	9,013	14,196	18,381
Total District	<u>\$ (212,305)</u>	<u>\$ 8,705</u>	<u>\$ 239,736</u>	<u>\$ 500,925</u>	<u>\$ 2,134,330</u>	<u>\$ 778,132</u>	<u>\$ 1,683,737</u>	<u>\$ (414,854)</u>	<u>\$ (261,353)</u>	<u>\$ (1,206,176)</u>

ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	As of June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Restricted	\$ 951,724	\$ 1,194,448	\$ 1,491,431	\$ 1,994,785	\$ 2,143,028	\$ 2,260,737	\$ 1,948,991	\$ 1,499,416	\$ 1,109,035	\$ 217,856
Assigned	50,143	30,062	87,435	45,261	4,485	431,192	618,685	434,860	7,169	32,000
Unassigned	211,396	216,321	192,415	203,506	133,169	376,536	1,140,022	79,397	43,631	(122,348)
Total General Fund	<u>\$ 1,213,263</u>	<u>\$ 1,440,831</u>	<u>\$ 1,771,281</u>	<u>\$ 2,243,552</u>	<u>\$ 2,280,682</u>	<u>\$ 3,068,465</u>	<u>\$ 3,707,698</u>	<u>\$ 2,013,673</u>	<u>\$ 1,159,835</u>	<u>\$ 127,508</u>
All Other Governmental Funds										
Restricted for:										
Special Revenue Fund						\$ 46,225	\$ 37,059	\$ 50,576	\$ 35,634	\$ 33,737
Capital Projects Fund	\$ -	\$ -	\$ -	\$ -	\$ 6,610,320	2,507,530	1,626,452	481,029	378,966	424,626
Total all Other Governmental Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,610,320</u>	<u>\$ 2,553,755</u>	<u>\$ 1,663,511</u>	<u>\$ 531,605</u>	<u>\$ 414,600</u>	<u>\$ 458,363</u>

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

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Property Taxes	\$ 7,700,021	\$ 7,900,691	\$ 8,106,108	\$ 8,539,308	\$ 8,539,307	\$ 9,241,271	\$ 9,371,917	\$ 9,371,917	\$ 9,391,869	\$ 9,876,529
Tuition Charges	81,128	201,658	253,565	378,715	376,732	231,768	277,927	412,442	324,434	251,821
Interest Earnings	3,412	4,286		3,684						33,674
Miscellaneous	13,111	48,900	98,530	157,195	67,365	47,949	139,628	150,100	151,277	209,780
State Sources	1,463,954	1,565,784	1,852,175	2,684,758	2,882,708	3,452,129	5,097,760	4,653,883	5,044,527	5,103,183
Federal Sources	158,547	324,181	265,878	194,132	227,200	337,027	852,266	513,834	524,464	343,665
Total Revenue	9,420,172	10,045,500	10,576,256	11,957,792	12,093,311	13,310,145	15,739,497	15,102,176	15,436,571	15,818,652
Expenditures										
Instruction										
Regular Instruction	2,354,326	2,499,185	2,552,070	2,854,626	2,832,988	3,126,574	3,601,482	4,042,291	3,807,998	5,777,560
Special Education Instruction	1,020,160	1,146,634	975,299	1,009,745	1,052,405	1,119,904	1,181,202	1,204,730	1,338,540	2,574,947
Other Instruction				132,611	208,423	200,030	236,243	243,606	262,047	894,827
School Sponsored Activities and Athletics	311,332	331,944	373,787	265,071	274,563	296,038	246,917	240,345	311,131	192,516
Support Services:										
Tuition	468,985	218,548	321,942	336,736	219,307	120,957	178,613	89,244	121,807	
Student & Inst. Related Services	1,428,625	1,514,459	1,578,603	1,741,955	1,950,009	1,813,021	2,305,548	2,361,116	2,457,846	3,018,779
General Administrative Services	451,599	415,923	426,503	472,350	387,887	422,353	435,350	425,809	423,898	606,985
School Administrative Services	439,350	467,102	257,852	270,512	221,022	110,706	109,071	114,643	103,318	510,456
Central Services and Info. Technology			207,957	246,930	250,283	255,118	294,861	293,294	308,703	492,621
Plant Operations and Maintenance	693,936	692,800	745,963	966,030	835,820	784,081	952,609	1,288,107	1,163,420	1,381,971
Pupil Transportation	251,548	249,815	225,170	271,754	237,106	174,193	369,464	422,273	307,540	510,247
Employee Benefits	1,991,767	2,229,320	2,461,547	2,762,086	2,892,843	3,397,181	3,796,681	4,227,496	4,530,449	
Chater Schools		14,850	55,436	46,931	47,778	44,250	13,922	44,579		
Capital Outlay	16,144	33,871	60,197	104,702	6,511,950	4,286,664	1,307,015	2,217,765	514,794	78,068
Debt Service:										
Principal	3,480	3,480	3,480	3,480	3,480	531,178	961,550	754,176	755,925	405,176
Interest and Other Charges	-	-	-	-	-	-	-	-	363,063	363,063
Total Expenditures	9,431,252	9,817,931	10,245,806	11,485,521	17,925,862	16,682,247	15,990,527	17,969,474	16,407,414	16,807,216
Excess (Deficiency) of Revenues over (under) Expenditures	(11,080)	227,569	330,450	472,271	(5,832,551)	(3,372,102)	(251,030)	(2,867,298)	(970,843)	(988,564)
Other Financing sources (uses)										
Financed Purchases (non-budgeted)								41387		
Bond Proceeds					10,935,000					
Bond Premium					1,545,000					
Transfers in					393,000					6,500
Transfers out		-	-	-	(393,000)	-				(6,500)
Total Other Financing Sources (uses)	-	-	-	-	12,480,000	-	-	-	-	-
Net change in fund balances	\$ (11,080)	\$ 227,569	\$ 330,450	\$ 472,271	\$ 6,647,449	\$ (3,372,102)	\$ (251,030)	\$ (2,867,298)	\$ (970,843)	\$ (988,564)
Debt Service as a Percentage of Noncapital Expenditures	0.04%	0.04%	0.03%	0.03%	0.03%	4.29%	6.55%	4.79%	7.04%	4.59%

* Noncapital expenditures are total expenditures less capital outlay.

**ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN YEARS
(Unaudited)**

Fiscal Year Ended June 30,	<u>Interest Earned</u>	<u>Tuition</u>	<u>Prior Year Refunds</u>	<u>E-Rate</u>	<u>Private Donations</u>	<u>Miscellaneous</u>	<u>Total</u>
2016	\$ 3,412	\$ 81,128	\$ 6,181			\$ 2,847	\$ 93,568
2017	4,286	201,658	9,416			11,678	227,038
2018		253,565				64,962	318,527
2019	3,684	378,715				157,195	539,594
2020		376,732				64,565	441,297
2021		231,768				30,813	262,581
2022		277,927				73,992	351,919
2023		412,442				49,178	461,620
2024		324,434				66,451	390,885
2025	33,674	251,821	5,378	\$ 21,210	\$ 22,953	25,533	360,569

ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
ASSESSED VALUATION AND ACTUAL VALUATION OF TAXABLE PROPERTY
LAST TEN YEARS
(Unaudited)

Fiscal Year Ended June 30,	Vacant Land	Residential	Qfarm	Commercial	Industrial	Apartment	Total Assessed Valuation	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2016	\$ 6,698,100	\$ 565,692,330		\$ 153,560,925	\$ 31,102,600	\$ 22,816,100	\$ 779,870,055		\$ 779,870,055	\$ 897,743,910	1.000
2017	6,308,400	567,433,330	\$ 1,700	153,269,525	29,990,700	22,816,100	779,819,755		779,819,755	842,775,143	1.032
2018	6,103,200	567,645,730	1,700	151,240,275	31,694,400	22,816,100	779,501,405	\$ 92	779,501,497	849,574,967	1.062
2019	6,556,300	568,187,700		151,432,200	36,330,300	22,896,100	785,402,600	92	785,402,692	817,446,595	1.088
2020	5,622,000	568,788,600		153,073,300	36,726,200	24,315,600	788,525,700	92	788,525,792	826,842,253	1.162
2021	5,622,000	570,027,400		152,901,300	36,881,200	24,315,600	789,747,500	92	789,747,592	846,420,981	1.114
2022	5,491,500	570,738,500		153,243,600	36,881,200	25,108,100	791,462,900	92	791,462,992	859,261,778	1.121
2023	5,978,300	571,783,200		152,789,600	36,911,200	25,153,100	792,615,400	87	792,615,487	909,832,050	1.119
2024	6,047,300	572,390,900		150,696,600	36,876,000	25,044,200	791,055,000	87	791,055,087	987,190,771	1.220
2025	6,047,300	573,505,000		151,612,000	36,876,000	25,044,200	793,084,500	87	793,084,587	1,046,963,863	1.331

Source: County Abstract of Ratables

**ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
(Unaudited)
(rate per \$100 of assessed value)**

<u>Overlapping Rates</u>					
<u>Calendar Year</u>	<u>Total Direct Local School Tax Rate</u>	<u>Borough of Rockaway</u>	<u>Regional School District</u>	<u>County of Morris</u>	<u>Total Tax Rate</u>
2016	\$ 1.000	\$ 0.810	\$ 0.760	\$ 0.280	\$ 2.850
2017	1.032	0.824	0.789	0.303	2.948
2018	1.062	0.849	0.862	0.284	3.057
2019	1.088	0.867	0.859	0.274	3.088
2020	1.162	0.881	0.830	0.273	3.146
2021	1.114	0.896	0.848	0.282	3.140
2022	1.121	0.913	0.848	0.282	3.164
2023	1.119	0.930	0.856	0.296	3.201
2024	1.220	0.945	0.851	0.309	3.325
2025	1.331	0.922	0.799	0.316	3.368

Source: County Abstract of Ratables

**ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS,
CURRENT YEAR AND SIX YEARS AGO
(Unaudited)**

Taxpayer	2025		2019	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
ROCKAWAY COMMONS, LLC	\$ 12,500,000	1.58%	\$ 12,500,000	1.59%
CONN. STORAGE DEPT PT NJ 23608	6,704,000	0.85%	6,704,000	0.85%
HIGHWAY ENTERPRISE INC	5,700,000	0.72%	5,700,000	0.73%
HS GARDENS LLC	4,983,000	0.63%	4,983,000	0.63%
WITHINVESTORS ROCKAWAY LLC	4,640,000	0.59%	4,640,000	0.59%
KTB REALTY LIMITED LIABILITY CO	4,639,900	0.59%	4,639,900	0.59%
E&W REALTY ASSOCIATES LLC	4,450,500	0.56%	4,450,500	0.57%
MC WILLIAMS FORGE COMPANY	4,260,500	0.54%	4,260,500	0.54%
MORETRENCH CORP	4,197,400	0.53%	4,042,400	0.51%
LM FRANKLIN LLC	4,045,200	0.51%	4,045,200	0.52%
TOTAL	<u>\$ 56,120,500</u>	<u>7.09%</u>	<u>\$ 55,965,500</u>	<u>7.13%</u>

Note - GASB requires principal taxpayers for current year and nine years ago. The District only had available principal taxpayers from the current year and six years ago.

Source: Municipal Tax Assessor

ROCKAWAY BOROUGH PUBLIC 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	
2016	\$ 7,700,021	\$ 7,700,021	100.00%	
2017	7,900,691	7,900,691	100.00%	
2018	8,106,108	8,106,108	100.00%	
2019	8,539,307	8,539,307	100.00%	
2020	8,539,307	8,539,307	100.00%	
2021	8,710,093	8,710,093	100.00%	
2022	9,371,917	9,371,917	100.00%	
2023	9,371,917	9,371,917	100.00%	
2024	9,391,869	9,391,869	100.00%	
2025	9,876,529	9,876,529	100.00%	

ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

Governmental Activities

<u>Fiscal Year Ended</u> <u>June 30,</u>	<u>General Obligation</u> <u>Bonds</u>	<u>Capital Financing</u> <u>Agreements</u>	<u>Total District</u>	<u>Population</u>	<u>(E)</u>	<u>Per Capita</u>
2016				6,425		
2017				6,431		
2018				6,413		
2019				6,356		
2020	\$ 10,935,000		\$ 10,935,000	6,272	\$	1,743
2021	10,935,000		10,935,000	6,244		1,751
2022	10,395,000		10,395,000	6,587		1,578
2023	10,040,000	\$ 39,062	10,079,062	6,592		1,529
2024	9,665,000	29,428	9,694,428	6,596		1,470
2025	9,270,000	19,252	9,289,252	6,651		1,397

(E) - Estimate

Source: District records

ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions		
2016				
2017				
2018				
2019				
2020	\$ 10,935,000		1.39%	\$ 1,743
2021	10,935,000		1.38%	1,751
2022	10,395,000		1.31%	1,578
2023	10,040,000		1.27%	1,523
2024	9,665,000		1.22%	1,465
2025	9,270,000		1.17%	1,394

Source: District records

ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES BONDED DEBT
AS OF DECEMBER 31, 2024
(Unaudited)

Total Debt

Municipal Debt:	
Rockaway Borough Board of Education	\$ 9,270,000
Morris Hills Regional High School District -	
Rockaway Borough's Share	982,092
Rockaway Borough	<u>11,678,430</u>
 Total Direct Debt	 <u>21,930,522</u>
 Overlapping Debt Apportioned to the Municipality:	
Morris County	
County of Morris (A)	<u>4,150,501</u>
 Total Overlapping Debt	 <u>4,150,501</u>
 Total Direct and Overlapping Debt	 <u><u>\$ 26,081,023</u></u>

Source:

Borough of Rockaway's 2024 Annual Debt Statement
County of Morris's 2024 Annual Debt Statement
Morris County Utilities Authority's 2024 Annual Audit

(A) The debt for this entity was apportioned to Rockaway by dividing the municipality's 2024 equalized value by the total 2024 equalized value for Morris County.

(B) The debt was computed based upon usage

ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt limit	\$ 25,324,858	\$ 25,714,242	\$ 34,299,624	\$ 33,987,286	\$ 33,987,286	\$ 32,965,266	\$ 33,641,723	\$ 34,873,530	\$ 36,750,461	\$ 29,344,719
Total net debt applicable to limit					10,935,000	10,935,000	10,395,000	10,040,000	9,665,000	9,270,000
Legal debt margin	<u>\$ 25,324,858</u>	<u>\$ 25,714,242</u>	<u>\$ 34,299,624</u>	<u>\$ 33,987,286</u>	<u>\$ 23,052,286</u>	<u>\$ 22,030,266</u>	<u>\$ 23,246,723</u>	<u>\$ 24,833,530</u>	<u>\$ 27,085,461</u>	<u>\$ 20,074,719</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	32.17%	33.17%	30.90%	28.79%	26.30%	31.59%

Source: Annual Debt Statements

Legal Debt Margin Calculation for Fiscal Year 2024

Equalized valuation basis	
2024	\$ 1,037,449,180
2023	987,190,684
2022	909,832,050
	<u>\$ 2,934,471,914</u>
Average equalized valuation of taxable property	\$ 978,157,305
Debt limit (3.0 % of average equalization value)	29,344,719
Total Net Debt Applicable to Limit	<u>9,270,000</u>
Legal debt margin	<u>\$ 20,074,719</u>

ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)

<u>Year</u>	<u>Population</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2015	6,425	\$ 85,440	4.30%
2016	6,431	87,897	4.40%
2017	6,413	90,256	3.70%
2018	6,356	93,695	3.30%
2019	6,272	96,774	2.80%
2020	6,244	98,875	8.80%
2021	6,587	107,135	6.00%
2022	6,592	109,057	3.50%
2023	6,596	115,850	3.90%
2024	6,651	115,850 (E)	4.20%

Source: New Jersey State Department of Education

(E) Estimate

**ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
PRINCIPAL EMPLOYERS,
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)**

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

INFORMATION NOT AVAILABLE

ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Instruction										
Regular	40	40	42	45	45	47	48	50	50	38
Special Education	12	8	10	12	12	13	14	17	18	14
Other Instruction	3	2	2	3	3	3	3	4	5	6
Support Services										
Student & Instruction Related Services	29	25	30	33	40	42	42	43	43	47
General Administration	3	3	3	3	3	3	3	3	3	3
School Administrative Services	2	2	2	2	5	5	5	5	5	5
Central Services	3	3	3	3	4	4	4	4	4	4
Administrative Information Technology		1	1	1	1	1	1	1	1	1
Plant Operations and Maintenance	7	7	7	7	7	7	7	7	7	8
Pupil Transportation	3	3	3	3	2	3	2	2	2	3
Total	102	94	103	112	122	128	129	136	138	129

Source: District Personnel Records

ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)

						Teacher/Pupil Ratio					
Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Elementary	Middle School	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
2016	565	\$ 9,411,628	\$ 16,658	2.78%	55	20.2	16.5	582.9	544.9	0.64%	93.48%
2017	587	9,780,581	16,662	0.02%	50	10.0	14.1	600.5	574.4	3.02%	95.65%
2018	574	10,182,129	17,739	6.46%	56	21.2	15.7	580.3	550.1	-3.36%	94.80%
2019	561	11,362,558	20,254	14.18%	58	20.1	15.3	560.9	528.3	-3.34%	94.19%
2020	557	11,410,432	20,486	1.15%	57	19.1	15.1	551.8	520.0	-1.62%	94.24%
2021	524	11,864,405	22,642	10.52%	59	18.1	14.1	513.9	496.2	-6.87%	96.56%
2022	542	13,721,963	25,317	11.81%	60	19.1	15.1	542.5	201.3	5.57%	37.11%
2023	557	14,997,533	26,926	6.36%	62	18.1	14.1	555.0	533.4	2.30%	96.11%
2024	566	15,136,697	26,743	-0.68%	62	19.1	15.1	565.5	542.5	1.89%	95.93%
2025	590	15,960,909	27,052	1.16%	58	19.1	15.1	580.2	556.5	2.60%	95.92%

Sources: District records

ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
District Building										
<u>Elementary</u>										
Lincoln School										
Square Feet	28,464	28,464	28,464	28,464	28,464	28,464	33,514	33,514	33,514	33,514
Capacity (students)	223	223	223	223	223	223	284	284	284	284
Enrollment	249	237	235	235	235	235	273	281	274	279
 <u>Middle School</u>										
Thomas Jefferson School										
Square Feet	42,620	42,620	42,620	42,620	42,620	42,620	42,620	42,620	42,620	42,620
Capacity (students)	378	378	378	378	378	378	378	378	378	378
Enrollment	334	364	339	339	339	281	270	274	292	311
 <u>Other</u>										
Field House										
Square Feet	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Administration Building										
Square Feet	2,832	2,832	2,832	2,832	2,832	2,832	2,832	2,832	2,832	2,832

Number of Schools at June 30, 2025

- Elementary = 1
- Middle School = 1
- High School = 0
- Other = 2

Source: District Records

ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN YEARS
(Unaudited)

<u>School Facilities</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>	<u>2025</u>
Thomas Jefferson School	\$ 90,557	\$ 100,811	\$ 63,826	\$ 56,986	\$ 42,569	\$ 14,154	\$ 12,379	\$ 68,296	\$ 15,847	\$ 4,221
Lincoln School	60,479	67,327	115,128	50,519	16,687	15,085	13,315	17,181	24,726	8,441
Whitehouse	<u>6,017</u>	<u>6,698</u>	<u>3,299</u>	<u>7,147</u>	<u>-</u>	<u>300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total School Facilities	<u>\$ 157,053</u>	<u>\$ 174,836</u>	<u>\$ 182,253</u>	<u>\$ 114,652</u>	<u>\$ 59,256</u>	<u>\$ 29,539</u>	<u>\$ 25,694</u>	<u>\$ 85,477</u>	<u>\$ 40,573</u>	<u>\$ 12,662</u>

Source: District Records

ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2025
(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
School Alliance Insurance Funds - Package - Policy		
Property-Blanket Building & Contents	\$ 31,516,270	\$ 2,500
Boiler and Machinery	100,000,000	2,500
General Liability Coverage	5,000,000	
Each Occurrence	5,000,000	
General Aggregate	5,000,000	
General Automotive Liability	5,000,000	1,000 PO/2,500 All Others
Environmental Impairment Liability	10,000,000	
Crime	500,000	
Excess Liability Coverage	5,000,000	
NJ School Board Insurance Group		
Workers Compensation/Employers Liability	3,000,000	Policy Limit
QBE Insurance Company/U.S. Fire Insurance Co.		
Student Accident	5,000,000	Total Limit
Surety Bonds		
Board Secretary/Business Administrator	200,000	
School Alliance Insurance Fund		
School Board Legal Liability	5,000,000	5,000
NJ Unshared Excess Program		
Over GL, AI, SBL,EPL, EL	30,000,000	
NJ School Board Insurance Group		
Supplemental Workers Compensation	7 day waiting period	
School Alliance Insurance Fund		
Cyber Liability		
First Party Coverage	750,000	10,000
Third Party Liability	2,000,000	

SINGLE AUDIT SECTION



LERCH, VINCI & BLISS, LLP

EXHIBIT K-1

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
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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
Rockaway Borough Public School District
Rockaway, 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 Rockaway Borough Public School District as of and for the fiscal year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the Rockaway Borough Public School District's basic financial statements and have issued our report thereon dated December 4, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Rockaway Borough Public 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 Rockaway Borough Public School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Rockaway Borough Public 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. 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 2025-001, 2025-003 and 2025-004 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Rockaway Borough Public 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 are described in the accompanying schedule of findings and questioned costs as items 2025-001 through 2025-006.

We also noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Rockaway Borough Public School District in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated December 4, 2025.

Rockaway Borough Public School District's Responses to Findings

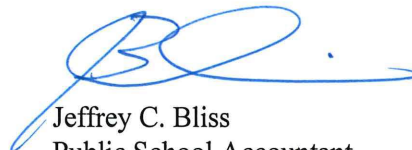
Government Auditing Standards requires the auditor to perform limited procedures on the Rockaway Borough Public School District's responses to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Rockaway Borough Public School District's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

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 Rockaway Borough Public 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 Rockaway Borough Public School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lerch, Vinci & Bliss, LLP

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



Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
December 4, 2025



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
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**REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
ON THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
AS REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Rockaway Borough Public School District's compliance with the types of compliance requirements identified as subject to audit in the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Rockaway Borough Public School District's major state programs for the fiscal year ended June 30, 2025. The Rockaway Borough Public School District's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Rockaway Borough Public 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 state programs for the fiscal year ended June 30, 2025.

Basis for Opinion on Each Major 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; 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 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 Rockaway Borough Public 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 state program. Our audit does not provide a legal determination of the Rockaway Borough Public 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 Rockaway Borough Public School District's state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Rockaway Borough Public 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, 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 Rockaway Borough Public School District's compliance with the requirements of each major 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, and New Jersey OMB Circular 15-08, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Rockaway Borough Public 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 Rockaway Borough Public 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 New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Rockaway Borough Public 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 New Jersey OMB Circular 15-08 which are described in the accompanying schedule of findings and questioned costs as items 2025-007 through 2025-011. Our opinion on each major state program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the Rockaway Borough Public School District's responses to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Rockaway Borough Public 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 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 state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2025-008, 2025-009 and 2025-011 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 Rockaway Borough Public School District's responses to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Rockaway Borough Public 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 New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Report on 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 Rockaway Borough Public School District as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We have issued our report thereon dated December 4, 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 state financial assistance as required by New Jersey OMB Circular 15-08 is presented for purposes of additional analysis and is 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 state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

Lerch, Vinci & Bliss, LLP

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


Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
December 4, 2025

ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	FAIN Number	Grant Period	Award Amount	Balance at July 1, 2024		Carryover / (Walkover)		Cash Received	Budgetary Expenditures	Adjustment/ Funds Released		Balance, June 30, 2025		(Memo) GAAP Receivable
					(Accounts Receivable)	Unearned Revenue	Amount Def. Rev.	Accounts Receivable			Account Receivable	Unearned Revenue	(Account Receivable)	Unearned Revenue	
U.S. Department of Agriculture Passed-through State Department of Agriculture															
Enterprise Fund:															
School Breakfast Program	10.553	241NJ304N1099	7/1/23-6/30/24	\$ 2,261	\$ (151)				\$ 151						
School Breakfast Program		251NJ304N1099	7/1/24-6/30/25	602					580	\$ 602			\$ (22)	-	\$ (22)
National School Lunch Program	10.555														
Cash Assistance			7/1/23-6/30/24	86,419	(5,046)				5,046				-	-	-
Cash Assistance			7/1/24-6/30/25	98,611					91,784	98,611			(6,827)	-	(6,827)
Non-Cash Assistance (Food Distribution)		241NJ304N1099	7/1/23-6/30/24	15,787		\$ 439				439			-	-	-
Non-Cash Assistance (Food Distribution)		251NJ304N1099	7/1/24-6/30/25	13,522					13,522	13,522			-	-	-
School Equipment Assistance	10.579	241NJ354N8103	7/1/24-6/30/25	37,233					37,233	37,233			-	-	-
Summer EBT Administrative Cost	10.646	202424N180341	7/1/24-6/30/25	322	-	-	-	-	322	322	-	-	-	-	-
Total U.S. Department of Agriculture					(5,197)	439	-	-	148,638	150,729	-	-	(6,849)	-	(6,849)
U.S. Department of Education Passed-through State Department of Education															
Special Revenue Fund:															
Title IA	84.010A	S010A250030	7/1/24-9/30/25	80,974	-	-	-	-	80,974	80,974	-	-	-	-	-
Total ESEA Title I					-	-	-	-	80,974	80,974	-	-	-	-	-
Title II A	84.367A	S367A250029	7/1/24-9/30/25	11,671	(15,556)	6,845	\$ 6,845	\$ (6,845)	11,671	11,671	-	-	(6,845)	6,845	-
Title II A	84.367A	S367A240029	7/1/23-9/30/24	32,028			(6,845)	6,845	8,711		-	-	-	-	-
Total ESEA Title II					(15,556)	6,845	-	-	20,382	11,671	-	-	(6,845)	6,845	-
Title III	84.365	S365A240030	7/1/23-9/30/24		(3,895)						\$ 3,895		-	-	-
Title III Immigrant	84.365A	S365A250030	7/1/24-9/30/25	2,682					2,335	2,335			(347)	347	-
Title III Immigrant	84.365A	S365A240030	7/1/23-9/30/24		(1,167)	-	-	-	-	-	1,167	-	-	-	-
Total ESEA Title III					(5,062)	-	-	-	2,335	2,335	5,062	-	(347)	347	-
Title IV	84.424	S424A250031	7/1/24-9/30/25	10,000			887	(887)	9,759	10,064			(1,128)	823	(305)
Title IV	84.424	S424A240031	7/1/23-9/30/24	11,414	(11,414)	1,160	(887)	887	10,254	-	273	\$ (273)	-	-	-
Total ESEA Title IV					(11,414)	1,160	-	-	20,013	10,064	273	(273)	(1,128)	823	(305)
I.D.E.A. Part B, Basic Regular	84.027A	H027A250100	7/1/24-9/30/25	197,751			20,156	(20,156)	217,907	214,089			-	3,818	-
I.D.E.A. Part B, Basic Regular	84.027A	H027A240100	7/1/23-9/30/24	190,723	(32,955)	20,156	(20,156)	20,156	12,799				-	-	-
I.D.E.A. Preschool	84.173A	H173A250114	7/1/24-9/30/25	8,681					8,681	8,681			-	-	-
I.D.E.A. Preschool	84.173A	H173A240114	7/1/23-9/30/24	8,781	(2,260)	-	-	-	2,260		-	-	-	-	-
Total IDEA Cluster					(35,215)	20,156	-	-	241,647	222,770	-	-	-	3,818	-
American Rescue Plan (ARP) - ESSER III	84.425U	S425U210027	3/13/20-9/30/24	427,809	(15,851)	-	-	-	15,851	-	-	-	-	-	-
Total Elementary and Secondary School Emergency Relief Fund Cluster (ESSER)					(15,851)	-	-	-	15,851	-	-	-	-	-	-
Total Special Revenue Fund					(83,098)	28,161	-	-	381,202	327,814	5,335	(273)	(8,320)	11,833	(305)
Total Federal Awards					\$ (88,295)	\$ 28,600	\$ -	\$ -	\$ 529,840	\$ 478,543	\$ 5,335	\$ (273)	\$ (15,169)	\$ 11,833	\$ (7,154)

Note: The federal programs were not subject to a Federal Single Audit in accordance with U.S. Uniform Guidance.

See accompanying notes to schedule of expenditures of federal awards and state financial assistance.

ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

												Memo
State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2024	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance, June 30, 2025 (Accounts Receivable)	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures	
State Department of Education												
General Fund:												
Equalization Aid	25-495-034-5120-078	7/1/24-6/30/25	\$ 1,270,360		\$ 1,143,555	\$ 1,270,360		\$ (126,805)	*		\$ 1,270,360	
Equalization Aid	24-495-034-5120-078	7/1/23-6/30/24	1,419,270	\$ (141,688)	141,688				*		-	
Stabilization Aid	25-100-034-5120-494	7/1/24-6/30/25	67,010		67,010	67,010			*		67,010	
Special Education Aid	25-495-034-5120-089	7/1/24-6/30/25	513,091		461,875	513,091		(51,216)	*		513,091	
Special Education Aid	24-495-034-5120-089	7/1/23-6/30/24	513,091	(51,223)	51,223				*		-	
Security Aid	25-495-034-5120-084	7/1/24-6/30/25	74,022		66,633	74,022		(7,389)	*		74,022	
Security Aid	24-495-034-5120-084	7/1/23-6/30/24	74,022	(7,390)	7,390	-	-	-	*	-	-	
Total State Aid-Public Cluster				(200,301)	1,939,374	1,924,483	-	(185,410)	*	-	1,924,483	
Transportation Aid	25-495-034-5120-014	7/1/24-6/30/25	60,781		54,714	60,781		(6,067)	*		60,781	
Transportation Aid	24-495-034-5120-014	7/1/23-6/30/24	60,781	(6,068)	6,068				*		-	
Nonpublic School Transportation Aid	25-495-034-5120-014	7/1/24-6/30/25	8,406			8,406		(8,406)	*	\$ (8,406)	8,406	
Nonpublic School Transportation Aid	24-495-034-5120-014	7/1/23-6/30/24	8,645	(8,645)	8,645	-	-	-	*	-	-	
Total Transportation Aid Cluster				(14,713)	69,427	69,187	-	(14,473)	*	(8,406)	69,187	
Extraordinary Aid	25-495-034-5120-473	7/1/24-6/30/25	194,506			194,506		(194,506)	*		194,506	
Extraordinary Aid	24-495-034-5120-473	7/1/23-6/30/24	144,949	(144,949)	144,949				*		-	
Reimbursed TPAF Social Security Contribution	25-495-034-5120-003	7/1/24-6/30/25	377,182		377,182	377,182		-	*	-	377,182	
Reimbursed TPAF Social Security Contribution	24-495-034-5120-003	7/1/23-6/30/24	379,183	(18,815)	18,815				*		-	
TPAF Pension Benefit Contributions	25-495-034-5094-002	7/1/24-6/30/25	1,714,065		1,714,065	1,714,065			*		1,714,065	
TPAF Pension - NCGI Premium	25-495-034-5094-004	7/1/24-6/30/25	21,233		21,233	21,233			*		21,233	
TPAF - Post-Retirement Medical	25-495-034-5094-001	7/1/24-6/30/25	507,055		507,055	507,055			*		507,055	
TPAF - Long-Term Disability Insurance Premium	25-495-034-5094-004	7/1/24-6/30/25	1,087	-	1,087	1,087	-	-	*	-	1,087	
Total Extraordinary Aid and On-Behalf TPAF				(163,764)	2,784,386	2,815,128	-	(194,506)	*	-	2,815,128	
Total General Fund				(378,778)	4,793,187	4,808,798	-	(394,389)	*	(8,406)	4,808,798	
Special Revenue Fund:												
New Jersey Nonpublic Aid												
Auxiliary Services (Ch. 192)									*			
Compensatory Education	25-100-034-5120-067	7/1/24-6/30/25	54,619		54,619	50,113		\$ 4,506	*		50,113	
Compensatory Education	24-100-034-5120-067	7/1/23-6/30/24	53,723	36,870	-	-	\$ 36,870	-	*	-	-	
Total Nonpublic Auxiliary Services Aid (Chapter 192) Cluster				36,870	54,619	50,113	36,870	-	*	-	50,113	
Handicapped Services (Ch. 193)									*			
Examination and Classification	25-100-034-5120-066	7/1/24-6/30/25	23,514		23,514	15,363		8,151	*		15,363	
Corrective Speech	25-100-034-5120-066	7/1/24-6/30/25	12,648		12,648	10,137		2,511	*		10,137	
Supplementary Instruction	25-100-034-5120-066	7/1/24-6/30/25	21,476	-	21,476	14,951	-	6,525	*	-	14,951	
Total Nonpublic Handicapped Services Aid (Chapter 193) Cluster				-	57,638	40,451	-	-	*	-	40,451	
Textbook Aid	25-100-034-5120-064	7/1/24-6/30/25	10,739		10,739	10,739		-	*	-	10,739	
Technology Aid	25-100-034-5120-373	7/1/24-6/30/25	10,290		10,290	10,290		-	*	-	10,290	
Nursing Services	25-100-034-5120-373	7/1/24-6/30/25	27,300		27,300	27,300		-	*	-	27,300	
Security	25-100-034-5120-070	7/1/24-6/30/25	57,810	-	57,810	57,810	-	-	*	-	57,810	
Total Other Nonpublic Aid				-	106,139	106,139	-	-	*	-	106,139	
Schools Development Authority									*			
Emergent and Capital Maintenance Needs	N/A	N/A	37,148	-	37,148	37,148	-	-	*	-	37,148	
				-	37,148	37,148	-	-	*	-	37,148	
Total Special Revenue Fund				36,870	255,544	233,851	36,870	-	*	-	233,851	

See accompanying notes to schedule of expenditures of federal awards and state financial assistance.

ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

											Memo	
State Grantor/Program Title	Grant or State	Grant	Award	Balance,	Cash	Budgetary	Refund of	Balance, June 30, 2025			GAAP	Cumulative
	Project Number	Period	Amount	July 1, 2024	Received	Expenditures	Prior Years' Balances	(Accounts Receivable)	Due to Grantor			
											*	
											*	
Capital Projects Fund:											*	
State of New Jersey Schools Development Authority	SP#4480-060-14-1002	N/A	143,436	(39,815)	-	-	-	(39,815)	-	*	(39,815)	-
Total SDA Cluster/Capital Projects Fund				(39,815)	-	-	-	(39,815)	-	*	(39,815)	-
											*	
Debt Service Fund:											*	
Type II Debt Service Aid	25-495-034-5120-075	7/1/24-6/30/25	\$ 240,148	-	\$ 240,148	\$ 240,148	-	-	-	*	-	\$ 240,148
											*	
State Department of Agriculture											*	
Food Service Fund:											*	
National School Lunch Program											*	
State School Lunch Program	24-100-010-3350-023	7/1/23-6/30/24	4,920	\$ (270)	270					*		-
State School Lunch Program	25-100-010-3350-023	7/1/24-6/30/25	7,572		6,974	7,572		\$ (598)		*	(598)	7,572
State School Breakfast Program	24-100-010-3350-023	7/1/23-6/30/24	204	(2)	2					*		-
State School Breakfast Program	25-100-010-3350-023	7/1/24-6/30/25	18		18	18				*		18
Summer EBT Administrative Cost	N/A	7/1/24-6/30/25	321	-	321	321	-	-	-	*	-	321
Total Food Service Fund				(272)	7,585	7,911	-	(598)	-	*	(598)	7,911
											*	
Total State Financial Assistance Subject to Single Audit Determination				\$ (381,995)	\$ 5,296,464	\$ 5,290,708	\$ 36,870	\$ (434,802)	\$ 21,693	*	\$ (48,819)	\$ 5,290,708
											*	
State Financial Assistance											*	
Not Subject to Major Program Determination											*	
General Fund											*	
											*	
TPAF Pension Benefit Contributions	25-495-034-5094-002	7/1/24-6/30/25	1,714,065		(1,714,065)	(1,714,065)				*		(1,714,065)
TPAF Pension - NCGI Premium	25-495-034-5094-004	7/1/24-6/30/25	21,233		(21,233)	(21,233)				*		(21,233)
TPAF - Post-Retirement Medical	25-495-034-5094-001	7/1/24-6/30/25	507,055		(507,055)	(507,055)				*		(507,055)
TPAF - Long-Term Disability Insurance Premium	25-495-034-5094-004	7/1/24-6/30/25	1,087	-	(1,087)	(1,087)	-	-	-	*	-	(1,087)
											*	
Total State Financial Assistance Subject to Major Program Determination				\$ (381,995)	\$ 3,053,024	\$ 3,047,268	\$ 36,870	\$ (434,802)	\$ 21,693	*	\$ (48,819)	\$ 3,047,268

See accompanying notes to schedule of expenditures of federal awards and state financial assistance.

See accompanying notes to schedule of expenditures of federal awards and state financial assistance.

**ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 REPORTING ENTITY

The Rockaway Borough Public School District (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 District is the reporting entity for these programs. The District is defined in Note 1 (A) to the District'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 District. 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 District'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 District's summary of significant accounting policies are described in Note 1 to the District'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.

**ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 RELATIONSHIP TO FINANCIAL STATEMENTS (Continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$179,614 for the general fund and an increase of \$15,851 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 District's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 4,629,184	\$ 4,629,184
Special Revenue Fund	\$ 343,665	233,851	577,516
Debt Service Fund		240,148	240,148
Food Service Fund	<u>150,729</u>	<u>7,911</u>	<u>158,640</u>
Total Financial Assistance	<u>\$ 494,394</u>	<u>\$ 5,111,094</u>	<u>\$ 5,605,488</u>

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 \$377,182 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, 2025. The amount reported as TPAF Pension System Contributions in the amount of \$1,735,298, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$507,055, and TPAF Long-Term Disability Insurance in the amount of \$1,087 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2025.

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 elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Part I – Summary of Auditor's Results

Financial Statement Section

- | | |
|--|---|
| A) Type of auditors' report issued: | <u>Unmodified</u> |
| | |
| B) Internal control over financial reporting: | |
| 1) Material weakness(es) identified? | <u> </u> yes <u> X </u> no |
| 2) Were significant deficiencies identified that were
not considered to be material weaknesses? | <u> X </u> yes <u> </u> no |
| C) Noncompliance material to the basic financial
statements noted? | <u> X </u> yes <u> </u> no |

Federal Awards Section

Not Applicable

**ROCKAWAY BOROUGH PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Part I – Summary of Auditor's Results

State Awards Section

Type of auditors' report on compliance for major programs:	<u>Unmodified</u>
Internal Control over compliance:	
1) Material weakness(es) identified?	<u> </u> yes <u> X </u> no
2) Were significant deficiencies identified that were not considered to be material weaknesses?	<u> X </u> yes <u> </u> none reported
Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08?	<u> X </u> yes <u> </u> no
Identification of major programs:	
<u>GMIS Number(s)</u>	<u>Name of State Program</u>
<u>25-495-034-5120-078</u>	<u>Equalization Aid - State Aid Public Cluster</u>
<u>25-495-034-5120-089</u>	<u>Special Education Aid - State Aid Public Cluster</u>
<u>25-495-034-5120-084</u>	<u>Security Aid - State Aid Public Cluster</u>
<u>25-100-034-5120-494</u>	<u>Stabilization Aid - State Aid Public Cluster</u>
Dollar threshold used to determine Type A programs	<u>\$ 750,000</u>
Auditee qualified as low-risk auditee?	<u> X </u> yes <u> </u> no

**ROCKAWAY BOROUGH BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Part 2 – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*.

Finding 2025-001

We noted that a Position Control Roster is not being maintained by the District containing the required employee information such as their date of hire, job title, salary amounts, budget account code assigned, etc. in accordance with N.J.A.C. 6A:23A-6.8. Additionally, the payroll accounting software is not integrated with the financial accounting and reporting system software.

Criteria or specific requirement

N.J.A.C. 6A:23A-6.8, “Personnel Tracking and Accounting”

Condition

There is no document available monitoring District employees and their respective salary information. Additionally, the district’s budget accounts are not being charged when payroll is processed as the payroll accounting software is not integrated with the District’s financial accounting software.

Context

An integrated position control roster and payroll accounting system is not being utilized by the District.

Effect

There is no position control roster of District employees, their hire date, their job title, their annual salary, and the budget account corresponding to their respective salary.

Cause

Unknown.

Recommendation

The District review and enhance its procedures to ensure a timely and current Position Control Roster is maintained and at a minimum it include all required information of the respective employees in accordance with N.J.A.C. 6A:23A-6.8. Additionally, the payroll accounting software be integrated with the financial accounting and reporting system software.

View of Responsible Officials and Planned Corrective Action

Management has reviewed this finding and indicated it will revise its procedures to ensure corrective action is taken.

**ROCKAWAY BOROUGH BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Part 2 – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*.

Finding 2025-002

We noted improper budget account coding for salaries of various school administrators that were not charged in accordance with the Uniform Minimum Chart of Accounts for New Jersey Public Schools. Audit adjustments were recorded to reclassify their salaries to the appropriate budget line account.

Criteria or specific requirement

Uniform Minimum Chart of Accounts for New Jersey Public Schools
N.J.A.C. 6A:23A-8.3, “Administrative Cost Limits”

Condition

Salaries of several District administrators are being charged to an improper budget account line requiring reclassification in the ACFR.

Context

80% of District Principal salaries are not being charged to the School Administration function. Additionally we noted certain District Administrators did not have any portion of their salary charged to the School Administration function as well.

Effect

Budget account status report improperly reflects the budget account salary charges of District Administrators.

Cause

Unknown.

Recommendation

The salaries of District administrators be charged to the appropriate budget line accounts in accordance with the Uniform Chart of Accounts for New Jersey Public Schools.

View of Responsible Officials and Planned Corrective Action

Management has reviewed this finding and indicated it will revise its procedures to ensure corrective action is taken.

**ROCKAWAY BOROUGH BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Part 2 – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*.

Finding 2025-003

Our audit revealed the Business Administrator/Board Secretary was appointed as Treasurer of School Monies and was reconciling the district's bank accounts.

Criteria or specific requirement

N.J.S.A. 18A:17-9, "Secretary; Report of Appropriations, etc.; Custodial Duties, etc."

Condition

The School Business Administrator/Board Secretary is prohibited from being appointed as the Treasurer to reconcile the District's bank accounts.

Context

This represents a lack of segregation of duties and weak internal controls as the employee recording financial transactions in the financial accounting and reporting system software is also the same employee reconciling the monthly banking activity.

Effect

A Treasurer-designee other than the Business Administrator/Board Secretary must be appointed.

Cause

Unknown.

Recommendation

The District designate an individual other than the Business Administrator/Board Secretary to be the Treasurer designee and reconcile the District's bank accounts as per N.J.S.A. 18A:17-9.

View of Responsible Officials and Planned Corrective Action

Management has reviewed this finding and indicated it will revise its procedures to ensure corrective action is taken.

**ROCKAWAY BOROUGH BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Part 2 – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*.

Finding 2025-004

Our audit the monthly Board Secretary's and Board Treasurer's Reports revealed they were not submitted to and approved by the Board in a timely manner as required by N.J.S.A. 18A:17-36. We noted the monthly Board Secretary and Treasurer Reports for November 2024 through April 2025 were Board-approved on June 19, 2025.

Criteria or specific requirement

N.J.S.A. 18A:17-9, "Secretary; Report of Appropriations, etc.; Custodial Duties, etc."
N.J.S.A. 18A:17-36, "Accounting Monthly and Annual Reports"

Condition

The Board Secretary's and Treasurer's monthly reports for November 2024 through April 2025 were not Board-approved until June 19, 2025.

Context

See Finding 2025-004

Effect

Financial statements and transactions could be misstated without proper and timely completion, submission and approval of monthly Board Secretary and Treasurer of School Monies reports.

Cause

Unknown.

Recommendation

The monthly financial reports of the Board Secretary and Treasurer of School Monies be submitted to and approved by the Board in a timely manner in accordance with the requirements of N.J.S.A. 18A:17-36.

View of Responsible Officials and Planned Corrective Action

Management has reviewed this finding and indicated it will revise its procedures to ensure corrective action is taken.

**ROCKAWAY BOROUGH BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Part 2 – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*.

Finding 2025-005

Our audit the monthly Transfer Reports for November 2024 through April 2025 revealed they were Board-approved on June 19, 2025. The Board is required to ratify all budget transfers subsequent to but no later than the month following the Superintendent’s approval of such transfers as required by N.J.A.C. 6A:23A-13.3.

Criteria or specific requirement

N.J.A.C. 6A:23A-13.3 “Transfer During the Budget Year”
N.J.S.A. 18A:22-8.1, “Transfer of Funds, conditions”

Condition

The monthly Transfer Reports for November 2024 through April 2025 were Board-approved on June 19, 2025.

Context

See Finding 2025-05

Effect

Financial statements and transactions could be misstated without proper and timely completion, submission and approval of monthly transfer reports.

Cause

Unknown.

Recommendation

The monthly transfer reports be submitted to and approved by the Board in a timely manner in accordance with N.J.A.C 6A:23A-13.3.

View of Responsible Officials and Planned Corrective Action

Management has reviewed this finding and indicated it will revise its procedures to ensure corrective action is taken.

**ROCKAWAY BOROUGH BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Part 2 – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*.

Finding 2025-006

Our audit of the monthly bank reconciliations revealed they contain several reconciling items which were deemed invalid and reconciling items that were not recorded at year-end.

Criteria or specific requirement

N.J.S.A. 18A:17-9, “Monthly reconciliation of bank account statements; report by secretary”
N.J.S.A. 18A:17-36, “Accounting; monthly and annual reports”

Condition

The monthly bank reconciliations contained invalid reconciling items and reconciling items that were not recorded throughout the fiscal year.

Context

The reconciled monthly cash balances, the general ledger control accounts and the subsidiary budget reports do not accurately reflect all the transactions being reported throughout the year.

Effect

Cash balances could be incorrectly reported on the District’s monthly bank reconciliations.

Cause

Unknown.

Recommendation

Greater care be exercised when reconciling the monthly bank accounts to ensure all reconciling items are valid and recorded properly on the monthly reconciliations.

View of Responsible Officials and Planned Corrective Action

Management has reviewed this finding and indicated it will revise its procedures to ensure corrective action is taken.

**ROCKAWAY BOROUGH BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Part 3 – Schedule of State Award Financial Assistance 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 state programs as required by New Jersey's OMB Circular 15-08, as amended.

CURRENT YEAR FEDERAL AWARDS

Not Applicable

**ROCKAWAY BOROUGH BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Part 3 – Schedule of State Award Financial Assistance 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 state programs as required by New Jersey's OMB Circular 15-08, as amended.

CURRENT YEAR STATE AWARDS

Finding 2025-007

We noted that a Position Control Roster is not being maintained by the District containing the required employee information such as their date of hire, job title, salary amounts, budget account code assigned, etc.) in accordance with N.J.A.C. 6A:23A-6.8. Additionally, the payroll accounting software is not integrated with the financial accounting and reporting software.

State Program Information:

Equalization Aid	495-034-5120-078
Special Education Aid	495-034-5120-089
Security Aid	495-034-5120-084
Stabilization Aid	100-034-5120-494

Criteria or specific requirement

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

Condition

There is no document available monitoring District employees and their respective salary information. Additionally, the district's budget accounts are not being charged when payroll is processed as the payroll accounting software is not integrated with the District's financial accounting software.

Questioned Costs

Unknown.

Context

An integrated position control roster and payroll accounting system is not being utilized by District employees.

Effect

There is no position control roster of District employees, their hire date, their job title, their annual salary, and the budget account corresponding to their respective salary.

**ROCKAWAY BOROUGH BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Part 3 – Schedule of State Award Financial Assistance 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 state programs as required by New Jersey's OMB Circular 15-08, as amended.

CURRENT YEAR STATE AWARDS (continued)

Finding 2025-007 (continued)

Cause

Unknown.

Recommendation

The District review and enhance its procedures to ensure a timely and current Position Control Roster is maintained and at a minimum it include all required information of the respective employees in accordance with N.J.A.C. 6A:23A-6.8. Additionally, the payroll accounting software be integrated with the financial accounting and reporting system software.

View of Responsible Officials and Planned Corrective Action

Management has reviewed this finding and indicated it will revise its procedures to ensure corrective action is taken.

**ROCKAWAY BOROUGH BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Part 3 – Schedule of State Award Financial Assistance 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 state programs as required by New Jersey's OMB Circular 15-08, as amended.

CURRENT YEAR STATE AWARDS

Finding 2025-008

We noted improper budget account coding for salaries of various school administrators that were not charged in accordance with the Uniform Chart of Accounts for New Jersey Public Schools. Audit adjustments were recorded to reclassify their salaries to the appropriate budget line account.

State Program Information:

Equalization Aid	495-034-5120-078
Special Education Aid	495-034-5120-089
Security Aid	495-034-5120-084
Stabilization Aid	100-034-5120-494

Criteria or specific requirement

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

Condition

Salaries of several District administrators are being charged to an improper budget account line requiring reclassification in the ACFR.

Questioned Costs

Unknown.

Context

80% of District Principal salaries are not being charged to the School Administration function. Additionally we noted certain District Administrators did not have any portion of their salary charged to the School Administration function as well.

Effect

Budget account status report improperly reflects the budget account salary charges of District Administrators.

**ROCKAWAY BOROUGH BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Part 3 – Schedule of State Award Financial Assistance 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 state programs as required by New Jersey's OMB Circular 15-08, as amended.

CURRENT YEAR STATE AWARDS (continued)

Finding 2025-008 (continued)

Cause

Unknown.

Recommendation

The salaries of District administrators be charged to the appropriate budget line accounts in accordance with the Uniform Chart of Accounts for New Jersey Public Schools.

View of Responsible Officials and Planned Corrective Action

Management has reviewed this finding and indicated it will revise its procedures to ensure corrective action is taken.

**ROCKAWAY BOROUGH BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Part 3 – Schedule of State Award Financial Assistance 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 state programs as required by New Jersey's OMB Circular 15-08, as amended.

CURRENT YEAR STATE AWARDS

Finding 2025-009

Our audit the monthly Board Secretary's and Board Treasurer's Reports revealed they were not submitted to and approved by the Board in a timely manner as required by N.J.S.A. 18A:17-36. We noted the monthly Board Secretary and Treasurer Reports for November 2024 through April 2025 were Board-approved on June 19, 2025.

State Program Information:

Equalization Aid	495-034-5120-078
Special Education Aid	495-034-5120-089
Security Aid	495-034-5120-084
Stabilization Aid	100-034-5120-494

Criteria or specific requirement

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

Condition

The Board Secretary's and Treasurer's monthly reports for November 2024 through April 2025 monthly reports were not Board-approved until June 19, 2025.

Questioned Costs

Unknown.

Context

See Finding 2025-009

Effect

Financial statements and transactions could be misstated without proper and timely completion, submission and approval of monthly Board Secretary and Treasurer of School Monies reports.

**ROCKAWAY BOROUGH BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Part 3 – Schedule of State Award Financial Assistance 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 state programs as required by New Jersey's OMB Circular 15-08, as amended.

CURRENT YEAR STATE AWARDS (continued)

Finding 2025-009 (continued)

Cause

Unknown.

Recommendation

The monthly financial reports of the Board Secretary and Treasurer of School Monies be submitted to and approved by the Board in a timely manner in accordance with the requirements of N.J.S.A. 18A:17-36.

View of Responsible Officials and Planned Corrective Action

Management has reviewed this finding and indicated it will revise its procedures to ensure corrective action is taken.

ROCKAWAY BOROUGH BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Part 3 – Schedule of State Award Financial Assistance 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 state programs as required by New Jersey’s OMB Circular 15-08, as amended.

CURRENT YEAR STATE AWARDS

Finding 2025-010

Our audit the monthly Transfer Reports for November 2024 through April 2025 were Board-approved on June 19, 2025. The Board is required to ratify all budget transfers subsequent to but no later than the month following the Superintendent’s approval of such transfers as required by N.J.A.C 6A:23A-13-3.

State Program Information:

Equalization Aid	495-034-5120-078
Special Education Aid	495-034-5120-089
Security Aid	495-034-5120-084
Stabilization Aid	100-034-5120-494

Criteria or specific requirement

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

Condition

The monthly Transfer Reports for November 2024 through April 2025 were Board-approved on June 19, 2025.

Questioned Costs

Unknown.

Context

See Finding 2025-010

Effect

Financial statements and transactions could be misstated without proper and timely completion, submission and approval of monthly transfer reports.

**ROCKAWAY BOROUGH BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Part 3 – Schedule of State Award Financial Assistance 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 state programs as required by New Jersey's OMB Circular 15-08, as amended.

CURRENT YEAR STATE AWARDS (continued)

Finding 2025-010 (continued)

Cause

Unknown.

Recommendation

The monthly transfer reports be submitted to and approved by the Board in a timely manner in accordance with N.J.A.C. 6A:23A-13.3.

View of Responsible Officials and Planned Corrective Action

Management has reviewed this finding and indicated it will revise its procedures to ensure corrective action is taken.

**ROCKAWAY BOROUGH BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Part 3 – Schedule of State Award Financial Assistance 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 state programs as required by New Jersey's OMB Circular 15-08, as amended.

CURRENT YEAR STATE AWARDS

Finding 2025-011

Our audit of contract awards and purchases exceeding the bid threshold revealed the following:

- We noted four (4) vendors paid in excess of the bid threshold whose contracts were not approved in the minutes. Documentation was not made available at the time of audit to determine how these vendors were procured.
- We also noted in certain instances cooperative purchasing program contract award information was not on file and available for audit or were unable to be verified to vendor invoices.
- Amazon.com was paid in excess of the bid threshold and the required National Cooperative Purchasing Program documents were not available at the time of audit.
- New Jersey Business Registration Certificates ("BRC") and Political Contribution Disclosure Forms (PCDF) were not on file for several vendors.
- Various per unit (hourly) contracts were awarded without a not-to-exceed amount included in the Board approved resolution.

State Program Information:

Equalization Aid	495-034-5120-078
Special Education Aid	495-034-5120-089
Security Aid	495-034-5120-084
Stabilization Aid	100-034-5120-494

Criteria or specific requirement

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

Condition

Purchases of various goods and services were made which were not in accordance with the procedures specified in the Public School Contracts Law.

Questioned Costs

Unknown.

Context

See Finding 2025-011

**ROCKAWAY BOROUGH BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Part 3 – Schedule of State Award Financial Assistance 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 state programs as required by New Jersey's OMB Circular 15-08, as amended.

CURRENT YEAR STATE AWARDS (continued)

Finding 2025-011 (continued)

Effect

Noncompliance with requirements of the Public School Contracts Law.

Cause

Unknown.

Recommendation

Procedures be reviewed and revised to ensure purchases and contract awards are procured and approved in accordance with Public School Contracts Law and State procurement regulations.

View of Responsible Officials and Planned Corrective Action

Management has reviewed this finding and indicated it will revise its procedures to ensure corrective action is taken.