

SCHOOL DISTRICT
OF
ROCKAWAY TOWNSHIP

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

Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2025

Annual Comprehensive Financial Report

of the

Rockaway Township School District
Board of Education

Rockaway Township, New Jersey

For the Fiscal Year Ended June 30, 2025

Prepared by

Rockaway Township School District
Board of Education

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2025

INTRODUCTORY SECTION (Unaudited)

Letter of Transmittal	1
Organizational Chart	6
Roster of Officials	7
Consultants and Advisors.....	8
ASBO International Certificate of Excellence	9

FINANCIAL SECTION..... 10

Independent Auditors' Report.....	11
-----------------------------------	----

Required Supplementary Information	14
Management's Discussion and Analysis	15

Basic Financial Statements (Sections A. and B.)	23
---	----

A. District-Wide Financial Statements	24
A-1 Statement of Net Position	25
A-2 Statement of Activities.....	26

B. Fund Financial Statements.....	28
B-1 Balance Sheet – Governmental Funds	29
B-2 Statement of Revenue, Expenditures and Changes in Fund Balance – Governmental Funds.....	31
B-3 Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	32
B-4 Statement of Net Position – Proprietary Funds.....	33
B-5 Statement of Revenue, Expenses and Changes in Fund Net Position – Proprietary Funds	34
B-6 Statement of Cash Flows – Proprietary Funds.....	35

Notes to the Basic Financial Statements	36
---	----

Required Supplementary Information	75
--	----

L. Schedules Related to Accounting and Reporting for Pensions and Postemployment Benefits	
Other than Pensions	76
L-1 Schedule of District's Proportionate Share of the Net Pension Liability- Public Employees Retirement System.....	76
L-2 Schedule of District Contributions – Public Employees Retirement System	77
L-3 Schedule of State's Proportionate Share of the Net Pension Liability associated with the District - Teachers' Pension and Annuity Fund.....	78
L-4 Schedule of State Contributions – Teachers' Pension and Annuity Fund	79
L-5 Schedule of Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District and Related Ratios.....	80
Notes to Required Supplementary Information	81

TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

FINANCIAL SECTION (Cont'd)

Required Supplementary Information (Cont'd)

C. Budgetary Comparison Schedules	82
C-1 Budgetary Comparison Schedule – General Fund	83
C-2 Combining Budgetary Schedule – Special Revenue Fund	95
C-3 Budgetary Comparison Schedule – Note to Required Supplementary Information	96

Other Supplementary Schedules (D.-I.)

D. School Level Schedules (Not Applicable)	
E. Special Revenue Fund	98
E-1 Combining Schedule of Revenue and Expenditures Special Revenue Fund – Budgetary Basis	99
E-2 Preschool Education Aid Schedule of Expenditures – Budgetary Basis (Not Applicable)	
F. Capital Projects Fund	101
F-1 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis	102
F-1A Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis - Copeland Middle School – Roof Renovation	103
F-1B Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis - Birchwood Elementary School – Roof Renovation	104
F-1C Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis - Katherine D. Malone Elementary School – Roof Renovation	105
G. Proprietary Funds.....	106
Enterprise Fund:	
G-1 Combining Statement of Net Position	107
G-2 Combining Statement of Revenue, Expenses and Changes in Fund Net Position.....	108
G-3 Combining Statement of Cash Flows	109
H. Fiduciary Activities (Not Applicable)	
I. Long-Term Liabilities.....	110
I-1 Schedule of Serial Bonds	111
I-2 Schedule of Obligations Under Financed Purchases	112
I-3 Schedule of Obligations Under Leases (Not Applicable)	
I-4 Schedule of Obligations Under Subscription-Based Information Technology Arrangements (Not Applicable)	
I-5 Debt Service Fund Budgetary Comparison Schedule.....	113

STATISTICAL SECTION

J. Statistical Section (Unaudited).....	114
J-1 Net Position by Component	115
J-2 Changes in Net Position.....	116
J-3 Fund Balances – Governmental Funds	118
J-4 Changes in Fund Balance, Governmental Funds	119
J-5 General Fund Other Local Revenue by Source	121

TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

J.	Statistical Section (Unaudited) (Cont'd)	
J-6	Assessed Value and Estimated Actual Value of Taxable Property.....	122
J-7	Direct and Overlapping Property Tax Rates	123
J-8	Principal Property Taxpayers (Current Year and Nine Years Ago)	124
J-9	Property Tax Levies and Collections	125
J-10	Ratios of Outstanding Debt by Type	126
J-11	Ratios of Net General Bonded Debt Outstanding	127
J-12	Ratios of Direct and Overlapping Governmental Activities Debt	128
J-13	Legal Debt Margin Information.....	129
J-14	Demographic and Economic Statistics	130
J-15	Principal Employers in the County of Morris, Current and Nine Years Ago	131
J-16	Full-time Equivalent District Employees by Function/Program.....	132
J-17	Operating Statistics.....	133
J-18	School Building Information	134
J-19	Schedule of Required Maintenance Expenditures by School Facility	135
J-20	Insurance Schedule	136
K.	Single Audit Section.....	138
K-1	Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with <i>Government Auditing Standards</i>	139
K-2	Independent Auditors' Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance Required by the Uniform Guidance and NJOMB 15-08.....	141
K-3	Schedule of Expenditures of Federal Awards	144
K-4	Schedule of Expenditures of State Awards.....	146
K-5	Notes to the Schedules of Expenditures of State Awards	147
K-6	Schedule of Findings and Questioned Costs	149
K-7	Summary Schedule of Prior Audit Findings	151

INTRODUCTORY SECTION
(UNAUDITED)



ROCKAWAY TOWNSHIP SCHOOL DISTRICT

Megan S. Slamb, MBA, SFO, QPA
Business Administrator/Board Secretary
mslamb@rocktwp.net

Administration Building
16 School Road, P.O. Box 500
Hibernia, NJ 07842-0500
Phone 973-627-8200 ext. 6097
Fax 973-627-2821

November 26, 2025

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

Dear Honorable President, Board Members, and Citizens:

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

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

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

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

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

2. ENROLLMENT: The District completed the 2024-2025 fiscal year with an enrollment of 2,468, which is an increase 43 students or 1.77% from the previous year's enrollment. The projected enrollment for 2025-2026 fiscal year is 2,476 students. While nationally, Charter Schools have become popular, the district has seen limited use of this alternative education source having just 9 students choosing the charter school option in the 2024-2025 school year.
3. SCHOOL BUILDINGS AND CAPITAL IMPROVEMENTS: The District's buildings were built in the following years: Birchwood (1958), Catherine A. Dwyer (1971), Dennis B. O'Brien (1953), Katherin D. Malone (1952), and Stony Brook Elementary Schools (1962) and Copeland Middle School (1969). The District's board office building was built in 1940 and the Bus Garage was built in 1970.
4. ECONOMIC CONDITION AND OUTLOOK: The District relies on local property taxes and state aid to support its budget. In the 2024-2025 school year, the District saw a slight increase in state aid but the predominant source to support its budget is local property taxes.

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

5. MAJOR INITIATIVES: During the 2024-2025 school year, the district continued the roof replacement projects at Birchwood Elementary, Katherine D. Malone Elementary, and Copeland Middle School. Aside from these project, we continued work on the KDM Elementary water system to ensure compliance with NJDEP requirements and provide consistently potable water at this location.
6. CURRICULUM OFFERINGS: The Curriculum Department is committed to ensuring that all instructional programs are fully aligned to state standards, supported by evidence-based practices, and implemented with fidelity across grade levels and content areas. Our work centers on three core areas: comprehensive curricular alignment, systematized intervention management, and ongoing instructional coaching cycles.
 1. Full Curricular Alignment - Over the past year, the department has completed a district-wide review and alignment of all curriculum documents to the most current state learning standards. This includes:
 - a. Vertical and horizontal alignment of units, assessments, and learning targets to ensure consistency and equity across classrooms.
 - b. Standardized unit plans that clearly identify priority standards, assessment criteria, and instructional resources.
 - c. Regular curriculum mapping updates to maintain alignment as standards evolve and as instructional needs arise. This work ensures that students receive a coherent and rigorous instructional experience regardless of teacher or building assignment.
 2. LinkIt Intervention Manager Implementation - To strengthen data-driven decision-making and streamline student support, the department has led the implementation of the LinkIt Intervention Manager platform. Key accomplishments include:
 - a. Establishing a district-wide process for intervention identification, progress monitoring, and documentation.
 - b. Training all instructional and support staff on entering and analyzing student performance data within the system.

6. CURRICULUM OFFERINGS: (Cont'd)

- c. Integrating LinkIt assessments and locally developed benchmarks to inform tiered interventions and ensure compliance with MTSS/RTI expectations. This implementation has increased transparency, improved student support tracking, and provided a unified data system for instructional teams and administrators.
3. i-Ready Instructional Rounds With Coaching - The department has also expanded its instructional leadership model through the use of i-Ready-aligned instructional rounds coupled with ongoing coaching. This initiative includes:
 - a. Structured classroom observation cycles focused on the use of i-Ready data to inform instruction and differentiate learning.
 - b. Collaborative debrief sessions where teachers and coaches analyze evidence, identify trends, and define next instructional steps.
 - c. Targeted coaching supports that reinforce high-impact instructional strategies and strengthen implementation of the i-Ready instructional platform. These efforts promote continuous improvement, increase instructional consistency, and ensure the effective use of data-informed teaching practices.

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as fund balance restrictions, commitments and assignments at June 30, 2025.

8. ACCOUNTING SYSTEM BUDGETARY CONTROLS: (Cont'd)

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

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

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

9. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property, contents, and fidelity bonds. The Board oversees risk management for the District. A schedule of insurance coverage is found on J-20.
10. OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The Auditors' Report on the basic financial statements and specific required supplementary information are included in the financial section of this report. The Auditors' Reports related specifically to the single audit and *Government Auditing Standards* are included in the single audit section of this report.
11. AWARDS: The Association of School Business Officials International ("ASBO") awarded a Certificate of Achievement for Excellence in Financial Reporting to the Rockaway Township School District for its Annual Comprehensive Financial Report ("ACFR") for the fiscal year ended June 30, 2024. This program contributes to the enhancement of credibility of financial management, the adoption of accounting principles generally accepted in the United States of America, and sound budgetary and reporting purposes. In order to be awarded the Certificate of Excellence, the District must prepare the ACFR in a fashion that strictly conforms to generally accepted accounting principles and program requirements. The Certificate of Excellence is valid for a period of one year.

The Honorable President and Members of
the Board of Education, and Citizens
Rockaway Township School District
Page 5
November 26, 2025

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

Respectfully submitted,

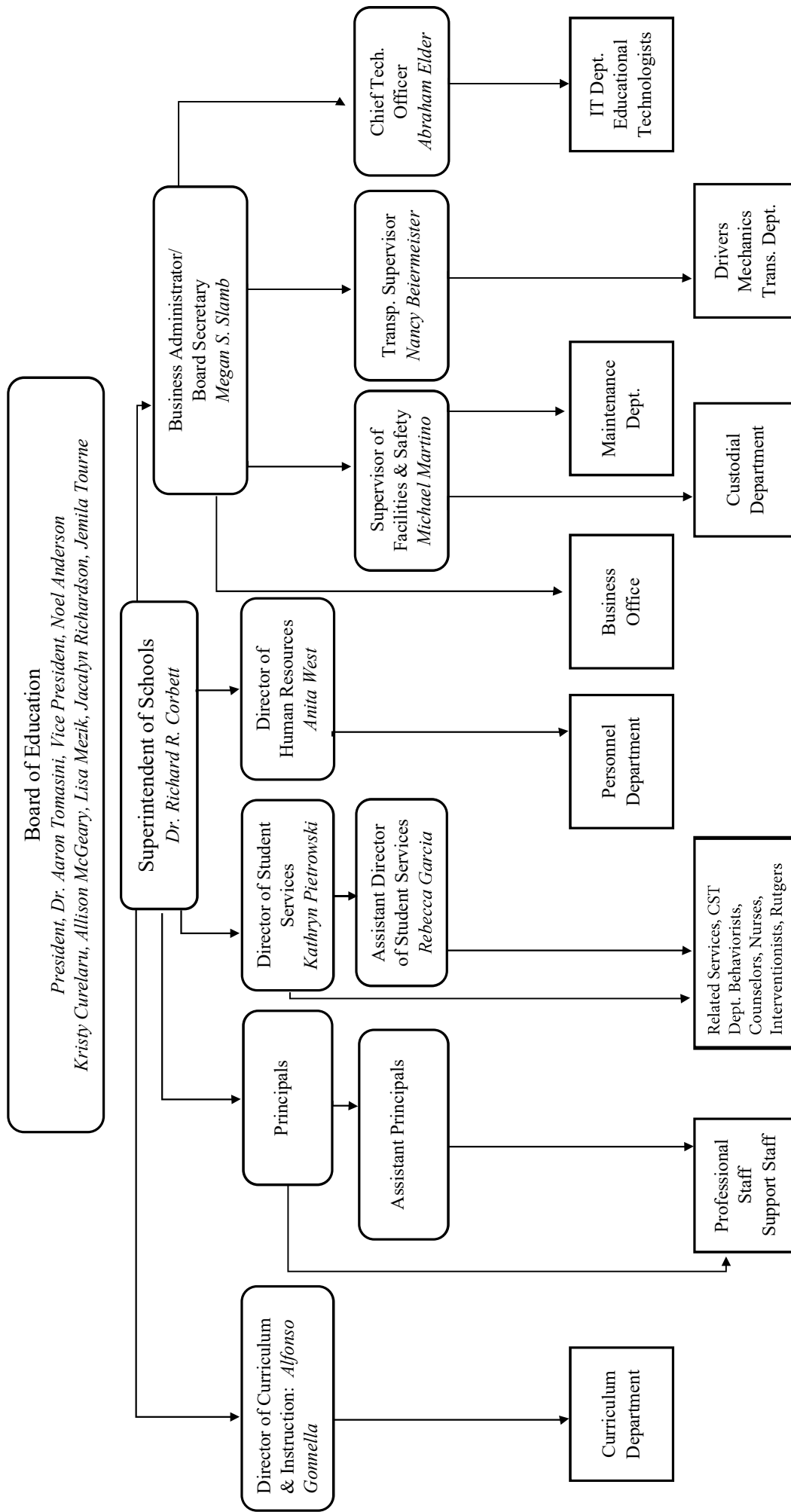
A handwritten signature in dark ink, appearing to read "Richard R. Corbett", is written over a horizontal line.

Richard R. Corbett, Ed. D.
Superintendent

A handwritten signature in dark ink, appearing to read "Megan S. Slamb", is written over a horizontal line.

Megan Slamb
Business Administrator/Board Secretary

Rockaway Township Public Schools
Organizational Chart for School Year 2024-2025



Adopted: January 22, 2025

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
ROSTER OF OFFICIALS
YEAR ENDED JUNE 30, 2025

<u>Members of the Board of Education</u>		<u>Term Expires</u>
Dr. Aaron Tomasini, President		2025
Noel Anderson, Vice President		2028
Kristy Curelaru		2025
Alison McGeary		2026
Lisa Mezik		2026
Jacalyn Richardson		2027
Jemila Tourne		2027

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
CONSULTANTS AND ADVISORS
YEAR ENDED JUNE 30, 2025

Audit Firm

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

Attorney

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

Official Depository

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



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Rockaway Township Board of Education
for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2024.

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



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

Ryan S. Stechschulte
President

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

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

FINANCIAL SECTION

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Rockaway Township School District (the "District"), in the County of Morris, as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the District, as of June 30, 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 (GAAS), audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

November 26, 2025
Mount Arlington, New Jersey

Nisivoccia LLP
NISIVOCCIA LLP

Man C Lee

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

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR FISCAL YEAR ENDED JUNE 30, 2025

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

Overview of the Financial Statements

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

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

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

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

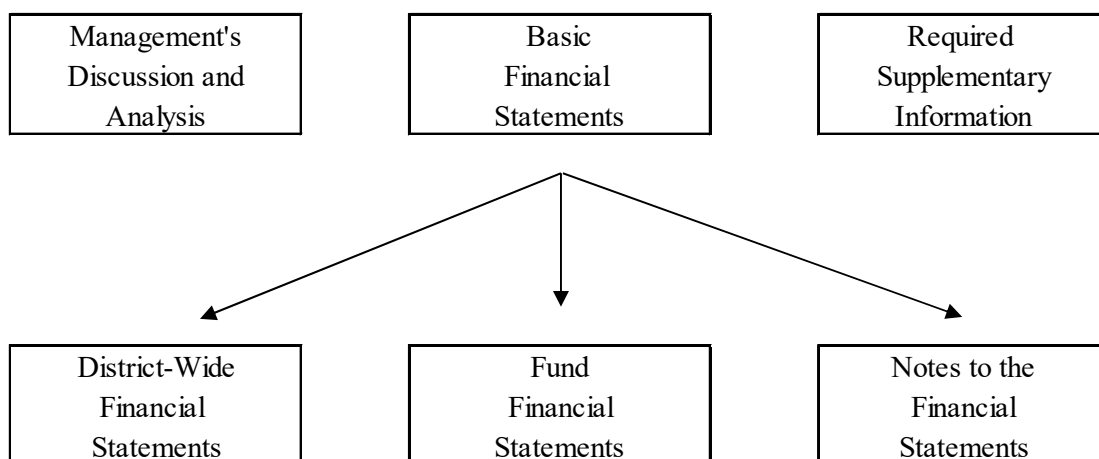


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents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

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

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire district	The activities of the district that are not proprietary, such as special education and building maintenance	Activities the district operates similar to private businesses; food services, services, summer enrichment and after school.
Required Financial Statements	• Statement of Net Position • Statement of Activities	• Balance Sheet • Statement of Revenue, Expenditures, and Changes in Fund Balances	• Statement of Net Position • Statement of Revenue, Expenses, and Changes in Net Position • Statement of Cash Flows
Accounting basis and measurement focus	Accrual Accounting and Economic Resources focus	Modified Accrual Accounting and Current Financial Focus	Accrual Accounting and Economic Resources focus
Type of Asset/Liability Information	All Assets and Liabilities, both Financial and Capital, Short-Term and Long-Term, and Deferred Outflows and Inflows of Resources	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets, lease assets, subscription assets, or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term, and deferred outflows and inflows of resources
Type of Inflow/Outflow Information	All Revenue and Expenses during the year, regardless of when Cash is Received or Paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liabilities is due and payable	All Revenue and Expenses during the year, regardless of when cash is received or paid

District-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

The District has two kinds of funds:

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

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

Financial Analysis of the District as a Whole

Net Position. The District's combined net position increased by \$1,238,519. Net position from governmental activities increased by \$1,267,056 and net position from business-type activities decreased by \$28,537. Net investment in capital assets increased by \$657,372, restricted net position increased by \$779,782 and unrestricted net position decreased by \$198,635.

Figure A-3

Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		Percentage Change
	2025	2024	2025	2024	2025	2024	
Current and Other Assets	\$ 16,004,236	\$ 16,319,939	\$ 376,845	\$ 410,603	\$ 16,381,081	\$ 16,730,542	
Capital Assets, Net	29,245,102	29,232,923	119,547	136,873	29,364,649	29,369,796	
Total Assets	45,249,338	45,552,862	496,392	547,476	45,745,730	46,100,338	-0.77%
Deferred Outflows of Resources	1,115,947	1,082,328			1,115,947	1,082,328	3.11%
Other Liabilities	1,275,709	1,480,184	126,447	148,994	1,402,156	1,629,178	
Long-Term Liabilities	10,825,982	11,706,727			10,825,982	11,706,727	
Total Liabilities	12,101,691	13,186,911	126,447	148,994	12,228,138	13,335,905	-8.31%
Deferred Inflows of Resources	1,155,101	1,606,842			1,155,101	1,606,842	-28.11%
Net Position:							
Net Investment in Capital Assets	29,160,084	28,485,386	119,547	136,873	29,279,631	28,622,259	
Restricted	13,728,791	12,949,009			13,728,791	12,949,009	
Unrestricted/(Deficit)	(9,780,382)	(9,592,958)	250,398	261,609	(9,529,984)	(9,331,349)	
Total Net Position	\$ 33,108,493	\$ 31,841,437	\$ 369,945	\$ 398,482	\$ 33,478,438	\$ 32,239,919	3.84%

Changes in Net Position. The District's combined net position was \$33,478,438 on June 30, 2025, \$1,238,519 or 3.84% more than the previous year (See Figure A-3). Net investment in capital assets increased mainly due to capital assets additions and paydown of principal for bonds payable and financed purchases; offset by capital assets depreciation and disposals. Restricted net position increased primarily due to increase in excess surplus, offset by decreases in the capital and maintenance reserves. Unrestricted net position decreased primarily due to the increase in compensated absences payable and increases in expenditures such as health benefits and student related services; offset by changes in net pension liability and related deferred outflows/inflows of resources.

Figure A-4

Changes in Net Position from Operating Results

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2025	2024	2025	2024	2025	2024	
Revenue:							
Program Revenue:							
Charges for Services	\$ 501,953	\$ 452,114	\$ 701,241	\$ 673,101	\$ 1,203,194	\$ 1,125,215	
Operating Grants and Contributions	10,758,723	11,611,024	414,803	403,223	11,173,526	12,014,247	
General Revenue:							
Property Taxes	52,773,963	50,528,943			52,773,963	50,528,943	
Unrestricted Federal and State Aid	1,398,181	1,556,522			1,398,181	1,556,522	
Other	1,267,801	1,135,578	9,667	18,999	1,277,468	1,154,577	
Total Revenue	<u>66,700,621</u>	<u>65,284,181</u>	<u>1,125,711</u>	<u>1,095,323</u>	<u>67,826,332</u>	<u>66,379,504</u>	2.18%
Expenses:							
Instruction	35,524,336	35,602,783			35,524,336	35,602,783	
Tuition	1,361,339	1,456,850			1,361,339	1,456,850	
Pupil and Instruction Services	13,097,595	12,412,488			13,097,595	12,412,488	
Administrative and Business	5,856,860	5,363,563			5,856,860	5,363,563	
Maintenance and Operations	5,985,488	5,478,309			5,985,488	5,478,309	
Transportation	3,470,724	3,121,910			3,470,724	3,121,910	
Other	137,223	210,671	1,154,248	1,112,031	1,291,471	1,322,702	
Total Expenses	<u>65,433,565</u>	<u>63,646,574</u>	<u>1,154,248</u>	<u>1,112,031</u>	<u>66,587,813</u>	<u>64,758,605</u>	2.82%
Change in Net Position	1,267,056	1,637,607	(28,537)	(16,708)	1,238,519	1,620,899	-23.59%
Beginning Net Position	<u>31,841,437</u>	<u>30,203,830</u>	<u>398,482</u>	<u>415,190</u>	<u>32,239,919</u>	<u>30,619,020</u>	
Ending Net Position	<u>\$ 33,108,493</u>	<u>\$ 31,841,437</u>	<u>\$ 369,945</u>	<u>\$ 398,482</u>	<u>\$ 33,478,438</u>	<u>\$ 32,239,919</u>	3.84%

Governmental Activities

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

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

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

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

	Total Cost of Services		Net Cost of Services	
	2025	2024	2025	2024
Instruction	\$ 35,524,336	\$ 35,602,783	\$ 27,264,641	\$ 26,805,585
Tuition	1,361,339	1,456,850	699,226	669,061
Pupil & Instruction Services	13,097,595	12,412,488	11,902,770	10,934,489
Administrative and Business	5,856,860	5,363,563	5,636,527	5,099,092
Maintenance & Operations	5,985,488	5,478,309	5,757,491	5,428,164
Transportation	3,470,724	3,121,910	2,775,011	2,436,374
Other	137,223	210,671	137,223	210,671
Total	<u>\$ 65,433,565</u>	<u>\$ 63,646,574</u>	<u>\$ 54,172,889</u>	<u>\$ 51,583,436</u>

Business-Type Activities

Net position from the District's business-type activities decreased by \$28,537. (Refer to Figure A-4). Factors contributing to this included:

- Food services net position decreased by \$31,752 as the District spent down its remaining supply chain assistance.
- Summer enrichment net position decreased by \$589.
- After school net position increased by \$3,804 due to increased participation in the program.

Financial Analysis of the District's General Fund

The General Fund serves as the District's main operating fund and its financial position remained stable despite changes in the student population and the rising cost of fixed obligations. Rising salaries and health benefit costs have and continue to put a strain on the District's budget. The District's participation in several insurance pools has helped stabilize insurance rates. The General Fund had an ending fund balance of \$15.9m on June 30, 2025, an increase of \$278,509 or 1.8% from the prior year.

General Fund Budgetary Highlights

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

Capital Assets

Figure A-6

Capital Assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Percentage Change
	2025	2024	2025	2024	2025	2024	
Land	\$ 3,242,866	\$ 3,242,866			\$ 3,242,866	\$ 3,242,866	
Construction in Progress	1,285,320	149,561			1,285,320	149,561	
Site Improvements	1,491,377	1,578,298			1,491,377	1,578,298	
Buildings & Building Improvements	20,810,981	21,554,010			20,810,981	21,554,010	
Furniture, Machinery and Equipment	2,414,558	2,708,188	\$ 119,547	\$ 136,873	2,534,105	2,845,061	
Total	<u>\$ 29,245,102</u>	<u>\$ 29,232,923</u>	<u>\$ 119,547</u>	<u>\$ 136,873</u>	<u>\$ 29,364,649</u>	<u>\$ 29,369,796</u>	-0.02%

The \$5,147 decrease in capital assets was attributable to \$1,532,844 in additions (\$1,532,844 from its governmental activities, which included roof replacements at Birchwood, Copeland and K.D. Malone and various equipment); offset by \$1,435,127 in current year depreciation (\$1,417,801 from its governmental and \$17,326 from its business-type activities) and \$102,864 in deletions, net of accumulated depreciation during the year. (More detailed information about the District's capital assets is presented in Note 8 to the financial statements.)

Long Term Liabilities

The District's long-term liabilities decreased by \$880,745 or 7.52% - as shown in Figure A-7. (More detailed information about the District's long-term liabilities is presented in Note 9 to the financial statements.)

Figure A-7

Outstanding Long-Term Liabilities

	Total School District		Percentage Change 2024-2025
	2025	2024	
General Obligation Bonds (Financed with Property Taxes)		\$ 580,000	
Net Pension Liability	\$ 8,353,072	8,859,553	
Compensated Absences	2,387,892	2,099,637	
Financed Purchases	85,018	167,537	
Total	<u>\$ 10,825,982</u>	<u>\$ 11,706,727</u>	-7.52%

- The District continued to pay down its bonded debt, retiring \$580,000 of outstanding bonds.
- Net pension liability decreased by \$506,481.
- Compensated absences payable had a net increase of \$288,255.
- The District paid down \$82,519 in financed purchases principal.

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was in a good financial position. The District is grateful for the community support of the schools. A major concern is the financial support required to maintain appropriate class sizes and services. We also continue to deal with increasing enrollment and limitations on our ability to expand our current buildings. Insurance costs are steadily rising and we have concerns related to future forecasts for Health Benefit costs in particular. This, in an environment of declining or flat state aid support and increasing salaries and related benefits, means an ever-increasing reliance on local property taxes.

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

Contacting the District's Financial Management

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 4,890,607	\$ 262,992	\$ 5,153,599
Investments	91,596		91,596
Interfund Receivable	(38,996)	38,996	
Receivables from State Government	976,517	1,398	977,915
Receivables from Federal Government	56,160	22,842	79,002
Receivables from Other Governments	16,752		16,752
Other Accounts Receivable		31,669	31,669
Inventories		18,948	18,948
Restricted Cash and Cash Equivalents	10,011,600		10,011,600
Capital Assets, Net:			
Sites and Construction in Progress	4,528,186		4,528,186
Depreciable Site Improvements, Buildings and Building Improvements, Furniture, and Machinery and Equipment	24,716,916	119,547	24,836,463
Total Assets	45,249,338	496,392	45,745,730
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Outflows Related to Pensions	1,115,947		1,115,947
Total Deferred Outflows of Resources	1,115,947		1,115,947
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	1,268,407	75,545	1,343,952
Payable to Federal Government	5,301		5,301
Unearned Revenue	2,001	50,902	52,903
Noncurrent Liabilities:			
Due Within One Year	176,819		176,819
Due Beyond One Year	10,649,163		10,649,163
Total Liabilities	12,101,691	126,447	12,228,138
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows Related to Pensions	1,155,101		1,155,101
Total Deferred Inflows of Resources	1,155,101		1,155,101
<u>NET POSITION</u>			
Net Investment in Capital Assets	29,160,084	119,547	29,279,631
Restricted for:			
Capital Projects	9,011,317		9,011,317
Maintenance	200,000		200,000
Emergency	50,000		50,000
Excess Surplus	3,717,191		3,717,191
Unemployment Compensation	659,473		659,473
Student Activities	90,810		90,810
Unrestricted/(Deficit)	(9,780,382)	250,398	(9,529,984)
Total Net Position	\$ 33,108,493	\$ 369,945	\$ 33,478,438

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

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

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 23,270,643	\$ 98,139	\$ 2,887,702	\$ (20,284,802)		\$ (20,284,802)
Special Education	9,901,239	165,150	4,810,728	(4,925,361)		(4,925,361)
Other Special Instruction	2,204,468		297,976	(1,906,492)		(1,906,492)
School Sponsored	147,986			(147,986)		(147,986)
Support Services:						
Tuition	1,361,339		662,113	(699,226)		(699,226)
Student and Instruction Related Services	13,097,595	151,953	1,042,872	(11,902,770)		(11,902,770)
General Administrative Services	1,107,926			(1,107,926)		(1,107,926)
School Administrative Services	2,625,121		220,333	(2,404,788)		(2,404,788)
Central Services	1,058,538			(1,058,538)		(1,058,538)
Administrative Information Technology	1,065,275			(1,065,275)		(1,065,275)
Plant Operations and Maintenance	5,985,488		227,997	(5,757,491)		(5,757,491)
Pupil Transportation	3,470,724	86,711	609,002	(2,775,011)		(2,775,011)
Transfer of Funds to Charter School	133,356			(133,356)		(133,356)
Interest on Long-Term Debt	3,867			(3,867)		(3,867)
Total Governmental Activities	65,433,565	501,953	10,758,723	(54,172,889)		(54,172,889)
Business-Type Activities:						
Food Service	1,058,504	602,283	414,803		\$ (41,418)	(41,418)
Summer Enrichment	60,549	59,959			(590)	(590)
After Care	35,195	38,999			3,804	3,804
Total Business-Type Activities	1,154,248	701,241	414,803		(38,204)	(38,204)
Total Primary Government	\$ 66,587,813	\$ 1,203,194	\$ 11,173,526	(54,172,889)	(38,204)	(54,211,093)

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenue:			
Property Taxes, Levied for General Purposes	\$ 52,327,465		\$ 52,327,465
Taxes Levied for Debt Service	446,498		446,498
Federal, State and Local Aid not Restricted	1,398,181		1,398,181
Interest Earnings	722,235	\$ 9,667	731,902
Miscellaneous Income	545,566		545,566
Total General Revenues	55,439,945	9,667	55,449,612
Change in Net Position	1,267,056	(28,537)	1,238,519
Net Position - Beginning	31,841,437	398,482	32,239,919
Net Position - Ending	\$ 33,108,493	\$ 369,945	\$ 33,478,438

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

FUND FINANCIAL STATEMENTS

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 4,890,607				\$ 4,890,607
Investments	91,596				91,596
Interfund Receivable	478,483				478,483
Receivables From Federal Government		\$ 56,160			56,160
Receivables From State Government	976,517				976,517
Receivables From Other Government	16,752				16,752
Restricted Cash and Cash Equivalents	9,920,790	90,810			10,011,600
Total Assets	<u>\$ 16,374,745</u>	<u>\$ 146,970</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 16,521,715</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Payable to Federal Government		\$ 5,301			\$ 5,301
Accounts Payable	\$ 400,136				400,136
Interfund Payable	38,996	48,858	\$ 429,625		517,479
Unearned Revenue		2,001			2,001
Total Liabilities	<u>439,132</u>	<u>56,160</u>	<u>429,625</u>		<u>924,917</u>
Fund Balances:					
Restricted:					
Excess Surplus for 2026-2027	2,217,191				2,217,191
Excess Surplus for 2025-2026	1,500,000				1,500,000
Capital Reserve	9,011,317				9,011,317
Maintenance Reserve	200,000				200,000
Emergency Reserve	50,000				50,000
Unemployment Compensation	659,473				659,473
Student Activities		90,810			90,810
Assigned:					
Other Purposes	600,153				600,153
Unassigned/(Deficit)	<u>1,697,479</u>		<u>(429,625)</u>		<u>1,267,854</u>
Total Fund Balances/(Deficit)	<u>15,935,613</u>	<u>90,810</u>	<u>(429,625)</u>		<u>15,596,798</u>
Total Liabilities and Fund Balances	<u>\$ 16,374,745</u>	<u>\$ 146,970</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 16,521,715</u>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025
(Continued)

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

Total Fund Balances - Governmental Funds (Previous Page)	\$ 15,596,798
Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds.	29,245,102
Long-Term Liabilities, including Bonds Payable, Compensated Absences Payable, Financed Purchases Payable and Net Pension Liability for PERS, are not due and payable in the current period and therefore are not reported as liabilities in the Funds.	(10,825,982)
District contributions subsequent to the measurement date are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in the accounts payable in the Statement of Net Position.	(868,271)
Certain amounts related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not reported in the Governmental Funds:	
Deferred Outflows	1,115,947
Deferred Inflows	<u>(1,155,101)</u>
Net Position of Governmental Activities	<u><u>\$ 33,108,493</u></u>

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

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 52,327,465			\$ 446,498	\$ 52,773,963
Tuition from Individuals	98,139				98,139
Tuition from Other LEAs	165,150				165,150
Transportation Fees from Individuals	4,019				4,019
Transportation Fees from Other LEAs	82,692				82,692
Interest on Capital Reserve	334,961				334,961
Restricted Miscellaneous Revenue	93,538	\$ 151,953			245,491
Unrestricted Miscellaneous Revenue	839,302	14,733			854,035
Total - Local Sources	53,945,266	166,686		446,498	54,558,450
State Sources	18,176,422			145,102	18,321,524
Federal Sources	436,876	823,739			1,260,615
Total Revenue	72,558,564	990,425		591,600	74,140,589
EXPENDITURES					
Current:					
Regular Instruction	15,659,309	84,839			15,744,148
Special Education Instruction	6,668,232				6,668,232
Other Special Instruction	1,484,103				1,484,103
School Sponsored/Other Instruction	126,710				126,710
Support Services and Undistributed Costs:					
Tuition	699,226	662,113			1,361,339
Student & Instruction Related Services	9,466,078	231,997			9,698,075
General Administrative Services	880,450				880,450
School Administrative Services	1,901,977				1,901,977
Central Services	817,781				817,781
Administration Information Technology	925,221				925,221
Plant Operations and Maintenance	5,046,074				5,046,074
Pupil Transportation	3,033,800				3,033,800
Unallocated Benefits	24,346,445				24,346,445
Debt Service:					
Principal				580,000	580,000
Interest and Other Charges				11,600	11,600
Capital Outlay	333,455		\$ 1,187,463		1,520,918
Charter Schools	133,356				133,356
Total Expenditures	71,522,217	978,949	1,187,463	591,600	74,280,229
Excess/(Deficit) of Revenue over/(under) Expenditures	1,036,347	11,476	(1,187,463)		(139,640)
OTHER FINANCING SOURCES/(USES)					
Transfers	(757,838)		757,838		
Total Other Financing Sources/(Uses)	(757,838)		757,838		
Net Change in Fund Balances	278,509	11,476	(429,625)		(139,640)
Fund Balance — July 1	15,657,104	79,334			15,736,438
Fund Balance/(Deficit) — June 30	\$ 15,935,613	\$ 90,810	\$ (429,625)	\$ -0-	\$ 15,596,798

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ (139,640)

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

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

Depreciation expense	\$ (1,417,801)
Capital assets additions	1,532,845
Capital assets disposals	<u>(102,865)</u>

12,179

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

(288,255)

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

82,519

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

580,000

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

7,733

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

Change in Net Pension Liability	506,481
Changes in Deferred Outflows	54,298
Changes in Deferred Inflows	<u>451,741</u>

Change in Net Position of Governmental Activities (A-2)

\$ 1,267,056

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

	Business-Type Activities - Enterprise Funds		
	Major Fund	Total	Total
	Food Service	Non-Major Funds	Enterprise
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 178,819	\$ 84,173	\$ 262,992
Interfund Receivable - General Fund	38,996		38,996
Intergovernmental Accounts Receivable:			
State	1,398		1,398
Federal	22,842		22,842
Other Accounts Receivable	31,669		31,669
Inventories	18,948		18,948
Total Current Assets	292,672	84,173	376,845
Non-Current Assets:			
Capital Assets	630,043		630,043
Less: Accumulated Depreciation	(510,496)		(510,496)
Total Non-Current Assets	119,547		119,547
Total Assets	412,219	84,173	496,392
LIABILITIES:			
Current Liabilities:			
Accounts Payable	75,545		75,545
Unearned Revenue:			
Prepaid Sales		47,064	47,064
Donated Commodities	3,838		3,838
Total Liabilities	79,383	47,064	126,447
NET POSITION:			
Investment in Capital Assets	119,547		119,547
Unrestricted	213,289	37,109	250,398
Total Net Position	\$ 332,836	\$ 37,109	\$ 369,945

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Business-Type Activities - Enterprise Funds		
	Major Fund	Total	Total
	Food Service	Non-Major Funds	Enterprise
Operating Revenue:			
Daily Sales:			
Reimbursable Programs	\$ 385,205		\$ 385,205
Non-Reimbursable Programs	216,113		216,113
Program Fees		\$ 98,958	98,958
Miscellaneous Revenue	965		965
Total Operating Revenue	602,283	98,958	701,241
Operating Expenses:			
Cost of Sales:			
Reimbursable Programs	303,257		303,257
Non-Reimbursable Programs	170,897		170,897
Salaries	337,999	76,315	414,314
Employee Benefits	120,832		120,832
Transportation		4,300	4,300
Other Purchased Services	97,187		97,187
Supplies and Materials	11,006	15,129	26,135
Depreciation Expense	17,326		17,326
Total Operating Expenses	1,058,504	95,744	1,154,248
Operating Income/(Loss)	(456,221)	3,214	(453,007)
Non-Operating Revenue:			
Local Sources:			
Interest Income	9,666	1	9,667
State Sources:			
State School Lunch Program	14,457		14,457
State School Breakfast Program	101		101
State Extended Income Eligibility - Lunch	2,667		2,667
State Extended Income Eligibility - Breakfast	146		146
Summer EBT Reimbursement	321		321
Federal Sources:			
National School Lunch Program	302,079		302,079
School Breakfast Program	13,558		13,558
Food Distribution Program	52,469		52,469
COVID Supply Chain Assistance Utilized	28,683		28,683
Summer EBT Reimbursement	322		322
Total Non-Operating Revenue	424,469	1	424,470
Change in Net Position	(31,752)	3,215	(28,537)
Net Position - Beginning of Year	364,588	33,894	398,482
Net Position - End of Year	\$ 332,836	\$ 37,109	\$ 369,945

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

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

	Business-Type Activities - Enterprise Funds		
	Major Fund	Total	
	Food	Non-Major	Total
	Service	Funds	Enterprise
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 571,982	\$ 100,472	\$ 672,454
Payments to Food Service Company	(926,340)		(926,340)
Payments to/for Employees		(76,315)	(76,315)
Payments to Suppliers	(61,860)	(19,429)	(81,289)
Net Cash Provided by/(Used for) Operating Activities	(416,218)	4,728	(411,490)
Cash Flows from Financing Activities:			
Interest Income	9,666	1	9,667
Net Cash Provided by Financing Activities	9,666	1	9,667
Cash Flows from Noncapital Financing Activities:			
Interfund Returned - General Fund	(38,996)		(38,996)
State Sources	17,618		17,618
Federal Sources	309,120		309,120
Net Cash Provided by Noncapital Financing Activities	287,742		287,742
Net Increase/(Decrease) in Cash and Cash Equivalents	(118,810)	4,729	(114,081)
Cash and Cash Equivalents, July 1	297,629	79,444	377,073
Cash and Cash Equivalents, June 30	\$ 178,819	\$ 84,173	\$ 262,992
Reconciliation of Operating Income/(Loss) to			
Net Cash Provided by/(Used for) by Operating Activities:			
Operating Income/(Loss)	\$ (456,221)	\$ 3,214	\$ (453,007)
Depreciation	17,326		17,326
Food Distribution Program	52,469		52,469
Changes in Assets and Liabilities:			
(Increase) in Other Accounts Receivable	(30,301)		(30,301)
Increase in Accounts Payable	2,693		2,693
Increase in Unearned Revenue - Donated Commodities	1,929		1,929
Increase in Unearned Revenue - Prepaid Sales		1,514	1,514
(Increase) in Inventory	(4,113)		(4,113)
Net Cash Provided by/(Used for) by Operating Activities	\$ (416,218)	\$ 4,728	\$ (411,490)

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$54,398 and utilized U.S.D.A. Commodities valued at \$52,469.

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

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

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

B. Basis of Presentation:

District-Wide Financial Statements:

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

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

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

Fund Financial Statements:

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

The District reports the following governmental funds:

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

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

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

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

B. Basis of Presentation: (Cont'd)

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

The District reports the following proprietary fund:

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

C. Measurement Focus and Basis of Accounting:

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

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

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

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2025 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be made by School Board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

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

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

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

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 72,605,106	\$ 980,843
Differences - Budgetary to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis recognizes Encumbrances as Expenditures and Revenue while the GAAP basis does not:		
Prior Year Encumbrances		9,619
Cancellation of Prior Year Encumbrances		(37)
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	399,665	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(446,207)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 72,558,564</u>	<u>\$ 990,425</u>

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

(Continued)

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 71,522,217	\$ 969,367
Differences - Budgetary to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Prior Year Encumbrances		9,619
Cancellation of Prior Year Encumbrances		(37)
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 71,522,217</u>	<u>\$ 978,949</u>
	<u>Capital Projects Fund</u>	
	<u>Revenue</u>	<u>Fund Balance</u>
Revenue and Fund Balance per Summary Schedule of Revenue, Expenditures and Changes in Fund Balance (Budgetary Basis)	\$ 505,225	\$ 75,601
Reconciliation to Governmental Funds Statements (GAAP):		
SDA Grants Receivable/Revenue Not Recognized on GAAP Basis	<u>(505,225)</u>	<u>(505,226)</u>
Revenue/Fund Balance/(Deficit) per Governmental Funds (GAAP)	<u>\$ -0-</u>	<u>\$ (429,625)</u>

E. Cash and Cash Equivalents, and Investments:

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

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

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

E. Cash and Cash Equivalents, and Investments (Cont'd):

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

F. Interfund Transactions:

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

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

G. Allowance for Uncollectible Accounts:

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

H. Encumbrances:

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

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

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

I. Short-term Interfund Receivables/Payables:

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

J. Inventories:

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

J. Inventories: (Cont'd)

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2025.

K. Capital Assets:

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

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

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

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

L. Lease Assets:

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

M. Subscription Assets:

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

N. Long Term Liabilities:

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

N. Long Term Liabilities: (Cont'd)

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

O. Accrued Salaries and Wages:

The District allows employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year. New Jersey statutes require that these earned undisbursed amounts be retained in a separate bank account. As of June 30, 2025, the amount earned by these employees but not disbursed was \$11,710.

P. Compensated Absences:

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

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

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

Q. Lease Payable:

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

R. Unearned Revenue:

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

S. Subscription Payable:

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

T. Fund Balance Appropriated:

General Fund: Of the \$15,935,613 General Fund fund balance at June 30, 2025, \$9,011,317 is restricted in the capital reserve account; \$200,000 is restricted in the maintenance reserve account; \$50,000 is restricted in the emergency reserve; \$659,473 is restricted for unemployment compensation; \$1,500,000 is prior year excess surplus and is included as anticipated revenue for the fiscal year ending June 30, 2026; \$2,217,191 is restricted as current year excess surplus and will be appropriated and included in the budget for the fiscal year ending June 30, 2027; \$600,153 is assigned for encumbrances; and \$1,697,479 is unassigned which is \$446,207 less than the calculated maximum unassigned fund balance, on a GAAP basis, due to the final two state aid payments, which are not recognized until the fiscal year ended June 30, 2026.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

T. Fund Balance Appropriated: (Cont'd)

Special Revenue Fund: The Special Revenue Fund fund balance at June 30, 2025 is \$90,810 and is restricted for student activities.

Capital Projects Fund: The \$429,625 deficit Capital Projects Fund fund balance at June 30, 2025 is \$505,226 less on a GAAP basis due to the NJ SDA grants, which will not be recognized on a GAAP basis until the related expenditures are submitted for reimbursement.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, c.73 (S1701), the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District has excess surplus at June 30, 2025 as detailed on the previous page.

P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize the last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments.

U. Fund Balance Restrictions, Commitments and Assignments:

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

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

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has no committed resources at June 30, 2025.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

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

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

The District has assigned resources for year-end encumbrances in the General Fund at June 30, 2025.

V. Deficit Net Position/Fund Balance:

The District's governmental activities has a \$9,780,382 deficit in the unrestricted net position which is primarily due to compensated absences payable and net pension liability and the related deferred inflows and outflows of resources. The Capital Projects Fund has a \$429,625 deficit fund balance, which is due to the SDA grant receivables not being recognized on a GAAP basis until the related expenditures are submitted for reimbursement. These deficits do not indicate that the District is having financial difficulties and is a permitted practice under generally accepted accounting principles.

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

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

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District has deferred outflows and inflows of resources at June 30, 2025 related to pensions.

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

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

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

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

X. Revenue - Exchange and Nonexchange Transactions:

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

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

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

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

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

Y. Operating Revenue and Expenses:

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

Z. Management Estimates:

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

AA. Pensions

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

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

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

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

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

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

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

Deposits:

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

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

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

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

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

Investments:

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

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

Investments: (Cont'd)

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

Investments: (Cont'd)

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

As of June 30, 2025, cash and cash equivalents of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>		<u>Total</u>
	<u>Unrestricted</u>	<u>Restricted</u>	
Checking & Savings Accounts	<u>\$ 5,153,599</u>	<u>\$ 10,011,600</u>	<u>\$ 15,165,199</u>

During the period ended June 30, 2025, the District did not hold any investments except as detailed below. The carrying amount of the District's cash and cash equivalents at June 30, 2025, was \$15,165,199 and the bank balance was \$15,334,282.

Fair Value Measurement and Application:

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

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

The District has the following recurring fair value measurement as of June 30, 2025:

Solar Renewable Energy Certificates (SREC) of \$91,596 are valued using quoted market prices (Level 1 inputs).

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

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

(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT

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

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

The activity of the capital reserve for the July 1, 2024 to June 30, 2025 fiscal year is as follows:

Balance at June 30, 2024	\$ 9,523,886
Add: Interest Earned	334,961
Returned Unexpended Funds	540,334
Less: Budgeted Withdrawal	(630,026)
Budgeted Withdrawal - Transfer to Capital Projects Fund	<u>(757,838)</u>
Balance at June 30, 2025	<u><u>\$ 9,011,317</u></u>

The June 30, 2025 LRFP balance of local support of uncompleted capital project costs exceeds the balance in the capital reserve account at June 30, 2025. Withdrawals from the Capital Reserve Account were for use in DOE approved facilities projects, consistent with the District's LRFP.

NOTE 5: EMERGENCY RESERVE ACCOUNT

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

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

The activity of the reserve for the July 1, 2024 to June 30, 2025 fiscal year is as follows:

Balance at June 30, 2024	\$ 50,000
Balance at June 30, 2025	<u><u>\$ 50,000</u></u>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 6: TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2025, the District transferred \$7,053 to capital outlay accounts for equipment, which did not require County Superintendent approval.

NOTE 7. MAINTENANCE RESERVE ACCOUNT

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

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

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

The activity of the reserve for the July 1, 2024 to June 30, 2025 fiscal year is as follows:

Balance at June 30, 2024	\$ 300,000
Less: Budgeted Withdrawal	<u>(100,000)</u>
Balance at June 30, 2025	<u><u>\$ 200,000</u></u>

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

(Continued)

NOTE 8. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2025 were as follows:

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Governmental Activities:				
Capital Assets not being Depreciated:				
Sites (Land)	\$ 3,242,866			\$ 3,242,866
Construction in Progress	149,561	\$ 1,187,463	\$ (51,704)	1,285,320
Total Capital Assets not Being Depreciated	3,392,427	1,187,463	(51,704)	4,528,186
Capital Assets Being Depreciated				
Site Improvements	1,804,503			1,804,503
Buildings and Building Improvements	44,992,618	119,609		45,112,227
Machinery and Equipment	10,457,076	225,772	(570,213)	10,112,635
Total Capital Assets Being Depreciated	57,254,197	345,381	(570,213)	57,029,365
Governmental Activities Capital Assets	60,646,624	1,532,844	(621,917)	61,557,551
Less Accumulated Depreciation for:				
Site Improvements	(226,205)	(86,921)		(313,126)
Buildings and Building Improvements	(23,438,608)	(862,638)		(24,301,246)
Machinery and Equipment	(7,748,888)	(468,242)	519,053	(7,698,077)
Total Accumulated Depreciation	(31,413,701)	(1,417,801)	519,053	(32,312,449)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 29,232,923</u>	<u>\$ 115,043</u>	<u>\$ (102,864)</u>	<u>\$ 29,245,102</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 630,043			\$ 630,043
Less Accumulated Depreciation	(493,170)	\$ (17,326)		(510,496)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 136,873</u>	<u>\$ (17,326)</u>	<u>\$ -0-</u>	<u>\$ 119,547</u>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 8. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 581,299
Special Education	127,602
Other Special Instruction	42,534
Other Instruction	14,177
Support Services	170,137
General Administration	85,068
School Administration	28,356
Central Services	42,534
Operations and Maintenance of Plant	198,492
Pupil Transportation	127,602
	<u>\$ 1,417,801</u>

NOTE 9. LONG-TERM DEBT LIABILITIES

During the fiscal year ended June 30, 2025, the following changes occurred in long-term liabilities reported in the district-wide financial statements:

	Balance 6/30/2024	Accrued	Retired	Balance 6/30/2025	Due within One Year
Serial Bonds Payable	\$ 580,000		\$ 580,000		
Financed Purchases Payable	167,537		82,519	\$ 85,018	\$ 85,018
Compensated Absences Payable	2,099,637	\$ 352,413	64,158	2,387,892	91,801
Net Pension Liability	8,859,553		506,481	8,353,072	
	<u>\$ 11,706,727</u>	<u>\$ 352,413</u>	<u>\$ 1,233,158</u>	<u>\$ 10,825,982</u>	<u>\$ 176,819</u>

A. Bonds Payable:

As of June 30, 2025, the District had no bonds payable.

B. Bonds Authorized But Not Issued:

As of June 30, 2025, the District had no bonds authorized but not issued.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

C. Financed Purchases Payable

The District has a financed purchases agreement for buses totaling \$412,965, of which \$327,947 has been liquidated as of June 30, 2025. All financed purchases agreements are for terms of five years. The schedule of the future minimum financed purchases payments under the District's financed purchases agreements and the present value of the net minimum financed purchases payments at June 30, 2025 are as follows:

<u>Year Ending</u>	<u>Amount</u>
2026	\$ 87,591
Total minimum financed purchases payments	87,591
Less: amount representing interest	(2,573)
Present value of future minimum financed purchases payments	<u>\$ 85,018</u>

The current portion of the financed purchases payable as of June 30, 2025 in the governmental activities is \$85,018 and the long-term portion is \$-0-. The General Fund will be used to liquidate the financed purchases payable in the governmental activities.

D. Unamortized Bond Issuance Premium:

As of June 30, 2025, the District had no unamortized bond issuance premiums.

E. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded as a long-term liability. The current portion of the compensated absences balance of the governmental funds is \$91,801 and is separated from the long-term portion of \$2,296,091.

The liability for vested compensated balances of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2025, no liability existed for compensated absences in the proprietary funds. Compensated absences will be liquidated by the General Fund.

F. Net Pension Liability

The Public Employee's Retirement System (PERS) net pension liability of the governmental fund types is recorded in the long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2025 is \$-0- and the long term portion is \$8,353,072. See Note 10 for further information on the PERS.

NOTE 10. PENSION PLANS

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

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

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

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2024, the State's pension contribution was more than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries have determined the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Contributions (Cont'd)

This unfunded liability is being paid by the employer in level annual payments over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and is adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$836,495 for fiscal year 2025. During the fiscal year ended June 30, 2024, the State of New Jersey contributed \$26,930 to the PERS for normal pension benefits on behalf of the District.

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

Special Funding Situation

Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under the legislation is considered to be special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under the legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statement of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entity's total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must disclose pension expense as well as revenue associated with the employers in an amount equal to the nonemployer contributing entity's total proportionate share of the collective pension expense associated with the local participating employer.

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

At June 30, 2025, the District reported a liability of \$8,353,072 for its proportionate share of the net pension liability, which was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2024, the District's proportion was 0.0615% for PERS, which was an increase of 0.0003% as of June 30, 2023.

For the fiscal year ended June 30, 2025, the District recognized an actual pension benefit of \$176,036 for PERS. Additionally, for the fiscal year ended June 30, 2024, the State recognized pension expense for PERS on behalf of the District in the amount of \$26,930 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2025 financial statements. There was no state proportionate share of net pension liability attributable to the District as of June 30, 2024.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

At June 30, 2025, the District reported deferred outflows and inflows of resources related to pensions from the following sources:

	Year of Deferral	Amortizat- tion Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2020	5.16		\$ 60,702
	2021	5.13	\$ 10,377	
	2022	5.04		34,337
			<u>10,377</u>	<u>95,039</u>
Difference Between Expected and Actual Experience	2020	5.16	3,382	
	2021	5.13		8,252
	2022	5.04		13,986
	2023	5.08	42,968	
	2024	5.08	120,977	
			<u>167,327</u>	<u>22,238</u>
Net Difference Between Projected and Actual	2021	5.00		573,385
Investment Earnings on Pension Plan Investments	2022	5.00		(909,585)
	2023	5.00		235,871
	2024	5.00		487,638
				<u>387,309</u>
Changes in Proportion	2020	5.16		18,591
	2021	5.13		109,348
	2022	5.04	32,483	
	2023	5.08		522,576
	2024	5.08	37,489	
			<u>69,972</u>	<u>650,515</u>
District Contribution Subsequent to the Measurement Date	2024	1.00	868,271	
			<u>\$ 1,115,947</u>	<u>\$ 1,155,101</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

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

Fiscal Year Ending June 30,	Total
2025	\$ (614,546)
2026	117,283
2027	(317,724)
2028	(95,526)
2029	3,087
	<u>\$ (907,425)</u>

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:

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

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

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2024 are summarized in the following table:

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

Discount Rate

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2024 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2024		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 11,099,179	\$ 8,353,072	\$ 6,016,150

Pension Plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

Benefits Provided

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

The following represents the membership tiers for TPAF:

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2024, the State's pension contribution was more than the actuarial determined amount.

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer. During the fiscal year ended 2025, the State of New Jersey contributed \$8,395,485 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required benefit of \$357,549.

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

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

At June 30, 2025, the District reported a liability of \$98,016,422 for its proportionate share of the net pension liability. The total pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023 which was rolled forward to June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2024, the District's proportion was 0.1983%, which was an increase of 0.0025% as of June 30, 2023.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>98,016,422</u>
Total	<u><u>\$ 98,016,422</u></u>

For the fiscal year ended June 30, 2024, the State recognized pension benefit on behalf of the District in the amount of \$357,549 and the District recognized pension benefit and revenue for that same amount in the fiscal year ended June 30, 2025 financial statements. The State reported collective deferred outflows and inflows of resources (excluding employer specific amounts) related to pensions from the following sources:

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	8.30		\$ 480,199,664
	2018	8.29		1,060,765,245
	2019	8.04		1,016,333,107
	2020	7.99	\$ 603,633,698	
	2021	7.93		7,317,559,989
	2022	7.83	67,989,902	
			<u>671,623,600</u>	<u>9,874,858,005</u>
Difference Between Expected and Actual Experience	2017	8.30	8,543,764	
	2018	8.29	186,086,527	
	2019	8.04		39,486,140
	2020	7.99		3,217,090
	2021	7.93	97,106,767	
	2022	7.83		12,735,529
	2023	7.93	144,751,819	
	2024	7.84		211,440,707
			<u>436,488,877</u>	<u>266,879,466</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2021	5.00		888,658,452
	2022	5.00		(1,659,667,329)
	2023	5.00		357,972,332
	2024	5.00		816,400,864
				<u>403,364,319</u>
			<u>\$ 1,108,112,477</u>	<u>\$ 10,545,101,790</u>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

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

Fiscal Year Ending June 30,	Total
2025	\$ (3,681,028,670)
2026	(1,839,302,001)
2027	(1,977,654,443)
2028	(1,907,819,552)
2029	2,992,761
Thereafter	(34,177,408)
	<u>\$ (9,436,989,313)</u>

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%

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

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected_returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2024 are summarized in the following table:

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

Discount Rate – TPAF

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

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

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2024 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2024		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 116,506,394	\$ 98,016,422	\$ 82,444,371

Pension Plan Fiduciary Net Position - TPAF

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

C. Defined Contribution Retirement Program (DCRP)

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

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

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

For DCRP, the District recognized pension expense of \$151,491 for the fiscal year ended June 30, 2025. Employee contributions to DCRP amounted to \$216,455 for the fiscal year ended June 30, 2025.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 11. DEFERRED COMPENSATION

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

The plan administrators are as follows:

Ameriprise Financial Advisors
AXA Equitable Fund
Lincoln Investment

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

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

NOTE 12. RISK MANAGEMENT

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

Property and Liability

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

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

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

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 12. RISK MANAGEMENT (Cont'd)

Property and Liability (Cont'd)

The audit of the SAIF as of June 30, 2025 is as follows:

Total Assets	\$ 63,434,477
Net Position	\$ 20,906,962
Total Revenue	\$ 60,413,430
Total Expenses	\$ 58,915,231
Change in Net Position	\$ 1,498,199
Members Dividends	\$ -0-

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

School Alliance Insurance Fund
51 Everett Drive Suite B40
West Windsor, NJ 08550
(609) 275-1155

New Jersey Unemployment Compensation Insurance

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2024-2025	\$ -0-	\$ 189,216	\$ 21,673	\$ 117,351	\$ 659,473
2023-2024	-0-	127,681	17,817	110,000	565,935
2022-2023	-0-	130,122	52	159,425	530,437

NOTE 13. ECONOMIC DEPENDENCY

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

NOTE 14. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2025:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 478,483	\$ 38,996
Special Revenue Fund		48,858
Capital Projects Fund		429,625
Proprietary Fund:		
Food Service Fund	38,996	
	<u>\$ 517,479</u>	<u>\$ 517,479</u>

The interfund payable in the Special Revenue Fund and the Capital Projects Fund are interfunds advanced from the General Fund for the Special Revenue Fund's and the Capital Projects Fund's cash deficit due to the timing of grant reimbursements. The interfund payable in the General Fund due to the Food Service Fund is for subsidy reimbursements received in General Fund that were not turned over by year end.

NOTE 15. TAX CALENDAR

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

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

NOTE 16. COMMITMENTS AND CONTINGENCIES

Grant Programs

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

Litigation

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

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

(Continued)

NOTE 16. COMMITMENTS AND CONTINGENCIES (Cont'd)

Encumbrances

At June 30, 2025, there were encumbrances as detailed in the governmental funds:

General Fund	Total Governmental Funds
\$ 600,153	\$ 600,153

NOTE 17. ACCOUNTS PAYABLE

Payables as of June 30, 2025 were:

	Governmental Funds	Total Governmental Funds	District Contribution Subsequent to the Measure- ment Date	Total Governmental Activities	Business-Type Activities Proprietary Funds
Vendors	\$ 97,045	\$ 97,045		\$ 97,045	\$ 75,545
State of New Jersey			\$ 868,271	868,271	
Summary Pay	11,710	11,710		11,710	
Payroll Deductions & Withholding	291,381	291,381		291,381	
	<u>\$ 400,136</u>	<u>\$ 400,136</u>	<u>\$ 868,271</u>	<u>\$ 1,268,407</u>	<u>\$ 75,545</u>

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired Employees Plan

General Information about the OPEB Plan

Plan Description and Benefits Provided

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

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

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

General Information about the OPEB Plan (Cont'd)

Plan Description and Benefits Provided (Cont'd)

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

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

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

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

Employees Covered by Benefit Terms

At June 30, 2023, the plan membership consisted of the following:

Retirees Plan Members and Spouses of Retirees Currently Receiving Benefit Payments	153,556
Active Plan Members	<u>219,185</u>
Total	<u><u>372,741</u></u>

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2024 was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

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

Actuarial Assumptions and Other Inputs

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

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:	2.75 - 5.65%	2.75 - 6.55%	3.25 - 16.25%
	based on years of service	based on years of service	based on years of service

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of the TPAF, PERS, and PFRS experience studies prepared for July 1, 2018 – June 30, 2021.

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

Mortality Rates

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

Health Care Trend Assumptions

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

Discount Rate

The discount rate used to measure the total OPEN liability was 3.93%. This represents the municipal bond return rate as chosen by the State of New Jersey Division of Pensions and Benefits. The source is the Bond Buyer Go 20-Bond Municipal bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

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

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

	<u>Total OPEB Liability</u>
Balance at June 30, 2023	\$ 113,786,765
Changes for Year:	
Service Cost	4,149,557
Interest on the Total OPEB Liability	4,399,473
Changes of Assumptions	9,998,868
Differences between Expected and Actual Experience	4,561,185
Gross Benefit Payments by the State	(3,359,948)
Contributions from Members	115,048
Net Changes in Total OPEB Liability	<u>19,864,183</u>
Balance at June 30, 2024	<u>\$ 133,650,948</u>

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2024, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it was calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>June 30, 2024</u>		
	<u>At 1% Decrease (2.93%)</u>	<u>At Discount Rate (3.93%)</u>	<u>At 1% Increase (4.93%)</u>
Total OPEB Liability Attributable to the District	\$ 156,533,884	\$ 133,650,948	\$ 115,046,667

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2024, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it was calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>June 30, 2024</u>		
	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability Attributable to the District	\$ 111,332,213	\$ 133,650,948	\$ 162,722,574

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

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

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

For the fiscal year ended June 30, 2025, the District recognized OPEB expense of \$3,796,622 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2024, the State had deferred outflows and inflows of resources related to OPEB associated with the District from the following sources:

	Year of Deferral	Original Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 2,563,110
	2018	9.51		3,129,139
	2019	9.29	\$ 493,692	
	2020	9.24	12,735,067	
	2021	9.24	75,223	
	2022	9.13		20,438,550
	2023	9.30	185,614	
	2024	9.33	8,927,178	
			<u>22,416,776</u>	<u>26,130,798</u>
Differences Between Expected and Actual Experience	2018	9.51		2,958,010
	2019	9.29		5,810,782
	2020	9.24	11,869,583	
	2021	9.24		14,466,121
	2022	9.13	2,104,877	
	2023	9.30		1,724,294
	2024	9.33	317,935	
			<u>14,292,395</u>	<u>24,959,206</u>
Changes in Proportion	N/A	N/A	5,766,427	2,871,856
			<u>\$ 42,475,598</u>	<u>\$ 53,961,861</u>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

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

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

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

Fiscal Year Ending June 30,	Total
2025	\$ (4,740,755)
2026	(3,975,151)
2027	(1,888,070)
2028	496,218
2029	(3,445,370)
Thereafter	(827,704)
	<u>\$ (14,380,833)</u>

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

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

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
District's proportion of the net pension liability	0.0797615020%	0.0735625289%	0.0732113534%	0.0709153884%	0.0708549551%	0.0681919007%	0.0659157463%	0.0663376799%	0.0611662796%	0.0614736838%
District's proportionate share of the net pension liability	\$ 17,904,859	\$ 21,787,111	\$ 17,042,433	\$ 13,926,886	\$ 12,766,988	\$ 11,120,316	\$ 7,808,708	\$ 10,011,269	\$ 8,859,553	\$ 8,353,072
District's covered employee payroll	\$ 5,199,311	\$ 4,972,202	\$ 4,916,215	\$ 4,992,415	\$ 4,849,278	\$ 4,748,817	\$ 4,890,871	\$ 4,791,194	\$ 4,815,232	\$ 5,194,082
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	344.37%	438.18%	346.66%	278.96%	263.28%	234.17%	159.66%	208.95%	183.99%	160.82%
Plan fiduciary net position as a percentage of the total pension liability	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	62.91%	65.23%	68.22%

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

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required contribution	\$ 685,735	\$ 655,947	\$ 684,740	\$ 705,379	\$ 689,212	\$ 748,104	\$ 778,394	\$ 836,550	\$ 817,504	\$ 836,495
Contributions in relation to the contractually required contribution	(685,735)	(655,947)	(684,740)	(705,379)	(689,212)	(748,104)	(778,394)	(836,550)	(817,504)	(836,495)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's covered employee payroll	\$4,972,202	\$4,916,215	\$4,992,415	\$4,849,278	\$4,748,817	\$4,890,871	\$4,791,194	\$4,815,232	\$5,194,082	\$5,370,141
Contributions as a percentage of covered employee payroll	13.79%	13.34%	13.72%	14.55%	14.51%	15.30%	16.25%	17.37%	15.74%	15.58%

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

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
State's proportion of the net pension liability attributable to the District	0.1906573862%	0.1892062872%	0.1920625248%	0.1957338138%	0.1950062893%	0.1915831722%	0.1892295449%	0.1928235052%	0.1958328388%	0.1983130216%
State's proportionate share of the net pension liability attributable to the District	\$ 120,503,655	\$ 148,841,709	\$ 129,495,494	\$ 124,521,666	\$ 119,677,200	\$ 126,155,214	\$ 90,972,461	\$ 99,486,161	\$ 99,938,726	\$ 98,016,422
District's covered employee payroll	\$ 19,441,773	\$ 20,175,818	\$ 20,347,948	\$ 20,318,108	\$ 20,205,780	\$ 21,610,721	\$ 21,994,580	\$ 23,140,338	\$ 23,859,311	\$ 24,670,379
State's proportionate share of the net pension liability as a percentage of the District's covered employee payroll	619.82%	737.72%	636.41%	612.86%	592.29%	583.76%	413.61%	429.93%	418.87%	397.30%
Plan fiduciary net position as a percentage of the total pension liability	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%	32.29%	34.68%	37.99%

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

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Contractually required contribution	\$ 7,357,833	\$ 11,183,383	\$ 8,970,792	\$ 7,259,178	\$ 7,058,881	\$ 7,844,868	\$ 2,140,622	\$ 2,677,451	\$ 2,455,204	\$ (357,549)
Contributions in relation to the contractually required contribution	(1,442,979)	(2,084,789)	(2,882,469)	(3,835,302)	(4,202,152)	(5,500,673)	(7,937,881)	(8,005,764)	(8,450,780)	(8,395,485)
Contribution deficiency/(excess)	\$ 5,914,854	\$ 9,098,594	\$ 6,088,323	\$ 3,423,876	\$ 2,856,729	\$ 2,344,195	\$ (5,797,259)	\$ (5,328,313)	\$ (5,995,576)	\$ (8,753,034)
District's covered employee payroll	\$20,175,818	\$20,347,948	\$20,318,108	\$20,205,780	\$21,610,721	\$21,994,580	\$23,140,338	\$23,859,311	\$24,670,379	\$25,302,212
Contributions as a percentage of covered employee payroll	7.15%	10.25%	14.19%	18.98%	19.44%	25.01%	34.30%	33.55%	34.25%	33.18%

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

	Fiscal Years Ending							
	2017	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability								
Service Cost	\$ 4,984,155	\$ 4,157,195	\$ 3,585,029	\$ 3,511,422	\$ 6,281,536	\$ 5,378,606	\$ 4,156,691	\$ 4,149,557
Interest Cost	3,821,106	4,415,134	4,095,257	3,239,184	3,344,117	2,873,423	4,007,431	4,399,473
Changes of Benefit Terms					(137,211)			
Changes in Assumptions	(15,919,217)	(11,884,856)	1,345,895	26,865,524	127,182	(29,086,392)	229,347	9,998,868
Differences between Expected and Actual Experience		(10,942,259)	(19,637,152)	25,674,144	(25,229,601)	3,103,647	(12,080)	4,561,185
Member Contributions	92,600	95,713	82,138	77,607	85,493	91,308	102,696	115,048
Gross Benefit Payments	(2,514,769)	(2,769,350)	(2,770,941)	(2,560,452)	(2,634,228)	(2,846,210)	(3,123,858)	(3,359,948)
Net Change in Total OPEB Liability	(9,536,125)	(16,928,423)	(13,299,774)	56,807,429	(18,162,712)	(20,485,618)	5,360,227	19,864,183
Total OPEB Liability - Beginning	130,031,761	120,495,636	103,567,213	90,267,439	147,074,868	128,912,156	108,426,538	113,786,765
Total OPEB Liability - Ending	<u>\$ 120,495,636</u>	<u>\$ 103,567,213</u>	<u>\$ 90,267,439</u>	<u>\$ 147,074,868</u>	<u>\$ 128,912,156</u>	<u>\$ 108,426,538</u>	<u>\$ 113,786,765</u>	<u>\$ 133,650,948</u>
District's Covered Employee Payroll *	\$ 25,148,020	\$ 25,264,163	\$ 25,198,195	\$ 26,459,999	\$ 26,743,397	\$ 28,031,209	\$ 28,650,505	\$ 29,485,611
Total OPEB Liability as a Percentage of Covered Employee Payroll	479%	410%	358%	556%	482%	387%	397%	453%

* - Covered payroll for the fiscal years ending June 30, 2017 through 2024 are based on the payroll on the June 30, 2016 through 2023 census data.

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

There were none.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2023 actuarial valuation the salary increases were 2.75 – 5.65% based on years of service while in the July 1, 2022 actuarial valuation the salary increases were 2.75% – 4.25% based on years of service.

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2024 was 3.93%. The discount rate for June 30, 2023 was 3.65%, a change of .28%.

The health care trend rates in the valuation as of June 30, 2024 were based on the following:

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

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

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

BUDGETARY COMPARISON SCHEDULES

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
Local Tax Levy	\$ 52,327,465		\$ 52,327,465	\$ 52,327,465	
Tuition From Individuals	100,000		100,000	98,139	\$ (1,861)
Tuition From Other LEAs Within the State	129,000		129,000	165,150	36,150
Transportation Fees From Individuals				4,019	4,019
Transportation Fees From Other LEAs	82,680		82,680	82,692	12
Rents and Royalties	60,000		60,000	59,100	(900)
Unrestricted Miscellaneous Revenues	109,000		109,000	780,202	671,202
Interest Earned on Capital Reserve Funds				334,961	334,961
Other Restricted Miscellaneous Revenues				93,538	93,538
Total Revenues from Local Sources	52,808,145		52,808,145	53,945,266	1,137,121
Revenues from State Sources:					
Categorical Transportation Aid	549,225		549,225	549,225	
Extraordinary Aid	329,028		329,028	825,180	496,152
Categorical Special Education Aid	2,849,208		2,849,208	2,849,208	
Equalization Aid	854,190		854,190	854,190	
Categorical Security Aid	247,573		247,573	247,573	
Additional Nonpublic School Transportation Aid				59,786	59,786
TPAF Post Retirement Contributions (Non-Budgeted)				2,483,556	2,483,556
TPAF Pension Contributions (Non-Budgeted)				8,395,485	8,395,485
TPAF Non-Contributory Insurance (Non-Budgeted)				103,998	103,998
TPAF Long-Term Disability Insurance (Non-Budgeted)				4,323	4,323
Reimbursed TPAF Social Security Contributions				1,850,440	1,850,440
Total Revenues from State Sources	4,829,224		4,829,224	18,222,964	13,393,740
Revenues from Federal Sources:					
IMPACT AID - 8002 OR 8003 General	300,000		300,000	398,903	98,903
Medicaid Reimbursement	62,031		62,031	37,973	(24,058)
Total Revenues from Federal Sources	362,031		362,031	436,876	74,845
TOTAL REVENUE	57,999,400		57,999,400	72,605,106	14,605,706

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
GENERAL CURRENT EXPENSE					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	\$ 100,303	\$ 18,221	\$ 118,524	\$ 118,524	
Kindergarten - Salaries of Teachers	1,113,123	(29,611)	1,083,512	1,062,346	\$ 21,166
Grades 1-5 - Salaries of Teachers	8,333,259	55,870	8,389,129	8,378,045	11,084
Grades 6-8 - Salaries of Teachers	4,500,880	(113,776)	4,387,104	4,387,104	
Regular Programs - Home Instruction:					
Salaries of Teachers	60,000	(35,746)	24,254	13,972	10,282
Purchased Professional-Educational Services	25,000	708	25,708	25,708	
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	577,060	(31,073)	545,987	542,237	3,750
Unused Vacation Payment to Terminated/Retired Staff		9,653	9,653	9,653	
Purchased Professional-Educational Services	124,373	6,838	131,211	122,772	8,439
Other Purchased Services (400-500 series)	162,000	(46,172)	115,828	115,828	
General Supplies	1,060,181	(43,164)	1,017,017	883,120	133,897
Textbooks	23,700	(20,130)	3,570		3,570
Total Regular Programs - Instruction	16,079,879	(228,382)	15,851,497	15,659,309	192,188
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	336,757	20,760	357,517	357,517	
Other Salaries for Instruction	224,615	(18,167)	206,448	206,448	
General Supplies	2,900	(1,997)	903	903	
Total Learning and/or Language Disabilities	564,272	596	564,868	564,868	
Auditory Impairments:					
General Supplies	8,000	(6,000)	2,000	1,967	33
Total Auditory Impairments	8,000	(6,000)	2,000	1,967	33

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Emotional Regulation Impairment:					
Salaries of Teachers	\$ 306,209	\$ 6,745	\$ 312,954	\$ 312,954	
Other Salaries for Instruction	152,606	(80,895)	71,711	71,506	\$ 205
General Supplies	2,300	(1,688)	612	612	
Total Emotional Regulation Impairment	461,115	(75,838)	385,277	385,072	205
Multiple Disabilities:					
Salaries of Teachers	242,149	6,000	248,149	244,425	3,724
Other Salaries for Instruction	37,225	(20,986)	16,239	16,239	
General Supplies	7,100	(3,573)	3,527	822	2,705
Other Objects	1,800		1,800	390	1,410
Total Multiple Disabilities	288,274	(18,559)	269,715	261,876	7,839
Resource Room/Resource Center:					
Salaries of Teachers	3,797,216	181,538	3,978,754	3,970,337	8,417
Other Salaries for Instruction	304,735	50,189	354,924	354,640	284
Total Resource Room/Resource Center	4,101,951	231,727	4,333,678	4,324,977	8,701
Autism:					
Salaries of Teachers	518,374	(133,245)	385,129	385,002	127
Other Salaries for Instruction	136,744	(90,371)	46,373	40,875	5,498
General Supplies	14,400	(3,586)	10,814	9,547	1,267
Other Objects	3,100		3,100		3,100
Total Autism	672,618	(227,202)	445,416	435,424	9,992
Preschool Disabilities - Part-Time:					
Salaries of Teachers	250,890	(410)	250,480	250,480	
Other Salaries for Instruction	294,108	9,034	303,142	303,142	
General Supplies	2,000	(1,490)	510	510	
Total Preschool Disabilities - Part-Time	546,998	7,134	554,132	554,132	

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Preschool Disabilities - Full-Time:					
Salaries of Teachers	\$ 82,704	\$ (1,543)	\$ 81,161	\$ 81,021	\$ 140
Other Salaries for Instruction	58,228	(328)	57,900	56,367	1,533
Other Objects	2,600		2,600	2,528	72
Total Preschool Disabilities - Full-Time	143,532	(1,871)	141,661	139,916	1,745
TOTAL SPECIAL EDUCATION - INSTRUCTION	6,786,760	(90,013)	6,696,747	6,668,232	28,515
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	1,191,379	8,611	1,199,990	1,123,637	76,353
Total Basic Skills/Remedial - Instruction	1,191,379	8,611	1,199,990	1,123,637	76,353
Bilingual Education - Instruction:					
Salaries of Teachers	371,087	(4,934)	366,153	360,466	5,687
General Supplies	1,290		1,290		1,290
Total Bilingual Education - Instruction	372,377	(4,934)	367,443	360,466	6,977
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	31,000	9,954	40,954	40,204	750
Other Objects	37,400	10,839	48,239	40,736	7,503
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	68,400	20,793	89,193	80,940	8,253
School-Sponsored Athletics - Instruction:					
Salaries	28,700	2,592	31,292	31,292	
Supplies and Materials	15,810	(2,592)	13,218	7,735	5,483
Total School-Sponsored Athletics - Instruction	44,510		44,510	39,027	5,483
Before/After School Programs - Instruction:					
Salaries of Teachers		650	650	650	
Supplies & Materials	6,000	(650)	5,350		5,350
Total Before/after School Programs - Instruction	6,000		6,000	650	5,350

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Community Services Programs/Operations:					
Salaries	\$ 5,520	\$ 573	\$ 6,093	\$ 6,093	\$ 1,000
Supplies and Materials	1,000		1,000		1,000
Total Community Services Programs/Operations	6,520	573	7,093	6,093	
TOTAL INSTRUCTION	24,555,825	(293,352)	24,262,473	23,938,354	324,119
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Special	268,851		268,851	257,825	11,026
Tuition to Priv. Sch. for the Handicap. W/I State	713,089	(265,977)	447,112	441,401	5,711
Total Undistributed Expenditures - Instruction	981,940	(265,977)	715,963	699,226	16,737
Undistributed Expend. - Attend. & Social Work:					
Salaries	2,000	100	2,100	2,100	
Purchased Professional and Technical Services	65,456	1,834	67,290	67,290	
Total Undist. Expend. - Attendance and Social Work	67,456	1,934	69,390	69,390	
Undistributed Expenditures - Health Services:					
Salaries	763,024	(19,254)	743,770	743,770	
Purchased Professional and Technical Services	29,000	(3,625)	25,375	25,375	
Other Purchased Services (400-500 series)	1,729		1,729	375	1,354
Supplies and Materials	32,594	(9,574)	23,020	19,066	3,954
Other Objects	1,600		1,600	567	1,033
Total Undist. Expenditures - Health Services	827,947	(32,453)	795,494	789,153	6,341
Undist. Expend. - Speech, OT, PT, Related Svcs:					
Salaries	3,661,768	223,493	3,885,261	3,882,844	2,417
Purchased Professional - Educational Services	400,000	7,660	407,660	407,660	
Supplies and Materials	12,000	(600)	11,400	10,221	1,179
Other Objects	2,900	(224)	2,676	1,606	1,070
Total Undist. Expend. - Speech, OT, PT, Related Svcs	4,076,668	230,329	4,306,997	4,302,331	4,666

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Other Supp. Serv. Students - Extra. Serv.:					
Purchased Professional - Educational Services	\$ 284,640	\$ 61,158	\$ 345,798	\$ 310,684	\$ 35,114
Total Undist. Expend. - Other Supp. Srvs. Students - Extra. Serv.	<u>284,640</u>	<u>61,158</u>	<u>345,798</u>	<u>310,684</u>	<u>35,114</u>
Undist. Expend. - Guidance:					
Salaries of Other Professional Staff	761,501	(11,285)	750,216	750,216	
Salaries of Secretarial and Clerical Assistants	55,148	(2,054)	53,094	53,094	
Other Purchased Prof. and Tech. Services		10,296	10,296	10,296	
Other Purchased Services (400-500 series)	950	(794)	156	28	128
Supplies and Materials	600		600		600
Total Undist. Expend. - Guidance	<u>818,199</u>	<u>(3,837)</u>	<u>814,362</u>	<u>813,634</u>	<u>728</u>
Undist. Expend. - Child Study Team:					
Salaries of Other Professional Staff	1,806,278	(57,120)	1,749,158	1,740,641	8,517
Salaries of Secretarial and Clerical Assistants	109,565	(4,964)	104,601	104,500	101
Purchased Professional - Educational Services	16,425	(8,000)	8,425	6,194	2,231
Other Purchased Prof. and Tech. Services	27,400	(3,200)	24,200	18,200	6,000
Supplies and Materials	16,750	(1,339)	15,411	13,760	1,651
Total Undist. Expend. - Child Study Team	<u>1,976,418</u>	<u>(74,623)</u>	<u>1,901,795</u>	<u>1,883,295</u>	<u>18,500</u>
Undist. Expend. - Improv. of Inst. Serv.:					
Salaries of Supervisors of Instruction	156,107	100,000	256,107	256,107	
Salaries of Other Professional Staff	100,642	31,186	131,828	131,828	
Salaries of Secretarial and Clerical Assistants	76,057		76,057	76,057	
Other Purchased Prof. and Tech. Services		44,903	44,903	41,393	3,510
Other Purchased Services (400-500 series)	62,500	(36,566)	25,934	24,192	1,742
Supplies and Materials	21,088	10,224	31,312	31,290	22
Other Objects	7,200	(2,448)	4,752	4,751	1
Total Undist. Expend. - Improv. of Inst. Serv.	<u>423,594</u>	<u>147,299</u>	<u>570,893</u>	<u>565,618</u>	<u>5,275</u>

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Edu. Media Serv./Sch. Library:					
Salaries	\$ 95,002	\$ 14,603	\$ 109,605	\$ 109,605	
Other Purchased Services (400-500 series)	2,350	215	2,565	834	\$ 1,731
Supplies and Materials	29,649	(2,294)	27,355	22,518	4,837
Total Undist Expend-Edu. Media Serv./Sch. Library	127,001	12,524	139,525	132,957	6,568
Undist.Expend.-Instructional Staff Training Services:					
Other Purchased Services (400-500 series)	16,550	245	16,795	10,284	6,511
Supplies and Materials	48,829	(20,845)	27,984	27,976	8
Other Objects	300,000	297,879	597,879	560,756	37,123
Total Undist.Expend.-Instructional Staff Training Services	365,379	277,279	642,658	599,016	43,642
Undist. Expend.-Support Serv.-Gen. Admin.:					
Salaries	331,174	2,346	333,520	333,519	1
Legal Services	120,000	(11,105)	108,895	104,141	4,754
Audit Fees	52,221	(371)	51,850	51,850	
Architectural/Engineering Services	20,000	55,010	75,010	74,472	538
Other Purchased Professional Services	12,500	32,763	45,263	42,763	2,500
Communications / Telephone	85,000	30,370	115,370	110,076	5,294
Other Purch. Serv. (400-500 series other than 530 & 585)	152,063	(37,310)	114,753	114,115	638
General Supplies	3,000	(474)	2,526	2,432	94
BOE In-house training/ Meeting Supplies	2,500	1,339	3,839	3,838	1
Miscellaneous Expenditures	13,000	7,973	20,973	20,948	25
BOE Membership Dues and Fees	26,000	(3,704)	22,296	22,296	
Total Undist. Expend.-Support Serv.-Gen. Admin.	817,458	76,837	894,295	880,450	13,845
Undist. Expend.-Support Serv.-School Admin.:					
Salaries of Principals/Assistant Principals/Prog Director	1,105,959	(8,567)	1,097,392	1,097,391	1
Salaries of Secretarial and Clerical Assistants	619,512	20,070	639,582	639,581	1
Purchased Professional and Technical Services	4,000	109,713	113,713	107,112	6,601
Other Purchased Services (400-500 series)	11,000	(6,560)	4,440	2,204	2,236

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Support Serv.-School Admin.: (Cont'd)					
Supplies and Materials	\$ 40,500	\$ (4,671)	\$ 35,829	\$ 31,774	\$ 4,055
Other Objects	26,670	2,432	29,102	23,915	5,187
Total Undist. Expend.-Support Serv.-School Adm.	1,807,641	112,417	1,920,058	1,901,977	18,081
Undist. Expend. - Central Services:					
Salaries	748,795	(20,600)	728,195	728,195	
Purchased Professional Services		21,281	21,281	17,456	3,825
Purchased Technical Services	46,595	2,272	48,867	48,867	
Miscellaneous Purchased Services (400-500 series other than 594)	6,400	(2,305)	4,095	2,927	1,168
Supplies and Materials	15,000	(4,451)	10,549	10,527	22
Other Objects	5,000	4,809	9,809	9,809	
Total Undist. Expend. - Central Services	821,790	1,006	822,796	817,781	5,015
Undist. Expend. - Admin. Info. Technology:					
Salaries	521,051	(5,622)	515,429	514,379	1,050
Purchased Technical Services	118,346	138,179	256,525	244,147	12,378
Other Purchased Services (400-500 series)	4,500	(785)	3,715	3,674	41
Supplies and Materials	183,282	91,291	274,573	163,021	111,552
Total Undist. Expend. - Admin. Info. Technology	827,179	223,063	1,050,242	925,221	125,021
Undist. Expend.-Required Maintenance for School Facilities:					
Salaries	516,590	(41,126)	475,464	475,464	
Cleaning, Repair, and Maintenance Services	293,335	(55,312)	238,023	232,096	5,927
General Supplies	242,060	103,441	345,501	329,483	16,018
Other Objects	1,125	(575)	550	550	
Total Undist. Expend.- Required Maint. for School Facilities	1,053,110	6,428	1,059,538	1,037,593	21,945

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Custodial Services:					
Salaries	\$ 1,594,685	\$ 50,583	\$ 1,645,268	\$ 1,645,145	\$ 123
Purchased Professional and Technical Services	125,000	37,529	162,529	160,326	2,203
Cleaning, Repair, and Maintenance Services	262,320	18,418	280,738	251,134	29,604
Rental of Land & Bldg. Oth. than Lease Pur. Agrmt.	1		1		1
Other Purchased Property Services	40,000	3,105	43,105	26,723	16,382
Insurance	330,000	14,806	344,806	344,806	
Miscellaneous Purchased Services	2,500	624	3,124	3,117	7
General Supplies	110,000	22,911	132,911	130,151	2,760
Energy (Natural Gas)	300,000	1,297	301,297	293,357	7,940
Energy (Electricity)	410,000	116,908	526,908	444,682	82,226
Energy (Oil)	150,000	(16,960)	133,040	79,787	53,253
Total Undist. Expend.-Custodial Services	3,324,506	249,221	3,573,727	3,379,228	194,499
Care and Upkeep of Grounds:					
General Supplies	15,000	(373)	14,627	12,166	2,461
Total Care And Upkeep Of Grounds	15,000	(373)	14,627	12,166	2,461
Security:					
Salaries	579,088	17,179	596,267	596,267	
General Supplies		20,820	20,820	20,820	
Total Security	579,088	37,999	617,087	617,087	
Total Undist. Expend.-oper. And Maint. Of Plant Serv.	4,971,704	293,275	5,264,979	5,046,074	218,905
Undist. Expend.-Student Transportation Serv.:					
Sal. for Pupil Trans. (Bet. Home and Sch)-Reg.	1,154,782	(207,337)	947,445	942,362	5,083
Sal. for Pupil Trans. (Bet. Home and Sch)-Spl. Ed.	403,784	(149,853)	253,931	253,931	
Sal. for Pupil Trans. (Oth. than Bet. Home & Sch)	36,466	(13,565)	22,901	22,901	
Sal. For Pupil Trans. (Bet. Home & Sch) Non Public	82,000	(50,135)	31,865	13,888	17,977
Cleaning, Repair, and Maint. Services	20,000	(2,179)	17,821	17,434	387

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Student Transportation Serv.: (Cont'd)					
Lease Purchase Payments - School Buses	\$ 319,615	\$ (232,023)	\$ 87,592	\$ 87,592	
Contract. Serv. - Aid in Lieu of Payments-Nonpublic Studis	99,025	5,232	104,257	104,257	
Contract. Serv.(Spl. Ed. Students)-ESCs & CTSA's	952,658	338,321	1,290,979	1,290,979	
Misc. Purchased Serv. - Transportation	49,000	(11,096)	37,904	37,904	
General Supplies	9,000	(4,288)	4,712	4,041	\$ 671
Transportation Supplies	265,000	(9,909)	255,091	255,091	
Other Objects	4,000	(490)	3,510	3,420	90
Total Undist. Expend.-Student Trans. Serv.	3,395,330	(337,322)	3,058,008	3,033,800	24,208
UNALLOCATED BENEFITS					
Group Insurance	32,500		32,500	2,295	30,205
Social Security Contributions	915,178	45,658	960,836	960,836	
Other Retirement Contributions - PERS	888,950	(39,179)	849,771	836,495	13,276
Other Retirement Contributions - Regular	120,000	31,491	151,491	151,491	
Workers Compensation	440,000	(19,941)	420,059	337,592	82,467
Health Benefits	9,563,465	(420,193)	9,143,272	8,816,445	326,827
Tuition Reimbursement	152,517		152,517	142,825	9,692
Other Employee Benefits	305,000	(13,746)	291,254	260,664	30,590
TOTAL UNALLOCATED BENEFITS	12,417,610	(415,910)	12,001,700	11,508,643	493,057
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Contributions (Non-Budgeted)				2,483,556	(2,483,556)
TPAF Pension Contributions (Non-Budgeted)				8,395,485	(8,395,485)
TPAF Non-Contributory Insurance (Non-Budgeted)				103,998	(103,998)
TPAF Long-Term Disability Insurance (Non-Budgeted)				4,323	(4,323)
Reimbursed TPAF Social Security Contributions				1,850,440	(1,850,440)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)				12,837,802	(12,837,802)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	12,417,610	(415,910)	12,001,700	24,346,445	(12,344,745)

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
TOTAL UNDISTRIBUTED EXPENDITURES	\$ 35,007,954	\$ 306,999	\$ 35,314,953	\$ 47,117,052	\$ (11,802,099)
TOTAL GENERAL CURRENT EXPENSE	59,563,779	13,647	59,577,426	71,055,406	(11,477,980)
CAPITAL OUTLAY					
Equipment					
Undistributed:					
Undist. Expend. - Support Serv. - Students - Reg.		15,232	15,232	15,232	
Undist. Expend. - Custodial Services	95,570		95,570	62,779	32,791
Undist. Expend. - Student Trans. - Non-Inst. Equip.	30,000		30,000		30,000
Undistributed Expenditures - Non-Inst. Serv.	185,000	(8,179)	176,821	66,492	110,329
Total Equipment	310,570	7,053	317,623	144,503	173,120
Facilities Acquisition and Construction Serv.:					
Architectural/Engineering Services	160,376	(11,875)	148,501	41,554	106,947
Construction Services	1,357,714	(745,963)	611,751	145,568	466,183
Assessment for Debt Service on SDA Funding	1,830		1,830	1,830	
Total Facilities Acquisition and Const. Serv.	1,519,920	(757,838)	762,082	188,952	573,130
TOTAL CAPITAL OUTLAY	1,830,490	(750,785)	1,079,705	333,455	746,250
Transfer of Funds to Charter Schools	196,364	(20,700)	175,664	133,356	42,308
TOTAL EXPENDITURES	61,590,633	(757,838)	60,832,795	71,522,217	(10,689,422)
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(3,591,233)	757,838	(2,833,395)	1,082,889	3,916,284
Other Financing Sources/(Uses):					
Capital Reserve - Transfer to Capital Projects		(757,838)	(757,838)	(757,838)	
Total Other Financing Sources/(Uses)		(757,838)	(757,838)	(757,838)	

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess/(Deficit) of Revenues and Other Financing Sources					
Over/(Under) Expenditures and Other Financing Uses	\$ (3,591,233)		\$ (3,591,233)	\$ 325,051	\$ 3,916,284
Fund Balance, July 1	16,056,769		16,056,769	16,056,769	
Fund Balance, June 30	\$ 12,465,536	\$ -0-	\$ 12,465,536	\$ 16,381,820	\$ 3,916,284
<u>Recapitulation:</u>					
Restricted Fund Balance:					
Excess Surplus - Restricted For 2026-2027				\$ 2,217,191	
Excess Surplus - Restricted For 2025-2026				1,500,000	
Capital Reserve				9,011,317	
Maintenance Reserve				200,000	
Emergency Reserve				50,000	
Unemployment Compensation				659,473	
Assigned Fund Balance:					
Year End Encumbrances				600,153	
Unassigned Fund Balance				2,143,686	
				16,381,820	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis				(446,207)	
Fund Balance per Governmental Funds (GAAP)				\$ 15,935,613	

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		\$ 155,437	\$ 155,437	\$ 164,950	\$ 9,513
Federal Sources	\$ 814,979	61,275	876,254	815,893	(60,361)
Total Revenues	814,979	216,712	1,031,691	980,843	(50,848)
EXPENDITURES:					
Instruction:					
Salaries of Teachers		86,220	86,220	63,564	22,656
Purchased Professional and Technical Services		3,375	3,375	1,801	1,574
Tuition	574,802	87,311	662,113	662,113	
General Supplies	184,103	(161,985)	22,118	15,461	6,657
Total Instruction	779,636	(5,810)	773,826	742,939	30,887
Support Services:					
Salaries of Other Professional Staff		12,540	12,540	9,049	3,491
Purchased Professional and Technical Services		33,659	33,659	33,627	32
Purchased Professional - Educational Services		3,166	3,166		3,166
Other Purchased Professional Services	35,343	2,007	37,350	28,210	9,140
Supplies and Materials		30,673	30,673	15,065	15,608
Student Activities		140,477	140,477	140,477	
Total Support Services	35,343	222,522	257,865	226,428	31,437
Total Expenditures	\$ 814,979	\$ 216,712	\$ 1,031,691	\$ 969,367	\$ 62,324
Excess/(Deficit) of Revenue Over/(Under) Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ 11,476	\$ 11,476

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue"		
from the Budgetary Comparison Schedule	\$ 72,605,106	\$ 980,843
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue While the GAAP Basis Does Not:		
Prior Year Encumbrances		9,619
Cancellation of Prior Year Encumbrances		(37)
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	399,665	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(446,207)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 72,558,564</u>	<u>\$ 990,425</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 71,522,217	\$ 969,367
Differences - Budget to GAAP		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes:		
Prior Year Encumbrances		9,619
Cancellation of Prior Year Encumbrances		(37)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 71,522,217</u>	<u>\$ 978,949</u>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budget for the fiscal year ending June 30, 2025, was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

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

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

SPECIAL REVENUE FUND

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

	Elementary and Secondary Education Act (E.S.E.A.)					
	FY 2024			FY 2024		
	Title I	Title I	Title IIA	Title III	Title III	Title IV
					Immigrant	
REVENUE:						
Local Sources						
Federal Sources	\$ 88,581	\$ 8,582	\$ 33,627	\$ 2,211	\$ 4,507	\$ 10,148
Total Revenue	88,581	8,582	33,627	2,211	4,507	10,148
EXPENDITURES:						
Instruction:						
Salaries of Teachers	50,038	8,582		437	4,507	1,801
Purchased Professional and Technical Services						
Tuition	816			289		8,347
General Supplies						
Total Instruction	50,854	8,582		726	4,507	10,148
Support Services:						
Salaries of Other Professional Staff	8,605			444		
Purchased Professional and Technical Services			33,627			
Other Purchased Professional Services	28,210					
Supplies and Materials	912			1,041		115
Student Activities						
Total Support Services	37,727		33,627	1,485		
Total Expenditures	\$ 88,581	\$ 8,582	\$ 33,627	\$ 2,211	\$ 4,507	\$ 10,148

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

	I.D.E.A., Part B		Local Donations	Student Activities	Total
	Basic	Preschool			
REVENUE:					
Local Sources					
Federal Sources	\$ 628,446	\$ 33,667	\$ 12,997	\$ 151,953	\$ 164,950
Total Revenue	628,446	33,667	12,997	151,953	980,843
EXPENDITURES:					
Instruction:					
Salaries of Teachers					63,564
Purchased Professional and Technical Services					1,801
Tuition	628,446	33,667			662,113
General Supplies					15,461
Total Instruction	628,446	33,667			742,939
Support Services:					
Salaries of Other Professional Staff					9,049
Purchased Professional and Technical Services					33,627
Other Purchased Professional Services			12,997		28,210
Supplies and Materials				140,477	15,065
Student Activities					140,477
Total Support Services			12,997	140,477	226,428
Total Expenditures	\$ 628,446	\$ 33,667	\$ 12,997	\$ 140,477	\$ 969,367

CAPITAL PROJECTS FUND

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Revenue and Other Financing Sources:	
State Sources - SDA Grant	\$ 505,226
Transfer from Capital Reserve	<u>757,838</u>
Total Revenue and Other Financing Sources	<u>1,263,064</u>
Expenditures:	
Purchased Professional and Technical Services	28,463
Construction Services	<u>1,159,000</u>
Total Expenditures	<u>1,187,463</u>
Excess of Revenue and Other Financing Sources Over Expenditures	75,601
Fund Balance - Beginning of Year	<u>-0-</u>
Fund Balance - End of Year	<u><u>\$ 75,601</u></u>
<u>Recapitulation:</u>	
Committed Fund Balance - Budgetary/GAAP Basis	\$ 75,601
Reconciliation to Governmental Funds Statements (GAAP):	
SDA Grant Receivable not Recognized on the GAAP Basis	<u>(505,226)</u>
Fund Balance/(Deficit) per Governmental Funds (GAAP)	<u><u>\$ (429,625)</u></u>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
COPELAND MIDDLE SCHOOL - ROOF RENOVATION
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Prior Periods	Current Year	Totals	Project Authorization
Revenue and Other Financing Sources:				
State Sources - SDA Grant		\$ 34,725	\$ 34,725	\$ 34,725
Transfer from Capital Reserve		52,087	52,087	52,087
Total Revenue and Other Financing Sources		86,812	86,812	86,812
Expenditures:				
Purchased Professional and Technical Services		1,956	1,956	3,500
Construction Services		83,312	83,312	83,312
Total Expenditures		85,268	85,268	86,812
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ -0-	\$ 1,544	\$ 1,544	\$ -0-

Additional Project Information:

Project Numbers	G5-6856
FEC Date	12/15/23
Grant Date	07/29/25
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 86,812

Percentage Increase over Original

Authorized Cost	0%
Percentage Completion	98%
Original Target Completion Date	11/25

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
BIRCHWOOD ELEMENTARY SCHOOL - ROOF RENOVATION
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Prior Periods	Current Year	Totals	Project Authorization
Revenue and Other Financing Sources:				
State Sources - SDA Grant		\$ 134,851	\$ 134,851	\$ 134,850
Transfer from Capital Reserve		202,275	202,275	202,276
Total Revenue and Other Financing Sources		337,126	337,126	337,126
Expenditures:				
Purchased Professional and Technical Services		7,597	7,597	14,000
Construction Services		323,126	323,126	323,126
Total Expenditures		330,723	330,723	337,126
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ -0-	\$ 6,403	\$ 6,403	\$ -0-

Additional Project Information:

Project Numbers	G5-6855
FEC Date	12/15/23
Grant Date	07/29/25
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 337,126
Percentage Increase/Decrease over Original Authorized Cost	0%
Percentage Completion	98%
Original Target Completion Date	11/25

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
KATHERINE D. MALONE ELEMENTARY SCHOOL - ROOF RENOVATION
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant		\$ 335,650	\$ 335,650	\$ 335,650
Transfer from Capital Reserve		503,476	503,476	503,476
Total Revenue and Other Financing Sources		839,126	839,126	839,126
Expenditures:				
Purchased Professional and Technical Services		18,910	18,910	42,900
Construction Services		752,562	752,562	796,226
Total Expenditures		771,472	771,472	839,126
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ -0-	\$ 67,654	\$ 67,654	\$ -0-

Additional Project Information:

Project Numbers	G5-6857
FEC Date	12/15/23
Grant Date	07/29/25
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 839,126

Percentage Increase over Original Authorized Cost	0%
Percentage Completion	92%
Original Target Completion Date	11/25

PROPRIETARY FUNDS

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2025

	<u>Major Fund</u>	<u>Non-Major Fund</u>		
	<u>Food Service</u>	<u>Summer Enrichment</u>	<u>After School</u>	<u>Totals</u>
ASSETS:				
Current Assets:				
Cash and Cash Equivalents	\$ 178,819	\$ 47,226	\$ 36,947	\$ 262,992
Interfund Receivable - General Fund	38,996			38,996
Intergovernmental Accounts Receivable:				
State	1,398			1,398
Federal	22,842			22,842
Other Accounts Receivable	31,669			31,669
Inventories	18,948			18,948
Total Current Assets	<u>292,672</u>	<u>47,226</u>	<u>36,947</u>	<u>376,845</u>
Non-Current Assets:				
Capital Assets	630,043			630,043
Less: Accumulated Depreciation	<u>(510,496)</u>			<u>(510,496)</u>
Total Non-Current Assets	<u>119,547</u>			<u>119,547</u>
Total Assets	<u>412,219</u>	<u>47,226</u>	<u>36,947</u>	<u>496,392</u>
LIABILITIES:				
Current Liabilities:				
Accounts Payable	75,545			75,545
Unearned Revenue:				
Prepaid Sales		47,064		47,064
Donated Commodities	3,838			3,838
Total Liabilities	<u>79,383</u>	<u>47,064</u>		<u>126,447</u>
NET POSITION:				
Investment in Capital Assets	119,547			119,547
Unrestricted	<u>213,289</u>	<u>162</u>	<u>36,947</u>	<u>250,398</u>
Total Net Position	<u>\$ 332,836</u>	<u>\$ 162</u>	<u>\$ 36,947</u>	<u>\$ 369,945</u>

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Major Fund	Non-Major Fund		
	Food Service	Summer Enrichment	After School	Totals
Operating Revenue:				
Daily Sales:				
Reimbursable Programs	\$ 385,205			\$ 385,205
Non-Reimbursable Programs	216,113			216,113
Charges for Services - Program Fees		\$ 59,959	\$ 38,999	98,958
Miscellaneous Revenue	965			965
Total Operating Revenue	602,283	59,959	38,999	701,241
Operating Expenses:				
Cost of Sales:				
Reimbursable Programs	303,257			303,257
Non-Reimbursable Programs	170,897			170,897
Salaries	337,999	53,974	22,341	414,314
Employee Benefits	120,832			120,832
Transportation		4,300		4,300
Other Purchased Services	97,187			97,187
Supplies and Materials	11,006	2,275	12,854	26,135
Depreciation Expense	17,326			17,326
Total Operating Expenses	1,058,504	60,549	35,195	1,154,248
Operating Income/(Loss)	(456,221)	(590)	3,804	(453,007)
Non-Operating Revenue:				
Interest Income	9,666	1		9,667
State Sources:				
State School Lunch Program	14,457			14,457
State School Breakfast Program	101			101
State Extended Income Eligibility - Lunch	2,667			2,667
State Extended Income Eligibility - Breakfast	146			146
Summer EBT Reimbursement	321			321
Federal Sources:				
National School Lunch Program	302,079			302,079
School Breakfast Program	13,558			13,558
Food Distribution Program	52,469			52,469
COVID Supply Chain Assistance Utilized	28,683			28,683
Summer EBT Reimbursement	322			322
Total Non-Operating Revenue	424,469	1		424,470
Change in Net Position	(31,752)	(589)	3,804	(28,537)
Net Position - Beginning of Year	364,588	751	33,143	398,482
Net Position - End of Year	\$ 332,836	\$ 162	\$ 36,947	\$ 369,945

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Major Fund	Non-Major Fund		
	Food Service	Summer Enrichment	After School	Totals
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 571,982	\$ 61,473	\$ 38,999	\$ 672,454
Payments to Food Service Company	(926,340)			(926,340)
Payments to/for Employees		(53,974)	(22,341)	(76,315)
Payments to Suppliers	(61,860)	(6,575)	(12,854)	(81,289)
Net Cash Provided by/(Used for) Operating Activities	(416,218)	924	3,804	(411,490)
Cash Flows from Financing Activities:				
Interest Income	9,666	1		9,667
Net Cash Provided by Financing Activities	9,666	1		9,667
Cash Flows by Noncapital Financing Activities:				
Interfund Returned - General Fund	(38,996)			(38,996)
State Sources	17,618			17,618
Federal Sources	309,120			309,120
Net Cash Provided by Noncapital Financing Activities	287,742			287,742
Net Increase/(Decrease) in Cash and Cash Equivalents	(118,810)	925	3,804	(114,081)
Cash and Cash Equivalents, July 1	297,629	46,301	33,143	377,073
Cash and Cash Equivalents, June 30	\$ 178,819	\$ 47,226	\$ 36,947	\$ 262,992
Reconciliation of Operating Income/(Loss) to				
Net Cash Provided by/(Used for) by Operating Activities:				
Operating Income/(Loss)	\$ (456,221)	\$ (590)	\$ 3,804	\$ (453,007)
Depreciation	17,326			17,326
Food Distribution Program	52,469			52,469
Changes in Assets and Liabilities:				
(Increase) in Other Accounts Receivable	(30,301)			(30,301)
Increase in Accounts Payable	2,693			2,693
Increase in Unearned Revenue - Donated Commodities	1,929			1,929
Increase in Unearned Revenue - Prepaid Sales		1,514		1,514
(Increase) in Inventory	(4,113)			(4,113)
Net Cash Provided by/(Used for) by Operating Activities	\$ (416,218)	\$ 924	\$ 3,804	\$ (411,490)

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$54,398 and utilized U.S.D.A. Commodities valued at \$52,469.

LONG-TERM LIABILITIES

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

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance July 1, 2024</u>	<u>Retired or Matured</u>	<u>Balance June 30, 2025</u>
Refunding School Bonds	06/15/16	\$ 4,395,000	4.000%	\$ 580,000	\$ 580,000	
				<u>\$ 580,000</u>	<u>\$ 580,000</u>	<u>\$ -0-</u>

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

Purpose	Interest Rate	Original Issue	Balance June 30, 2024	Issued	Matured	Balance June 30, 2025
Two 54-passenger and Two 16-passenger Buses (#32)	3.027%	\$ 412,965	\$ 167,537		\$ 82,519	\$ 85,018
			\$ 167,537	\$ -0-	\$ 82,519	\$ 85,018

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 446,498		\$ 446,498	\$ 446,498	
State Sources:					
Debt Service Aid Type II	145,102		145,102	145,102	
Total Revenue	591,600		591,600	591,600	
EXPENDITURES:					
Regular Debt Service:					
Interest	11,600		11,600	11,600	
Redemption of Principal	580,000		580,000	580,000	
Total Regular Debt Service	591,600		591,600	591,600	
Total Expenditures	591,600		591,600	591,600	
Excess of Revenue Over Expenditures	-0-		-0-	-0-	
Fund Balance, July 1	-0-		-0-	-0-	
Fund Balance, June 30	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
<u>Recapitulation:</u>					
Restricted				\$ -0-	

STATISTICAL SECTION
(Unaudited)

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

Contents

Exhibit

Financial Trends

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

J-1 thru J-5

Revenue Capacity

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

J-6 thru J-9

Debt Capacity

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

J-10 thru J-13

Demographic and Economic Information

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

J-14 thru J-15

Operating Information

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

J-16 thru J-20

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

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

	June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities:										
Net Investment in Capital Assets	\$18,497,801	\$20,449,774	\$22,198,337	\$23,821,521	\$21,781,704	\$22,550,008	\$25,415,001	\$26,852,852	\$28,485,386	\$29,160,084
Restricted	6,105,971	6,179,985	7,784,820	7,242,879	13,997,834	15,134,147	12,399,638	11,445,865	12,949,009	13,728,791
Unrestricted/(Deficit)	(13,863,773)	(15,085,047)	(16,357,648)	(14,648,216)	(16,610,985)	(13,793,071)	(9,417,901)	(8,094,887)	(9,592,958)	(9,780,382)
Total Governmental Activities Net Position	\$10,739,999	\$11,544,712	\$13,625,509	\$16,416,184	\$19,168,553	\$23,891,084	\$28,396,738	\$30,203,830	\$31,841,437	\$33,108,493
Business-Type Activities:										
Investment in Capital Assets	\$ 88,777	\$ 172,442	\$ 189,907	\$ 193,810	\$ 162,914	\$ 153,960	\$ 142,844	\$ 142,412	\$ 136,873	\$ 119,547
Unrestricted	278,159	175,297	139,047	208,507	235,654	89,873	368,821	272,778	261,609	250,398
Total Business-Type Activities Net Position	\$ 366,936	\$ 347,739	\$ 328,954	\$ 402,317	\$ 398,568	\$ 243,833	\$ 511,665	\$ 415,190	\$ 398,482	\$ 369,945
District-Wide:										
Net Investment in Capital Assets	\$18,586,578	\$20,622,216	\$22,388,244	\$24,015,331	\$21,944,618	\$22,703,968	\$25,557,845	\$26,995,264	\$28,622,259	\$29,279,631
Restricted	6,105,971	6,179,985	7,784,820	7,242,879	13,997,834	15,134,147	12,399,638	11,695,865	12,949,009	13,728,791
Unrestricted/(Deficit)	(13,585,614)	(14,909,750)	(16,218,601)	(14,439,709)	(16,375,331)	(13,703,198)	(9,049,080)	(7,822,109)	(9,331,349)	(9,529,984)
Total District Net Position	\$11,106,935	\$11,892,451	\$13,954,463	\$16,818,501	\$19,567,121	\$24,134,917	\$28,908,403	\$30,869,020	\$32,239,919	\$33,478,438

Source: School District Financial Reports

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

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 21,316,919	\$ 23,382,377	\$ 25,479,101	\$ 23,626,534	\$ 22,141,798	\$ 23,859,339	\$ 25,210,183	\$ 23,665,396	\$ 23,724,113	\$ 23,270,643
Special Education	10,011,955	10,938,722	10,741,972	10,162,898	10,296,399	9,484,796	10,200,637	9,630,613	9,795,840	9,901,239
Other Special Education	1,429,835	1,655,602	1,253,641	1,359,576	1,271,535	1,619,775	1,816,055	1,797,185	1,971,652	2,204,468
Other Instruction	56,636	60,424	58,401	84,366	60,740	18,891	53,728	82,364	111,178	147,986
Support Services:										
Tuition						556,136	492,387	1,296,746	1,456,850	1,361,339
Student and Instruction Related Services	11,314,387	12,757,414	13,342,823	12,542,617	12,113,719	11,958,283	11,295,970	11,329,654	12,412,488	13,097,595
General Administrative Services	1,569,870	2,187,221	1,381,039	863,585	1,004,091	959,915	895,908	1,035,816	919,002	1,107,926
School Administrative Services	2,774,543	2,576,655	3,281,178	2,939,687	2,552,159	2,988,271	2,402,599	2,421,355	2,470,356	2,625,121
Central Services	1,589,267	1,611,967	1,979,375	1,930,793	1,854,635	824,932	796,323	877,480	966,558	1,058,538
Administrative Information Technology						833,523	626,685	798,750	1,007,647	1,065,275
Plant Operations and Maintenance	4,484,489	4,515,865	4,899,077	4,734,878	4,551,701	4,559,895	4,536,428	5,122,633	5,478,309	5,985,488
Pupil Transportation	2,549,796	3,182,434	3,094,941	2,983,144	2,859,583	2,571,338	3,108,825	2,965,404	3,121,910	3,470,724
Capital Outlay						1,830		1,830		
Charter Schools					85,963	62,529	80,780	214,015	195,256	133,356
Interest on Long-Term Debt	188,673	86,439	99,056	97,422		132,684	19,406	3,140	13,585	3,867
Total Governmental Activities Expenses	57,286,370	62,955,120	65,610,604	61,325,500	58,792,323	60,432,137	61,535,914	61,242,381	63,646,574	65,433,565
Business-Type Activities:										
Proprietary Funds	852,381	863,879	853,901	801,917	719,296	456,506	974,317	987,172	1,112,031	1,154,248
Total Business-Type Activities Expense	852,381	863,879	853,901	801,917	719,296	456,506	974,317	987,172	1,112,031	1,154,248
Total District Expenses	\$ 58,138,751	\$ 63,818,999	\$ 66,464,505	\$ 62,127,417	\$ 59,511,619	\$ 60,888,643	\$ 62,510,231	\$ 62,229,553	\$ 64,758,605	\$ 66,587,813
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Regular Instruction	\$ 247,926	\$ 235,004	\$ 170,800	\$ 134,642	\$ 138,506	\$ 22,080	\$ 51,500	\$ 47,125	\$ 103,979	\$ 98,139
Special Education						208,144	86,582	146,907	120,156	165,150
Student and Related Services						42,340	38,705	105,049	144,850	151,953
Pupil transportation	19,957	115,128	163,193	111,366	94,456	95,060	153,774	75,967	83,129	86,711
Operating Grants and Contributions	13,814,981	17,514,108	20,693,087	16,522,690	13,622,793	15,379,717	15,355,481	11,484,220	11,611,024	10,758,723
Capital Grants and Contributions	318,487	90,620	61,780							
Total Governmental Activities Program Revenues	14,401,351	17,954,860	21,088,860	16,768,698	13,855,755	15,747,341	15,686,042	11,859,268	12,063,138	11,260,676

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS

(ACCURAL BASIS OF ACCOUNTING)
UNAUDITED
(Continued)

	Fiscal Year Ending June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Program Revenues: (Cont'd)										
Business-Type Activities:										
Charges for Services:										
Proprietary Funds	\$ 620,070	\$ 613,464	\$ 619,496	\$ 659,070	\$ 520,376	\$ 16,575	\$ 77,342	\$ 523,647	\$ 673,101	\$ 701,241
Operating Grants and Contributions	231,450	230,893	214,902	212,509	207,651	287,203	1,164,791	367,013	403,223	414,803
Total Business-Type Activities Program Revenues	851,520	844,357	834,398	871,579	728,027	303,778	1,242,133	890,660	1,076,324	1,116,044
Total District Program Revenues	\$ 15,252,871	\$ 18,799,217	\$ 21,923,258	\$ 17,640,277	\$ 14,583,782	\$ 16,051,119	\$ 16,928,175	\$ 12,749,928	\$ 13,139,462	\$ 12,376,720
Net (Expense)/Revenue:										
Governmental Activities	\$ (42,885,019)	\$ (45,000,260)	\$ (44,521,744)	\$ (44,556,802)	\$ (44,936,568)	\$ (44,684,796)	\$ (45,849,872)	\$ (49,383,113)	\$ (51,583,436)	\$ (54,172,889)
Business-Type Activities	(861)	(19,522)	(19,503)	69,662	8,731	(152,728)	267,816	(96,512)	(35,707)	(38,204)
Total District-Wide Net Expense	\$ (42,885,880)	\$ (45,019,782)	\$ (44,541,247)	\$ (44,487,140)	\$ (44,927,837)	\$ (44,837,524)	\$ (45,582,056)	\$ (49,479,625)	\$ (51,619,143)	\$ (54,211,093)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 42,655,566	\$ 43,508,678	\$ 44,378,851	\$ 45,266,428	\$ 46,171,082	\$ 47,057,567	\$ 47,984,601	\$ 48,807,345	\$ 50,080,332	\$ 52,327,465
Taxes Levied for Debt Service	425,275	410,560	409,259	408,913	394,353	449,140	447,026	446,271	448,611	446,498
Federal and State Aid not Restricted	1,532,026	1,514,246	1,521,269	1,415,459	1,431,093	1,375,039	1,759,204	1,388,658	1,556,522	1,398,181
Investment Earnings	14,779	19,945	28,999	108,389	127,637	1,878	2,479	7,223	667,150	722,235
Miscellaneous Income	544,113	351,544	264,163	138,788	269,936	523,703	162,216	540,708	468,428	545,566
Oil				9,500						
Total Governmental Activities	45,171,759	45,804,973	46,602,541	47,347,477	48,394,101	49,407,327	50,355,526	51,190,205	53,221,043	55,439,945
Business-Type Activities:										
Investment Earnings	295	325	718	3,701	3,561	54	16	37	10,912	9,667
Other Item						(2,061)			8,087	-
Total Business-Type Activities	295	325	718	3,701	3,561	(2,007)	16	37	18,999	9,667
Total District-Wide	\$ 45,172,054	\$ 45,805,298	\$ 46,603,259	\$ 47,351,178	\$ 48,397,662	\$ 49,405,320	\$ 50,355,542	\$ 51,190,242	\$ 53,240,042	\$ 55,449,612
Change in Net Position:										
Governmental Activities	\$ 2,286,740	\$ 804,713	\$ 2,080,797	\$ 2,790,675	\$ 3,457,533	\$ 4,722,531	\$ 4,505,654	\$ 1,807,092	\$ 1,637,607	\$ 1,267,056
Business-Type Activities	(566)	(19,197)	(18,785)	73,363	12,292	(154,735)	267,832	(96,475)	(16,708)	(28,537)
Total District	\$ 2,286,174	\$ 785,516	\$ 2,062,012	\$ 2,864,038	\$ 3,469,825	\$ 4,567,796	\$ 4,773,486	\$ 1,710,617	\$ 1,620,899	\$ 1,238,519

Source: School District Financial Reports

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

	June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund:										
Restricted	\$ 8,082,566	\$ 7,569,574	\$ 9,065,596	\$ 9,558,872	\$ 13,898,817	\$ 15,037,778	\$ 12,313,126	\$ 11,367,027	\$ 12,869,675	\$ 13,637,981
Committed				260,621						
Assigned	740,061	895,319	590,851	208,273	304,425	761,285	2,583,694	3,648,296	1,173,515	600,153
Unassigned	722,563	1,075,772	822,221	881,823	1,564,216	2,847,509	3,097,316	1,574,686	1,613,914	1,697,479
Total General Fund	\$ 9,545,190	\$ 9,540,665	\$ 10,478,668	\$ 10,909,589	\$ 15,767,458	\$ 18,646,572	\$ 17,994,136	\$ 16,590,009	\$ 15,657,104	\$ 15,935,613
All Other Governmental Funds:										
Restricted	\$ (57,547)	\$ 12,485	\$ 12,485	\$ 414,912	\$ 99,017	\$ 96,369	\$ 86,512	\$ 78,838	\$ 79,334	\$ 90,810
Committed					136,256	7,575	39,775	27,650		
Unassigned / (Deficit)		(12,047)	(67,963)							(429,625)
Total All Other Governmental Funds/(Deficit)	\$ (57,547)	\$ 438	\$ (55,478)	\$ 414,912	\$ 235,273	\$ 103,944	\$ 126,287	\$ 106,488	\$ 79,334	\$ (338,815)

Source: School District Financial Reports

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

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues:										
Tax Levy	\$ 43,080,841	\$ 43,919,238	\$ 44,788,110	\$ 45,675,341	\$ 46,565,435	\$ 47,506,707	\$ 48,431,627	\$ 49,253,616	\$ 50,528,943	\$ 52,773,963
Tuition Charges	247,926	235,004	170,800	134,642	138,506	230,224	138,082	194,032	224,135	263,289
Transportation Charges	19,957	115,128	163,193	111,366	94,456	95,060	153,774	75,967	83,129	86,711
Restricted Miscellaneous	14,779	19,945	28,999	27,982	54,885	210,355	89,145	111,034	440,364	580,452
Unrestricted Miscellaneous	544,813	352,544	265,163	229,545	352,757	398,207	138,248	566,563	861,016	854,035
State Sources	8,551,420	8,978,550	9,908,871	10,704,704	11,177,286	13,226,678	16,127,725	16,327,050	17,651,777	18,321,524
Federal Sources	1,215,029	1,116,367	1,118,217	1,168,927	1,198,333	1,426,214	1,753,778	1,831,267	1,812,369	1,260,615
Total Revenue	53,674,765	54,736,776	56,443,353	58,052,507	59,581,658	63,093,445	66,832,379	68,359,529	71,601,733	74,140,589
Expenditures:										
Instruction:										
Regular Instruction	18,060,681	18,225,055	19,325,368	19,945,243	20,128,432	14,070,823	15,305,621	15,862,393	15,768,987	15,744,148
Special Education Instruction	8,495,107	8,735,396	8,286,774	8,792,746	9,509,795	5,760,358	6,455,612	6,401,431	6,516,138	6,668,232
Other Special Instruction	1,216,708	1,303,695	1,062,865	1,143,792	1,140,474	922,217	1,062,574	1,168,845	1,298,216	1,484,103
Other Instruction	56,636	60,424	58,401	78,125	63,238	14,957	49,693	74,636	95,773	126,710
Support Services:										
Tuition						556,136	492,387	1,296,746	1,456,850	1,361,339
Student and Instruction Related Services	9,713,965	10,242,989	10,344,363	10,777,478	10,984,722	7,912,750	7,965,294	8,445,596	9,212,475	9,698,075
General Administrative Services	975,003	972,930	1,001,049	1,080,254	950,642	774,579	762,567	903,927	789,305	880,450
School Administrative Services	2,456,579	2,431,507	2,564,803	2,592,502	2,384,837	1,653,434	1,630,545	1,722,273	1,781,777	1,901,977
Central Services	701,830	723,448	711,275	726,260	1,764,370	622,683	675,097	723,748	784,083	817,781
Administration Information Technology	818,296	785,801	1,030,597	1,058,773	4,573,382	715,993	579,975	715,335	861,432	925,221
Plant Operations and Maintenance	4,405,955	4,423,198	4,416,473	4,442,750	4,573,382	3,769,303	4,083,295	4,532,040	4,725,387	5,046,074
Pupil Transportation	2,525,340	2,813,261	2,790,194	2,784,399	2,870,339	2,039,550	2,635,662	2,937,863	2,905,334	3,033,800
Unallocated Benefits						18,764,216	20,853,590	22,329,024	23,605,849	24,346,445
Debt Service:										
Principal	1,522,320	1,053,347	940,019	949,845	843,420	500,000	515,000	535,000	560,000	580,000
Interest and Other Charges	316,113	120,451	152,221	133,888	124,380	95,100	77,300	56,300	34,400	11,600
Capital Outlay	4,567,703	3,198,447	2,876,864	3,016,646	1,468,714	2,111,032	4,650,445	1,864,283	1,970,530	1,520,918
Transfer of Funds to Charter Schools						62,529	80,780	214,015	195,256	133,356
Total Expenditures	55,832,236	55,089,949	55,561,266	57,522,701	56,806,745	60,345,660	67,875,437	69,783,455	72,561,792	74,280,229
Excess (Deficiency) of revenues over (under) expenditures	(2,157,471)	(353,173)	882,087	529,806	2,774,913	2,747,785	(1,043,058)	(1,423,926)	(960,059)	(139,640)

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

	Fiscal Year Ended June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Other Financing sources (uses)										
Financed Purchases	\$ 1,301,653	\$ 406,633		\$ 371,505	\$ 764,827		\$ 412,965			
Bond Premium	414,244									
Payment to Escrow Agent	(4,712,642)									
Serial Bonds Debt Issued	4,395,000									
Total other financing sources (uses)	1,398,255	406,633		371,505	764,827		412,965			
Net Change in Fund Balances	\$ (759,216)	\$ 53,460	\$ 882,087	\$ 901,311	\$ 3,539,740	\$ 2,747,785	\$ (630,093)	\$ (1,423,926)	\$ (960,059)	\$ (139,640)
Debt Service as a Percentage of										
Noncapital Expenditures	3.59 %	2.26 %	2.07 %	1.99 %	1.75 %	1.02 %	0.94 %	0.87 %	0.84 %	0.81 %

Source: School District Financial Reports

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

Fiscal Year	Tuition	Transportation	Interest on Investments	Rental Income	Prior Year Refunds	SREC Revenue	Miscellaneous	Total
2016	\$ 247,926	\$ 20,846	\$ 19,957	\$ 7,151	\$ 259,679	\$ 168,583	\$ 102,633	\$ 826,775
2017	235,004	19,945	115,128	13,305	129,766	1,937	194,234	709,319
2018	170,800	28,999	151,346	10,695	93,381	25,677	146,257	627,155
2019	134,642	108,389	111,366	18,100	96,600	3,907	3,262	476,266
2020	138,506	127,637	94,456	47,002	-0-	79,778	143,156	630,535
2021	230,224	95,060	5,577	55,498	88,597	184,980	190,929	850,865
2022	138,082	153,774	2,479	63,900	9,276	-0-	89,040	456,551
2023	194,032	75,967	7,223	60,000	62,448	314,213	104,047	817,930
2024	224,135	83,129	667,150	48,000	45,188	89,043	286,197	1,442,842
2025	263,289	86,711	722,235	59,100	106,242	91,596	288,628	1,617,801

Source: School District records

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

Year Ended June 30,	Vacant Land	Residential	Farm Regular	Qualified Farm	Commercial	Industrial	Apartment	Total Assessed Value	Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2015	\$ 60,924,200	\$ 2,657,056,500	\$ 7,855,000	\$ 204,100	\$ 564,369,300	\$ 206,651,600	\$ 58,654,300	\$ 3,555,715,000	\$ 409,409,900	\$ -0-	\$ 3,555,715,000	1.200	\$ 3,829,398,626
2016	58,034,200	2,679,043,700	8,587,100	204,600	568,030,800	206,419,700	58,934,000	3,579,254,100	409,692,400	-0-	3,579,254,100	1.215	3,579,254,100
2017	55,226,400	2,696,621,000	8,587,100	185,500	568,456,100	205,161,400	58,846,400	3,593,083,900	413,450,900	-0-	3,593,083,900	1.235	3,593,083,900
2018	51,299,000	2,941,003,400	8,344,600	179,300	644,944,100	232,616,800	78,241,900	3,956,629,100	461,558,200	-0-	3,956,629,100	1.143	3,956,629,100
2019	46,732,900	3,000,131,300	8,253,800	187,900	662,902,000	245,525,000	123,177,900	4,086,910,800	514,871,900	-0-	4,086,910,800	1.129	4,212,185,628
2020	45,260,500	3,084,985,700	9,222,700	187,100	668,025,900	252,671,300	141,757,200	4,202,110,400	393,482,400	-0-	4,202,110,400	1.120	4,524,860,678
2021	44,486,800	3,154,729,900	10,304,500	127,200	666,972,500	258,146,600	160,303,700	4,295,071,200	399,960,700	-0-	4,295,071,200	1.117	4,548,703,196
2022	42,732,300	3,359,721,200	11,507,500	136,600	685,902,200	297,179,900	218,335,700	4,615,515,400	403,871,500	-0-	4,615,515,400	1.059	4,907,786,998
2023	44,035,700	3,638,485,800	11,811,100	145,400	639,626,000	331,218,200	281,338,800	4,946,661,000	410,334,800	-0-	4,946,661,000	1.009	5,279,761,888
2024	45,933,200	3,879,124,600	13,067,200	161,000	647,019,100	363,014,900	325,269,000	5,273,589,000	427,579,200	-0-	5,273,589,000	0.980	5,727,661,719

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

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

^b Tax rates are per \$100

Source: Municipal Tax Assessor

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

Year Ended December 31,	<u>Rockaway Township School District Direct</u>			<u>Overlapping Rates</u>			Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Township of Rockaway	Regional School District	Morris County	
2015	\$ 1.188	\$ 0.012	\$ 1.200	\$ 0.857	\$ 0.734	\$ 0.269	\$ 3.060
2016	1.204	0.011	1.215	0.872	0.720	0.274	3.081
2017	1.224	0.011	1.235	0.872	0.728	0.287	3.122
2018	1.133	0.010	1.143	0.773	0.704	0.278	2.898
2019	1.119	0.010	1.129	0.746	0.711	0.267	2.853
2020	1.109	0.011	1.120	0.728	0.711	0.282	2.841
2021	1.107	0.010	1.117	0.728	0.717	0.276	2.838
2022	1.049	0.010	1.059	0.706	0.683	0.274	2.722
2023	1.000	0.009	1.009	0.666	0.677	0.271	2.623
2024	0.972	0.008	0.980	0.630	0.687	0.267	2.564

* Revaluation of Real Property.

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

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

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

Source: Municipal Tax Collector and School Business Administrator

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

Taxpayer	2024	
	Taxable Assessed Value	% of Total District Net Assessed Value
Rockaway Center Associates/Corporate Property Investors, Inc	\$ 150,380,900	2.85 %
Pondview Estates	148,661,200	2.82 %
Tilcon	70,710,100	1.34 %
WPG Rockaway Commons LLC	67,952,400	1.29 %
R&K Commons, LLC	66,289,700	1.26 %
Rustic Ridge, Inc.	51,249,500	0.97 %
Ivy Commons Property LLC	36,069,300	0.68 %
Marketplace at Rockaway, LLC	35,632,900	0.68 %
Dover UE, LLC	32,813,500	0.62 %
Macy's	26,520,000	0.50 %
Total	<u>\$ 686,279,500</u>	<u>13.01 %</u>

Taxpayer	2015	
	Taxable Assessed Value	% of Total District Net Assessed Value
Rockaway Center Associates	\$ 170,041,500	4.78 %
MT. Hope Rock Products, Inc (Tilcon)	59,148,100	1.66 %
Linque Management	30,121,400	0.85 %
MarketPlace at Rockaway, LLC	29,073,500	0.82 %
Rockaway 2014 LLC	26,971,100	0.76 %
Macy's East, Inc.	25,346,900	0.71 %
Dover UE LLC	25,316,800	0.71 %
Rustic Ridge, Inc.	24,800,000	0.70 %
Highlands at Morris	19,228,200	0.54 %
Realty Income Corp./AMC Enterprises	18,783,500	0.53 %
Total	<u>\$ 428,831,000</u>	<u>12.06 %</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2016	\$ 43,080,841	\$ 43,080,841	100.00 %	\$ -0-
2017	43,919,236	43,919,236	100.00 %	-0-
2018	44,788,110	44,788,110	100.00 %	-0-
2019	45,675,341	45,675,341	100.00 %	-0-
2020	46,565,435	46,565,435	100.00 %	-0-
2021	47,506,707	47,506,707	100.00 %	-0-
2022	48,431,627	48,431,627	100.00 %	-0-
2023	49,253,616	49,253,616	100.00 %	-0-
2024	50,528,943	50,528,943	100.00 %	-0-
2025	52,773,963	52,773,963	100.00 %	-0-

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

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

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

Fiscal Year Ended June 30,	Governmental Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Financed Purchases			
2016	\$ 4,395,000	\$ 1,659,571	\$ 6,054,571	0.28 %	\$ 249
2017	3,950,000	1,457,857	5,407,857	0.24 %	215
2018	3,540,000	927,838	4,467,838	0.19 %	174
2019	3,120,000	769,498	3,889,498	0.16 %	150
2020	2,690,000	614,101	3,304,101	0.13 %	127
2021	2,190,000	384,112	2,574,112	0.09 %	100
2022	1,675,000	558,847	2,233,847	0.08 %	86
2023	1,140,000	326,721	1,466,721	0.05 %	56
2024	580,000	167,537	747,537	0.02 %	28
2025	-0-	85,018	85,018	0.00 %	3

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

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

Source: School District Financial Reports

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2016	\$ 4,395,000	\$ -0-	\$ 4,395,000	0.12 %	\$ 181
2017	3,950,000	-0-	3,950,000	0.11 %	157
2018	3,540,000	-0-	3,540,000	0.10 %	138
2019	3,120,000	-0-	3,120,000	0.08 %	121
2020	2,690,000	-0-	2,690,000	0.07 %	103
2021	2,190,000	-0-	2,190,000	0.05 %	85
2022	1,675,000	-0-	1,675,000	0.04 %	64
2023	1,140,000	-0-	1,140,000	0.02 %	43
2024	580,000	-0-	580,000	0.01 %	22
2025	-0-	-0-	-0-	0.00 %	-0-

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

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

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

Source: School District Financial Reports

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2024
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
Rockaway Township	\$ 16,163,230	100.00 %	\$ 16,163,230
Morris County General Obligation Debt	324,225,727	4.21 %	13,646,724
Morris Hills Regional High School (Township Share)	11,800,000	48.66 %	5,742,010
Subtotal, Overlapping Debt			35,551,964
Rockaway Township School District Direct Debt			-0-
Total Direct and Overlapping Debt			<u>\$ 35,551,964</u>

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2025

	Equalized Valuation Basis
	2024 \$ 6,287,813,282
	2023 5,666,278,351
	2022 5,202,925,713
	<u>\$ 17,157,017,346</u>
Average Equalized Valuation of Taxable Property	<u>\$ 5,719,005,782</u>
Debt Limit (3% of Average Equalization Value)	\$ 171,570,173
Net Bonded School Debt	-0-
Legal Debt Margin	<u>\$ 171,570,173</u>

	Fiscal Year				
	2016	2017	2018	2019	2020
Debt Limit	\$ 115,894,648	\$ 77,559,806	\$ 123,032,035	\$ 128,335,704	\$ 125,215,704
Total Net Debt Applicable to Limit	<u>4,395,000</u>	<u>3,950,000</u>	<u>3,540,000</u>	<u>3,120,000</u>	<u>2,690,000</u>
Legal Debt Margin	<u>\$ 111,499,648</u>	<u>\$ 73,609,806</u>	<u>\$ 119,492,035</u>	<u>\$ 125,215,704</u>	<u>\$ 122,525,704</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	3.79 %	5.09 %	2.88 %	2.43 %	2.15 %

	Fiscal Year				
	2021	2022	2023	2024	2025
Debt Limit	\$ 131,423,555	\$ 138,051,583	\$ 145,332,009	\$ 156,951,268	\$ 171,570,173
Total Net Debt Applicable to Limit	<u>2,190,000</u>	<u>1,675,000</u>	<u>1,140,000</u>	<u>580,000</u>	<u>-0-</u>
Legal Debt Margin	<u>\$ 129,233,555</u>	<u>\$ 136,376,583</u>	<u>\$ 144,192,009</u>	<u>\$ 156,371,268</u>	<u>\$ 171,570,173</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	1.67 %	1.21 %	0.78 %	0.37 %	0.00 %

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

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

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

<u>Year Ended</u>	<u>Population ^a</u>	<u>Per Capita Personal Income ^b</u>	<u>Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2016	24,311	\$ 87,984	\$ 2,138,979,024	4.40 %
2017	25,188	90,256	2,273,368,128	3.70 %
2018	25,613	93,695	2,399,810,035	3.40 %
2019	25,866	96,774	2,503,156,284	2.70 %
2020	26,054	98,875	2,576,089,250	8.00%
2021	25,869	107,135	2,771,475,315	5.50%
2022	26,036	109,057	2,839,408,052	3.20%
2023	26,368	115,850	3,054,732,800	3.80%
2024	26,893	115,850 **	3,115,554,050 ***	3.90%
2025	26,893 *	115,850 **	3,115,554,050 ***	N/A

* - Latest population data available (2024) was used for calculation purposes.

** - Latest Morris County per capita personal income available (2023) was used for calculation purposes.

*** - Latest available population data (2024) and latest available Morris County per capita personal income (2023) was used for calculation purposes.

N/A - Information unavailable.

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

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

2024		2015	
Employer	Percentage of Total Employees	Employer	Percentage of Total Employees
Atlantic Health System	10,743	U.S Army Armament Research and Development	6,000
Novartis Corporation	6,300	Atlantic Health System	5,171
U.S Army Armament Research and Development	6,000	Novartis Corporation	4,622
Barclays	4,222	Bayer Healthcare, LLC	2,800
Bayer Healthcare, LLC	2,713	County of Morris	1,757
Automatic Data Processing, Inc.	2,600	Wyndham Worldwide Corporation	1,626
Accenture	2,134	Accenture	1,561
PricewaterhouseCoopers	2,095	St. Clare's	1,504
Cigna	1,839	BASF Corporation	1,500
Deloitte & Touche	1,637	PricewaterhouseCoopers	1,360
Total	40,283	Total	27,901
Total Employment	269,026	Total Employment	254,562

Source: Morris County Area Chamber of Commerce

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

<u>Function/Program</u>	<u>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>
Instruction										
Regular	178.5	177.5	183.0	180.0	184.0	187.0	191.0	194.0	188.4	184.8
Special Education	104.5	95.5	84.0	80.0	84.0	88.0	82.0	93.0	99.4	102.4
Other Special Education	14.5	18.5	19.5	18.5	18.5	21.0	21.0	18.0	18.0	16.6
Support Services:										
Student & Instruction Related Services	99.5	110.0	107.0	112.0	93.0	97.0	97.0	99.0	100.0	106.0
School Administrative Services	24.5	23.0	25.5	25.0	25.0	25.0	24.0	25.0	22.0	23.0
General Administrative Services	11.0	11.0	11.0	13.0	13.0	14.0	17.0	17.0	18.0	19.0
Plant Operations and Maintenance	31.0	32.5	33.5	31.0	34.0	34.0	36.0	37.0	35.7	35.0
Pupil Transportation	46.0	40.0	42.0	41.0	38.0	37.0	31.0	29.0	29.0	30.0
Total	<u>509.5</u>	<u>508.0</u>	<u>505.5</u>	<u>500.5</u>	<u>489.5</u>	<u>503.0</u>	<u>499.0</u>	<u>512.0</u>	<u>510.5</u>	<u>516.8</u>

Source: District Personnel Records

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^d	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio Elementary	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2016	2,422	\$ 49,426,100	\$ 20,407	0.24 %	298	12:1	\$ 2,406	\$ 2,309	1.82 %	95.97 %
2017	2,409	50,717,704	21,053	3.17 %	281	11:1	2,395	2,290	-0.46 %	95.62 %
2018	2,351	51,592,162	21,945	4.23 %	278	10:1	2,321	2,217	-3.09 %	95.52 %
2019	2,277	53,422,322	23,462	6.91 %	279	9:1	2,282	2,189	-1.68 %	95.92 %
2020	2,347	54,370,231	23,166	-1.26 %	290	8:1	2,358	2,294	3.33 %	97.29 %
2021	2,164	57,639,528	26,636	14.98 %	296	8:1	2,280	2,193	-3.31 %	96.18 %
2022	2,384	62,632,692	26,272	-1.36 %	294	8:1	2,383	2,259	4.52 %	94.80 %
2023	2,418	67,327,872	27,844	5.98 %	305	8:1	2,409	2,313	1.09 %	96.01 %
2024	2,425	69,996,862	28,865	3.66 %	317	7:1	2,411	2,326	0.08 %	96.47 %
2025	2,468	72,167,711	29,241	1.31 %	304	8:1	2,422	2,296	0.46 %	94.80 %

Note: Enrollment based on annual October District count.

^a Operating expenditures equal total expenditures less debt service and capital outlay.

^b Teaching staff includes only full-time equivalents of certificated staff.

^c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

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

Source: School District records

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<u>District Buildings</u>										
Birchwood										
Square Feet	24,914	24,914	24,914	24,914	24,914	24,914	24,914	24,914	24,914	24,914
Capacity (students)	232	232	232	232	232	232	232	232	232	232
Enrollment	307	315	295	282	269	254	279	293	315	316
Copeland										
Square Feet	46,733	46,733	46,733	46,733	46,733	46,733	46,733	46,733	46,733	46,733
Capacity (students)	408	408	408	408	408	408	408	408	408	408
Enrollment	861	817	794	773	786	788	852	856	801	828
C.A. Dwyer										
Square Feet	47,285	47,285	47,285	47,285	47,285	47,285	47,285	47,285	47,285	47,285
Capacity (students)	212	212	212	212	212	212	212	212	212	212
Enrollment	323	311	302	292	315	297	323	310	345	363
Dennis B. O'brien										
Square Feet	29,523	29,523	29,523	29,523	29,523	29,523	29,523	29,523	29,523	29,523
Capacity (students)	104	104	104	104	104	104	104	104	104	104
Enrollment	336	342	355	311	332	309	278	295	296	294
K.D. Malone										
Square Feet	26,990	26,990	26,990	26,990	26,990	26,990	26,990	26,990	26,990	26,990
Capacity (students)	216	216	216	216	216	216	216	216	216	216
Enrollment	272	272	252	258	272	235	260	281	303	305
Stony Brook										
Square Feet	26,396	26,396	26,396	26,396	26,396	26,396	26,396	26,396	26,396	26,396
Capacity (students)	249	249	249	249	249	249	249	249	249	249
Enrollment	323	352	353	361	373	281	392	383	365	362
Number of Schools at June 30, 2025										
Elementary = 5										
Middle School = 1										
Senior High School = 0										
Other = 0										

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

Source: School District Facilities Office

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

Undistributed Expenditures - Required Maintenance for School Facilities

11-000-261-xxx

School Facilities	Fiscal Year Ended June 30,				
	2016	2017	2018	2019	2020
Birchwood	\$ 151,215	\$ 277,308	\$ 75,528	\$ 124,610	\$ 110,936
Copeland Middle	189,706	182,115	147,249	223,303	208,092
C.A Dwyer	187,533	131,494	198,184	158,370	210,549
Dennis B. O'Brien	156,618	113,782	53,669	157,437	131,459
K.D. Malone	231,627	245,389	260,808	132,899	120,180
Stony Brook	140,486	108,250	138,834	97,844	117,536
Grand Total	<u>\$ 1,057,185</u>	<u>\$ 1,058,338</u>	<u>\$ 874,272</u>	<u>\$ 894,463</u>	<u>\$ 898,752</u>

School Facilities	Fiscal Year Ended June 30,				
	2021	2022	2023	2024	2025
Birchwood	\$ 59,203	\$ 166,072	\$ 116,213	\$ 71,112	\$ 58,266
Copeland Middle	216,809	314,057	217,908	223,407	222,660
C.A Dwyer	137,825	82,937	117,952	120,949	139,167
Dennis B. O'Brien	222,344	62,702	105,239	99,038	91,844
K.D. Malone	144,474	183,132	306,246	349,668	388,945
Stony Brook	67,466	85,701	90,025	82,944	136,711
Grand Total	<u>\$ 848,121</u>	<u>\$ 894,601</u>	<u>\$ 953,583</u>	<u>\$ 947,118</u>	<u>\$ 1,037,593</u>

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

Source: School District records

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
AS OF JUNE 30, 2025
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
School Alliance Insurance Fund (SAIF):		
Property - Blanket Building and Contents Including Boiler and Building and Personal Property	\$ 500,000,000	\$ 2,500
Inland Marine - Auto Physical Damage		1,000
Boiler & Machinery	100,000,000	2,500
General Liability including Auto, Employee Benefits		
Each Occurrence	10,000,000	
General Aggregate	46,000,000	
Product Completed Ops		
Personal Injury		
Fire Damage	2,500,000	
Medical Expenses	10,000	
(Excluding Students Taking Part in Athletics)		
Employee Benefits Liability	5,000,000	1,000
Sexual Abuse/Molestation	10,000,000	\$ 28,000,000
Automobile Coverage	10,000,000	occurrence 1,000
Combined Single Limit		
Auto General Aggregate	46,000,000	
Hired/Non Owned	Included	
Automobile Physical Damage	Included	1,000
Environmental Impairment Liability	1,000,000/10,000,000	Fund Aggregate 50,000
Excludes mold/fungi/fungus/legionella		
Crime Coverage	50,000	Inside/Outside 1,000
Blanket Dishonesty Bond	500,000	1,000
Cyber Liability - First Party	750,000	10,000
Cyber Liability - Third Party	2,000,000	
NJSIG Policies		
School Board Legal	10,000,000	15,000
Coverage B		
Each Claim	100,000	15,000
Each Policy Period	300,000	
Communicable Disease per Claim	1,000,000	
Annual NJSIG Aggregate	9,000,000	

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
AS OF JUNE 30, 2025
UNAUDITED
(Continued)

	<u>Coverage</u>	<u>Deductible</u>
Workers' Compensation	Statutory	
Employer's Liability	\$ 3,000,000	
Supplemental Workers Comp w/Federal Insurance Company	Statutory	
Bond for School Business Administrator eff 6/30/24-25	350,000	Selective Insurance
****interim BA Tina Palecek 7/1/2020-9/25/2020		
Bond for Treasurer effective 7/1/24-25	350,000	Selective Insurance
Pollution/Mold Coverage effective 8/20/24-25 with Ironshore Specialty Ins. Co.		
Each Claim	1,000,000	\$ 25,000
Aggregate	1,000,000	
Mututal of Omaha Insurance Company effective 9/1/24-25		
Student Accident- Base- Including Sports, excluding Football	25,000	all students & athletes
Student Accident - CAT including sports and excluding Football	6,000,000	all students & athletes 25,000

Source: Arthur J. Gallagher quote records.

SINGLE AUDIT SECTION

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Rockaway Township School District, in the County of Morris (the "District") as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 26, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

November 26, 2025
Mount Arlington, New Jersey

Nisivoccia LLP
NISIVOCCIA LLP

Man C Lee

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

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

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Board of Education of the Rockaway Township School District's (the "District's") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the fiscal year ended June 30, 2025. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2025.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Our responsibilities under those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

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

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

November 26, 2025
Mount Arlington, New Jersey

Nisivoccia LLP
NISIVOCCIA LLP

Man C Lee

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

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

Federal Grantor/Pass Through Grantor Program Title/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2024			Prior Year Payable Canceled	Adjust- ment	Balance at June 30, 2025			Amount Provided to Subre- cipient
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor			Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor	
U.S. Department of Education:													
Passed-through State Department of Education:													
Special Revenue Fund:													
Special Education Cluster:													
I.D.E.A. Part B, Basic	84.027	IDEA-1090-25	7/1/24-9/30/25	\$ 628,446						\$ 585,914	\$ (628,446)	\$ (42,532)	
I.D.E.A. Part B, Basic	84.027	IDEA-1090-24	7/1/23-9/30/24	641,660	\$ (39,820)					39,820			
I.D.E.A. Part B, Preschool	84.173	IDEA-1090-25	7/1/24-9/30/25	33,667						33,667	(33,667)		
Total Special Education Cluster					(39,820)					659,401	(662,113)	(42,532)	
Elementary and Secondary Education Act:													
Title I	84.010	ESEA-1090-25	7/1/24-9/30/25	127,919						80,960	(88,581)	(7,621)	
Title I	84.010	ESEA-1090-24	7/1/23-9/30/24	230,854	(36,853)		\$ 3,412		\$ 5,374	40,061	(8,582)		
Title I	84.010	ESEA-1090-23	7/1/22-9/30/23	127,718	(36,853)		3,412		5,374	121,021	(97,163)	(7,621)	\$ 3,412
Total Title I				33,659						29,421	(33,627)	(4,206)	
Title II, Part A	84.367A	ESEA-1090-25	7/1/24-9/30/25	56,131	(2,109)					2,109			
Total Title II, Part A				10,125	(2,109)					31,530	(33,627)	(4,206)	
Title III	84.365A	ESEA-1090-25	7/1/24-9/30/25	21,581	(1,790)				(1)	2,211	(2,211)		330
Title III	84.365A	ESEA-1090-24	7/1/23-9/30/24	26,224			620			6,628	(4,507)		620
Title III	84.365A	ESEA-1090-23	7/1/22-9/30/23	47,599			13						13
Total Title III				11,301	(1,790)		633		(1)	8,839	(6,718)		963
Title III - Immigrant	84.365A	ESEA-1090-25	7/1/24-9/30/25	8,303						6,124	(6,124)		
Title III - Immigrant	84.365A	ESEA-1090-22	7/1/21-9/30/22				26						26
Total Title III - Immigrant				17,760			26			6,124	(6,124)	(1,801)	26
Title IV	84.424A	ESEA-1090-25	7/1/24-9/30/25	18,005	(42)			\$ 42		8,347	(10,148)		
Title IV	84.424A	ESEA-1090-24	7/1/23-9/30/24	17,083			900						900
Title IV	84.424A	ESEA-1090-22	7/1/21-9/30/22		(42)		900			8,347	(10,148)	(1,801)	900
Total Title IV					(42)		900						900
Total Elementary and Secondary Education Act					(40,794)		4,971		5,373	175,861	(153,780)	(13,628)	5,301
Education Stabilization Fund:													
COVID 19 - ARP:	84.425U	S425U210027	3/13/20-9/30/24	40,000	(251)					251			
Summer Learning					(251)					251			
Total Education Stabilization Fund													
Total Special Revenue Fund					(80,865)		4,971		5,373	835,513	(815,893)	(56,160)	5,301
General Fund:													
Impact Aid	84.041	N/A	7/1/24-6/30/25	398,903						398,903	(398,903)		
Total U.S. Department of Education					(80,865)		4,971	42	5,373	1,234,416	(1,214,796)	(56,160)	5,301

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

Federal Grantor/Pass Through Grantor Program Title/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2024			Cash Received	Budgetary Expenditures	Prior Year Payable Canceled	Adjust- ment	Balance at June 30, 2025		Amount Provided to Subre- cipient
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor					Budgetary Accounts Receivable	Budgetary Unearned Revenue	
U.S. Department of Health and Human Services: General Fund:														
Medicaid Cluster:														
Medical Assistance Program	93.778	N/A	7/1/24-6/30/25	\$ 37,973				\$ 37,973	\$ (37,973)					
Total U.S. Department of Health and Human Services / Medicaid Cluster								37,973	(37,973)					
U.S. Department of Agriculture: Passed-through State Department of Agriculture:														
Child Nutrition Cluster:														
Food Distribution Program	10.555	N/A	7/1/24-6/30/25	54,398				54,398	(50,560)				\$ 3,838	
Food Distribution Program	10.555	N/A	7/1/23-6/30/24	67,913		\$ 1,909			(1,909)					
School Breakfast Program	10.553	N/A	7/1/24-6/30/25	13,558				12,249	(13,558)			\$ (1,309)		
School Breakfast Program	10.553	N/A	7/1/23-6/30/24	4,102	\$ (257)			257						
National School Lunch Program	10.555	N/A	7/1/24-6/30/25	302,079				280,546	(302,079)			(21,533)		
National School Lunch Program	10.555	N/A	7/1/23-6/30/24	231,051	(15,746)			15,746						
COVID-19 - Supply Chain Assistance	10.555	N/A	7/1/23-6/30/24	58,873		28,683		363,196	(28,683)			(22,842)	3,838	
Total Child Nutrition Cluster					(16,003)	30,592			(396,789)					
Summer Electronic Benefit Transfer	10.646	N/A	7/1/24-6/30/25	322				322	(322)					
Total U.S. Department of Agriculture					(16,003)	30,592		363,518	(397,111)			(22,842)	3,838	
Total Federal Awards					\$ (96,868)	\$ 30,592	\$ 4,971	\$ 1,635,907	\$ (1,649,880)	\$ 42	\$ 5,373	\$ (79,002)	\$ 3,838	\$ -0-

N/A - Not Applicable

Cancellation of Prior Year: Accounts Payable	\$ 42
	\$ 42

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2024		Cash Received	Budgetary Expenditures	Balance at June 30, 2025		MEMO	
				Budgetary Accounts Receivable	Budgetary Accounts Receivable			GAAP Accounts Receivable	Budgetary Accounts Receivable	Budgetary Accounts Receivable	Cumulative Total Expenditures
New Jersey Department of Education:											
General Fund:											
Special Education Categorical Aid	25-495-034-5120-089	7/1/24-6/30/25	\$ 2,849,208			\$ 2,566,701	\$ (2,849,208)	\$	\$ (282,507)	\$	2,849,208
Equalization Aid	25-495-034-5120-078	7/1/24-6/30/25	854,190			769,495	(854,190)		(84,695)		854,190
Security Aid	25-495-034-5120-084	7/1/24-6/30/25	247,573			223,025	(247,573)		(24,548)		247,573
Transportation Aid	25-495-035-5120-014	7/1/24-6/30/25	549,225			494,768	(549,225)		(54,457)		549,225
Nonpublic Transportation Aid	25-495-035-5120-014	7/1/24-6/30/25	59,786				(59,786)	\$ (59,786)	(59,786)		59,786
Extraordinary Special Education Aid	25-495-034-5120-044	7/1/24-6/30/25	825,180				(825,180)	(825,180)	(825,180)		825,180
Reimbursed TPAF Social Security Contributions	25-495-034-5094-003	7/1/24-6/30/25	1,850,440			1,758,889	(1,850,440)	(91,551)	(91,551)		1,850,440
On-Behalf TPAF :											
Post Retirement Medical Contributions	25-495-034-5094-001	7/1/24-6/30/25	2,483,556			2,483,556	(2,483,556)				2,483,556
Pension Contributions	25-495-034-5094-002	7/1/24-6/30/25	8,395,485			8,395,485	(8,395,485)				8,395,485
Non-Contributory Insurance	25-495-034-5094-004	7/1/24-6/30/25	103,998			103,998	(103,998)				103,998
Long-Term Disability Insurance	25-495-034-5094-004	7/1/24-6/30/25	4,323			4,323	(4,323)				4,323
Special Education Categorical Aid	24-495-034-5120-089	7/1/23-6/30/24	2,577,917	\$ (255,564)		255,564					2,577,917
Equalization Aid	24-495-034-5120-078	7/1/23-6/30/24	854,190	(84,681)		84,681					854,190
Security Aid	24-495-034-5120-084	7/1/23-6/30/24	50,153	(4,972)		4,972					50,153
Transportation Aid	24-495-035-5120-014	7/1/23-6/30/24	549,225	(54,448)		54,448					549,225
Nonpublic Transportation Aid	24-495-035-5120-014	7/1/23-6/30/24	53,264	(53,264)		53,264					53,264
Extraordinary Special Education Aid	24-495-034-5120-044	7/1/23-6/30/24	795,984	(795,984)		795,984					795,984
Reimbursed TPAF Social Security Contributions	24-495-034-5094-003	7/1/23-6/30/24	1,807,752	(88,618)		88,618					1,807,752
Total General Fund State Aid				(1,337,531)		18,137,771	(18,222,964)	(976,517)	(1,422,724)		24,911,449
Debt Service Fund:											
Debt Service Aid - State Support	25-100-034-5120-125	7/1/24-6/30/25	145,102			145,102					145,102
Total Debt Service Fund						145,102	(145,102)				145,102
New Jersey Department of Agriculture:											
Enterprise Fund:											
State School Lunch Program	25-100-010-3350-023	7/1/24-6/30/25	14,457			13,411	(14,457)	(1,046)	(1,046)		14,457
State School Lunch Extended Income Eligibility	25-100-010-3350-023	7/1/24-6/30/25	2,667			2,374	(2,667)	(293)	(293)		2,667
State School Breakfast Program	25-100-010-3350-023	7/1/24-6/30/25	101			93	(101)	(8)	(8)		101
State School Breakfast Extended Income Eligibility	25-100-010-3350-023	7/1/24-6/30/25	146			95	(146)	(51)	(51)		146
State School Lunch Program	24-100-010-3350-023	7/1/23-6/30/24	15,604	(1,044)		1,044					15,604
State School Lunch Extended Income Eligibility	24-100-010-3350-023	7/1/23-6/30/24	3,099	(277)		277					3,099
State School Breakfast Program	24-100-010-3350-023	7/1/23-6/30/24	25	(3)		3					25
Summer Electronic Benefit Transfer	N/A	7/1/24-6/30/25	321			321	(321)				321
Total Enterprise Fund				(1,324)		17,618	(17,692)	(1,398)	(1,398)		36,420
Total State Awards Subject to Single Audit Determination				\$ (1,338,855)		\$ 18,300,491	(18,385,758)	\$ (977,915)	\$ (1,424,122)		\$ 25,092,971
Less: State Awards Not Subject to Single Audit Major Program Determination											
On-Behalf TPAF Pension System Contributions:											
On-Behalf TPAF Post Retirement Contributions	25-495-034-5094-001	7/1/24-6/30/25					2,483,556				
On-Behalf TPAF Pension Contributions	25-495-034-5094-002	7/1/24-6/30/25					8,395,485				
On-Behalf TPAF Non-Contributory Insurance	25-495-034-5094-004	7/1/24-6/30/25					103,998				
On-Behalf TPAF Long-Term Disability Insurance	25-495-034-5094-004	7/1/24-6/30/25					4,323				
Subtotal - On-Behalf TPAF Pension System Contributions							10,987,362				
Total State Awards Subject to Single Audit Major Program Determination							\$ (7,398,396)				

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of the District under programs of the federal and state governments for the fiscal year ended June 30, 2025. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedule presents only a selected portion of the operations of the District, it is not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$46,542 for the General Fund, \$9,582 (of which \$1,736 relates to local grants) for the Special Revenue Fund, and \$505,226 for the Capital Projects Fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenue are reported on the Board's basic financial statements on a GAAP basis as on the following page.

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(Continued)

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 436,876	\$ 18,176,422	\$ 18,613,298
Debt Service Fund		145,102	145,102
Enterprise Fund	<u>397,111</u>	<u>17,692</u>	<u>414,803</u>
Total Financial Awards	<u>\$ 1,657,726</u>	<u>\$ 18,339,216</u>	<u>\$ 19,996,942</u>

NOTE 5. RELATIONSHIP TO STATE FINANCIAL REPORTS

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

NOTE 6. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2025. Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively.

NOTE 7. NJ SCHOOLS DEVELOPMENT AUTHORITY (SDA) GRANTS

The District was awarded three grants in the amount of \$505,226 from the Schools Development Authority (SDA) under the Educational Facilities Construction and Financing Act. As of June 30, 2025, grant funds totaling \$-0- have been expended and drawn down on a GAAP basis. In the Capital Projects Fund, the District realizes the full amount of the grant revenue on a budgetary basis in the year awarded and realizes the grant revenue on a GAAP basis as it is expended and submitted for reimbursement. Expenditures reported for the NJSDA grants on the Schedule of Expenditures of State Awards represent reimbursement requests submitted to the NJSDA.

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

Section I - Summary of Auditors' Results**Financial Statements**

prepared in accordance with GAAP.

Unmodified

Internal control over financial reporting:

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

Federal Awards

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

Unmodified

Internal control over major programs:

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

Identification of major programs:

Program Name or Cluster	Assistance Listing No.	Grant Period		Award Amount	Budgetary Expenditures
		Start	End		
Impact Aid	84.041	7/1/24	6/30/25	\$ 398,903	\$ 398,903
Dollar threshold used to distinguish between Type A and B programs				\$ 750,000	
Auditee qualified as low-risk auditee?		X	Yes		No

State Awards

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

Unmodified

Internal control over major programs:

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

(Continued)

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

Identification of major programs:

Program Name or Cluster	State Grant No.	Grant Period		Award Amount	Budgetary Expenditures
		Start	End		
Reimbursed TPAF Social Security Contributions	25-495-034-5094-003	7/1/24	6/30/25	\$ 1,850,440	\$ 1,850,440
Extraordinary Special Education Costs Aid	25-495-034-5120-044	7/1/24	6/30/25	825,180	825,180
Dollar threshold used to distinguish between Type A and B programs				\$ 750,000	
Auditee qualified as low-risk auditee?		_____ X	Yes	_____	No

Section II - Financial Statement Findings - N/A

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

ROCKAWAY TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025

Status of Prior Year Findings:

There were no findings or questioned costs for the year ended June 30, 2024.