



**ROWAN EDUCATIONAL ATTRACTIONS, INC.**  
(A Component Unit of Rowan University)

Basic Financial Statements and  
Management's Discussion and Analysis

June 30, 2025 and 2024

(With Independent Auditors' Report Thereon)

**ROWAN EDUCATIONAL ATTRACTIONS, INC.**  
(A Component Unit of Rowan University)

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## **Independent Auditors' Report**

The Board of Directors  
Rowan Educational Attractions, Inc.:

### *Opinion*

We have audited the financial statements of Rowan Educational Attractions, Inc. (REA), a component unit of Rowan University, as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise REA'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 financial position of REA as of June 30, 2025 and 2024, and the changes in its financial position and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of REA 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 opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, 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 REA'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.

### *Auditors' 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 auditors' report that includes our opinion. 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 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, 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 REA'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 RGI'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*

U.S. generally accepted accounting principles require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 audits 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.

*KPMG LLP*

Short Hills, New Jersey  
November 19, 2025

## Introduction

This section of the Rowan Educational Attractions, Inc.'s of Rowan University (REA) financial statements presents management's discussion and analysis of REA's financial performance for the fiscal years ended June 30, 2025 and 2024. As fiscal year 2024 was the first year of operations for REA, there is no comparative data to include for fiscal year 2023. This discussion and analysis is intended to provide an overview of REA's current activities and should be read in conjunction with REA's basic financial statements, which follow this section.

## Basic Financial Statements

REA's basic financial statements consist of the Statements of Net Position, Statements of Revenues, Expenses, and Changes in Net Position, and Statements of Cash Flows. These statements have been prepared in accordance with U.S. generally accepted accounting principles as established by the Governmental Accounting Standards Board (GASB). They present REA's operations and provide information on its assets, liabilities, revenues, expenses, and cash flows on an entity-wide basis. The basic financial statements are accompanied by notes that provide additional detail and context to the financial information presented.

### Statements of Net Position

The Statements of Net Position present the assets, liabilities, and net position of REA as of the end of the fiscal year. This statement is a point-in-time financial statement intended to provide readers with a fiscal snapshot of REA's financial position. It presents end-of-year data concerning assets (both current and noncurrent), liabilities (both current and noncurrent), and net position (defined as assets minus liabilities).

Net position serves as an indicator of REA's overall financial condition at fiscal year-end, while changes in net position indicate whether the financial condition has improved or deteriorated during the year. From the information presented, readers can assess the resources available to support REA's operations and the obligations owed to vendors, investors, and lending institutions. The Statements of Net Position also provide insight into the components of net position and their availability for future use.

REA's net position is classified into two major categories. The first category, net investment in capital assets, represents REA's equity in property, plant, and equipment, net of any related debt used to acquire or construct those assets. The second category, unrestricted net position, represents resources available to REA for any lawful purpose in support of its mission.

## Management's Discussion and Analysis (Unaudited)

A condensed summary of REA's assets, liabilities, and net position as of June 30, 2025 and 2024 is as follows:

Condensed Statements of Net Position (in thousands)			
	2025	2024	
Current assets	\$ 5,235	\$ 2,468	
Noncurrent assets	30	52	
Total assets	<u>5,265</u>	<u>2,520</u>	
Current liabilities	2,994	2,393	
Noncurrent liabilities	1,694	12	
Total liabilities	<u>4,688</u>	<u>2,405</u>	
Net position:			
Net investment in capital assets	18	14	
Unrestricted	559	101	
Total net position	<u>\$ 577</u>	<u>\$ 115</u>	

Current assets are primarily comprised of cash and cash equivalents, receivables and other assets, and amounts due from Rowan University (the University). Noncurrent assets consist of subscription right-to-use IT assets. Current liabilities are comprised of accounts payable and accrued expenses, accrued interest payable, and the current portion of long-term debt. Noncurrent liabilities consist of long-term debt, net of the current portion.

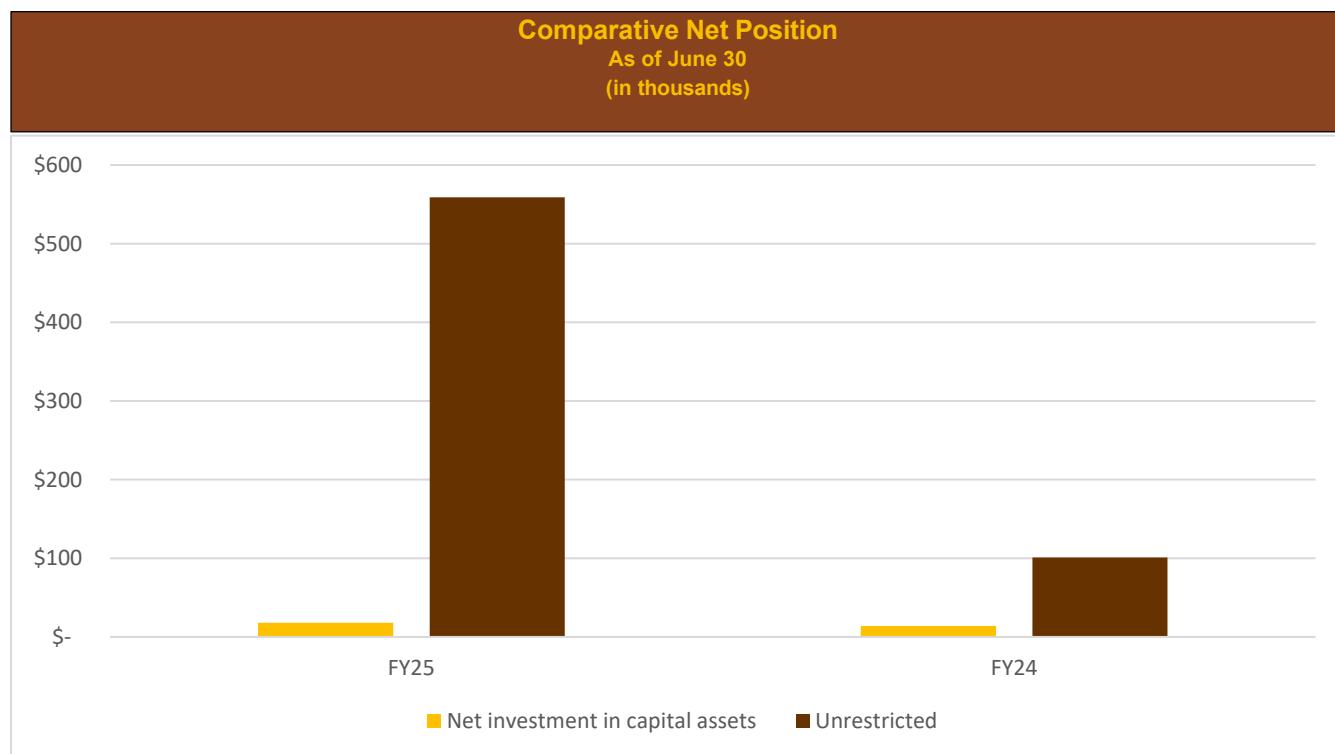
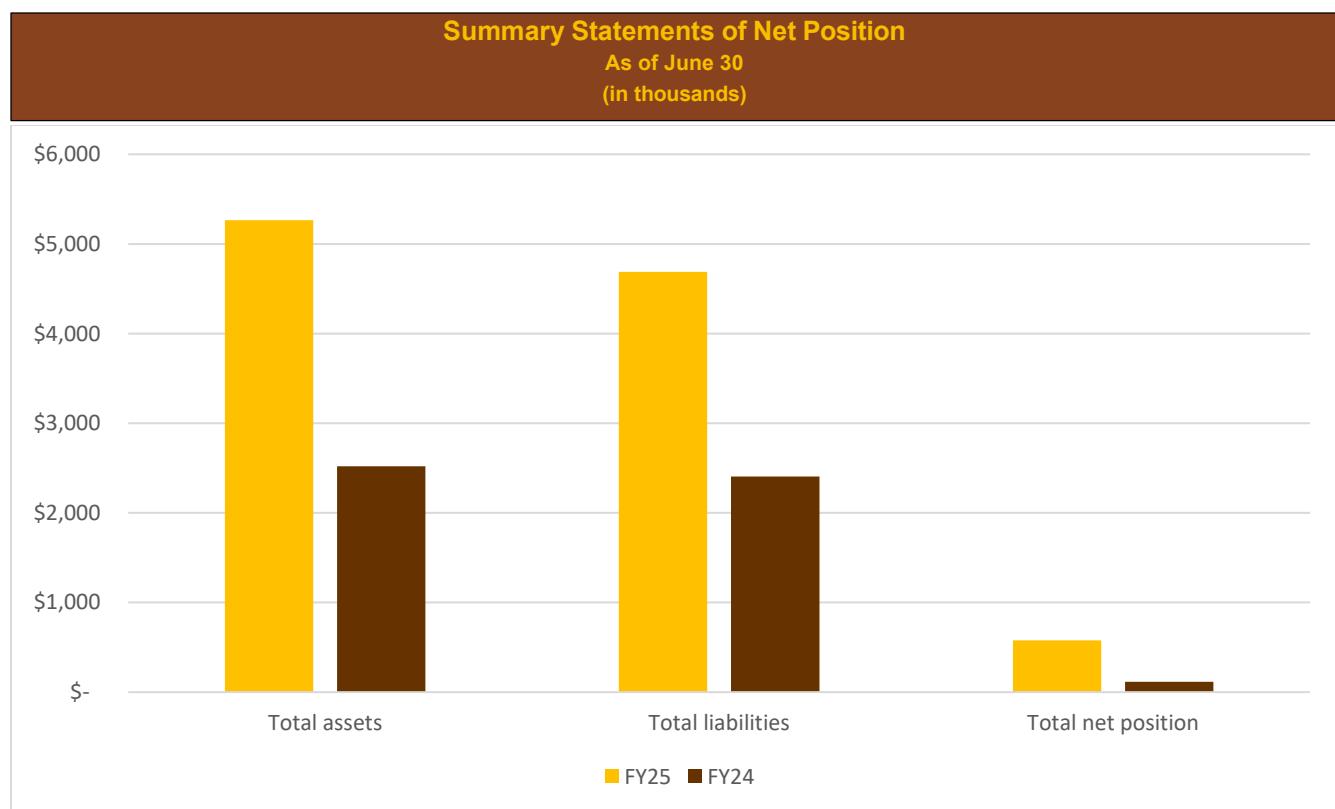
### *Fiscal Year 2025 Compared to Fiscal Year 2024*

Current assets increased by \$2,767 thousand, primarily due to a \$2,949 thousand increase in cash and cash equivalents, partially offset by a \$651 thousand decrease in amounts due from Rowan University and a \$469 thousand increase in receivables and other assets. Noncurrent assets decreased by \$22 thousand, reflecting depreciation on capital assets.

Current liabilities increased by \$601 thousand, primarily resulting from a \$2,438 thousand increase in accounts payable, offset by a \$1,823 thousand decrease in amounts due to Rowan University – current portion and a \$14 thousand decrease in subscription based IT liabilities – current portion. Noncurrent liabilities increased by \$1,682 thousand, attributable to a \$1,694 thousand increase in amounts due to Rowan University related to the establishment of a 10-year interest-bearing loan, partially offset by a \$12 thousand decrease in subscription based IT arrangements liabilities.

Total net position increased by \$462 thousand. Within total net position, net investment in capital assets increased by \$4 thousand, while unrestricted net position increased by \$458 thousand.

## Management's Discussion and Analysis (Unaudited)



### Statements of Revenues, Expenses, and Changes in Net Position

Changes in total net position, as presented in the Statements of Net Position, are derived from the activity reported in the Statements of Revenues, Expenses, and Changes in Net Position. The purpose of this statement is to present the revenues earned by REA, both operating and nonoperating, the expenses incurred, both operating and nonoperating, and any other revenues, expenses, gains, or losses recognized during the fiscal year.

Operating revenues are recognized when exchange transactions occur, that is, when REA provides goods or services to its customers and constituents in exchange for consideration. Operating expenses are those expenses incurred in the normal course of operations to acquire or produce the goods and services that generate operating revenues and to fulfill REA's mission. Nonoperating revenues and expenses include activities that are not derived from the provision of goods or services, such as interest and dividend income, other nonexchange revenues, and interest expense. The Statements of Revenues, Expenses, and Changes in Net Position present the results of REA's operating and non-operating activities for the fiscal year.

A condensed summary of REA's revenues, expenses, and changes in net position as of June 30, 2025 and 2024 is as follows:

Statements of Revenue, Expenses, and Changes in Net Position (in thousands)		
	2025	2024
Operating revenues:		
Program services fee	\$ 4,725	\$ 1,716
Total operating revenues	4,725	1,716
Operating expenses:		
Materials and supplies	203	102
Professional and other services	4,044	1,526
Amortization (note 5)	22	15
Total operating expenses	4,269	1,643
Operating income	456	73
Nonoperating revenues (expenses):		
Interest	53	43
Interest on long-term debt	(47)	(1)
Total nonoperating revenues, net	6	42
Change in net position	462	115
Net position as of beginning of year	115	—
Net position as of end of year	\$ 577	\$ 115

### Fiscal Year 2025 Compared to Fiscal Year 2024

The increase in operating revenues of \$3,009 thousand is primarily attributable to the opening of the Jean & Ric Edelman Fossil Park & Museum during the fiscal year ending June 30, 2025. Operating expenses increased \$2,626 thousand, reflecting a \$101 thousand increase in materials and supplies, a \$2,518 thousand increase in professional and other services, and a \$7 thousand increase in amortization expenses. Interest income increased by \$10 thousand, while interest expense increased by \$46 thousand due to payments made on the loan to Rowan University.

### **Subscription right-to-use IT Assets and Debt Activity**

As of June 30, 2025, and 2024, REA reported net investment in subscription right-to-use IT assets of \$30 thousand and \$52 thousand, respectively. Outstanding long-term debt totaled \$1,871 thousand as of June 30, 2025, compared to \$2,000 thousand as of June 30, 2024.

During fiscal year 2025, \$2,000 thousand short-term debt was converted to a permanent loan agreement upon execution of a management agreement between REA and Rowan University.

### **Future Outlook**

REA completed construction of the Jean & Ric Edelman Fossil Park & Museum of Rowan University during fiscal year 2025. The Organization's revenues are primarily derived from a management agreement executed with Rowan University for the fiscal year ended June 30, 2025. Pursuant to the terms of this agreement, the University compensates REA through a management fee. In addition, the University provides a program services fee to REA for all expenses directly associated with the operations of the Edelman Fossil Park and Museum of Rowan University. Revenue is recognized when it is earned and measurable, in accordance with GASB accounting standards.

Looking ahead, REA anticipates a modest but steady increase in revenues over the next several fiscal years. This growth is expected to be driven primarily by increased public attendance, expanded educational programming, and enhanced community engagement initiatives at the Edelman Fossil Park and Museum. As the Museum's visibility continues to strengthen through academic partnerships, outreach activities, and special events, REA projects a corresponding rise in earned revenues and related support from the University under the management agreement.

**ROWAN EDUCATIONAL ATTRACTIONS, INC.**  
 (A Component Unit of Rowan University)

Statements of Net Position

June 30, 2025 and 2024

<b>Assets</b>	<b>2025</b>	<b>2024</b>
<b>Current assets:</b>		
Cash and cash equivalents (note 2)	\$ 3,624,360	675,054
Due from Rowan University (note 6)	1,064,913	1,716,343
Receivables and other assets	545,554	76,903
Total current assets	<u>5,234,827</u>	<u>2,468,300</u>
<b>Noncurrent assets:</b>		
Subscription right-to-use IT assets (note 5)	<u>30,086</u>	<u>52,010</u>
Total noncurrent assets	<u>30,086</u>	<u>52,010</u>
Total assets	<u><u>5,264,913</u></u>	<u><u>2,520,310</u></u>
<b>Liabilities</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued expenses (note 3)	2,804,960	367,082
Loan from Rowan University (notes 4 and 5)	176,809	2,000,000
Subscription based IT liabilities – current portion (notes 4 and 5)	12,253	26,164
Total current liabilities	<u>2,994,022</u>	<u>2,393,246</u>
<b>Noncurrent liabilities:</b>		
Loan from Rowan University (notes 4 and 5)	1,694,221	—
Subscription based IT liabilities (notes 4 and 5)	—	12,253
Total noncurrent liabilities	<u>1,694,221</u>	<u>12,253</u>
Total liabilities	<u><u>4,688,243</u></u>	<u><u>2,405,499</u></u>
<b>Net Position</b>		
Net investment in capital assets	17,833	13,593
Unrestricted	<u>558,837</u>	<u>101,218</u>
Total net position	<u><u>\$ 576,670</u></u>	<u><u>114,811</u></u>

See accompanying notes to the financial statements.

**ROWAN EDUCATIONAL ATTRACTIONS, INC.**

(A Component Unit of Rowan University)

Statements of Revenues, Expenses, and Changes in Net Position

For the years ended June 30, 2025 and 2024

	<b>2025</b>	<b>2024</b>
Operating revenues:		
Program services fees (note 6)	\$ 4,725,197	1,716,343
Total operating revenues	<u>4,725,197</u>	<u>1,716,343</u>
Operating expenses:		
Materials and supplies	203,623	102,561
Professional and other services	4,044,025	1,526,104
Amortization (note 5)	<u>21,924</u>	<u>14,617</u>
Total operating expenses	<u>4,269,572</u>	<u>1,643,282</u>
Operating income	<u>455,625</u>	<u>73,061</u>
Nonoperating revenues (expenses):		
Interest income	53,187	42,540
Interest on debt	<u>(46,953)</u>	<u>(790)</u>
Total nonoperating revenues, net	<u>6,234</u>	<u>41,750</u>
Changes in net position	461,859	114,811
Net position as of beginning of year	<u>114,811</u>	<u>—</u>
Net position as of end of year	<u>\$ 576,670</u>	<u>114,811</u>

See accompanying notes to the financial statements.

**ROWAN EDUCATIONAL ATTRACTIONS, INC.**  
 (A Component Unit of Rowan University)

Statements of Cash Flows

For the years ended June 30, 2025 and 2024

	<b>2025</b>	<b>2024</b>
Cash flows from operating activities:		
Program services revenue	\$ 5,376,627	—
Payments to suppliers	<u>(2,278,420)</u>	<u>(1,338,486)</u>
Net cash provided by (used by) operating activities	<u>3,098,207</u>	<u>(1,338,486)</u>
Cash flows from capital and related financing activities:		
Proceeds from debt	1,000,000	2,000,000
Principal paid on debt	<u>(1,128,970)</u>	<u>—</u>
Principal paid on subscription liabilities	<u>(26,164)</u>	<u>(28,210)</u>
Interest paid on debt	<u>(46,337)</u>	<u>—</u>
Interest paid subscription liability	<u>(617)</u>	<u>(790)</u>
Net cash (used by) provided by financing activities	<u>(202,088)</u>	<u>1,971,000</u>
Cash flows from investing activities:		
Interest income	<u>53,187</u>	<u>42,540</u>
Net cash provided by investing activities	<u>53,187</u>	<u>42,540</u>
Net increase in cash and cash equivalents	<u>2,949,306</u>	<u>675,054</u>
Cash and cash equivalents as of beginning of year	<u>675,054</u>	<u>—</u>
Cash and cash equivalents as of end of year	<u>\$ 3,624,360</u>	<u>675,054</u>
Reconciliation of operating income to net cash provided by (used by) operating activities:		
Operating income	\$ 455,625	73,061
Adjustments to reconcile operating income to net cash provided by (used by) operating activities:		
Amortization	21,924	14,617
Changes in operating assets and liabilities:		
Due from Rowan University	651,430	(1,716,343)
Interest receivable	<u>(10,043)</u>	<u>—</u>
Receivables and other assets	<u>(458,607)</u>	<u>(76,903)</u>
Accounts payable and accrued expenses	<u>2,437,878</u>	<u>367,082</u>
Net cash provided by (used by) operating activities	<u>\$ 3,098,207</u>	<u>(1,338,486)</u>
Noncash transaction:		
Subscription asset additions	\$ —	66,627

See accompanying notes to the financial statements.

## **(1) Organization and Summary of Significant Accounting Policies**

### **(a) Organization**

Rowan Educational Attractions, Inc. (REA) was incorporated in the State of New Jersey in April 2000 under the original name of The Friends of Hollybush Inc. The Friends of Hollybush Inc. was a dormant entity as after its creation, Rowan University (the University) continued to directly maintain their historical sites. The name was changed in May 2023, and the mission was expanded to include operating for educational purposes as a supporting organization for the University to operate and maintain their educational sites including museums and historical sites. REA is an organization described under Section 501(c)(3) of the Internal Revenue Code and therefore exempt from Federal income taxes under Section 501(a) of the Code.

### **(b) Summary of Significant Accounting Policies**

#### *(i) Basis of Accounting and Presentation*

The accounting policies of REA conform to U.S. generally accepted accounting principles. REA reports are based on applicable Governmental Accounting Standards Board (GASB) pronouncements.

REA reports its net position in the following categories:

- Net investment in capital assets: Capital assets, including subscription-based information technology (IT) arrangements, net of accumulated depreciation and amortization, outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets, and any other capital-related liability.
- *Unrestricted*: Net position that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the Board of Directors.

The accompanying financial statements have been prepared on the accrual basis of accounting utilizing the economic resources measurement focus. REA reports as a special purpose government engaged in business-type activities. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods or services.

#### *(ii) Subscription-based IT Agreements*

REA has non-cancelable subscription-based IT arrangements for the right-to-use IT hardware and software (subscription IT arrangements).

#### Subscription IT Arrangements

For subscription IT arrangements with a maximum possible term of 12 months or less at commencement, REA recognizes expense based on the provisions of the subscription IT arrangement.

#### Subscription IT Arrangements Other Than Short-term

For all subscription IT arrangements, REA recognizes a subscription IT liability and an intangible right-to-use subscription IT asset.

### *Measurement of Subscription IT Amounts*

At subscription commencement, REA initially measures the subscription IT liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription IT liability is reduced by the principal portion of subscription payments made. The subscription IT asset is initially measured as the initial amount of the subscription IT liability, less subscription payments made at or before the subscription commencement date, less any vendor incentives received at or before the subscription commencement date, plus the capitalizable implementation costs. Subsequently, the subscription IT asset is amortized into amortization expense on a straight-line basis over the shorter of the subscription term or the useful life of the underlying hardware or software.

### *Key Estimates and Judgements*

Key estimates and judgements include how REA determines (1) the discount rate it uses to calculate the present value of the expected subscription payments, (2) subscription term, and (3) subscription payments.

- REA generally uses its estimated incremental borrowing rate as the discount rate for subscription IT arrangements unless the rate that the lessor/vendor charges is known. The incremental borrowing rate estimate is provided by an external financial advisor. REA's incremental borrowing rate for subscription IT arrangement is based on the rate of interest it would need to pay if it issued general obligation bonds to borrow an amount equal to the lease or subscription payments, respectively, under similar terms at the commencement or remeasurement date.
- The subscription term includes the noncancelable period of the subscription IT arrangement, plus any additional periods covered by either a REA or vendor unilateral option to (1) extend for which it is reasonably certain to be exercised, or (2) terminate for which it is reasonably certain not to be exercised. Periods in which both REA and the vendor have an option to terminate or if both parties have to agree to extend are excluded from the subscription term.
- Payments are evaluated by REA to determine if they should be included in the measurement of the subscription IT liabilities, including those payments that require a determination of whether they are reasonably certain of being made, such as purchase options or payments for termination penalties.

### *Remeasurement of Subscription Amounts*

REA monitors changes in circumstances that may require remeasurement of a subscription IT arrangement. When certain changes occur that are expected to significantly affect the amount of the subscription IT liability, the liability is remeasured, and a corresponding adjustment is made to the subscription IT asset.

### *Presentation in Statement of Net Position*

Subscription IT assets are reported within capital assets, and subscription IT liabilities are reported with long-term debt in the statement of net position.

#### *(iii) Classification of Revenue and Expenses*

REA's policy for defining operating activities in the statement of revenues, expenses, and changes in net position are those that serve REA's principal purpose and generally result from exchange

transactions. Examples include fees for services and expenses related to acquiring or producing goods and services provided in return for the fees. Nonoperating activities have the characteristics of nonexchange transactions, such as transfers from the University, interest and dividend income, other income and interest expense.

(iv) *Classification of Inventory*

REA maintains inventory for sale in the ordinary course of business. Inventories are valued using first in first out methodology and are presented in the receivables and other assets in the statement of net position.

(v) *Accounting Pronouncements Applicable to REA, Issued but Not Yet Effective*

REA has evaluated issued pronouncements not yet effective and determined they will not have a material impact. REA will continue to evaluate all pronouncements as they are issued to determine applicability.

(vi) *Use of Estimates*

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## **(2) Deposits**

Custodial credit risk associated with REA's cash and cash equivalents includes uninsured and uncollateralized deposits that exceed FDIC insurance coverage limits. REA's bank deposits as of June 30, 2025 and 2024 were partially insured by Federal Depository Insurance in the amount of \$250,000. As of June 30, 2025 and 2024, REA's bank deposits totaled \$3,568,274 and \$710,916, respectively, leaving uninsured and uncollateralized balances of \$3,318,274 and \$460,916, respectively.

## **(3) Accounts Payable and Accrued Expenses**

As of June 30, 2025, and 2024, REA's accounts payable and accrued expenses consisted of amounts due to vendors totaling \$2,804,960 and \$367,082, respectively. As of June 30, 2025, and 2024, REA had a current liability to the University totaling \$176,809 and \$2,000,000, respectively. The noncurrent portion of the liability to the University totaled \$1,694,221 and \$0, respectively.

## **(4) Debt**

In fiscal year 2024, REA entered into a temporary operating agreement, which included an interest free \$2,000,000 temporary funding agreement with the University. The \$2,000,000 was expected to be repaid or converted into a permanent loan agreement at the execution of a management agreement between REA and the University.

In August 2024, REA signed an amendment to the temporary operating agreement with the University, which provided an additional \$1,000,000 of initial funding.

In November 2024, REA finalized its management agreement with the University. Under the terms of the agreement, the initial \$2,000,000 funding provided through the temporary operating agreement was converted into a 10-year loan bearing interest at an annual rate of 3.18%.

The \$1,000,000 provided through the amendment to the temporary operating agreement remained interest-free and was repaid to the University in a lump-sum payment on June 27, 2025.

## Notes to the Financial Statements

Changes in debt for the period ending June 30, 2025, and 2024 are as follows:

2025 Debt Obligations Rollforward					
	Beginning balance	Additions	Reductions	Ending balance	Due within One Year
Rowan University Subscriptions	\$ 2,000,000 38,417	1,000,000 —	1,128,970 26,164	1,871,030 12,253	176,809 12,253
Total debt obligations	\$ 2,038,417	1,000,000	1,155,134	1,883,283	189,062

2024 Debt Obligations Rollforward					
	Beginning balance	Additions	Reductions	Ending balance	Due within One Year
Rowan University Subscriptions	\$ — —	2,000,000 66,627	— 28,210	2,000,000 38,417	2,000,000 26,164
Total debt obligations	\$ —	2,066,627	28,210	2,038,417	2,026,164

REA does not have any open lines of credit.

### (5) SBITAs

#### (a) SBITA

As discussed in note 1(b)(iii), REA is a party to a noncancelable SBITA for the right-to-use IT software.

A summary of subscription assets activity for the years ended June 30, 2025 and 2024 are as follows:

2025	Right-of-use Assets			
	Beginning balance	Additions/ Transfers	Deletions/ transfers	Ending balance
Right-of-use assets:				
Subscriptions	\$ 66,627	—	—	66,627
Total right-of-use assets	66,627	—	—	66,627
Less accumulated amortization:				
Right-of-use assets:				
Subscriptions	14,617	21,924	—	36,541
Total accumulated amortization	14,617	21,924	—	36,541
Total right-of-use assets, net	\$ 52,010	(21,924)	—	30,086

2024	Right-of-use Assets				Ending balance
	Beginning balance	Additions/Transfers	Deletions/transfers		
Right-of-use assets:					
Subscriptions	\$ —	66,627	—	—	66,627
Total right-of-use assets	—	66,627	—	—	66,627
Less accumulated amortization:					
Right-of-use assets:					
Subscriptions	—	14,617	—	—	14,617
Total accumulated amortization	—	14,617	—	—	14,617
Total right-of-use assets, net	\$ —	52,010	—	—	52,010

*Subscription liabilities*

A summary of changes in the related subscription liabilities for the years ended June 30, 2025, and 2024 is as follows:

	2025 Subscription Liabilities					
	Beginning balance	Additions	Remeasurements	Reductions	Ending balance	Due within One Year
Subscriptions	\$ 38,417	—	—	26,164	12,253	12,253
Total leases	\$ 38,417	—	—	26,164	12,253	12,253

	2024 Subscription Liabilities					
	Beginning balance	Additions	Remeasurements	Reductions	Ending balance	Due within One Year
Subscriptions	\$ —	66,627	—	28,210	38,417	26,164
Total leases	\$ —	66,627	—	28,210	38,417	26,164

Future payments due under operating SBITAs as of June 30, 2025, and 2024 are as follows:

Subscription Payments			
	Principal amount	Interest amount	Total amount
Year ending June 30:			
2026	\$ 12,253	128	12,381
	\$ 12,253	128	12,381

### **(6) Related Party Transactions**

REA and the University entered into a management services agreement for REA to provide certain services and functions to the University. The University pays REA for these services through a management fee.

In accordance with GASB revenue recognition principles, revenue is recognized when it is earned and can be measured reliably. Amounts collected by REA in advance of earnings are recorded as unearned revenue until the underlying exchange transaction has occurred. Once earned, the related revenue is transferred to the University. REA utilizes the collected revenues to prepare and submit invoices to the University, and the net amount recognized as revenue represents the billings issued to the University pursuant to the terms of the management agreement. Additionally, the University pays a program services fee to REA for all expenses directly associated with the operations of the Edelman Fossil Park and Museum of Rowan University.

No management fee was charged during the fiscal years ended June 30, 2025 and 2024. The total program services fee was \$4,725,197 and \$1,716,343 in the fiscal year 2025 and 2024, respectively.

### **(7) Subsequent Events**

REA evaluated events subsequent to June 30, 2025 and through November 19, 2025, the date of which the financial statements were issued. REA determined that there were no subsequent events to disclose.