

**SCHOOL DISTRICT**

**OF**

**RUMSON**

**RUMSON BOARD OF EDUCATION  
RUMSON, NEW JERSEY**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**OF THE**

**RUMSON BOARD OF EDUCATION**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**PREPARED BY**

**RUMSON BOARD OF EDUCATION  
FINANCE DEPARTMENT**

**RUMSON SCHOOL DISTRICT**

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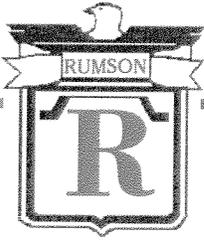
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## **INTRODUCTORY SECTION**



BOARD OF EDUCATION OF THE BOROUGH OF RUMSON

Forrestdale School • Forrest Avenue • Rumson, N.J. 07760 • (732) 842-0354 • Fax: (732) 842-4877

Honorable President and  
Members of the Board of Education  
Rumson School District  
County of Monmouth, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Rumson School District ("District") for the fiscal year ended June 30, 2015 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 Rumson Board of Education ("Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operation of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual 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, a roster of principal officials and a list of consultants and advisors. The financial section includes the district-wide and fund financial statements and schedules, as well as the auditor's report and the Management's Discussion and Analysis. The statistical section includes selected financial statements and schedules as well as information generally presented on a multi-year basis.

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, the U.S. Office of Management and Budget ("OMB") Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and the State Treasury OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid Payments. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

Respectfully submitted,

Maryrose Caulfield-Sloan  
Maryrose Caulfield-Sloan  
Superintendent of Schools

  
Denise C. Friedmann  
Denise C. Friedmann  
Business Administrator/Board Secretary

RUMSON BD OF EDUCATION  
Rumson, New Jersey

Roster of Officials

June 30, 2015

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
Colleen O'Connor, President	2017
Margaret Simons, Vice President	2015
John Connors	2015
Russell Binns	2016
Diane MacGillis	2016
Maura Beyer	2017
Elaine Melia	2016
Charles Jones	2015
Kim Swain	2017

Other Official

Maryrose Caulfield-Sloan, Superintendent of Schools

Denise C. Friedmann, Business Administrator/Board Secretary

Anthony Sciarrillo, Esq., Solicitor

**RUMSON BOARD OF EDUCATION**

RUMSON, NEW JERSEY

Consultants and Advisors

**AUDIT FIRM**

Robert Hulsart  
2807 Hurley Pond Rd  
Wall, NJ 07719

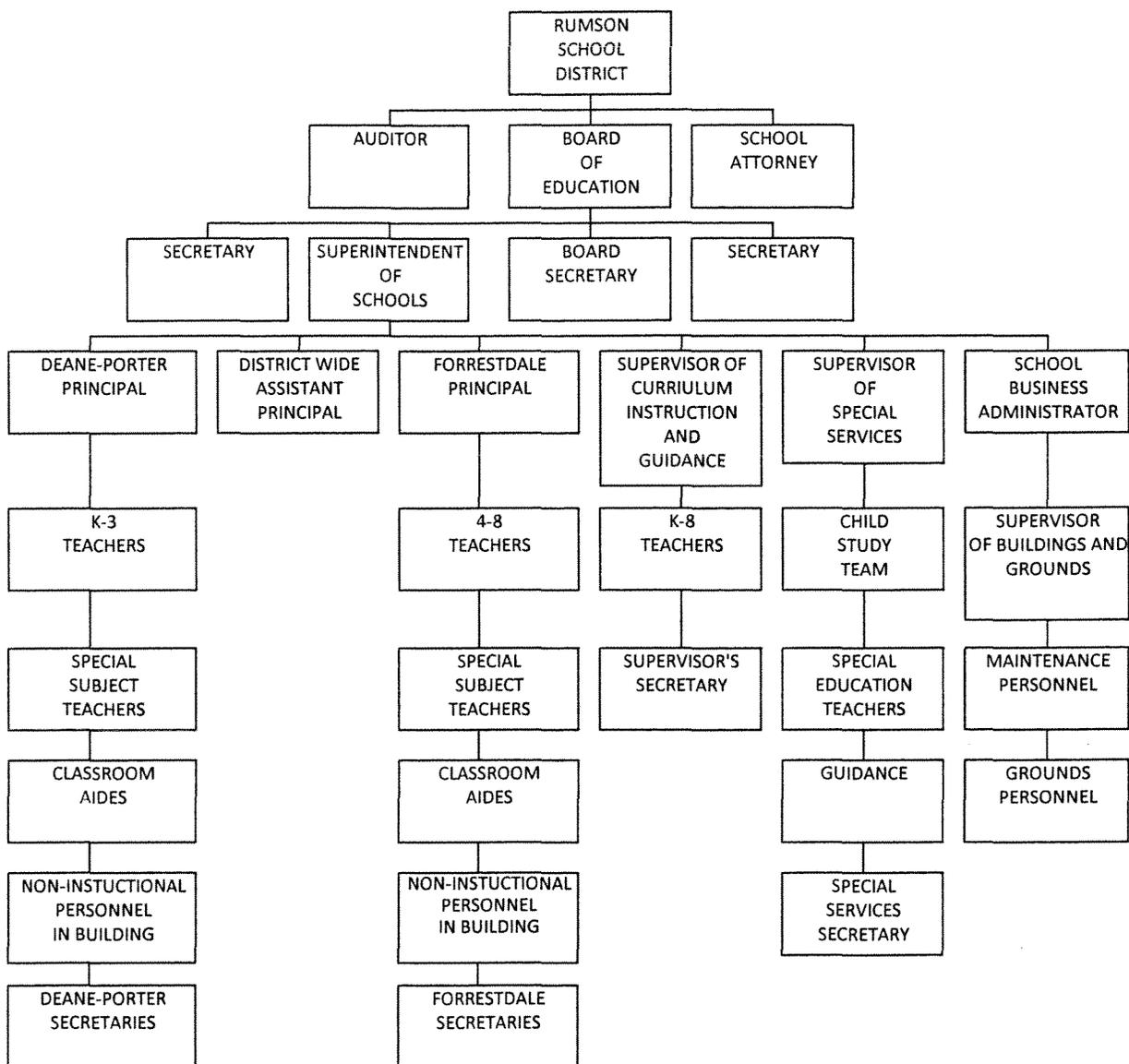
**Attorney**

Anthony Sciarrillo, Esq.  
238 St. Paul St.  
Westfield, NJ 07090

**Official Depository**

TD Bank  
River Rd.  
Fair Haven, NJ 07704

# RUMSON SCHOOL DISTRICT



**FINANCIAL SECTION**

# Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

5.

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)  
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.  
ROBERT A. HULSART, JR., C.P.A., P.S.A.

RICHARD J. HELLENBRECHT, JR., C.P.A., P.S.A.

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Wall, New Jersey 07719-1409  
(732) 681-4990

## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Education  
Rumson School District  
County of Monmouth  
Rumson, New Jersey

### **Report on the Financial Statements**

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 Board of Education of the Rumson School District, in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### Auditors Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Opinions*

In our opinion, the 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 Board of Education of the Rumson School District, in the County of Monmouth, State of New Jersey, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### *Other Matters*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government 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.

The accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, and statistical 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. Such 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 standard generally accepted in the United States of America. In our opinion, the accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, and statistical information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying introductory section and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules, and statistical information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and New Jersey OMB's Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid respectively, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2015 on our consideration of the Rumson's Board of Education internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Rumson Board of Education's internal control over financial reporting and compliance.

Respectfully submitted,

**ROBERT A. HULSART AND COMPANY**

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**Robert A. Hulsart**  
**Licensed Public School Accountant**  
**No. 322**  
**Robert A. Hulsart and Company**  
**Wall Township, New Jersey**

December 18, 2015

**REQUIRED SUPPLEMENTARY INFORMATION  
PART I**

**RUMSON SCHOOL DISTRICT**

**BOROUGH OF RUMSON**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

The discussion and analysis of Rumson School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; it should be read in conjunction with the Comprehensive Annual Financial Report's (CAFR) Letter of Transmittal which is found in the Introductory Section, and the School Board's financial statements found in the Financial Section and the notes thereto.

**Financial Highlights**

Key Financial highlights for the 2014-2015 fiscal year are as follows:

- The total Governmental net position included \$4,720,542 of capital assets and \$1,765,187 of restricted assets designated for state and federal projects, capital projects, and capital reserve.
- Total revenues for the year were \$17,732,018 which included \$17,300,385 in Governmental Funds, and \$431,633 for Proprietary Funds.
- There was state aid payments of \$35,927 that was not made in 2014-15 as a result of the New Jersey Legislature's Appropriations Act. This amount will be received in 2015-16.
- Total District expenditures were \$17,346,292 of which \$16,913,215 were for Governmental Funds and \$433,077 for Proprietary Funds.

**Using this Comprehensive Annual Financial Report (CAFR)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Rumson School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Position and Statement of Activities* provide information about the activities of the whole school district, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Rumson School District, the General Fund is the most significant fund, with the Special Revenue Fund and certain Proprietary Funds also having significance.

The School Board's auditor has provided assurance in his Independent Auditor's Report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. A user of this report should read the Independent Auditor's Report carefully to ascertain the level of assurance being provided for each of the other parts of the Financial Section.

## **Reporting the School District as a Whole**

### **Statement of Net Position and the Statement of Activities**

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions. The Statement of Net Position and the Statement of Activities helps provide this information. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

- **Governmental activities** – All of the School District's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- **Business-Type Activities** – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service Enterprise Fund, the Extended Day Care and Summer Camp Programs are reported as a business activities.

## **Reporting the School District's Most Significant Funds**

### **Fund Financial Statements**

Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund and Debt Service Fund.

### **Governmental Funds**

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

## Proprietary Funds

The Proprietary Funds uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

## The School District as a Whole

Table 1 provides a summary of the School District's net position for the fiscal year 2014-2015 and 2013-2014.

**Table 1**  
**Net Position**

	<u>2014-2015</u>	<u>2013-2014</u>
<b><u>Assets</u></b>		
Current and Other Assets	\$ 2,776,772	1,823,191
Capital Assets, Net	<u>10,708,969</u>	<u>15,611,134</u>
Total Assets	<u>\$ 13,485,741</u>	<u>17,434,325</u>
<b><u>Deferred Outflow of Resources</u></b>		
Bond Issue Refunding Loss	\$ 357,600	
Unamortized Loss on Early Refunding of Debt		402,300
Contribution to Pension Plan	<u>248,988</u>	<u>          </u>
	<u>\$ 606,588</u>	<u>402,300</u>
<b><u>Deferred Inflow of Resources</u></b>		
Pension Deferrals	<u>\$ 222,158</u>	<u>          </u>
<b><u>Liabilities</u></b>		
Current Liabilities	\$ 526,322	128,691
Other Liabilities	<u>9,708,627</u>	<u>7,277,508</u>
Total Liabilities	<u>\$ 10,234,949</u>	<u>7,406,199</u>
<b><u>Net Position</u></b>		
Invested in Capital Assets, Net of Debt	\$ 4,776,969	8,141,369
Restricted	1,765,187	1,955,546
Unrestricted	<u>(2,906,934)</u>	<u>333,511</u>
Total Net Position	<u>\$ 3,635,222</u>	<u>10,430,426</u>

Table 2 shows the changes in net position for fiscal year 2014-2015 and 2013-2014.

**Table 2**  
**Changes in Net Position**

	<u>2014-2015</u>	<u>2013-2014</u>
<b><u>Revenues</u></b>		
Program Revenues		
Charges for Services	\$ 614,759	645,447
Operating Grants and Contributions	482,453	581,572
General Revenues		
Property Taxes	14,649,559	14,442,789
Grants and Entitlements	2,051,159	1,671,333
Other	<u>(65,912)</u>	<u>41,783</u>
Total Revenues	<u>17,732,018</u>	<u>17,382,924</u>
<b><u>Program Expenses</u></b>		
Instruction	6,515,505	6,381,572
Tuition	432,509	470,233
Depreciation	573,268	
Support Services		
Pupils/Instructional Services	1,834,965	1,796,507
Administrative-General, School, Business	1,432,608	1,378,405
Operations and Maintenance of Facilities	1,166,708	1,124,754
Pupil Transportation	676,138	806,428
Employee Benefits	4,063,490	3,709,577
Debt Service	218,024	283,245
Other		436,058
Food Service	<u>433,077</u>	<u>388,173</u>
Total	<u>17,346,292</u>	<u>16,774,952</u>
Increase (Decrease) in Net Position	<u>\$ 385,726</u>	<u>607,972</u>

### **Governmental Activities**

Local property taxes accounted for 83% of governmental fund revenues in 2014-15.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services.

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student.

Extra Curricular activities include school sponsored co-curricular activities such as publications, clubs, drama and music as well as interscholastic athletics.

Pupils/Instructional services include the activities involved with providing support services to pupils, both regular and special education, educational media services and assisting the staff with the content and process of teaching to students, including curriculum and staff development.

### **Governmental Activities (Continued)**

General administration, school administration and business include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in an effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Employee Benefits represent the cost of employer's share of pension and social security, health and dental insurance premiums, compensation for retiring employees' accumulated sick leave pursuant to collective bargaining agreements, and custodial uniforms.

Capital Outlay includes equipment items with a unit cost of \$2,000 or more, and facilities acquisition and construction services.

Debt Service involves the transactions associated with the payment of principal and interest on previously authorized debt incurred by the School District.

### **Business-Type Activities**

Revenues for the District's business-type activities (food service program and summer camp) were comprised of charges for services and federal and state reimbursements.

- Food service expenses exceeded revenues by \$1,584.
- Charges for services represent \$431,439 of revenue. This represents amount paid by patrons for daily food services.

### **The School Board's Funds**

The School Board uses funds to control and manage money for particular purposes. The Fund's basic financial statements allows the School Board to demonstrate its stewardship over and accountability for resources received from the Borough of Rumson's taxpayer's and other entities, including the State of New Jersey and the Federal Government. These statements also allow the reader to obtain more insight into the financial workings of the School Board, and assess further the School Board's overall financial health.

The School Board's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

Over the course of the year, the School Board revises its budget as it attempts to take into consideration unexpected changes in revenue and expenditures. A schedule showing the School Board's original and final budget compared with actual operating results is provided in the section of the CAFR, entitled Budgetary Comparison Schedules.

**Capital Assets**

At June 30, 2015, the School Board had approximately \$10,708,968 million invested in a broad range of capital assets, including land, buildings, furniture, vehicles, computers, instructional equipment and other equipment. This amount is net of accumulated depreciation to date. Table 3 below shows the net book value of capital assets at the end of the 2015 fiscal year.

**Table 3**

	<u>Governmental Activities</u>	<u>Business Type Activities</u>
Capital Assets at June 30, 2015		
Land	\$ 2,314,500	
Site Improvements	106,490	
Buildings	7,469,535	
Equipment	<u>762,017</u>	<u>56,426</u>
Total	<u>\$ 10,652,542</u>	<u>56,426</u>

**Debt Administration**

At June 30, 2015, the School District had \$9,708,627 as outstanding debt. Of this amount \$195,889 is for compensated absences, and \$5,932,000 for bonds for school improvement, \$406,270 is unamortized bond premium, and \$3,084,468 is deferred pension liability.

**Economic Factors and Next Year’s Budget**

At this time, the most important factor affecting the budget is the unsettled situation with State Aid, and recent legislation affecting future school budgets. The District can only assume that current funding levels from the state will be maintained, however, the legislation further restricts budget growth. The District expects to experience additional growth in student population. Additionally costs for personnel, special education and energy are expected to continue to increase. The tax levy will likely be the area that will need to absorb most of the increase in budget obligations.

In conclusion, the Rumson School District has committed itself to a thorough and efficient operation for delivering educational services to its school children. The School District is carefully managing its resources, and is planning to meet its future educational needs in as fiscally prudent a manner as possible.

**Contacting the School District’s Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District’s finances and to show the School District’s accountability for the money it receives. If you have questions about this report or need additional information contact Bruce Quinn, School Business Administrator at Rumson Board of Education, 60 Forrest Avenue, Rumson, NJ 07760.

## **BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS – A**

**RUMSON SCHOOL DISTRICT**

**STATEMENT OF NET POSITION**

Exhibit A-1

**JUNE 30, 2015**

	<b><u>Governmental Activities</u></b>	<b><u>Business-Type Activities</u></b>	<b><u>Total</u></b>
<b><u>Assets</u></b>			
Cash and Cash Equivalents	\$ -	164,707	164,707
Receivables, Net	213,916	2,159	216,075
Inventory		2,734	2,734
Restricted Assets:			
Cash and Cash Equivalents	1,616,391		1,616,391
Capital Reserve Account - Cash	776,865		776,865
Capital Assets - (Non-Depreciable)	2,314,500		2,314,500
Capital Assets, Net (Note 1)	8,338,042	56,427	8,394,469
Total Assets	<u>13,259,714</u>	<u>226,027</u>	<u>13,485,741</u>
<b><u>Deferred Outflow of Resources</u></b>			
Contribution to Pension Plan	248,988		248,988
Bond Issue Refunding Loss	357,600		357,600
Total Deferred Outflow of Resources	<u>606,588</u>		<u>606,588</u>
<b><u>Deferred Inflow of Resources</u></b>			
Pension Deferrals	222,158		222,158
Total Deferred Inflow of Resources	<u>222,158</u>		<u>222,158</u>
<b><u>Liabilities</u></b>			
Accounts Payable and Accrued Interest	486,832	25,510	512,342
Deferred Revenue	2,500	11,480	13,980
Noncurrent Liabilities: (Note 3)			
Due Within One Year	605,000		605,000
Due Beyond One Year	9,103,627		9,103,627
Total Liabilities	<u>10,197,959</u>	<u>36,990</u>	<u>10,234,949</u>
<b><u>Net Position</u></b>			
Invested in Capital Assets, Net of Related Debt	4,720,542	56,427	4,776,969
Restricted For:			
Debt Service	42,171		42,171
Capital Projects	4,575		4,575
Other	1,718,441		1,718,441
Unrestricted	<u>(3,039,544)</u>	<u>132,610</u>	<u>(2,906,934)</u>
Total Net Position	<u>\$ 3,446,185</u>	<u>189,037</u>	<u>3,635,222</u>

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

**RUMSON SCHOOL DISTRICT**

Exhibit A-2

Sheet 1 of 2

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2015**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b><u>Functions/Programs</u></b>						
Governmental Activities:						
Instruction:						
Regular	\$ 5,015,205			(5,015,205)		(5,015,205)
Special Education	1,390,056		301,318	(1,088,738)		(1,088,738)
Other Special Instruction	54,378			(54,378)		(54,378)
Other Instruction	55,866			(55,866)		(55,866)
Support Services:						
Tuition	432,509	183,266		(249,243)		(249,243)
Student & Instruction Related Services	1,834,965		181,135	(1,653,830)		(1,653,830)
School Administrative Services	568,425			(568,425)		(568,425)
General and Business Administrative Services	864,183			(864,183)		(864,183)
Plant Operations and Maintenance	1,166,708			(1,166,708)		(1,166,708)
Pupil Transportation	676,138			(676,138)		(676,138)
Employee Benefits	4,063,490			(4,063,490)		(4,063,490)
Interest on Long-Term Debt	218,024			(218,024)		(218,024)
Depreciation	573,268			(573,268)		(573,268)
<b>Total Government Activities</b>	<b>16,913,215</b>	<b>183,266</b>	<b>482,453</b>	<b>(16,247,496)</b>	<b>-</b>	<b>(16,247,496)</b>
Business-Type Activities:						
Food Service	433,077	431,493			(1,584)	(1,584)
<b>Total Business-Type Activities</b>	<b>433,077</b>	<b>431,493</b>	<b>-</b>	<b>-</b>	<b>(1,584)</b>	<b>(1,584)</b>
<b>Total Primary Government</b>	<b>17,346,292</b>	<b>614,759</b>	<b>482,453</b>	<b>(16,247,496)</b>	<b>(1,584)</b>	<b>(16,249,080)</b>

**RUMSON SCHOOL DISTRICT**

Exhibit A-2

Sheet 2 of 2

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
General Revenues:						
Taxes						
Property Taxes, Levied for General Purpose, Net				13,961,354		13,961,354
Taxes Levied for Debt Service				688,205		688,205
Federal and State Aid Not Restricted				2,051,159		2,051,159
Miscellaneous Income				57,214	140	57,354
Adjustments and Transfers				(123,266)		(123,266)
Total General Revenues and Transfers				<u>16,634,666</u>	<u>140</u>	<u>16,634,806</u>
Change in Net Position				387,170	(1,444)	385,726
Restatement for Pensions				(3,084,468)		(3,084,468)
Net Position - Beginning (Restated)				<u>6,143,483</u>	<u>190,481</u>	<u>6,333,964</u>
Net Position - Ending				<u>\$ 3,446,185</u>	<u>189,037</u>	<u>3,635,222</u>

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

**FUND FINANCIAL STATEMENTS – B**

BALANCE SHEETGOVERNMENTAL FUNDS

JUNE 30, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b><u>Assets</u></b>					
Cash and Cash Equivalents-Restricted	\$ 1,931,778		419,307	42,171	2,393,256
Receivables, Net	197,534	16,382			213,916
Interfund Receivable	16,382				16,382
Total Assets	<u>\$ 2,145,694</u>	<u>16,382</u>	<u>419,307</u>	<u>42,171</u>	<u>2,623,554</u>
<b><u>Liabilities and Fund Balance</u></b>					
Liabilities:					
Accounts Payable	\$ -		414,732		414,732
Interfund Payable	-	16,382			16,382
Deferred Revenue	2,500				2,500
Total Liabilities	<u>2,500</u>	<u>16,382</u>	<u>414,732</u>	<u>-</u>	<u>433,614</u>
Fund Balance:					
Restricted for:					
Excess Surplus	204,446				204,446
Excess Surplus Designated for Subsequent Year's Expenditures	196,629				196,629
Committed To:					
Capital Reserve Account	776,865				776,865
Emergency Reserve	200,000				200,000
Maintenance Reserve	232,000				232,000
Maintenance Reserve Designated for Subsequent Year's Expenditures	33,000				33,000
Assigned To:					
Designated for Subsequent Year's Expenditures	7,616			42,171	49,787
Other Purposes	67,885				67,885
Unassigned:					
Capital Projects			4,575		4,575
General Fund	424,753				424,753
Total Fund Balances	<u>2,143,194</u>	<u>-</u>	<u>4,575</u>	<u>42,171</u>	<u>2,189,940</u>
Total Liabilities and Fund Balance	<u>\$ 2,145,694</u>	<u>16,382</u>	<u>419,307</u>	<u>42,171</u>	

Amounts reported for governmental activities in the Statement of Net Position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$19,502,931 and the accumulated depreciation is \$8,850,389.	10,652,542
Deferred outflow of resources - contributions to the pension plan	248,988
Deferred inflow of resources - acquisition of assets applicable to future reporting periods	(222,158)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(9,708,627)
Unamortization Portion of Loss on Refunding	357,600
Accrued Interest	(72,100)
Net Position of Governmental Activities	<u>\$ 3,446,185</u>

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

**RUMSON SCHOOL DISTRICT**

Exhibit B-2

Sheet 1 of 2

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

**GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2015**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b><u>Revenues</u></b>					
Local Sources:					
Local Tax Levy	\$ 13,961,354			688,205	14,649,559
Tuition Charges	183,266				183,266
Miscellaneous	57,214				57,214
Total Local Sources	14,201,834	-	-	688,205	14,890,039
State Sources	1,944,438	148,105		106,721	2,199,264
Federal Sources		334,348			334,348
Total Revenues	16,146,272	482,453	-	794,926	17,423,651
<b><u>Expenditures</u></b>					
Current:					
Regular Instruction	5,015,205				5,015,205
Special Education Instruction	1,088,738	301,318			1,390,056
Other Special Instruction	54,378				54,378
Other Instruction	55,866				55,866
Support Services and Undistributed Costs:					
Tuition	432,509				432,509
Student and Instruction Related Services	1,653,830	181,135			1,834,965
School Administrative Services	568,425				568,425
Other Administrative Services	864,183				864,183
Plant Operations and Maintenance	1,166,708				1,166,708
Pupil Transportation	676,138				676,138
Unallocated Benefits	4,091,635				4,091,635
Debt Service:					
Principal				590,000	590,000
Interest and Other Charges				239,926	239,926
Capital Outlay	127,539		460,900		588,439
Total Expenditures	15,795,154	482,453	460,900	829,926	17,568,433

**RUMSON SCHOOL DISTRICT**

Exhibit B-2

Sheet 2 of 2

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

**GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2015**

	<b><u>General Fund</u></b>	<b><u>Special Revenue Fund</u></b>	<b><u>Capital Projects Fund</u></b>	<b><u>Debt Service Fund</u></b>	<b><u>Total Governmental Funds</u></b>
Excess (Deficiency) of Revenues Over Expenditures	<u>351,118</u>	<u>-</u>	<u>(460,900)</u>	<u>(35,000)</u>	<u>(144,782)</u>
Other Financing Sources and (Uses):					
Prior Year Encumbrances not Rolled Over Charged as Accounts Payable	(148,505)	-	-	-	(148,505)
Interfund Payable Cancelled	25,239	-	-	-	25,239
Transfer to Capital Projects	<u>(460,900)</u>	<u>-</u>	<u>460,900</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(233,048)</u>	<u>-</u>	<u>-</u>	<u>(35,000)</u>	<u>(268,048)</u>
Fund Balance - July 1	<u>2,376,242</u>	<u>-</u>	<u>4,575</u>	<u>77,171</u>	<u>2,457,988</u>
Fund Balance - June 30	<u>\$ 2,143,194</u>	<u>-</u>	<u>4,575</u>	<u>42,171</u>	<u>2,189,940</u>

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

**RUMSON SCHOOL DISTRICT**

Exhibit B-3

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**

**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**

**TO THE STATEMENT OF ACTIVITIES**

**JUNE 30, 2015**

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ (268,048)

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 capital outlays exceeded depreciation in the period.

Depreciation Expense	(573,268)	
Capital Outlays	588,439	
	15,171	15,171

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. 590,000

Bond Premium/(Discount) 17,334

Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position 248,988

Pension related deferrals (222,158)

Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net position.

Accrued Interest 4,568

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 reduction in the reconciliation; when the paid amount exceeds the earned amount the difference is an addition to the reconciliation.

1,315

Change in Net Position of Governmental Activities \$ 387,170

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

**RUMSON SCHOOL DISTRICT**

**STATEMENT OF NET POSITION**

Exhibit B-4

**PROPRIETARY FUNDS**

**JUNE 30, 2015**

	<b><u>Business-Type Activities Enterprise Funds</u></b>
<b><u>Assets</u></b>	
Current Assets:	
Cash and Cash Equivalents	\$ 164,707
Accounts Receivable:	
Student Accounts	2,159
Inventory	2,734
Total Current Assets	<u>169,600</u>
Noncurrent Assets	
Equipment	201,754
Accumulated Depreciation	<u>(145,327)</u>
Total Fixed Assets	<u>56,427</u>
Total Assets	<u>\$ 226,027</u>
<b><u>Liabilities</u></b>	
Current Liabilities:	
Deferred Revenue	\$ 11,480
Accounts Payable	<u>25,510</u>
Total Current Liabilities	<u>\$ 36,990</u>
<b><u>Net Position</u></b>	
Investment in Capital Assets	\$ 56,427
Unrestricted	<u>132,610</u>
Total Net Position	<u>\$ 189,037</u>

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

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

Exhibit B-5

PROPRIETARY FUNDS

JUNE 30, 2015

	<u>Business-Type Activities Enterprise Funds</u>
Operating Revenues:	
Daily Sales	\$ 431,493
Total Operating Revenues	<u>431,493</u>
Operating Expenses:	
Salaries	130,237
Other Employee Benefits	21,746
Cost of Sales	175,900
Supplies and Materials	10,052
Management Fee	15,000
Depreciation	9,938
Insurance	11,596
Miscellaneous	58,608
Operating Expenses	<u>433,077</u>
Operating Gain/(Loss)	(1,584)
Non-Operating Revenues:	
Interest Revenue	140
Total Non-Operating Revenues	<u>140</u>
Change in Net Position	(1,444)
Adjustment for Fixed Assets	1,408
Total Net Position - Beginning	<u>189,073</u>
Total Net Position - Ending	<u>\$ 189,037</u>

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

RUMSON SCHOOL DISTRICTSTATEMENT OF CASH FLOWSPROPRIETARY FUNDSJUNE 30, 2015

Exhibit B-6

	<u>Business-Type Activities Enterprise Funds</u>
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 431,493
Payments for Salaries	(130,237)
Payments to Suppliers	(268,444)
Net Provided (Used) by Operating Activities	<u>32,812</u>
Cash Flows from Investing Activities	
Interest Earned	140
Net Cash Provided by Investing Activities	<u>140</u>
Net Increase (Decrease) in Cash and Cash Equivalents	32,952
Balances - Beginning of Year	<u>131,755</u>
Balances - End of Year	<u>\$ 164,707</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ (1,584)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities	
Depreciation	9,938
Decrease/(Increase) in Inventory	(1,219)
(Decrease)/Increase in Accounts Payables	26,121
Decrease/(Increase) in Accounts Receivable	(444)
Net Provided (Used) by Operating Activities	<u>\$ 32,812</u>

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

**RUMSON SCHOOL DISTRICT**

**STATEMENT OF FIDUCIARY NET POSITION**

Exhibit B-7

**FIDUCIARY FUNDS**

**JUNE 30, 2015**

	<b><u>Unemployment Compensation Trust</u></b>	<b><u>Scholarship Fund</u></b>	<b><u>Agency Fund</u></b>
Assets:			
Cash and Cash Equivalents	<u>\$ 89,914</u>	<u>104,231</u>	<u>126,362</u>
Total Assets	<u><u>\$ 89,914</u></u>	<u><u>104,231</u></u>	<u><u>126,362</u></u>
Liabilities:			
Due to State Groups	<u>\$ -</u>		<u>112,859</u>
Payroll Deductions and Withholdings			<u>13,503</u>
Total Liabilities			<u><u>126,362</u></u>
Net Position:			
Reserved - Scholarship		<u>104,231</u>	
Reserved - Unemployment Benefits	<u>89,914</u>		
Total Net Position	<u><u>\$ 89,914</u></u>	<u><u>104,231</u></u>	

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

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Exhibit B-8

FIDUCIARY FUNDS

JUNE 30, 2015

	<u>Unemployment Compensation Trust</u>	<u>Scholarship Fund</u>
<b><u>Additions</u></b>		
Contributions	\$ 694,936	58,246
Total Contributions	<u>694,936</u>	<u>58,246</u>
Investment Earnings:		
Interest		55
Net Investments Earnings	<u>-</u>	<u>55</u>
Total Additions	<u>694,936</u>	<u>58,301</u>
<b><u>Deductions</u></b>		
Unemployment Claims		80,243
Scholarship Payments	603,759	
Total Deductions	<u>603,759</u>	<u>80,243</u>
Change in Net Position	91,177	(21,942)
Net Position - Beginning of Year	<u>13,054</u>	<u>111,856</u>
Net Position - End of Year	<u>\$ 104,231</u>	<u>89,914</u>

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

**NOTES TO FINANCIAL STATEMENTS**

**BOARD OF EDUCATION**  
**RUMSON SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2015**

**NOTE 1: Summary of Significant Accounting Policies**

The financial statements of the Board of Education (Board) of the Rumson School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental 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 appointed 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.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Government Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The government-wide and fund financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include three elementary schools, a middle school and a high school located in Rumson, County of Monmouth, New Jersey. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. GASB Statement 14 established criteria to be used to determine which component units should be included in the financial statements of the oversight entity. Furthermore the District is not includable in any other reporting entity on the basis of such criteria.

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the District as a whole excluding fiduciary activities such as student activities. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by state and federal aid, tuition and county tax levies, from business-type activities generally financed in whole or in part with fees charged to external customers.

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**B. Government-Wide Financial Statements (Continued)**

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include (1) charges for services which report fees and other charges to users of the District's services and (2) operating grants and contributions. These revenues are subject to externally imposed restrictions to these program uses. Tax levies and other revenue sources not properly included with program revenues are reported as general revenues.

Fund financial statements are provided for governmental, proprietary and fiduciary funds. Major individual governmental and enterprise funds are reported in separate columns with composite columns for non-major funds.

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The financial statements of the District are prepared in accordance with generally accepted accounting principles (GAAP). The District's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. The government-wide and proprietary fund financial statements apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Proprietary and fiduciary fund financial statements also report using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met. The Unemployment Trust Fund recognizes employer and employee contributions in the period in which contributions are due.

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to apply current liabilities. The District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for long-term pension and compensated absences, which are reported as expenditures in the year due.

Major revenue sources susceptible to accrual includes Intergovernmental revenues, and the property tax levy. In general, other revenues are recognized when cash is received.

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for food sales and for services provided to other governmental entities. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

**D. Fund Accounting:**

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with activities or objectives specified for the resources. Each fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

**Governmental Fund Types**

General Fund: The general fund is the general operating fund of the District and is used to account for all expendable financial resources except those required to be accounted for in another fund.

Special Revenue Fund: The District accounts for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are legally restricted to expenditures for specified purposes in the special revenue funds.

Capital Projects: The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Debt Service Fund: The debt service fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

**Proprietary Fund Type**

Enterprise Fund: To account for operations that are financed and operated in a manner similar to private business enterprises, in which the intent of the District is that the costs of providing goods or services to the District on a continuing basis be financed or recovered primarily through user charges.

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**D. Fund Accounting (Continued):**

**Fiduciary Fund Types**

Trust and Agency Funds: The trust and agency funds are used to account for assets held by the District on behalf of outside parties, including other governments, or on behalf of other funds within the District.

Unemployment Compensation Trust Fund: The trust fund is used to account for assets held under the terms of a formal trust agreement. The District reimburses the costs of unemployment benefits paid by the New Jersey Department of Labor.

Private-Purpose Trust Fund: The trust fund encompasses other trust fund arrangements for which principal and income benefit individuals outside of the school district. The District issued scholarships to students.

Agency Funds (Payroll and Student Activities Fund): Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

**E. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the County office and are voted upon at the annual school election on the third Tuesday in April. 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. 6A:23-2.2(g). All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2015 were insignificant.

The Public School Education Act of 1975, limits the annual increase of any district's net current expense budget. The Commissioner of Education certifies the allowable amount for each district but may grant a higher level of increase if he determines that the sums so provided would be insufficient to meet the identified goals and needs of the district or that an anticipated enrollment increase requires additional funds.

The Commissioner must also review every proposed local school district budget for the next school year. He examines every item of appropriations for current expenses and budgeted capital outlay to determine their adequacy in relation to the identified needs and goals of the district. If, in his view, they are insufficient, the Commissioner must order remedial action. If necessary, he is authorized to order changes in the local district budget.

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**E. Budgets/Budgetary Control (Continued):**

Once a budget is approved, it can be amended by transfers or additional appropriation of fund balances by approval of a majority of the members of the Board. Amendments are presented to the Board at their regular meetings. Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end as dictated by law. All uncommitted budget appropriations lapse at year-end.

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 legally mandated revenue recognition of the last state aid payment for budgetary purposes only and 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. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

A reconciliation of the special revenue funds from the budgetary basis of accounting as presented in the Budgetary Comparison Schedule (C-2) to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds (B-2) is presented in the Budget-to-GAAP Reconciliation (C-3).

The following represents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General, Special Revenues and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances – All Governmental Fund Types. Note that the district does not report encumbrances outstanding at year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payment.

**F. 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 reservations of 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 deferred revenues and/or reductions of receivables of other governments at fiscal year end.

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**F. Encumbrances (Continued):**

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.

**G. Short-Term Interfund Receivables/Payables:**

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

**H. Inventories and Prepaid Expenses**

Inventories and prepaid expenses, which benefit future periods, are recorded as an expenditure during the year of purchase. The value of inventories remaining at the end of the fiscal year is not included on the balance sheet.

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, 2015.

**I. Capital Assets and Depreciation**

General capital assets acquired or constructed during the year are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the District as assets, which have a cost in excess of \$2,000 at the date of acquisition and a useful life of one year or more. Donated capital assets are valued at their estimated fair market value on the date received. The general capital assets acquired or constructed were valued by an independent appraisal company. General capital assets, such as land and buildings, are valued at the historical cost basis and through estimated procedures performed by an independent appraisal company, respectively.

General capital assets are reflected as expenditures in the applicable governmental funds. Depreciation expense is recorded in the district-wide financial statements as well as the proprietary fund. Capital assets are depreciated on the straight-line method over the assets' estimated useful life. There is no depreciation recorded for land and construction in progress. Generally estimated useful lives are as follows:

Buildings and Improvements	20 – 50
Equipment and Vehicles	5 – 20
Furniture and Fixtures	5 – 20

The District currently has software that maintains proper capital asset and depreciation records.

NOTE 1: Summary of Significant Accounting Policies (Continued)I. Capital Assets and Depreciation (Continued)

Capital asset activity for the year ended June 30, 2015 was as follows:

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Adjustments</u>	<u>Balance</u> <u>June 30, 2015</u>
Governmental Activities:				
Capital Assets That are Not Being Depreciated:				
Land	\$ 2,314,500			2,314,500
Constr. in Progress	<u>2,187,370</u>	<u>132,991</u>	<u>(2,320,361)</u>	<u>                    </u>
Total Capital Assets Not Being Depreciated	<u>4,501,870</u>	<u>132,991</u>	<u>(2,320,361)</u>	<u>2,314,500</u>
Depreciable Assets:				
Site Improvements	497,430		(41,313)	456,117
Buildings	15,882,694	682,588	(2,483,020)	14,082,262
Equipment	<u>2,079,524</u>		<u>570,528</u>	<u>2,650,052</u>
Total	<u>18,459,648</u>	<u>682,588</u>	<u>(1,953,805)</u>	<u>17,188,431</u>
Less: Accumulated Depreciation:				
Site Improvements	(354,549)	(7,648)	12,570	(349,627)
Buildings	(6,017,325)	(381,868)	(213,534)	(6,612,727)
Equipment	<u>(1,991,233)</u>	<u>(183,752)</u>	<u>286,950</u>	<u>(1,888,035)</u>
Total Accumulated Depreciation	<u>(8,363,107)</u>	<u>(573,268)</u>	<u>85,986</u>	<u>(8,850,389)</u>
Net Depreciable Assets	<u>10,096,541</u>	<u>109,320</u>	<u>(1,867,819)</u>	<u>8,338,042</u>
Governmental Activities Capital Assets (Net)	<u>\$ 14,598,411</u>	<u>242,311</u>	<u>(4,188,180)</u>	<u>10,652,542</u>
Business-Type Activities:				
Equipment	\$ 201,754			201,754
Less Accumulated Depreciation for:				
Equipment	<u>(136,797)</u>	<u>(9,938)</u>	<u>1,408</u>	<u>(145,327)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 64,957</u>	<u>(9,938)</u>	<u>1,408</u>	<u>56,427</u>

Depreciation expense was charged to governmental functions as follows:

Unallocated	<u>\$ 573,268</u>
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**NOTE 1: Summary of Significant Accounting Policies (Continued)****J. Compensated Absences**

District employees are permitted, within certain limitations, to accrue vacation and sick leave in varying amounts under the Districts personnel policies and may be paid at a later date according to contractual agreements.

The liability for vested compensated absences of the governmental fund types is recorded in the government-wide financial statements as a non-current liability. Governmental funds report only matured compensated absences payable to currently terminating employees and are included in wages and benefits payable

**K. Deferred Revenue**

Deferred revenue in the general and special revenue funds represent cash which has been received but not yet earned. Deferred revenue in the general fund represents property tax levy monies received for fiscal year 2015. See Note 1(F) regarding the special revenue fund.

**L. Fund Equity**

The governmental fund financial statements report reserved fund balance for amounts not available for appropriation or legally restricted for specified purposes. The general fund reserve for restricted purposes includes net assets relating to capital reserve.

**NOTE 2: Cash and Cash Equivalents and Investments**

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

Investments are stated at cost, which approximates market. The District 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.

**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.

**NOTE 2: Cash and Cash Equivalents and Investments (Continued)**

**Deposits (Continued)**

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 District to purchase the following types of securities:

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or any United States Bank for cooperatives which have a maturity date not greater than twelve months from the date of purchase.
- c. Bonds or other obligations of the school district.

As of June 30, 2015, cash and cash equivalents and investments of the District consisted of the following:

	<b>Cash and Cash <u>Equivalents</u></b>
Checking, Money Market Accounts And Certificate of Deposit	<u>\$ 2,788,123</u>

The carrying amount of the District's cash and cash equivalents at June 30, 2015 was \$2,788,123 and the bank balance was \$3,498,877. Of the bank balance, \$250,000 was covered by federal depository insurance and \$3,216,524 was covered by a collateral pool maintained by the banks as required by New Jersey statutes. \$ 32,353 deposited with the New Jersey Cash Management Fund is uninsured.

**NOTE 2: Cash and Cash Equivalents and Investments (Continued)****Credit Risk Categories**

All bank deposits and investments as of the balance sheet date are classified as to credit risk by the following two categories described below:

GUDPA	\$ 3,216,524
FDIC	250,000
Uninsured	32,353

As of June 30, 2015, the District did not hold any long-term investments.

**Custodial Credit Risk – Deposits**

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The District does not have a formal policy for custodial credit risk.

The District had no uninsured deposits.

**NOTE 3: General Long-Term Debt**

During the fiscal year ended June 30, 2015, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>	<u>Long-Term</u> <u>Portion</u>	<u>2015-16</u> <u>Payment</u>
Compensated Absences Payable	\$ 197,204		1,315	195,889	195,889	
Bonds Payable	6,522,000		590,000	5,932,000	5,327,000	605,000
Bond Premium	558,304		62,034	496,270	496,270	
Pension Liability	_____	<u>3,084,468</u>	_____	<u>3,084,468</u>	<u>3,084,468</u>	_____
	<u>\$ 7,277,508</u>	<u>3,084,468</u>	<u>653,349</u>	<u>9,708,627</u>	<u>9,103,627</u>	<u>605,000</u>

**NOTE 3: General Long-Term Debt (Continued)**

**Bonds Payable**

Bonds are authorized in accordance with State law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds.

On August 15, 2008, the District issued General Obligation Refunding Bonds totaling \$2,745,000 for the purpose of refunding bonds dated May 1, 1998.

The Bonds bear interest from 3.25% to 5.0% per annum payable semi-annually on the first day of May and November of each year, until maturity. The principal is due annually on the first day of May through 2018, installments range from \$55,000 to \$285,000.

On May 19, 2009, the District issued General Obligation Bonds totaling \$1,257,000 for the purpose of new roofs for Forrestdale and Deane-Porter Schools.

The Bonds bear interest from 4.00% to 4.125% per annum payable semi-annually on the first day of February and September of each year, until maturity. The principal is due annually on the first day of February through 2024, installments range from \$70,000 to \$117,000.

On May 15, 2013, the District issued General Obligation Refunding Bonds totaling \$4,535,000 for the purpose of refunding bonds dated August 15, 2008.

The Bonds bear interest from 2.00% to 4.0% per annum payable semi-annually on the first day of February and September of each year, until maturity. The principal is due annually on the first day of September through 2022, installments range from \$5,000 to \$720,000.

**Schedule of Payments**

	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2015/2016	\$ 605,000	222,070	827,070
2016/2017	620,000	202,120	822,120
2017/2018	665,000	176,820	841,820
2018-2019	715,000	146,720	861,720
2019-2020	770,000	120,220	890,220
2020/2021-2023/2024	<u>2,557,000</u>	<u>174,405</u>	<u>2,731,405</u>
	<b><u>\$ 5,932,000</u></b>	<b><u>1,042,355</u></b>	<b><u>6,974,355</u></b>

**NOTE 4: Pension Plans**

**Description of Plans** – All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teacher's Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

**Teachers' Pension and Annuity Fund (TPAF)** – The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

**Public Employees' Retirement System (PERS)** – The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

**Vesting and Benefit Provisions** – The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provide for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provision of the System.

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 contribution. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

**NOTE 4: Pension Plans (Continued)**

**Significant Legislation** - During the year ended June 30, 1997, legislation was enacted Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997), changed the asset valuation method from market related value to full-market value. This legislation also contains a provision to reduce the employee contribution rate by ½ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the District's normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits, accordingly, the pension costs for TPAF and PERS were reduced.

**Funding Policy** – The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.78% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

Legislation enacted during 1993 provides early retirement incentives for certain members of TPAF and PERS who met certain age and service requirements and who applied for retirement between certain dates in the 1994 fiscal year. The early retirement incentives included: (a) an additional five years of service credit for employees at least age 50 with a minimum of 25 years of service; (b) free health benefits for employees at least 60 years old with at least 20 years of service; and (c) an additional \$500 per month for two years for employees at least age 60 with 10 years but less than 20 years of service. The Board will assume the increased cost for the early retirement as it affects their districts.

The District's contributions to PERS for the year ended June 30, 2015 was \$151,996 for 2015 and \$140,214 for 2014, respectively, equal to the required contributions for each year.

During the year ended June 30, 2015, the State of New Jersey contributed \$888,579 to the TPAF pension benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$504,394 during the year ended June 30, 2015 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditure in accordance with GASB 24.

**NOTE 4: Pension Plans (Continued)****Three-Year Trend Information for TPAF**

<b>Year</b>	<b>Annual</b>	<b>Percentage</b>	<b>Net</b>
<b><u>Funding</u></b>	<b><u>Pension</u></b>	<b><u>of APC</u></b>	<b><u>Pension</u></b>
	<b><u>Cost (APC)</u></b>	<b><u>Contributed</u></b>	<b><u>Obligation</u></b>
6/30/15	\$ 888,579	100%	0
6/30/14	714,939	100%	0
6/30/13	799,372	100%	0

**Three-Year Trend Information for PERS**

<b>Year</b>	<b>Annual</b>	<b>Percentage</b>	<b>Net</b>
<b><u>Funding</u></b>	<b><u>Pension</u></b>	<b><u>of APC</u></b>	<b><u>Pension</u></b>
	<b><u>Cost (APC)</u></b>	<b><u>Contributed</u></b>	<b><u>Obligation</u></b>
6/30/15	\$ 151,996	100%	0
6/30/14	140,214	100%	0
6/30/13	123,350	100%	0

**Pension Expense Deferred Outflows/Inflows – PERS**

For the year ended June 30, 2015, the District recognized pension expense of \$151,996. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b><u>Deferred</u></b>	<b><u>Deferred</u></b>
	<b><u>Outflows</u></b>	<b><u>Inflows</u></b>
	<b><u>of Resources</u></b>	<b><u>of Resources</u></b>
Difference Between Expected and Actual Experience	\$	
Changes of Assumptions	96,992	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		183,818
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions		38,340
District Contributions Subsequent to the Measurement Date	<u>151,996</u>	<u>          </u>
Total	<u>\$ 248,988</u>	<u>222,158</u>

\$248,988 reported as deferred outflows of resources related to pensions resulting from school district, charter school, or renaissance school project contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**NOTE 4: Pension Plans (Continued)****Additional Information**

Collective balances at December 31, 2013 and 2014 are as follows:

	<u>Dec. 31, 2014</u>	<u>Dec. 31, 2013</u>
Collective Deferred Outflows of Resources	\$ 248,988	
Collective Deferred Inflows of Resources	222,158	
Collective Net Pension Liability	3,084,468	3,193,982
District's Proportion	.01647%	.01671%

**Components of Net Pension Liability**

The components of the net pension liability of the participating employers for PERS as of June 30, 2014 and 2013 are as follows:

	<u>2014</u>		
	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 28,777,950,141	39,071,470,586	67,849,420,727
Plan Fiduciary Net Position	<u>8,650,846,191</u>	<u>20,348,735,583</u>	<u>28,999,581,774</u>
Net Pension Liability	<u>\$ 20,127,103,950</u>	<u>18,722,735,003</u>	<u>38,849,838,953</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	30.06%	52.08%	42.74%
	<u>2013</u>		
	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 27,515,277,069	37,272,295,162	64,787,572,231
Plan Fiduciary Net Position	<u>8,216,653,950</u>	<u>18,160,308,251</u>	<u>26,376,962,201</u>
Net Pension Liability	<u>\$ 19,298,623,119</u>	<u>19,111,986,911</u>	<u>38,410,610,030</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	29.86%	48.72%	40.71%

**NOTE 4: Pension Plans (Continued)**

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2103, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	3.01%
Salary Increases:	
2012-2021	2.15% - 4.40% Based on Age
Thereafter	3.15% – 5.40% Based on Age
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments 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. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

**NOTE 4: Pension Plans (Continued)****Discount Rate**

The discount rate used to measure the total pension liability was 5.39% and 5.55% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on 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. 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 the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate**

The following presents the collective net pension liability of the participating employers as of June 30, 2014 and 2013, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability 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:

	<b>2014</b>		
	<b>At 1% Decrease (4.39%)</b>	<b>At Current Discount Rate (5.39%)</b>	<b>At 1% Increase (6.39%)</b>
State	\$ 23,772,450,916	20,127,103,950	17,069,920,644
Local	<u>23,553,838,159</u>	<u>18,722,735,003</u>	<u>14,665,837,859</u>
Total	<u>\$ 47,326,289,075</u>	<u>38,849,838,953</u>	<u>31,735,758,503</u>
	<b>2013</b>		
	<b>At 1% Decrease (4.55%)</b>	<b>At Current Discount Rate (5.55%)</b>	<b>At 1% Increase (6.55%)</b>
State	\$ 22,822,255,839	19,298,623,119	16,351,193,705
Local	<u>23,791,905,551</u>	<u>19,111,986,911</u>	<u>15,190,834,283</u>
Total	<u>\$ 46,614,161,390</u>	<u>38,410,610,030</u>	<u>31,542,027,988</u>

**NOTE 4: Pension Plans (Continued)****Teachers Pensions and Annuity Fund (TPAF)****Components of Net Pension Liability**

The components of the net pension liability of the State as of June 30, 2014 and 2013 are as follows:

	<u>2014</u>	<u>2013</u>
Total Pension Liability	\$ 81,095,320,000	76,678,639,671
Plan Fiduciary Net Position	<u>27,282,252,461</u>	<u>25,888,126,040</u>
Net Pension Liability	<u>\$ 53,813,067,539</u>	<u>50,790,513,631</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.64%	33.76%

**State Proportionate Share of Net Pension Liability Attributable to District**

	<u>2014</u>	<u>2013</u>
District's Liability	<u>\$ 34,218,909</u>	<u>29,343,376</u>
District's Proportion	.06359%	.05777%

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies Based on Experience
Thereafter	Varies Based on Experience
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvements. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

**NOTE 4: Pension Plans (Continued)****Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments 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. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds/Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%

**NOTE 4: Pension Plans (Continued)****Discount Rate**

The discount rate used to measure the total pension liability was 4.68% and 4.95% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on 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. 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 the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability of the State as of June 30, 2014 calculated using the discount rate as disclosed above as well as what the State's net pension liability 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>At 1% Decrease</u>	<u>At Current Discount Rate</u>	<u>At 1% Increase</u>
2014 (3.68%, 4.68%, 5.68%)	\$ 64,722,984,539	53,813,067,539	44,738,870,539
2013 (3.95%, 4.95%, 5.95%)	61,017,578,926	50,790,513,631	42,351,665,847

**NOTE 5: Post-Retirement Benefits**

P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c. 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a prefunding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

**NOTE 6: Interfund Receivables and Payables**

	<u>From</u>	<u>To</u>
Special Revenue Fund	\$ 16,382	
General Fund	_____	16,382
	<u>\$ 16,382</u>	<u>16,382</u>

**NOTE 7: Compensated Absences**

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), “Accounting for Compensated Absences”. 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 right to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District’s personnel policy. Upon termination, employees are paid for accrued vacation. The District’s policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the District’s agreements with the various employee Monmouth’s.

The liability for vested compensated absences of the governmental fund types is recorded in the general long-term debt account group (or current and long-term liabilities). The current portion of the compensated absences balance of the governmental funds is not considered material to the applicable funds total liabilities, and therefore is not shown separately from the long-term liability balance of compensated absences.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2015, no liability existed for compensated absences in the Food Service Fund.

**NOTE 8: Economic Dependency**

The District 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 of the District’s programs and activities.

**NOTE 9: Capital Reserve Account**

A capital reserve account was established by the Borough of Rumson Board of Education by inclusion of \$100 on October 10, 2000, 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.

**NOTE 9: Capital Reserve Account (Continued)**

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 department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. 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 balances 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, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance, July 1, 2014	\$ 947,765
Increased by:	
Board Resolution June 16, 2015	<u>290,000</u>
	<u>1,237,765</u>
Decreased by:	
Transfer to Capital Projects	<u>(460,900)</u>
Ending Balance, June 30, 2015	<u>\$ 776,865</u>

**NOTE 10: 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.

**Property and Liability Insurance** – The District maintains commercial 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 Comprehensive Annual Financial Report.

**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 the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current year and previous year:

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Reimbursed</u>	<u>Balance</u>
2014-2015	\$ 45,000	13,301	80,243	89,914
2013-2014	0	19,815	5,567	111,856
2012-2013	63,530	22,283	84,863	97,608

**NOTE 11: Contingent Liabilities**

The Board is involved in several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect of the financial position of the District.

**NOTE 12: Equity Balance**

At June 30, 2015, the General Fund equity balance was as follows:

Emergency Reserve	\$ 200,000
Maintenance Reserve	232,000
Maintenance Reserve - Designated for Subsequent Year's Expenditures	7,616
Restricted Fund Balance:	
Capital Reserve	776,865
Excess Surplus	204,014
Designated for Subsequent Years Expenditures – Excess Surplus	196,629
Designated for Subsequent Year's Expenditures	33,000
Committed Fund Balance:	
Year-End Encumbrances	67,885
Unassigned Fund Balance	<u>460,680</u>
	<u>\$ 2,178,689</u>

**2% Calculation of Excess Surplus**

2014-15 Total General Fund Expenditures Per the CAFR	\$ 15,795,154
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>(1,392,973)</u>
Adjusted 2014-15 General Fund Expenditures	<u>\$ 14,402,181</u>
2% of Adjusted 2014-15 General Fund Expenditures	\$ 288,044
Increased by Allowable Adjustments	<u>172,636</u>
Maximum Unassigned Fund Balance	<u>\$ 460,680</u>

**Section 2**

Total General Fund – Fund Balance @ 6-30-15	\$ 2,178,689
Decreased by:	
Year-End Encumbrances	(67,885)
Legally Restricted:	
Designated for Subsequent Years Expenditures – Maintenance Reserve	(33,000)
Other Restricted Reserved Fund Balances	(1,208,865)
Assigned:	
Designated for Subsequent Year's Expenditures	<u>(204,245)</u>
Total Unassigned Fund Balance	<u>\$ 664,694</u>
Restricted Fund Balance – Excess Surplus	<u>\$ 204,014</u>

**NOTE 12: Equity Balance (Continued)****2% Calculation of Excess Surplus (Continued)****Section 3**

Reserved Fund Balance – Excess Surplus Designated for Subsequent Years Expenditures	\$ 196,629
Excess Surplus	<u>204,014</u>
	<u>\$ 400,643</u>

**Detail of Allowable Adjustments**

Extraordinary Aid	\$ 169,015
Non-Public Transportation	<u>3,621</u>
	<u>\$ 172,636</u>

**Detail of Other Reserved Fund Balance**

Emergency Reserve	\$ 200,000
Maintenance Reserve	232,000
Capital Reserve	<u>776,865</u>
	<u>\$ 1,208,865</u>

Reserved excess surplus represents a calculation under N.J.S.A. 18A:7F-7 which identifies an amount of surplus under the statute which must be restricted for use in the next succeeding budget. Designated for subsequent year's represents the amount appropriated in the 2015-2016 budget.

Unrestricted is surplus not previously committed or reserved for any other purpose.

**NOTE 13: Significant Accounting Pronouncements**

In June 2009, the FASB issued FASB ASC 105, Generally Accepted Accounting Principles, which establishes the FASB Accounting Standards Codification as the sole source of authoritative generally accepted accounting principles. Pursuant to the provisions of FASB ASC 105, the District has updated references to GAAP in its financial statements issued for the period ended June 30, 2015. The adoption of FASB ASC 105 did not impact the District's financial position or results of operations.

In May 2009, the FASB updated ASC 855, Subsequent Events, which is effective for reporting periods ending after June 15, 2009. ASC 855 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date, but before the financial statements are issued, or are available to be issued. The District adopted the amended sections of ASC 855 and it did not have an impact on the District's financial statements. The District evaluated all events or transactions that occurred after June 30, 2015 through December 18, 2015.

**REQUIRED SUPPLEMENTARY INFORMATION  
PART II**

**BUDGETARY COMPARISON SCHEDULES – C**

**RUMSON SCHOOL DISTRICT**

**Exhibit C-1  
Sheet 1 of 11**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**JUNE 30, 2015**

	<b><u>Original Budget</u></b>	<b><u>Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 13,961,354		13,961,354	13,961,354	-
Tuition	191,000		191,000	183,266	(7,734)
Other Restricted Miscellaneous Revenues	2		2		(2)
Unrestricted Miscellaneous Revenues	20,000		20,000	57,214	37,214
Total Local Sources	<u>14,172,356</u>	<u>-</u>	<u>14,172,356</u>	<u>14,201,834</u>	<u>29,478</u>
State Sources:					
Equalization Aid			-		-
Special Education Aid	315,384		315,384	315,384	-
Extraordinary Aid			-	169,015	169,015
Security Aid	14,317		14,317	14,317	-
Transportation Aid	31,992		31,992	31,992	-
Non-Public Transportation Aid				3,621	3,621
PARCC Readiness Aid	9,520		9,520	9,520	-
Per Pupil Growth Aid	9,520		9,520	9,520	-
On-Behalf TPAF Pension Contribution (Non-Budgeted)			-	888,579	888,579
Reimbursed TPAF Social Security Contribution (Non-Budgeted)			-	504,394	504,394
Total State Sources	<u>380,733</u>	<u>-</u>	<u>380,733</u>	<u>1,946,342</u>	<u>1,565,609</u>
Total Revenues	<u>14,553,089</u>	<u>-</u>	<u>14,553,089</u>	<u>16,148,176</u>	<u>1,595,087</u>

**RUMSON SCHOOL DISTRICT**

Exhibit C-1  
Sheet 2 of 11

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**JUNE 30, 2015**

	<b><u>Original Budget</u></b>	<b><u>Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Expenditures:					
Current Expense:					
Instruction - Regular Programs:					
Salaries of Teachers:					
Preschool	27,268	8,354	35,622	30,397	5,225
Kindergarten	401,243	182	401,425	361,560	39,865
Grades 1-5	2,399,794	150,315	2,550,109	2,544,421	5,688
Grades 6-8	1,764,514	18,133	1,782,647	1,742,998	39,649
Home Instruction:					
Salaries of Teachers	2,500	1,000	3,500	3,185	315
Undistributed:					
Other Salaries For Instruction	10,581	5,671	16,252	12,743	3,509
Purchased Professional/Educational Services	45,000	6,582	51,582	48,618	2,964
Other Purchased Services	17,200		17,200	10,112	7,088
General Supplies	264,243	4,619	268,862	253,935	14,927
Textbooks	30,458	(20,058)	10,400	4,140	6,260
Other Objects	10,000	1,500	11,500	3,096	8,404
Total Regular Programs	<u>4,972,801</u>	<u>176,298</u>	<u>5,149,099</u>	<u>5,015,205</u>	<u>133,894</u>
Learning and/or Language Disabilities:					
Specific Learning Disabled:					
Salaries of Teachers	56,085	(148)	55,937	54,671	1,266
Other Salaries for Instruction	32,496	20,617	53,113	39,955	13,158
General Supplies	500	(100)	400	250	150
Total Specific Learning Disabled	<u>89,081</u>	<u>20,369</u>	<u>109,450</u>	<u>94,876</u>	<u>14,574</u>

**RUMSON SCHOOL DISTRICT**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**JUNE 30, 2015**

	<b><u>Original Budget</u></b>	<b><u>Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Multiple Disabilities:					
Salaries of Teachers	54,835	1,070	55,905	55,877	28
Other Salaries for Instruction	1,500	(700)	800	150	650
General Supplies	500		500	471	29
Total Multiple Disabilities	<u>56,835</u>	<u>370</u>	<u>57,205</u>	<u>56,498</u>	<u>707</u>
Resource Room:					
Salaries of Teachers	852,685	47,104	899,789	890,492	9,297
Other Salaries for Instruction	60,139	(19,654)	40,485	40,160	325
General Supplies	1,000	6,548	7,548	6,712	836
Total Resource Room	<u>913,824</u>	<u>33,998</u>	<u>947,822</u>	<u>937,364</u>	<u>10,458</u>
Total Special Programs	<u>1,059,740</u>	<u>54,737</u>	<u>1,114,477</u>	<u>1,088,738</u>	<u>25,739</u>
Basic Skills/Remedial:					
Salaries of Teachers	56,480	(4,065)	52,415	52,305	104,720
General Supplies	2,000	256	2,256	2,073	183
Total Basic Skills/Remedial	<u>58,480</u>	<u>(3,809)</u>	<u>54,671</u>	<u>54,378</u>	<u>293</u>
School Sponsored Co-Curricular & Extra-Curricular Activities:					
Salaries	31,000	(2,100)	28,900	17,524	11,376
General Supplies	2,250	1,925	4,175	3,252	923
Other Objects		150	150	75	75
Total Co-Curricular & Extra-Curricular Activities	<u>33,250</u>	<u>(25)</u>	<u>33,225</u>	<u>20,851</u>	<u>12,374</u>

**RUMSON SCHOOL DISTRICT**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**JUNE 30, 2015**

	<b><u>Original Budget</u></b>	<b><u>Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
School Sponsored Athletics:					
Salaries	30,000	(1,159)	28,841	25,000	3,841
Other Purchased Services	15,000		15,000	8,683	6,317
Supplies and Materials	7,500		7,500	822	6,678
Other Objects	1,200		1,200	510	690
Total School Sponsored Athletics	<u>53,700</u>	<u>(1,159)</u>	<u>52,541</u>	<u>35,015</u>	<u>17,526</u>
 Total Instruction	 <u>6,177,971</u>	 <u>226,042</u>	 <u>6,404,013</u>	 <u>6,214,187</u>	 <u>189,826</u>
 Undistributed Expenditures:					
Instruction:					
Tuition to Other LEA In State-Regular	123,268	(21,619)	101,649	99,308	2,341
Tuition to Private Schools - Handicapped Within State	529,942	(112,529)	417,413	333,201	84,212
Total Undistributed Expenditures - Instruction	<u>653,210</u>	<u>(134,148)</u>	<u>519,062</u>	<u>432,509</u>	<u>86,553</u>
 Health Services:					
Salaries	182,760	(170)	182,590	182,590	-
Purchased Professional And Technical Services	5,000	750	5,750	5,750	-
Supplies and Materials	9,500	13,876	23,376	22,945	431
Total Health Services	<u>197,260</u>	<u>14,456</u>	<u>211,716</u>	<u>211,285</u>	<u>431</u>
 Other Support Services - Students - Related Services:					
Salaries of Teachers	237,915		237,915	234,140	3,775
Purchased Professional Educational Services	187,875	13,524	201,399	189,773	11,626
Supplies and Materials	500	850	1,350	1,307	43
Total Other Support Services - Students - Related Services	<u>426,290</u>	<u>14,374</u>	<u>440,664</u>	<u>425,220</u>	<u>15,444</u>

**RUMSON SCHOOL DISTRICT**

Exhibit C-1  
Sheet 5 of 11

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**JUNE 30, 2015**

	<b><u>Original Budget</u></b>	<b><u>Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Other Support Services - Students - Extraordinary Services:					
Salaries	21,663	8,915	30,578	30,346	232
Purchased Professional Services	187,875	(1,627)	186,248	149,117	37,131
Total Other Support Services - Students - Extraordinary Services	<u>209,538</u>	<u>7,288</u>	<u>216,826</u>	<u>179,463</u>	<u>37,363</u>
Guidance Services:					
Salaries of Other Professional Staff	142,820	5,930	148,750	148,734	16
Other Purchased Services	5,000		5,000	5,000	-
Supplies and Materials	355		355	256	99
Total Guidance Services	<u>148,175</u>	<u>5,930</u>	<u>154,105</u>	<u>153,990</u>	<u>115</u>
Child Study Team Services:					
Salaries of Other Professional Staff	344,200	(6,310)	337,890	337,890	-
Salaries of Secretarial/Clerical Assistants	50,995	(11,091)	39,904	39,904	-
Other Purchased Professional Services	1,500	5,724	7,224	7,224	-
Miscellaneous Purchased Services	3,250	(186)	3,064	3,064	-
Total Child Study Team Services	<u>399,945</u>	<u>(11,863)</u>	<u>388,082</u>	<u>388,082</u>	<u>-</u>
Improvement of Instruction:					
Salaries of Supervisors of Instruction	70,223		70,223	70,223	-
Salaries of Secretarial Assistants	30,298	299	30,597	30,597	-
Other Purchased Services	1,500		1,500	1,451	49
Other Objects	2,500	(1,357)	1,143	384	759
Total Improvement of Instruction	<u>104,521</u>	<u>(1,058)</u>	<u>103,463</u>	<u>102,655</u>	<u>808</u>

**RUMSON SCHOOL DISTRICT**

Exhibit C-1  
Sheet 6 of 11

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**JUNE 30, 2015**

	<b><u>Original Budget</u></b>	<b><u>Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Library/Media Services:					
Salaries	94,515	1,409	95,924	95,849	75
Supplies and Materials	14,025	(455)	13,570	10,508	3,062
Total Educational Media Services	<u>108,540</u>	<u>954</u>	<u>109,494</u>	<u>106,357</u>	<u>3,137</u>
Staff Development:					
Salaries - Supervisors of Instruction	46,816		46,816	46,816	-
Salaries of Other Professional Staff	20,398		20,398	20,398	-
Other Purchased Services	22,000	(4,980)	17,020	16,689	331
Supplies and Materials	2,500		2,500	1,466	1,034
Other Objects	2,500		2,500	1,409	1,091
Total Staff Development	<u>94,214</u>	<u>(4,980)</u>	<u>89,234</u>	<u>86,778</u>	<u>2,456</u>
General Administration:					
Salaries	226,227	2,604	228,831	221,765	7,066
Legal Services	50,000	47,205	97,205	97,205	-
Audit Fees	17,000	(2,885)	14,115	14,115	-
Other Purchased Professional Services	13,800	(8,231)	5,569	4,869	700
Communications/Telephone	25,000	3,642	28,642	28,307	335
BOE Other Purchased Services	2,500	(1,988)	512	512	-
Miscellaneous Purchased Services	54,152	(14,521)	39,631	38,828	803
General Supplies	4,500	(1,176)	3,324	3,324	-
Miscellaneous Expenditures	37,500	(18,194)	19,306	19,306	-
BOE Membership Dues and Fees	8,500	(1,500)	7,000	6,971	29
Total General Administration	<u>439,179</u>	<u>4,956</u>	<u>444,135</u>	<u>435,202</u>	<u>8,933</u>

**RUMSON SCHOOL DISTRICT**

Exhibit C-1  
Sheet 7 of 11

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**JUNE 30, 2015**

	<b><u>Original Budget</u></b>	<b><u>Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
<b>School Administration:</b>					
Salaries of Principals/Assistants	240,076		240,076	240,075	1
Other Professional Salaries	105,000		105,000	105,000	-
Salaries of Secretarial and Clerical Assistants	166,917	(5,521)	161,396	161,396	-
Other Purchased Professional Services	12,500	12,416	24,916	24,916	-
Other Purchased Services	3,000	(2,150)	850	150	700
Supplies and Materials	17,500	(4,205)	13,295	13,129	166
Other Objects	24,000	6,027	30,027	23,759	6,268
<b>Total School Administration</b>	<b>568,993</b>	<b>6,567</b>	<b>575,560</b>	<b>568,425</b>	<b>7,135</b>
<b>Business/Central Services:</b>					
Salaries	232,961	255	233,216	233,216	-
Other Purchased Professional Services	25,000	27	25,027	22,718	2,309
Miscellaneous Purchased Services	10,000	(8,737)	1,263	1,261	2
Supplies and Materials	10,000	(330)	9,670	9,657	13
Miscellaneous Expenditures	7,500	2,275	9,775	9,565	210
<b>Total Business/Central Services</b>	<b>285,461</b>	<b>(6,510)</b>	<b>278,951</b>	<b>276,417</b>	<b>2,534</b>
<b>Technology Services:</b>					
Salaries	87,325	38,742	126,067	126,067	-
Purchased Technical Services	12,000	(2,911)	9,089	9,089	-
Other Purchased Services	7,500	7,476	14,976	14,926	50
Supplies and Materials	3,000	(518)	2,482	2,482	-
<b>Total Technology Services</b>	<b>109,825</b>	<b>42,789</b>	<b>152,614</b>	<b>152,564</b>	<b>50</b>

**RUMSON SCHOOL DISTRICT**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**JUNE 30, 2015**

	<b><u>Original Budget</u></b>	<b><u>Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Required Maintenance of School Facilities:					
Cleaning, Repair & Maintenance Services	90,000	38,070	128,070	104,258	23,812
General Supplies	15,000	18,629	33,629	33,593	36
Other Objects	4,000	(4,000)	-		-
Total Required Maintenance of School Facilities	<u>109,000</u>	<u>52,699</u>	<u>161,699</u>	<u>137,851</u>	<u>23,848</u>
Operation of Plant:					
Salaries	403,261	52,565	455,826	446,959	8,867
Salaries-Non-Instructional Aides	65,778	220	65,998	65,998	-
Purchased Professional Services	18,000	5,090	23,090	23,090	-
Cleaning, Repair, Maintenance Services	34,000	28,009	62,009	59,380	2,629
Other Purchased Property Services	32,000	(1,419)	30,581	30,581	-
Insurance	49,972	9,271	59,243	59,243	-
General Supplies	43,000	32,071	75,071	63,348	11,723
Energy (Electricity)	155,000	(7,529)	147,471	135,471	12,000
Other Objects	10,000	(9,763)	237	160	77
Energy (Natural Gas)	150,000	(66,153)	83,847	83,847	-
Total Operations and Maintenance of Plant	<u>961,011</u>	<u>42,362</u>	<u>1,003,373</u>	<u>968,077</u>	<u>35,296</u>
Care and Upkeep of Grounds:					
Salaries	41,560	306	41,866	41,866	-
Purchased Professional Services	10,000	(3,462)	6,538	6,538	-
General Supplies	7,500	(3,308)	4,192	4,192	-
Total Care and Upkeep of Grounds	<u>59,060</u>	<u>(6,464)</u>	<u>52,596</u>	<u>52,596</u>	<u>-</u>
Security:					
General Supplies	10,000	(1,810)	8,190	8,184	6
Total Security	<u>10,000</u>	<u>(1,810)</u>	<u>8,190</u>	<u>8,184</u>	<u>6</u>

**RUMSON SCHOOL DISTRICT**

Exhibit C-1  
Sheet 9 of 11

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**JUNE 30, 2015**

	<b><u>Original Budget</u></b>	<b><u>Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Total Operation & Maintenance of Plant Service	1,139,071	86,787	1,225,858	1,166,708	59,150
Student Transportation Services:					
Contracted Services - Aid in Lieu-Non Public Schools	12,500	2,336	14,836	14,836	-
Contracted Services - Bet. Home & School Vendors	403,191	(2,575)	400,616	364,549	36,067
Contracted Services -Other Than Bet. Home & School Vendors	5,000		5,000		5,000
Contracted Services - Special Ed Students-Vendors	52,232		52,232	40,000	12,232
Contracted Services - Special Ed Students-Jointures	378,876	(72,716)	306,160	256,753	49,407
Total Student Transportation Services	851,799	(72,955)	778,844	676,138	102,706
Employee Benefits:					
Social Security Contributions	187,315	(15,948)	171,367	171,367	-
Other Retirement Contributions-PERS	148,556	3,470	152,026	151,996	30
Unemployment Compensation	50,000	(5,000)	45,000	45,000	-
Workmen's Compensation	96,768	(8,241)	88,527	88,527	-
Health Benefits	2,213,256	(22,809)	2,190,447	2,190,447	-
Tuition Reimbursement	30,000	(9,950)	20,050	20,050	-
Other Employee Benefits	14,000	17,275	31,275	31,275	-
Total Personal Services Employee Benefits	2,739,895	(41,203)	2,698,692	2,698,662	30
On-Behalf TPAF Pension Contribution (Non-Budgeted)		-		888,579	(888,579)
Reimbursed TPAF Social Security Contribution (Non-Budgeted)				504,394	(504,394)
	-	-	-	1,392,973	(1,392,973)
Total Undistributed Expenditures	8,475,916	(88,616)	8,387,300	9,453,428	(1,066,128)
Interest on Maintenance Reserve	1		1		1
Total Expenditures - Current Expense	14,653,888	137,426	14,791,314	15,667,615	(876,301)

**RUMSON SCHOOL DISTRICT**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**JUNE 30, 2015**

	<b><u>Original Budget</u></b>	<b><u>Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Capital Outlay:					
Equipment:					
Instruction	70,181		70,181	70,181	-
Facilities Improvements:					
Construction Services	36,112		36,112	35,940	172
Debt Service Assessment	21,418		21,418	21,418	-
Interest to Capital Reserve	1		1		1
Total Facilities Improvements	<u>127,712</u>	<u>-</u>	<u>127,712</u>	<u>127,539</u>	<u>173</u>
Total Capital Outlay	<u>127,712</u>	<u>-</u>	<u>127,712</u>	<u>127,539</u>	<u>173</u>
Total Expenditures	<u>14,781,600</u>	<u>137,426</u>	<u>14,919,026</u>	<u>15,795,154</u>	<u>(876,128)</u>
Excess (Deficiency) of Revs. Over (Under) Expenditures	<u>(228,511)</u>	<u>(137,426)</u>	<u>(365,937)</u>	<u>353,022</u>	<u>718,959</u>
Other Financing Sources (Uses):					
Interfund Payable Cancelled				25,239	
Transfer to Capital Projects				(460,900)	
Prior Year Encumbrances not Rolled over Charged as Accounts Payable				(148,505)	
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(584,166)</u>	<u>-</u>
Excess (Deficiency) of Revs. Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(228,511)</u>	<u>(137,426)</u>	<u>(365,937)</u>	<u>(231,144)</u>	<u>718,959</u>
Fund Balance July 1	<u>2,410,265</u>		<u>2,410,265</u>	<u>2,410,265</u>	<u>-</u>
Fund Balance June 30	<u>\$ 2,181,754</u>	<u>(137,426)</u>	<u>2,044,328</u>	<u>2,179,121</u>	<u>718,959</u>

**RUMSON SCHOOL DISTRICT**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**

**JUNE 30, 2015**

	<b><u>Original Budget</u></b>	<b><u>Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Recapitulation:					
Restricted Fund Balance:					
Excess Surplus				\$ 204,446	
Emergency Reserve				200,000	
Maintenance Reserve				232,000	
Maintenance Reserve - Designated for Subsequent Year's Expenditures				33,000	
Excess Surplus - Designated for Subsequent Year's Expenditures				196,629	
Committed Fund Balance:					
Capital Reserve				776,865	
Assigned Fund Balance:					
Year-End Encumbrances				67,885	
Designated for Subsequent Year's Expenditures				7,616	
Unassigned Fund Balance				<u>460,680</u>	
				2,179,121	
Reconciliation to Governmental Fund Statement (GAAP):					
Final State Aid Payments Not Recognized on GAAP Basis				<u>(35,927)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u><u>\$ 2,143,194</u></u>	

**RUMSON SCHOOL DISTRICT**

Exhibit C-2

**BUDGETARY COMPARISON SCHEDULE**

**SPECIAL REVENUE FUND**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<b><u>Original Budget</u></b>	<b><u>Budget Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Final to Actual</u></b>
Revenues:					
State Sources	\$ 127,715	44,375	172,090	148,105	23,985
Federal Sources	<u>255,602</u>	<u>69,252</u>	<u>324,854</u>	<u>323,555</u>	<u>1,299</u>
Total Revenues	<u>\$ 383,317</u>	<u>113,627</u>	<u>496,944</u>	<u>471,660</u>	<u>25,284</u>
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 28,376	3,588	31,964	21,646	10,318
Purchased Professional Educational Services	13,721	6,279	20,000	20,000	
Other Purchased Services	100,000	100,000	200,000	200,000	
Textbooks	16,458	3,561	20,019	19,952	67
General Supplies	<u>26,001</u>	<u>2,937</u>	<u>28,938</u>	<u>28,927</u>	<u>11</u>
Total Instruction	<u>184,556</u>	<u>116,365</u>	<u>300,921</u>	<u>290,525</u>	<u>10,396</u>
Support Services:					
Purchased Professional and Technical Services	113,164	(16,337)	96,827	95,376	1,451
Supplies and Materials	31,881	32,167	64,048	64,048	
Other Objects	<u>53,716</u>	<u>(18,568)</u>	<u>35,148</u>	<u>21,711</u>	<u>13,437</u>
Total Support Services	<u>198,761</u>	<u>(2,738)</u>	<u>196,023</u>	<u>181,135</u>	<u>14,888</u>
Total Expenditures	<u>\$ 383,317</u>	<u>113,627</u>	<u>496,944</u>	<u>471,660</u>	<u>25,284</u>

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit C-3

BUDGET TO GAAP RECONCILIATION

NOTE TO RSI

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b><u>Sources/Inflows of Resources</u></b>		
Actual Amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 16,148,176	471,660
Difference - Budget to GAAP: Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized (net)		10,793
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	34,023	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(35,927)</u>	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 16,146,272</u>	<u>482,453</u>
<b><u>Uses/Outflows of Resources</u></b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 15,795,154	471,660
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 (net)		<u>10,793</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 15,795,154</u>	<u>482,453</u>

**REQUIRED SUPPLEMENTARY INFORMATION – PART III**

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING  
FOR PENSIONS (GASB 68) - L**

RUMSON SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE

NET PENSION LIABILITY - PERS

Exhibit L-1

LAST TWO FISCAL YEARS

	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability (Asset)	100.000%	100.000%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 3,084,468	3,193,982
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>-</u>	<u>-</u>
Total	<u>\$ 3,084,468</u>	<u>3,193,982</u>
District's Covered-Employee Payroll	\$ 1,075,530	1,028,417
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	34.87%	32.20%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	42.74%	40.71%

**RUMSON SCHOOL DISTRICT****SCHEDULE OF DISTRICT CONTRIBUTIONS - PERS****Exhibit L-2****LAST TWO FISCAL YEARS**

	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 140,214	123,350
Contributions in Relation to the Contractually Required Contribution	<u>140,214</u>	<u>123,350</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>
District's Covered-Employee Payroll	\$ 1,075,530	1,028,417
Contributions as a Percentage of Covered-Employee Payroll	13.04%	11.99%

**RUMSON SCHOOL DISTRICT**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE**

**NET PENSION LIABILITY - TPAF**

**Exhibit L-3**

**LAST TWO FISCAL YEARS**

	<b><u>2014</u></b>	<b><u>2013</u></b>
District's Proportion of the Net Pension Liability (Asset)	0.000%	0.000%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ -	-
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>34,218,909</u>	<u>29,343,376</u>
Total	<u>\$ 34,218,909</u>	<u>29,343,376</u>
District's Covered-Employee Payroll	\$ 6,416,136	6,356,454
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	18.75%	21.66%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.64%	33.76%

**OTHER SUPPLEMENTARY INFORMATION**

**SCHOOL LEVEL SCHEDULES – D**

N/A

**SPECIAL REVENUE FUND – E**

**RUMSON SCHOOL DISTRICT**

Exhibit E-1

Sheet 1 of 2

**SPECIAL REVENUE FUND**

**COMBINING SCHEDULE OF REVENUES EXPENDITURES - BUDGETARY BASIS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Chapter 192</u>		<u>Chapter 193</u>		
	<u>Home</u>	<u>Compensatory</u>	<u>Examination &amp;</u>	<u>Corrective</u>	<u>Supplementary</u>
	<u>Instruction</u>	<u>Education</u>	<u>Classification</u>	<u>Speech</u>	<u>Instruction</u>
Revenues:					
Federal Sources	\$ -	-			
State Sources	147	21,499	36,189	14,519	13,340
Total Revenue	<u>\$ 147</u>	<u>21,499</u>	<u>36,189</u>	<u>14,519</u>	<u>13,340</u>
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 147	21,499			
Purchased Professional & Technical Services					
Other Purchased Services					
General Supplies					
Textbooks					
Total Instruction	<u>147</u>	<u>21,499</u>	<u>-</u>	<u>-</u>	<u>-</u>
Support Services:					
Purchased Professional and Technical Services					
Supplies and Materials			36,189	14,519	13,340
Other Objects					
Total Support Services	<u>-</u>	<u>-</u>	<u>36,189</u>	<u>14,519</u>	<u>13,340</u>
Total Expenditures	<u>\$ 147</u>	<u>21,499</u>	<u>36,189</u>	<u>14,519</u>	<u>13,340</u>

**RUMSON SCHOOL DISTRICT**

**Exhibit E-1**

**Sheet 2 of 2**

**SPECIAL REVENUE FUND**

**COMBINING SCHEDULE OF REVENUES EXPENDITURES - BUDGETARY BASIS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<b><u>Non-Public Technology</u></b>	<b><u>Non-Public Textbooks</u></b>	<b><u>Non-Public Nursing</u></b>	<b><u>Title IIA</u></b>	<b><u>I.D.E.A. Part B Basic</u></b>	<b><u>I.D.E.A. Part B Pre-School</u></b>	<b><u>Totals June 30, 2015</u></b>
Revenues:							
Federal Sources				26,166	287,043	10,346	323,555
State Sources	10,741	19,952	31,718				148,105
Total Revenue	<u>10,741</u>	<u>19,952</u>	<u>31,718</u>	<u>26,166</u>	<u>287,043</u>	<u>10,346</u>	<u>471,660</u>
Expenditures:							
Instruction:							
Salaries of Teachers							21,646
Purchased Professional & Technical Services					13,013		13,013
Other Purchased Services					200,000		200,000
General Supplies	10,741				20,000	5,173	35,914
Textbooks		19,952					19,952
Total Instruction	<u>10,741</u>	<u>19,952</u>	<u>-</u>	<u>-</u>	<u>233,013</u>	<u>5,173</u>	<u>290,525</u>
Support Services:							
Purchased Professional and Technical Services			31,718	15,259	48,399		95,376
Supplies and Materials							64,048
Other Objects				10,907	5,631	5,173	21,711
Total Support Services		<u>-</u>	<u>31,718</u>	<u>26,166</u>	<u>54,030</u>	<u>5,173</u>	<u>181,135</u>
Total Expenditures	<u>10,741</u>	<u>19,952</u>	<u>31,718</u>	<u>26,166</u>	<u>287,043</u>	<u>10,346</u>	<u>471,660</u>

**CAPITAL PROJECTS FUND – F**

RUMSON SCHOOL DISTRICT

CAPITAL PROJECTS FUND

Exhibit F-1

SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGETARY BASIS

FOR THE YEAR ENDED JUNE 30, 2015

Revenues and Other Financing Sources

Transfer from Capital Reserve	\$ 460,900
Interest Earned	3,880
Total Revenues	<u>464,780</u>

Expenditures and Other Financing Uses

Construction Services	460,900
Total Expenditures	<u>460,900</u>

Excess (Deficiency) of Revenues Over (Under) Expenditures 3,880

Other Financing (Uses):

Interest due Debt Service	(3,880)
Total Other Financing (Uses)	<u>(3,880)</u>

Excess (Deficiency) of Revenues Over (Under) Expenditures and  
Other Financing Uses -

Fund Balance - Beginning 4,575

Fund Balance - Ending \$ 4,575

**RUMSON SCHOOL DISTRICT**

**CAPITAL PROJECTS FUND**

**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,**

**AND PROJECT STATUS - BUDGETARY BASIS**

**PARTIAL GYM ROOF REPLACEMENT**

**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b><u>Revenues and Other Financing Sources</u></b>				
Transfer from Capital Reserve		369,000	369,000	369,000
Total Revenues	-	369,000	369,000	369,000
<b><u>Expenditures and Other Financing Uses</u></b>				
Construction Services		369,000	369,000	369,000
Total Expenditures	-	369,000	369,000	369,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	-	-	-

**Additional Project Information**

Project Number	4570-050-15-1000
Project Date	4/22/2014
Bond Authorization Date	NA
Bonds Authorized	NA
Bonds Issued	NA
Original Authorized Cost	369,000
Revised Authorized Cost	369,000
Percentage Increase Over Original Authorized Cost	0%
Percentage Completion	100%
Original Target Completion Date	8/31/2015
Revised Target Completion Date	8/31/2015

**RUMSON SCHOOL DISTRICT**

**CAPITAL PROJECTS FUND**

**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,**

**AND PROJECT STATUS - BUDGETARY BASIS**

**NURSES SUITE AND BATROOM UPGRADES**

**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b><u>Revenues and Other Financing Sources</u></b>				
Transfer from Capital Reserve	\$ -	91,900	91,900	
Total Revenues	-	91,900	91,900	-
<b><u>Expenditures and Other Financing Uses</u></b>				
Construction Services		91,900	91,900	
Total Expenditures	-	91,900	91,900	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	-	-	-

**Additional Project Information**

Project Number	4670-060-15-2000
Project Date	4/22/2014
Bond Authorization Date	NA
Bonds Authorized	NA
Bonds Issued	NA
Original Authorized Cost	91,900
Revised Authorized Cost	91,900
Percentage Increase Over Original Authorized Cost	0%
Percentage Completion	100%
Original Target Completion Date	8/31/2015
Revised Target Completion Date	8/31/2015

**RUMSON SCHOOL DISTRICT**

**CAPITAL PROJECTS FUND**

**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,**

**AND PROJECT STATUS - BUDGETARY BASIS**

**REPLACEMENT OF WINDOWS AND DOORS - DEANE-PORTER AND FORRESTDAL E SCHOOL**

**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b><u>Revenues and Other Financing Sources</u></b>				
Bond Proceeds and Transfers	\$ 694,000		694,000	694,000
Total Revenues	<u>694,000</u>	<u>-</u>	<u>694,000</u>	<u>694,000</u>
<b><u>Expenditures and Other Financing Uses</u></b>				
Purchased Professional and Technical Services	19,575		19,575	19,575
Construction Services	671,905		671,905	671,905
Total Expenditures	<u>691,480</u>	<u>-</u>	<u>691,480</u>	<u>691,480</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 2,520</u>	<u>-</u>	<u>2,520</u>	<u>2,520</u>

**Additional Project Information**

Project Number	4570-040-13-1000
Project Date	NA
Bond Authorization Date	NA
Bonds Authorized	NA
Bonds Issued	NA
Original Authorized Cost	694,000
Revised Authorized Cost	694,000
Percentage Increase Over Original Authorized Cost	0%
Percentage Completion	100%
Original Target Completion Date	09/30/2013
Revised Target Completion Date	09/30/2014

**RUMSON SCHOOL DISTRICT**

**CAPITAL PROJECTS FUND**

**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,**

**AND PROJECT STATUS - BUDGETARY BASIS**

**RENOVATION OF FORRESTDALE SCHOOL SCIENCE LABORATORY**

**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b><u>Revenues and Other Financing Sources</u></b>				
NJSDA Grant	134602		134602	134602
Donations	134765		134765	134765
Bond Proceeds and Transfers	\$ 67,546		67,546	67,546
Total Revenues	<u>336,913</u>	<u>-</u>	<u>336,913</u>	<u>336,913</u>
<b><u>Expenditures and Other Financing Uses</u></b>				
Purchased Professional and Technical Services	37,312		37,312	37,500
Construction Services	297,546		297,546	299,413
Total Expenditures	<u>334,858</u>	<u>-</u>	<u>334,858</u>	<u>336,913</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 2,055</u>	<u>-</u>	<u>2,055</u>	<u>-</u>

**Additional Project Information**

Project Number	4570-050-09-0ZVE
Project Date	5/27/2010
Bond Authorization Date	NA
Bonds Authorized	NA
Bonds Issued	NA
Original Authorized Cost	497,160
Revised Authorized Cost	336,913
Percentage Increase Over Original Authorized Cost	0%
Percentage Completion	100%
Original Target Completion Date	8/31/2010
Revised Target Completion Date	6/30/2015

**PROPRIETARY FUNDS – G**

N/A

**FIDUCIARY FUND – H**

**RUMSON SCHOOL DISTRICT**

Exhibit H-1

**TRUST AND AGENCY FUND**

**COMBINING STATEMENT OF FIDUCIARY NET POSITION**

**AS OF JUNE 30, 2015**

	<b>Scholarship Fund Non-Expendable Trust Fund</b>	<b>Student Activity</b>	<b>Payroll Agency</b>	<b>Net Salary</b>	<b>Unemployment Compensation Expendable Trust</b>	<b>Total 2015</b>
Assets:						
Cash and Cash Equivalents	\$ 104,231	112,859	4,300	9,203	89,914	320,507
Total Assets	<u>\$ 104,231</u>	<u>112,859</u>	<u>4,300</u>	<u>9,203</u>	<u>89,914</u>	<u>320,507</u>
Liabilities and Fund Balances:						
Liabilities:						
Payroll Deductions and Withholdings			4,300	9,203		13,503
Due to Student Groups		112,859				112,859
Total Liabilities		<u>112,859</u>	<u>4,300</u>	<u>9,203</u>	<u>-</u>	<u>126,362</u>
Net Position:						
Reserved - Scholarships	104,231					104,231
Reserved - Unemployment Benefits					89,914	89,914
Total Net Position	<u>\$ 104,231</u>				<u>89,914</u>	<u>194,145</u>

RUMSON SCHOOL DISTRICT

EXPENDABLE TRUST FUND

Exhibit H-2

COMBINING STATEMENT OF CHANGES

IN FIDUCIARY NET POSITION

JUNE 30, 2015

	<u>Scholarships</u>	<u>Unemployment Compensation Insurance Trust Fund</u>	<u>Totals</u>
Additions:			
Local Sources:			
Contributions	\$ 694,936	58,246	753,182
Interest on Investments		55	55
Total Additions	<u>694,936</u>	<u>58,301</u>	<u>753,237</u>
Deductions:			
Scholarship Payments	603,759		603,759
Unemployment Claims		80,243	80,243
Total Deductions	<u>603,759</u>	<u>80,243</u>	<u>684,002</u>
Change in Net Position	91,177	(21,942)	69,235
Net Position, July 1	<u>13,054</u>	<u>111,856</u>	<u>124,910</u>
Net Position, June 30	<u>\$ 104,231</u>	<u>89,914</u>	<u>194,145</u>

**RUMSON SCHOOL DISTRICT**

**Exhibit H-3**

**STUDENT ACTIVITY AGENCY FUND**

**SCHEDULE OF RECEIPTS AND DISBURSEMENTS**

**JUNE 30, 2015**

	<b><u>Balance</u></b> <b><u>July 1, 2014</u></b>	<b><u>Cash</u></b> <b><u>Receipts</u></b>	<b><u>Cash</u></b> <b><u>Disbursements</u></b>	<b><u>Balance</u></b> <b><u>June 30, 2015</u></b>
Elementary Schools:				
Forrestdale	\$ 74,312	123,223	105,129	92,406
Deane-Porter	16,365	19,752	15,664	20,453
Total Elementary Schools	<u>\$ 90,677</u>	<u>142,975</u>	<u>120,793</u>	<u>112,859</u>

**RUMSON SCHOOL DISTRICT**

**PAYROLL AGENCY FUND**

Exhibit H-4

**SCHEDULE OF RECEIPTS AND DISBURSEMENTS**

**JUNE 30, 2015**

	<b><u>Balance</u></b> <b><u>July 1, 2014</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b><u>Balance</u></b> <b><u>June 30, 2015</u></b>
Assets:				
Cash and Cash Equivalents	<u>\$ 87,032</u>	<u>4,750,309</u>	<u>4,833,041</u>	<u>4,300</u>
Total Assets	<u><u>\$ 87,032</u></u>	<u><u>4,750,309</u></u>	<u><u>4,833,041</u></u>	<u><u>4,300</u></u>
Liabilities:				
Payroll Deductions, Withholdings	<u>\$ 87,032</u>	<u>4,750,309</u>	<u>4,833,041</u>	<u>4,300</u>
Total Liabilities	<u><u>\$ 87,032</u></u>	<u><u>4,750,309</u></u>	<u><u>4,833,041</u></u>	<u><u>4,300</u></u>

**LONG-TERM DEBT – I**

**RUMSON SCHOOL DISTRICT**

**LONG-TERM DEBT**

**SCHEDULE OF SERIAL BONDS**

**JUNE 30, 2015**

**Exhibit I-1**

	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Beginning Balance July 1, 2014</u>	<u>Retired</u>	<u>Ending Balance June 30, 2015</u>
			<u>Date</u>	<u>Amount</u>				
2008 Refunding School Bonds	8/15/2008	\$ 2,745,000	5/1/2016	\$ 260,000	3.750%	\$ 1,025,000	265,000	760,000
			5/1/2017	255,000	5.000%			
			5/1/2018	245,000				
2009 Serial Bonds	5/19/2009	1,257,000	2/1/2016	85,000	4.000%	967,000	80,000	887,000
			2/1/2017	85,000				
			2/1/2018	90,000				
			2/1/2019	95,000				
			2/1/2020	100,000	4.125%			
			2/1/2021	100,000				
			2/1/2022	105,000				
			2/1/2023	110,000				
			2/1/2024	117,000				
2013 Refunding School Bonds	5/15/2013	4,535,000	9/1/2015	260,000	2.000%	4,530,000	245,000	4,285,000
			9/1/2016	280,000	3.000%			
			9/1/2017	330,000				
			9/1/2018	620,000				
			9/1/2019	670,000	4.000%			
			9/1/2020	690,000				
			9/1/2021	715,000				
			9/1/2022	720,000				
						<u>\$ 6,522,000</u>	<u>590,000</u>	<u>5,932,000</u>

**RUMSON SCHOOL DISTRICT**

**DEBT SERVICE FUND**

**Exhibit I-3**

**BUDGETARY COMPARISON SCHEDULE**

**JUNE 30, 2015**

	<b><u>Original Budget</u></b>	<b><u>Budget Transfers</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Favorable (Unfavorable)</u></b>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 688,205		688,205	688,205	-
State Sources:					
Debt Service Aid Type II	106,721		106,721	106,721	-
Total Revenues	<u>794,926</u>	<u>-</u>	<u>794,926</u>	<u>794,926</u>	<u>-</u>
Expenditures:					
Regular Debt Service:					
Redemption of Principal	590,000		590,000	590,000	-
Interest	239,926		239,926	239,926	-
Total Expenditures	<u>829,926</u>	<u>-</u>	<u>829,926</u>	<u>829,926</u>	<u>-</u>
Excess of Revenues over Expenditures	(35,000)	-	(35,000)	(35,000)	-
Fund Balance July 1	<u>77,172</u>		<u>77,172</u>	<u>77,172</u>	
Fund Balance June 30	<u>\$ 42,172</u>	<u>-</u>	<u>42,172</u>	<u>42,172</u>	<u>-</u>

**STATISTICAL SECTION**

**(Unaudited)**

RUMSON SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST NINE FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Government Activities:									
Invested in Capital Assets, Net of Related Debt	\$ 4,974,188	\$ 4,895,332	\$ 4,654,658	\$ 5,678,995	\$ 6,301,896	\$ 6,563,022	\$ 7,119,583	8,076,411	4,720,542
Restricted	472,323	361,398	2,092,491	1,954,525	1,529,909	1,979,029	2,417,359	1,955,546	1,765,187
Unrestricted	(239,781)	(51,441)	(17,944)	4,824	185,970	194,255	202,580	209,395	(3,039,544)
Total Government Activities Net Assets	<u>\$ 5,206,731</u>	<u>\$ 5,205,289</u>	<u>\$ 6,729,204</u>	<u>\$ 7,638,343</u>	<u>\$ 8,017,776</u>	<u>\$ 8,736,306</u>	<u>\$ 9,739,522</u>	<u>10,241,353</u>	<u>3,446,185</u>
Business-Type Activities:									
Invested in Capital Assets, Net of Related Debt		\$ 49,048	\$ 89,126	\$ 78,420	\$ 67,714	\$ 70,116	\$ 67,867	64,957	56,427
Unrestricted	\$ 20,680	31,069	28,189	29,877	47,488	50,406	90,076	124,116	132,610
Total Business-Type Activities Net Assets	<u>\$ 20,680</u>	<u>\$ 80,117</u>	<u>\$ 117,315</u>	<u>\$ 108,297</u>	<u>\$ 115,202</u>	<u>\$ 120,522</u>	<u>\$ 157,943</u>	<u>189,073</u>	<u>189,037</u>
District-wide:									
Invested in Capital Assets, Net of Related Debt	\$ 4,974,188	\$ 4,944,381	\$ 4,743,784	\$ 5,757,415	\$ 6,369,610	\$ 6,633,138	\$ 7,187,450	8,141,369	4,776,969
Restricted	472,323	361,398	2,092,491	1,954,525	1,529,909	1,979,029	2,417,359	1,955,546	1,765,187
Unrestricted	(219,101)	(20,372)	10,245	34,701	237,656	244,661	292,656	333,511	(2,906,934)
Total District Net Assets	<u>\$ 5,227,410</u>	<u>\$ 5,285,406</u>	<u>\$ 6,846,520</u>	<u>\$ 7,746,640</u>	<u>\$ 8,137,176</u>	<u>\$ 8,856,828</u>	<u>\$ 9,897,465</u>	<u>10,430,426</u>	<u>3,635,222</u>

RUMSON SCHOOL DISTRICT  
CHANGES IN NET POSITION  
LAST NINE FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)

	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses:</b>									
<b>Governmental Activities:</b>									
<b>Instruction:</b>									
Regular	\$ (6,695,245.16)	(6,834,858.94)	\$ (6,497,117.15)	(6,784,928.93)	\$ (7,230,472.88)	(7,217,176.66)	\$ (5,073,182.07)	(5,248,664.42)	5,015,205
Special Education	(1,331,510.06)	(1,691,691.17)	(1,708,051.53)	(1,493,807.84)	(1,671,371.00)	(1,567,341.69)	(985,393.94)	(1,017,118.09)	1,390,056
Other Special Education	(105,389.62)	(113,937.79)	(108,124.86)	(108,827.38)	(70,066.70)	(62,167.11)	(55,892.53)	(58,068.14)	57,378
Other Instruction	(114,944.03)	(57,975.28)	(68,893.50)	(52,362.45)	(53,319.58)	(57,406.38)	(55,166.90)	(57,722.23)	55,866
<b>Support Services:</b>									
Tuition	(213,610.00)	(193,168.64)	(263,496.93)	(359,495.27)	(554,430.33)	(562,548.31)	(466,294.58)	(470,232.60)	432,509
Student and Instruction Related Services	(1,847,500.11)	(1,907,388.96)	(1,735,785.73)	(1,971,520.19)	(1,744,226.27)	(1,796,447.17)	(1,739,874.45)	(1,796,507.39)	1,834,965
School Administrative Services	(549,577.30)	(630,617.62)	(639,839.88)	(631,567.89)	(659,607.37)	(658,884.15)	(401,233.51)	(396,896.44)	568,425
General Administration	(702,135.40)	(518,702.29)	(473,475.34)	(575,132.70)	(488,448.57)	(585,688.09)	(473,433.28)	(568,845.95)	864,183
Central Services	(269,701.72)	(273,437.20)	(300,995.18)	(297,474.18)	(325,811.47)	(313,389.60)	(316,016.04)	(301,781.92)	
Administrative Information Technology	(66,673.86)	(101,871.38)	(112,622.38)	(113,406.84)	(126,386.35)	(137,235.22)	(99,305.30)	(110,880.63)	
Plant Operations and Maintenance	(1,230,460.89)	(1,249,234.52)	(1,242,920.03)	(1,302,814.92)	(1,316,259.03)	(1,391,086.06)	(1,050,906.15)	(1,124,753.87)	1,166,708
Pupil Transportation	(518,578.74)	(503,718.14)	(513,302.60)	(540,902.03)	(594,626.01)	(648,812.94)	(794,566.76)	(806,427.55)	676,138
Unallocated Depreciation and Amortization							(3,929,197.33)	(3,709,577.25)	4,063,490
Amortization of Loss on Debt Issuance							(172,268.41)	(537,189.00)	218,024
Interest on Long-Term Debt	(395,643.13)	(379,242.50)	(307,874.09)	(372,900.57)	(357,149.72)	(335,391.40)	(285,839.02)	(283,245.21)	573,268
<b>Total Governmental Activities Expenses</b>	<b>(14,040,970.02)</b>	<b>(14,455,844.43)</b>	<b>(13,972,499.20)</b>	<b>(14,605,141.19)</b>	<b>(15,192,175.28)</b>	<b>(15,333,574.78)</b>	<b>(15,898,570.27)</b>	<b>(16,487,910.69)</b>	<b>16,916,215</b>
<b>Business-Type Activities:</b>									
Food Service	(8,581.15)	(344,037.48)	(275,796.52)	(266,413.35)	(257,664.94)	(270,566.50)	(340,024.40)	(388,172.92)	433,077
Rumson After School Academy	(42,026.00)	(31,165.80)	(30,259.50)	(26,574.50)	(54,765.00)	(68,593.00)	(47,378.00)	(39,997.00)	
<b>Total Business-Type Activities Expenses</b>	<b>(50,607.15)</b>	<b>(375,203.28)</b>	<b>(306,056.02)</b>	<b>(292,987.85)</b>	<b>(312,429.94)</b>	<b>(339,159.50)</b>	<b>(387,402.40)</b>	<b>(428,169.92)</b>	<b>433,077</b>
<b>Total District Expenses</b>	<b>\$ (14,091,577.17)</b>	<b>(14,831,047.71)</b>	<b>\$ (14,278,555.22)</b>	<b>(14,898,129.04)</b>	<b>\$ (15,504,605.22)</b>	<b>(15,672,734.28)</b>	<b>(16,285,972.67)</b>	<b>(16,774,952.38)</b>	<b>17,349,292</b>
<b>Program Revenues:</b>									
<b>Governmental Activities:</b>									
<b>Charges for Services:</b>									
Instruction (Tuition)				\$ 23,514.00	\$ 64,170.00	\$ 242,047.10	\$ 175,025.00	186,858.00	183,266
Operating Grants and Contributions	\$ 191,150.90	179,590.00	\$ 209,366.81	227,796.00	140,069.73	125,318.40	156,456.08	581,572.37	482,453
Capital Grants and Contributions				216,818.35	110,241.82	22,181.63			
<b>Total Governmental Activities Program Revenue</b>	<b>191,150.90</b>	<b>179,590.00</b>	<b>209,366.81</b>	<b>468,128.35</b>	<b>314,481.55</b>	<b>389,547.13</b>	<b>331,481.08</b>	<b>768,430.37</b>	<b>665,719</b>
<b>Business-Type Activities:</b>									
<b>Charges for Services:</b>									
Food Service	9,676.25	350,829.76	261,726.33	257,228.00	264,451.00	275,811.99	377,355.27	418,592.26	431,493
Rumson After School Academy	42,026.00	31,165.80	30,259.50	26,574.50	54,765.00	68,593.00	47,378.00	39,997.00	
Operating Grants and Contributions	4,630.57								
Capital Grants and Contributions		50,792.25							
<b>Total Business-Type Activities Program Revenue</b>	<b>56,332.82</b>	<b>432,787.81</b>	<b>291,985.83</b>	<b>283,802.50</b>	<b>319,216.00</b>	<b>344,404.99</b>	<b>424,733.27</b>	<b>458,589.26</b>	<b>431,493.00</b>
<b>Total District Program Revenues</b>	<b>\$ 247,483.72</b>	<b>612,377.81</b>	<b>\$ 501,352.64</b>	<b>\$ 751,930.85</b>	<b>\$ 633,697.55</b>	<b>\$ 733,952.12</b>	<b>\$ 756,214.35</b>	<b>1,227,019.63</b>	<b>1,097,212.00</b>

RUMSON SCHOOL DISTRICT  
CHANGES IN NET POSITION  
LAST NINE FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net (Expense)/Revenue:									
Governmental Activities	\$ 13,849,819.12	(14,276,254.43)	\$ (13,763,132.39)	\$ (14,137,012.84)	\$ (14,877,693.73)	\$ (14,944,027.65)	\$ (15,567,089.19)	(15,578,352.09)	(16,247,496)
Business-Type Activities	5,725.67	57,584.53	(14,070.19)	(9,185.35)	6,786.06	5,245.49	37,330.87	30,419.34	(1,584)
Total District-wide Net (Expense)/Revenue	\$ (13,844,093.45)	(14,218,669.90)	\$ (13,777,202.58)	\$ (14,146,198.19)	\$ (14,870,907.67)	\$ (14,938,782.16)	\$ (15,529,758.32)	(15,547,932.75)	(16,249,080)
General Revenues and Other Changes in Net Assets:									
Governmental Activities:									
Property Taxes Levied for General Purpo	\$ 10,695,140.00	11,287,723.00	\$ 11,689,061.00	\$ 12,357,424.22	\$ 12,851,720.00	\$ 13,095,904.00	\$ 13,419,218.00	13,687,602.00	13,961,354
Taxes Levied for Debt Service	647,001.00	488,472.00	654,813.00	670,163.78	731,047.00	744,316.00	757,759.00	755,187.00	688,205
Unrestricted Grants and Contributions	2,294,725.78	2,419,309.19	2,019,560.53	1,978,150.65	1,617,786.53	1,842,429.57	2,295,818.73	1,671,332.82	2,051,159
Investment Earnings	86,319.23	75,311.65	16,682.66	13,497.26	8,262.19	4,359.45	4,442.74	1,261.76	57,214
Miscellaneous Income	124,230.73	38,328.35	50,167.57	26,915.71	48,311.09	(24,451.77)	93,006.67	39,810.61	(123,266)
Total Governmental Activities	13,847,416.74	14,309,144.19	14,430,284.76	15,046,151.62	15,257,126.81	15,662,557.25	16,570,245.14	16,155,194.19	16,634,666
Business-Type Activities:									
Investment Earnings	507.15	1,852.75	482.73	166.83	119.43	74.32	89.97	112.98	140.00
Total Business-Type Activities	507.15	1,852.75	482.73	166.83	119.43	74.32	89.97	597.94	140.00
Total District-wide	\$ 13,847,923.89	14,310,996.94	\$ 14,430,767.49	\$ 15,046,318.45	\$ 15,257,246.24	\$ 15,662,631.57	\$ 16,570,335.11	16,155,905.11	16,634,806
Changes in Net Position:									
Governmental Activities	\$ (2,402.38)	32,889.76	\$ 667,152.37	\$ 909,138.78	\$ 379,433.08	\$ 718,529.60	\$ 1,003,155.95	576,842.10	387,170
Business-Type Activities	6,232.82	59,437.28	(13,587.46)	(9,018.52)	6,905.49	5,319.81	37,420.84	31,130.26	(1,444)
Total District	\$ 3,830.44	92,327.04	\$ 653,564.91	\$ 900,120.26	\$ 386,338.57	\$ 723,849.41	\$ 1,040,576.79	609,972.36	385,726

RUMSON SCHOOL DISTRICT  
 FUND BALANCES, GOVERNMENTAL FUNDS  
 LAST NINE FISCAL YEARS  
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
 (UNAUDITED)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund:									
Reserved	\$ 47,004	\$ 145,387	\$ 839,586	\$ 1,376,153					
Unreserved	\$ 337,443	\$ 470,352	\$ 358,788	\$ 331,337					
Restricted					\$ 1,022,726	\$ 1,855,058	\$ 1,855,058	\$ 1,813,639	1,642,880
Assigned					\$ 338,502	\$ 118,736	\$ 118,736	\$ 175,505	75,561
Unassigned					\$ 409,410	\$ 385,133	\$ 412,588	\$ 387,098	424,753
<b>Total General Fund</b>	<u>\$ 384,447</u>	<u>\$ 615,739</u>	<u>\$ 1,198,374</u>	<u>\$ 1,707,490</u>	<u>\$ 1,770,638</u>	<u>\$ 2,358,927</u>	<u>\$ 2,386,382</u>	<u>\$ 2,376,242</u>	<u>\$ 2,143,194</u>
Governmental Funds:									
All Other									
Reserved			\$ 6,674	\$ 392,170					
Unreserved, Reported In:									
Capital Projects Fund	\$ 108,551	\$ 54,804	\$ 1,182,322	\$ 147,662					
Debt Service Fund	\$ 176,685	\$ 11,207	\$ 16,699	\$ 5,685					
Restricted For:									
Capital Projects Fund					\$ 108,565	\$ 3,775	\$ 96,155	\$ 4,575	\$ 4,575
Debt Service Fund					\$ 1,391	\$ 69	\$ 20	\$ 42,172	42,171
Committed:									
Capital Projects Fund					\$ 54,666		\$ 494,846	\$ 136,829	
Assigned:									
Debt Service Fund					\$ 4,059	\$ 1,391	\$ 69	\$ 35,000	
<b>Total All Other</b>	<u>\$ 285,237</u>	<u>\$ 66,011</u>	<u>\$ 1,205,694</u>	<u>\$ 545,518</u>	<u>\$ 168,681</u>	<u>\$ 5,235</u>	<u>\$ 591,090</u>	<u>\$ 218,575</u>	<u>\$ 46,746</u>
<b>Governmental Funds</b>									

RUMSON SCHOOL DISTRICT

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST Nine FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)

	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues:</b>									
Tax Levy	\$ 11,342,141	\$ 11,776,195	\$ 12,343,874	\$ 13,027,588	\$ 13,582,767	\$ 13,840,220	\$ 14,176,977	\$ 14,442,789	14,649,559
Tuition Charges	\$ 10,771	\$ 12,449	\$ 26,829	\$ 23,514	\$ 64,170	\$ 242,047	\$ 175,025	\$ 186,858	183,266
Interest Earnings	\$ 76,059	\$ 75,312	\$ 23,683	\$ 13,497	\$ 8,262	\$ 4,359	\$ 4,443	\$ 1,262	57,214
Miscellaneous	\$ 113,460	\$ 25,879	\$ 23,339	\$ 225,212	\$ 48,311	\$ (24,452)	\$ 93,067	\$ 39,811	
State Sources	\$ 2,201,057	\$ 2,365,070	\$ 1,886,316	\$ 1,840,515	\$ 1,454,908	\$ 1,690,058	\$ 2,049,422	\$ 1,944,286	2,199,264
Federal Sources	\$ 284,820	\$ 230,587	\$ 342,612	\$ 383,954	\$ 413,190	\$ 299,871	\$ 402,853	\$ 308,619	334,348
<b>Total Revenues</b>	<b>\$ 14,028,308</b>	<b>\$ 14,485,492</b>	<b>\$ 14,646,652</b>	<b>\$ 15,514,280</b>	<b>\$ 15,571,608</b>	<b>\$ 16,052,104</b>	<b>\$ 16,901,786</b>	<b>\$ 16,923,625</b>	<b>17,423,651</b>
<b>Expenditures:</b>									
<b>Instruction:</b>									
Regular	\$ 4,258,752	\$ 4,223,133	\$ 4,143,871	\$ 4,263,165	\$ 4,652,973	\$ 4,587,897	\$ 5,073,182	\$ 5,248,644	5,015,205
Special	\$ 608,322	\$ 952,510	\$ 1,129,871	\$ 898,102	\$ 998,709	\$ 913,643	\$ 985,394	\$ 1,019,118	1,390,056
Other	\$ 97,361	\$ 104,358	\$ 100,908	\$ 101,363	\$ 63,012	\$ 54,606	\$ 55,893	\$ 58,068	54,378
School-Sponsored/Other Inst	\$ 110,861	\$ 53,069	\$ 65,197	\$ 47,010	\$ 49,706	\$ 53,534	\$ 55,167	\$ 57,722	55,866
<b>Community Services</b>									
<b>Undistributed:</b>									
Speech	\$ 201,314	\$ 159,720	\$ 119,259	\$ 58,546		\$ 233,900			
Extraordinary	\$ 151,730	\$ 87,461	\$ 43,099	\$ 294,418	\$ 203,970	\$ 155,786			
Staff Training	\$ 48,176	\$ 56,497	\$ 57,529	\$ 63,283	\$ 46,071	\$ 97,627			
Instruction	\$ 213,610	\$ 193,169	\$ 263,497	\$ 359,495	\$ 554,430	\$ 562,548			
Support Services - Students	\$ 1,108,535	\$ 1,152,363	\$ 1,020,014	\$ 944,300	\$ 997,249	\$ 762,947			
Support Services - Instructional Staff	\$ 73,045	\$ 86,045	\$ 85,105	\$ 91,271	\$ 69,065	\$ 138,203			
General Administration	\$ 383,149	\$ 422,616	\$ 441,850	\$ 474,964	\$ 382,550	\$ 414,612	\$ 401,234	\$ 396,896	432,509
School Administrative Services	\$ 498,707	\$ 432,292	\$ 382,870	\$ 433,645	\$ 446,352	\$ 450,136	\$ 473,433	\$ 568,846	1,834,965
Central Services	\$ 211,902	\$ 233,289	\$ 258,605	\$ 249,325	\$ 272,821	\$ 259,767	\$ 316,016	\$ 301,782	568,425
Admin. Information Technology	\$ 47,407	\$ 81,797	\$ 91,427	\$ 88,936	\$ 99,891	\$ 110,424	\$ 99,305	\$ 110,881	864,183
Plant Operations and Maintenance	\$ 1,006,226	\$ 1,030,835	\$ 1,023,736	\$ 1,029,102	\$ 1,023,519	\$ 1,093,192	\$ 1,105,820	\$ 1,124,754	1,166,708
Pupil Transportation	\$ 518,579	\$ 503,718	\$ 513,303	\$ 544,866	\$ 594,626	\$ 648,813	\$ 794,567	\$ 806,428	676,138
Business and Other Support Services	\$ 1,930,318	\$ 2,084,354	\$ 2,210,706	\$ 2,510,879	\$ 2,608,703	\$ 2,595,532	\$ 3,929,197	\$ 3,673,027	4,091,635
On-Behalf TPAF Pension Cont	\$ 834,422	\$ 887,578	\$ 398,162	\$ 403,028	\$ 406,973	\$ 561,229			
Reimbursed TPAF Social Security									
Contributions	\$ 439,827	\$ 447,315	\$ 437,202	\$ 450,089	\$ 478,058	\$ 462,039			
Capital Outlay	\$ 26,951	\$ 100,843	\$ 33,821	\$ 53,972	\$ 61,247	\$ 108,288	\$ 141,436	\$ 648,303	588,439
Special Revenue	\$ 433,859	\$ 359,703	\$ 479,255	\$ 519,279	\$ 522,490	\$ 411,855			
<b>Debt Service:</b>									
Principal	\$ 360,000	\$ 385,000	\$ 450,000	\$ 435,000	\$ 505,000	\$ 525,000	\$ 555,000	\$ 570,000	590,000
Interest and Other Charges	\$ 399,119	\$ 382,015	\$ 309,239	\$ 360,805	\$ 361,038	\$ 340,032	\$ 319,201	\$ 234,513	239,926
<b>Total Expenditures</b>	<b>\$ 13,962,173</b>	<b>\$ 14,419,679</b>	<b>\$ 14,058,525</b>	<b>\$ 14,674,841</b>	<b>\$ 15,398,454</b>	<b>\$ 15,541,609</b>	<b>\$ 14,304,844</b>	<b>\$ 17,083,743</b>	<b>17,568,433</b>
<b>Excess/(Deficiency) of Revenues</b>									
Over/(Under) Expenditures	\$ 66,135	\$ 65,813	\$ 588,127	\$ 839,439	\$ 173,155	\$ 510,495	\$ 390,774	\$ (160,119)	(144,782)
<b>Other Financing Sources/(Uses):</b>									
Proceeds From Borrowing			\$ 1,257,000						
Proceeds From Refunding			\$ 2,847,224				\$ 5,155,338		
Payments To Escrow Agent			\$ (2,847,224)				\$ (5,155,338)		
Transfers In	\$ 10,260	\$ 4,427	\$ 1,605	\$ 128,177	\$ 1,391	\$ 32,522	\$ 594,020	\$ 100,000	(148,505)
Transfers Out		\$ (3,480)		\$ (128,177)	\$ (1,391)	\$ (32,522)	\$ (594,020)	\$ (100,000)	25,239
<b>Total Other Financing Sources/(Uses)</b>	<b>\$ 10,260</b>	<b>\$ 947</b>	<b>\$ 1,258,605</b>	<b>\$ -</b>	<b>(123,266)</b>				
<b>Net Change in Fund Balances</b>	<b>\$ 76,395</b>	<b>\$ 66,760</b>	<b>\$ 1,846,732</b>	<b>\$ 839,439</b>	<b>\$ 173,155</b>	<b>\$ 510,495</b>	<b>\$ 390,774</b>	<b>\$ (160,119)</b>	<b>(268,048)</b>
<b>Debt Service as a Percentage of</b>									
Noncapital Expenditures	5.45%	5.36%	5.41%	5.44%	5.65%	5.60%	5.34%	4.89%	4.89%

Source: District records

## RUMSON SCHOOL DISTRICT

## GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE

LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Tuition</u>	<u>Miscellaneous</u>	<u>Interest on</u> <u>Investments</u>	<u>Annual</u> <u>Totals</u>
2006	\$ 6,281	\$ 12,884	\$ 58,802	\$ 77,967
2007	\$ 10,771	\$ 113,460	\$ 76,059	\$ 200,290
2008	\$ 12,449	\$ 25,879	\$ 75,312	\$ 113,640
2009	\$ 26,829	\$ 23,339	\$ 23,683	\$ 73,850
2010	\$ 23,514	\$ 26,916	\$ 9,837	\$ 60,267
2011	\$ 64,170	\$ 48,311	\$ 6,871	\$ 119,352
2012	\$ 242,047	\$ 39,080	\$ 4,291	\$ 285,418
2013	\$ 175,025	\$ 93,067	\$ 4,423	\$ 365,581
2014	\$ 186,858	\$ 22,278	\$ 1,262	\$ 210,398

RUMSON SCHOOL DISTRICT  
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)  
 RUMSON BOROUGH

Fiscal Year Ending June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment
2006	13,070,000	2,656,044,000		25,700	103,472,000		3,597,600
2007	31,304,000	2,680,775,700	\$ 6,051,700	32,300	102,473,300		3,588,500
2008	45,975,700	2,747,446,100	6,051,700	31,000	101,724,700		3,668,100
2009	42,970,900	2,802,888,200	6,051,700	32,600	102,395,500		1,494,800
2010	37,540,800	2,819,687,500	6,051,700	29,200	102,464,300		628,700
2011	38,412,300	2,807,299,400	6,307,600	32,000	102,610,100		628,700
2012	41,969,100	2,809,034,000		30,200	103,446,700		628,700
2013	54,489,000	2,757,376,100		26,800	99,895,900		628,700
2014	51,516,500	3,117,104,600	2,973,000	13,800	112,110,600		672,300
2015	47,011,901	3,192,319,600	7,361,825	25,000	80,679,000		31,338
		Less:				Total	
	Total Assessed	Tax-Exempt	Public	Net Valuation	Estimated Actual	Direct	
	Value	Property	Utilities <sup>a</sup>	Taxable	(County	School	
					Equalized) Value	Tax Rate <sup>b</sup>	
2006	2,776,209,300		1,375,206	2,777,584,506	2,236,814,460	0.718	
2007	2,824,225,500		1,202,538	2,825,428,038	2,671,610,268	0.749	
2008	2,904,897,300		1,340,414	2,906,237,714	3,079,553,829	0.776	
2009	2,955,833,700		1,626,628	2,957,460,328	3,765,682,073	0.802	
2010	2,966,402,200		1,903,707	2,968,305,907	3,625,612,976	0.839	
2011	2,955,290,100		1,405,766	2,956,695,866	3,482,171,902	0.837	
2012	2,955,108,700		1,363,484	2,956,472,184	3,441,790,050	0.869	
2013	2,912,416,500		1,277,630	2,913,694,130	3,334,509,190	0.903	
2014	3,284,390,800		1,058,300	3,285,349,130	3,285,349,130	0.820	
2015	3,358,735,600		1,124,732	3,359,860,332	3,359,860,332		

Source: Municipal Tax Assessor

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 (R) occurs when the County Board of Taxation requests Treasury to order a reassessment.

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

b Tax rates are per \$100

RUMSON SCHOOL DISTRICT

DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN FISCAL YEARS  
(RATE PER \$100 OF ASSESSED VALUE)  
(UNAUDITED)

Fiscal Year Ending June 30,	Rumson School District Direct Rate					Total Direct and Overlapping Tax Rate Rumson Borough
	(From J-6)	Total Direct		Monmouth County	Rumson Borough	
	Total Direct School Tax Rate Rumson Borough	Regional High School Tax Rate Rumson Borough	Total Direct			
2006	0.382	0.336	0.718	0.281	0.324	1.323
2007	0.402	0.347	0.749	0.281	0.328	1.358
2008	0.410	0.366	0.776	0.281	0.332	1.389
2009	0.441	0.361	0.802	0.302	0.327	1.431
2010	0.458	0.381	0.839	0.323	0.328	1.490
2011	0.468	0.379	0.847	0.332	0.329	1.508
2012	0.480	0.389	0.869	0.342	0.301	1.512
2013	0.496	0.407	0.903	0.359	0.346	1.608
2014	0.446	0.374	0.820	0.322	0.315	1.457
2015	0.446	0.372	0.818	0.329	0.306	1.453

Source: Municipal Tax Assessor

Note: N.J.S.A. 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 calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

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.

RUMSON SCHOOL DISTRICT

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO  
(UNAUDITED)

RUMSON BOROUGH

	2015			2006		
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value
Taxpayer 1	\$ 30,851,900	1	0.0092	\$ 28,366,300	1	0.01000
Taxpayer 2	11,904,900	2	0.0035	11,259,400	2	0.00400
Taxpayer 3	9,253,900	3	0.0028	10,501,300	3	0.00300
Taxpayer 4	9,071,700	4	0.0027	9,499,200	4	0.00340
Taxpayer 5	7,700,000	5	0.0023	7,100,000	5	0.00250
Taxpayer 6	7,351,400	6	0.0022	6,931,300	6	0.00250
Taxpayer 7	6,548,200	7	0.0019	6,766,800	7	0.00240
Taxpayer 8	6,370,900	8	0.0019	6,450,000	8	0.00230
Taxpayer 9	6,334,600	9	0.0019	6,325,000	9	0.00220
Taxpayer 10	6,077,500	10	0.0018	6,315,400	10	0.00220
Total	<u>\$ 101,465,000</u>		<u>0.0302</u>	<u>\$ 99,514,700</u>		<u>0.0345</u>

Source: Municipal Tax Assessor

## RUMSON SCHOOL DISTRICT

## PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2006	10,613,061	10,613,061	100.00%	-
2007	11,342,141	11,342,141	100.00%	-
2008	11,776,195	11,776,195	100.00%	-
2009	12,343,874	12,343,874	100.00%	-
2010	13,027,588	13,027,588	100.00%	-
2011	13,582,768	13,582,768	100.00%	-
2012	13,840,220	13,840,220	100.00%	-
2013	14,176,977	14,176,977	100.00%	-
2014	14,442,789	14,442,789	100.00%	-
2015	14,649,559	14,649,559	100.00%	-

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

- 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.

RUMSON SCHOOL DISTRICT  
 RATIOS OF OUTSTANDING DEBT BY TYPE  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)  
 RUMSON BOROUGH

Fiscal Year Ending June 30,	Governmental Activities				Business-Type Activities	Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2006	9,490,000.00					9,490,000.00	0.025	1,304.65
2007	9,130,000.00					9,130,000.00	0.023	1,265.42
2008	8,745,000.00					8,745,000.00	0.021	1,204.88
2009	9,559,000.00					9,559,000.00	N/A	1,307.84
2010	9,124,000.00					9,124,000.00	N/A	1,248.32
2011	8,619,000.00					8,619,000.00	N/A	1,179.23
2012	8,094,000.00					8,094,000.00	N/A	1,107.40
2013	7,092,000.00					7,092,000.00	N/A	1,012.42
2014	6,522,000.00					6,522,000.00	N/A	N/A
2015	5,932,000.00					5,932,000.00		

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

Note: 2004 is the latest census data available.

- a See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- b Includes Early Retirement Incentive Plan ("ERIP") refunding
- N/A At the time of CAFR completion, this information was not yet available

## RUMSON SCHOOL DISTRICT

## RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS  
(UNAUDITED)

Fiscal Year Ending June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Net Valuation Taxable
	General Obligation Bonds	Deductions			
2006	9,490,000.00	None	9,490,000.00	0.342%	2,777,584,506
2007	9,130,000.00	None	9,130,000.00	0.323%	2,825,428,038
2008	8,745,000.00	None	8,745,000.00	0.301%	2,906,237,714
2009	9,559,000.00	None	9,559,000.00	0.323%	2,957,460,328
2010	9,124,000.00	None	9,124,000.00	0.307%	2,968,305,907
2011	8,619,000.00	None	8,619,000.00	0.292%	2,956,695,866
2012	8,094,000.00	None	8,094,000.00	0.274%	2,956,472,184
2013	7,092,000.00	None	7,092,000.00	0.243%	2,913,694,130
2014	6,522,000.00	None	6,522,000.00	0.199%	3,285,349,130
2015	5,932,000.00	None	5,932,000.00	0.177%	3,359,860,332

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

See Exhibit NJ J-6 for property tax data.

Population data can be found in Exhibit NJ J-14.

RUMSON SCHOOL DISTRICT

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF JUNE 30, 2014  
(UNAUDITED)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable<sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes:			
Rumson Borough	\$ 16,479,530.31	100%	\$ 16,479,531
Monmouth County General Obligation Debt:			
Rumson Borough	\$ 452,960,720.00	2.85%	12,922,921
	\$ 5,932,000.00	100%	<u>5,932,000</u>
			<hr/>
Total Direct and Overlapping Debt			<u><u>\$ 35,334,452</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Monmouth County Board of Taxation.  
Debt Outstanding data provided by each governmental unit.

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

RUMSON SCHOOL DISTRICT  
 LEGAL DEBT MARGIN INFORMATION  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

Legal Debt Margin Calculation for Fiscal Year 2013			<u>Rumson</u> <u>Borough</u>
Equalized Valuation Basis	2014	\$	3,338,372,433.00
	2013		3,318,993,162.00
	2012	—	3,381,905,127.00
	(A)	\$	<u>10,039,270,722.00</u>
Average Equalized Valuation of Taxable Property	(A/3)	\$	3,346,423,574.00
Debt Limit (3% of Average Equalization Value)	(B)		100,392,707.22 a
Total Net Debt Applicable To Limit	(C)		<u>6,522,000.00</u>
Legal Debt Margin	(B-C)	\$	<u>93,870,707.22</u>

	<u>Fiscal Year</u>				
	<u>2006</u>	2007	<u>2008</u>	<u>2009</u>	<u>2010</u>
Debt Limit	\$ 79,879,786	\$ 92,288,098	\$ 101,480,112	\$ 107,679,117	108,949,540
Total Net Debt Applicable To Limit	<u>9,490,000</u>	<u>9,130,000</u>	<u>8,745,000</u>	<u>9,559,000</u>	<u>9,124,000</u>
Legal Debt Margin	<u>\$ 70,389,786</u>	<u>\$ 83,158,098</u>	<u>\$ 92,735,112</u>	<u>\$ 98,120,117</u>	<u>99,825,540</u>

Total Net Debt Applicable to the Limit  
 as a Percentage of Debt Limit

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt Limit	\$ 107,969,027	\$ 105,405,482	\$ 102,708,174	\$ 101,412,826	100392707.00
Total Net Debt Applicable To Limit	<u>8,619,000</u>	<u>8,094,000</u>	<u>7,092,000</u>	<u>6,522,000</u>	<u>5932000.00</u>
Legal Debt Margin	<u>\$ 99,350,027</u>	<u>\$ 97,311,482</u>	<u>\$ 95,616,174</u>	<u>\$ 94,890,826</u>	<u>\$ 94,460,707</u>

Total Net Debt Applicable to the Limit  
 as a Percentage of Debt Limit

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

a Limit set by N.J.S.A. 18A:24-19 for a K through 8 District; other percentage limits would be applicable for other District types.  
 n/a Not Available

RUMSON SCHOOL DISTRICT  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)

RUMSON BOROUGH

<u>Year</u>	<u>Population<sup>a</sup></u>	<u>Personal Income<sup>b</sup></u>		<u>Per Capita Personal Income<sup>c</sup></u>	<u>Unemployment Rate<sup>d</sup></u>
2005	7,326	370,842,120	\$	50,620	2.90%
2006	7,474	409,747,102		54,823	2.60%
2007	7,215	422,099,145		58,503	2.40%
2008	7,258	429,782,470		59,215	Unavailable
2009	7,309	416,357,185		56,965	3.10%
2010	7,110	408,021,570		57,387	5.20%
2011	7,085	424,214,375		59,875	5.30%
2012	7,047	366,422,859		51,997	Unavailable
2013	7,005	440,621,505		62,901	5.50%
2014	6,978	Not Yet Available		Not Yet Available	4.40%
2015	Not Yet Available	Not Yet Available		Not Yet Available	Not Yet Available

<sup>a</sup> Population information provided by the NJ Department of Labor and Workforce Development

<sup>b</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented.

<sup>c</sup> Per Capital Personal Income for NJ provided by NJ DOE from Census Bureau midyear estimates

<sup>d</sup> Unemployment data provided by the NJ Department of Labor and Workforce Development.

RUMSON SCHOOL DISTRICT

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO  
(UNAUDITED)

<u>Employer</u>	2,015.00			2,006.00		
	<u>Employees</u>	Rank (Optional)	Percentage of Total Municipal Employment	<u>Employees</u>	Rank (Optional)	Percentage of Total Municipal Employment
		1			1	
		2			2	
		3			3	
		4			4	
		5	<b>DATA NOT AVAILABLE</b>		5	
		6			6	
		7			7	
		8			8	
		9			9	
		10			10	
	<hr/>		<hr/>	<hr/>		<hr/>
Total	<hr/> <hr/>		<hr/> <hr/>	<hr/> <hr/>		<hr/> <hr/>

RUMSON SCHOOL DISTRICT

FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS  
(UNAUDITED)

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction:										
Regular	68	69	68	70	68	63	64	65	66	67
Special Education	16	16	17	16	17	20	18	19	21	21
Other Special Education	3	2	3	3	3	3	3	3	3	3
Vocational										
Other Instruction	25	23	24	24	23	17	14	13	14	13
Nonpublic School Programs										
Adult/Continuing Education Programs										
Support Services:										
Student and Instruction Related Services	6	6	5	5	6	6	6	6	6	6
General Administration	6	6	5	5	5	5	5	5	6	6
School Administrative Services	5	5	5	5	5	5	5	5	5	5
Business Administrative Services	4	4	4	4	4	4	4	4	4	4
Central Services										
Administrative Information Technology										
Plant Operations and Maintenance	10	10	9	9	10	10	10	10	10	10
Pupil Transportation										
Other Support Services										
Special Schools										
Food Service										
Child Care										
Total	<u>143</u>	<u>141</u>	<u>140</u>	<u>141</u>	<u>141</u>	<u>133</u>	<u>129</u>	<u>130</u>	<u>135</u>	<u>135</u>

Source: District Personnel Records

RUMSON SCHOOL DISTRICT

OPERATING STATISTICS

LAST TEN FISCAL YEARS  
(UNAUDITED)

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures<sup>a</sup></u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff<sup>b</sup></u>	<u>Pupil/Teacher Ratio</u>	<u>Average Daily Enrollment (ADE)<sup>c</sup></u>	<u>Average Daily Attendance (ADA)<sup>d</sup></u>	<u>Percentage Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2006	983	11,202,934	11,397	7.90%	84.0	11.7	991.1	943.6	-0.28%	95.21%
2007	963	11,583,843	12,029	5.55%	85.0	11.3	962.2	918.6	-2.92%	95.47%
2008	971	12,073,578	12,434	3.37%	85.0	11.4	981.3	939.4	1.99%	95.73%
2009	995	12,603,562	12,667	1.87%	85.0	11.7	1,005.8	960.4	2.50%	95.49%
2010	983	12,454,198	12,670	0.01%	87.0	11.3	973.0	929.3	-3.26%	95.51%
2011	983	13,076,387	13,467	1.00%	87.0	11.3	984.9	936.8	1.22%	95.12%
2012	983	13,133,166	13,360	0%	87.0	11.3	990.5	949.8	0.57%	95.89%
2013	994	15,630,037	15,724	0.01%	87.0	11.4	1,005.0	964.4	1.46%	97.02%
2014	973	15,729,633	16,166	5.62%	90.0	10.8	976.5	935.4	-2.84%	96.14%
2015	972	16,411,288	16,884	4.44%	91.0	10.7	972.0	929.0	-0.46%	95.58%

Source: District records

Note: Enrollment based on annual October District count.

a Operating expenditures equal total expenditures

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).

RUMSON SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS  
(UNAUDITED)

<u>District/Building</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2,015</u>
Deane-Porter Elementary School										
Square Feet	56,962	56,962	56,962	56,962	56,962	56,962	56,962	56,962	56,962	56,962
Capacity (Students)	480	480	480	480	480	480	480	480	480	480
Enrollment	387	402	411	434	431	427	412	426	401	401
Forrestdale Middle School										
Square Feet	91,924	91,924	91,924	91,924	91,924	91,924	91,924	91,924	91,924	91,924
Capacity (Students)	720	720	720	720	720	720	720	720	720	720
Enrollment	596	561	560	561	552	556	571	568	575	575
Number of Schools at June 30, 2014										
1 Elementary School										
1 Middle School										

Source: District Facilities Office

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions.  
Enrollment is based on the annual October District count.

RUMSON SCHOOL DISTRICT  
SCHEDULE OF REQUIRED MAINTENANCE  
LAST TEN FISCAL YEARS  
(UNAUDITED)

UNDISTRIBUTED EXPENDITURES - REQUIRED  
MAINTENANCE FOR SCHOOL FACILITIES  
11-000-261-xxx

	<u>*School Facilities</u>	<u>Forrestdale</u>	<u>Deane-Porter</u>	
	<u>Project # (s)</u>			<u>Total</u>
2006	N/A	44,221.46	34,745.43	78,966.89
2007	N/A	33,835.99	26,585.42	60,421.41
2008	N/A	64,835.15	50,735.53	115,570.68
2009	N/A	47,328.57	37,036.08	84,364.65
2010	N/A	50,288.04	39,351.76	89,639.80
2011	N/A	58,878.63	46,074.37	104,953.00
2012	N/A	112,137.73	87,751.27	199,889.00
2013	N/A	108,725.00	82,021.00	190,746.00
2014	N/A	62,395.00	38,242.00	100,637.00
2015	N/A	92,084.75	69,467.45	161,552.20
Total School Facilities		<u>\$ 674,730.32</u>	<u>\$ 512,010.31</u>	<u>\$ 1,186,740.63</u>

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

Source: District records

RUMSON SCHOOL DISTRICT  
2015  
INSURANCE SCHEDULE

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - NJSIG		
Blanket Buildings and Contents (special form coverage/replacement cost)	\$ 29,985,198	\$ 5,000
Extra Expense	Included in Business Income	
Musical Instruments	Included in Business Income	1,000
Comprehensive General Liability	10,000,000	
Money and Securities	25000 In/Out	
Data Processing Equipment	550,000	1,000
Camera Equipment	Included	250
Miscellaneous Property	Included	
Automobile Policy - NJSIG	1,000,000	
Workers Compensation - MOCSSIF/NJSIG	2,000,000	
Boiler Insurance - NJSIG	100,000,000	
School Board Legal Liability - New Jersey		
School Boards Association Insurance Group	5,000,000	
Student Accident and Athletic Account - Bollinger	1,000,000	
Fidelity Bond Insurance:		
Selective Insurance Company:		
Board Secretary	50,000	
Treasurer of School Moneys		5,000
Crime - Employee Dishonesty - NJSIG	100,000	
Excess Workers Compensation - CHUBB	After 7 day	
Flood		
Deane-Porter	25000	1,000
Forrestdale	25000	1,000

Source: District records.

**SINGLE AUDIT SECTION**

*Robert A. Hulsart and Company*

CERTIFIED PUBLIC ACCOUNTANTS

100.

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)  
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.  
ROBERT A. HULSART, JR., C.P.A., P.S.A.  
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**INDEPENDENT AUDITOR'S 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***

Honorable President and Members  
of the Board of Education  
Rumson School District  
County of Monmouth  
Rumson, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Rumson Board of Education, County of Monmouth, State of New Jersey as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Rumson Board of Education, County of Monmouth, State of New Jersey's basic financial statements, and have issued our report thereon dated December 18, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Rumson Board of Education, County of Monmouth, State of New Jersey's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions of the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Rumson Board of Education, County of Monmouth, State of New Jersey's internal control. Accordingly, we do not express an opinion on the effectiveness of the Rumson Board of Education, County of Monmouth, State of New Jersey'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purposes 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 may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Rumson Board of Education, County of Monmouth, State of New Jersey's financial statements are free from material misstatement, we performed tests of it compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

**ROBERT A. HULSART AND COMPANY**

*Robert A. Hulsart*

**Licensed Public School Accountant  
No. 322  
Robert A. Hulsart and Company  
Wall Township, New Jersey**

December 18, 2015

*Robert A. Hulsart and Company*  
CERTIFIED PUBLIC ACCOUNTANTS

102.

ARMOUR S. HULSART, C.P.A., R.M.A., P.S.A. (1959-1992)  
ROBERT A. HULSART, C.P.A., R.M.A., P.S.A.  
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED  
BY OMB CIRCULAR A-133**

Honorable President and Members  
of the Board of Education  
Rumson School District  
County of Monmouth  
Rumson, New Jersey

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

We have audited the Board of Education of the Rumson School District, County of Monmouth, State of New Jersey's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Board of Education of the Rumson School District, County of Monmouth, State of New Jersey's major state programs for the year ended June 30, 2015. The Board of Education of the Rumson School District, County of Monmouth, State of New Jersey's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on compliance for each of the Board of Education of the Rumson School District, County of Monmouth, State of New Jersey's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and prescribed by the Office of School Finance, Department of Education, State of New Jersey; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Board of Education of the Rumson School District, County of Monmouth, State of New Jersey's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Board of Education of the Rumson School District, County of Monmouth, State of New Jersey's compliance.

### *Opinion on Each Major State Program*

In our opinion, the Board of Education of the Rumson School District, County of Monmouth, State of New Jersey's, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2015.

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

Management of the Board of Education of the Rumson School District, County of Monmouth, State of New Jersey's is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Board of Education of the Rumson School District, County of Monmouth, State of New Jersey's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board of Education of the Rumson School District, County of Monmouth, State of New Jersey's 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 state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal 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 was for the limited purposes described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or, significant deficiencies. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

**ROBERT A. HULSART AND COMPANY**

*Robert A. Hulsart*

Licensed Public School Accountant  
No. 322  
Robert A. Hulsart and Company  
Wall Township, New Jersey

December 18, 2015

**RUMSON SCHOOL DISTRICT**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Schedule A  
K-3

Department of Education Project/Title	CFDA Number	Program or Award Amount	Grant Period		Balance at June 30, 2014	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year Balances	Balance at June 30, 2015		
			From	To							(Accounts Receivable)	Deferred Revenue	Due to Grantor
Special Revenue Fund:													
Title IIA	84.367A	26,166	9/1/14	8/31/15	\$ -		26,166	(26,166)					
I.D.E.A.:													
Part B	84.027	274,966	9/1/13	8/31/14	(30,551)								
Part B	84.027	287,043	9/1/14	8/31/15			282,538	(287,043)			(4,505)		
Preschool	84.173	10,389	9/1/13	8/31/14	1,299	(1,299)							
Preschool	84.173	11,645	9/1/14	8/31/15		1,299	9,047	(10,346)					
Total U.S. Department of Education					<u>(29,252)</u>	<u>-</u>	<u>317,751</u>	<u>(323,555)</u>	<u>-</u>	<u>-</u>	<u>(4,505)</u>	<u>-</u>	<u>-</u>
Total Federal Financial Assistance					<u>\$ (29,252)</u>	<u>-</u>	<u>317,751</u>	<u>(323,555)</u>	<u>-</u>	<u>-</u>	<u>(4,505)</u>	<u>-</u>	<u>-</u>

See Accompanying Notes to Schedules of Financial Assistance.

**RUMSON SCHOOL DISTRICT**

**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Schedule B  
K-4

Department of Education Project/Title	State Grant Number	Program or Award Amount	Grant Period		Balance at June 30, 2014	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year Balances	Balance at June 30, 2015			MEMO	
			From	To							(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Total Cumulative Expenditures
State Department of Education:															
Special Education Aid	15-495-034-5120-089	\$ 315,384	7/1/14	6/30/15	\$ -		315,384	(315,384)						(29,820)	315,384
Security Aid	15-495-034-5120-084	14,317	7/1/14	6/30/15			14,317	(14,317)						(1,437)	14,317
Extraordinary Aid	15-495-034-5120-473	169,015	7/1/14	6/30/15				(169,015)			(169,015)				169,015
Extraordinary Aid	14-495-034-5120-473	131,791	7/1/13	6/30/14	(131,791)		131,791								
Transportation Aid	15-495-034-5120-014	31,992	7/1/14	6/30/15			31,992	(31,992)						(2,874)	31,992
Non-Public Transportation Aid	14-495-034-5120-014	5,636	7/1/13	6/30/14	(5,636)		5,636								
Non-Public Transportation Aid	15-495-034-5120-014	3,621	7/1/14	6/30/15				(3,621)			(3,621)				3,621
PARCC Readiness Aid	15-495-034-5120-098	9,520	7/1/14	6/30/15			9,520	(9,520)						(898)	9,520
Per Pupil Growth Aid	15-495-034-5120-097	9,520	7/1/14	6/30/15			9,520	(9,520)						(898)	9,520
Reimbursed TPAF Social Security Contribution (Non-Budgeted)	15-100-034-5095-003	504,394	7/1/14	6/30/15			504,394	(504,394)							
					(137,427)	-	1,022,554	(1,057,763)	-	-	(172,636)	-	-	(35,927)	553,369
Debt Service Type II Aid	15-495-034-5120-017	106,721	7/1/14	6/30/15			106,721	(106,721)							106,721
Special Revenue Fund:															
N.J. Nonpublic Textbook Aid	15-100-034-5120-064	20,019	7/1/14	6/30/15			20,019	(19,952)							19,952
N.J. Nonpublic Textbook Aid	14-100-034-5120-064	19,362	7/1/13	6/30/14	1,333					(1,333)					
N.J. Nonpublic Technology Aid	15-100-013-5120-373	10,752	7/1/14	6/30/15			10,752	(10,741)						11	10,741
N.J. Nonpublic Auxiliary Services Aid:															
Home Instruction	15-100-034-5120-067	147	7/1/14	6/30/15				(147)			(147)				147
Compensatory Education	15-100-034-5120-067	34,936	7/1/14	6/30/15			34,936	(21,499)						13,437	21,499
N.J. Nonpublic Handicapped Aid:															
Annual Exam	15-100-034-5120-066	5,426	7/1/14	6/30/15	638						(638)				
Supplemental Instruction	14-100-034-5120-066	13,183	7/1/13	6/30/14	1,388						(1,388)				
Supplemental Instruction	15-100-034-5120-066	18,833	7/1/14	6/30/15			18,833	(13,340)						5,493	13,340
Examination and Classification Annual	15-100-034-5120-066	8,664	7/1/14	6/30/15			8,664	(4,693)						3,971	4,693
Examination and Classification Initial	15-100-034-5120-066	31,496	7/1/14	6/30/15			31,496	(31,496)							31,496
Examination and Classification	14-100-034-5120-066	28,963	7/1/13	6/30/14	12,254						(12,254)				
Corrective Speech	14-100-034-5120-066	15,624	7/1/13	6/30/14	4,687						(4,687)				
Corrective Speech	15-100-034-5120-066	15,373	7/1/14	6/30/15			15,373	(14,519)						854	14,519
N.J. Nonpublic Nursing Services Aid	15-100-034-5120-070	31,870	7/1/14	6/30/15			31,870	(31,718)						152	31,718
N.J. Nonpublic Nursing Services Aid	14-100-034-5120-070	27,252	7/1/13	6/30/14	8						(8)				
					20,308	-	171,943	(148,105)	-	(20,308)	(147)	-	23,985	-	148,105
Total State Financial Assistance					\$ (117,119)	-	1,301,218	(1,312,589)	-	(20,308)	(172,783)	-	23,985	(35,927)	808,195

See Accompanying Notes to Schedules of Financial Assistance.

**BOARD OF EDUCATION**

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**RUMSON SCHOOL DISTRICT****NOTES TO SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE****JUNE 30, 2015****NOTE 1: General**

The accompanying schedules of financial assistance present the activity of all federal and state financial assistance programs of the Board of Education, Rumson School District. The Board of Education is defined in Note 1(A) to the Board's general-purpose financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies is included on the schedule of federal financial assistance.

**NOTE 2: Basis of Accounting**

The accompanying schedules of financial assistance are presented using the modified accrual basis of accounting. This basis of accounting is described in Note 1(C) to the Board's general-purpose financial statements.

**NOTE 3: Relationship to General Purpose Financial Statements**

The general-purpose 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 state aid payment in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

Awards and financial assistance revenues are reported in the Board's general purpose financial statements on a GAAP basis as presented below:

NOTE 3: Relationship to General Purpose Financial Statements

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
<b><u>State Assistance</u></b>				
Actual Amounts (Budgetary) “Revenues” from the Schedule of Expenditures of State Financial Assistance	\$ 553,369	148,105	106,721	808,195
Difference – Budget to “GAAP”				
Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures and the Related Revenue is Recognized				
On Behalf Payments Recognized for GAAP Statements but Not Included in the Schedule of Expenditures of State Financial Assistance	888,579			888,579
The Last State Aid Payment Is Recognized as Revenue for Budgetary Purposes, and Differs from GAAP Which does not Recognize This Revenue Until the Subsequent Year When the State Recognizes the Related Expense (GASB 33)	<u>(1,904)</u>			<u>(1,904)</u>
Total State Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances	<u>\$ 1,440,044</u>	<u>148,105</u>	<u>106,721</u>	<u>1,694,870</u>

**NOTE 3: Relationship to General Purpose Financial Statements (Continued)**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
<b><u>Federal Assistance</u></b>				
Actual Amounts (Budgetary) “Revenues” from the Schedule of Expenditures of Federal Awards	\$	323,555		323,555
Difference – Budget to “GAAP” Grant Accounting Budgetary Basis Differs from GAAP in that Encumbrances are Recognized as Expenditures and the Related Revenue is Recognized	_____	<u>15,297</u>	_____	<u>15,297</u>
Total Federal Revenue as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances	\$ _____	<u>338,852</u>	=====	<u>338,852</u>

**NOTE 4: Relationship to Federal and State Financial Reports**

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

**NOTE 5: Other**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state of behalf of the District for the year ended June 30, 2015. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer’s share of social security contributions for TPAF members for the year ended June 30, 2015.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

*Part 1 - Summary of Auditor's Results*

Financial Statement Section

Type of auditor's report issued:

Unmodified

N/A

Internal control over financial reporting:

1) Material weakness(es) identified?

Yes  No

2) Reportable conditions(s) identified that are not considered to be material weaknesses?

Yes  None Reported

Noncompliance material to general purpose financial statements noted?

Yes  No

State Awards

Dollar threshold used to distinguish between type A and type B programs:

\$300,000

Auditee qualified as low-risk auditee?

Yes  No

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

Unmodified

Internal Control over major programs:

(1) Material Weakness(es) identified?

Yes  No

(2) Reportable condition(s) identified that are not considered to material weaknesses?

Yes  None Reported

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB's Circular 98-07?

Yes  No

Identification of major programs:

GMIS Number(s)

15-495-034-5120-089

15-495-034-5120-084

15-495-034-5120-098

15-495-034-5120-097

Name of State Program

Special Education Aid (State Aid - Public Cluster)

Security Aid (State Aid - Public Cluster)

PARCC Readiness Aid (State Aid - Public Cluster)

Per Pupil Growth Aid (State Aid - Public Cluster)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

*Part 2 - Financial Statement Findings*

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the general purpose financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

Finding: None

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

Cause: N/A

Recommendation: N/A

Management's Response: N/A

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

*Part 3 - Federal Awards and State Financial Assistance Findings and Questioned Costs*

This section identifies audit findings required to be reported by section .510(a) of Circular A-133 and NJOMB Circular Letter 04-04.

State Awards

Finding: None

Information on the State Program: N/A

Criteria or specific requirement: N/A

Condition: N/A

Questioned Costs: N/A

Context: N/A

Effect: N/A

RUMSON SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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FOR THE FISCAL YEAR ENDED JUNE 30, 2015

*Part 3 - Federal Awards and State Financial Assistance Findings and Questioned Costs (Continued)*

State Awards (Continued)

Cause: N/A

Recommendation: N/A

Management's response: N/A

RUMSON SCHOOL DISTRICT

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

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FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Prior Audit Findings:

None