

SCHOOL DISTRICT

OF

RUMSON

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

RUMSON BOARD OF EDUCATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

PREPARED BY

**RUMSON BOARD OF EDUCATION
FINANCE DEPARTMENT**

RUMSON SCHOOL DISTRICT

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INTRODUCTORY SECTION


BOARD OF EDUCATION OF THE BOROUGH OF RUMSON

60 Forrest Avenue, Rumson NJ 07760 732.842.0354/Fax 732.842.4877

Office of Business Administrator
 Ms. Debra L. Allen

November 21, 2016

 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, 2016 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 Title 2 U.S. Code of Federal Regulations, Part 200, Audits of States and Local Governments, and the State Treasury OMB Circular 15-08, 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,

 John E. Bormann, EdD
 Superintendent of Schools

 Debra Leigh Allen
 Business Administrator/Board Secretary

RUMSON BOARD OF EDUCATION

Rumson, New Jersey

Roster of Officials

June 30, 2016

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
Colleen O'Connor, President	2017
Margaret Simons, Vice President	2018
Russell Binns	2016
Diane MacGillis	2016
Elaine Melia	2016
Maura Beyer	2017
Kim Swain	2017
John Connors	2018
Charles Jones	2018

OTHER OFFICIALS

- John Bormann, Superintendent of Schools
- Debra Leigh Allen, Business Administrator/Board Secretary
- Anthony Sciarrillo, Esq., Solicitor

RUMSON BOARD OF EDUCATION

Rumson, New Jersey

Consultants and Advisors

AUDIT FIRM

Robert Hulsart and Company

2807 Hurley Pond Road

Wall, NJ 07719

ATTORNEY

Anthony Sciarrillo, Esq.

238 St Paul Street

Westfield, NJ 07090

OFFICIAL DEPOSITORIES

TD Bank

Red Bank, NJ

1st Constitution Bank

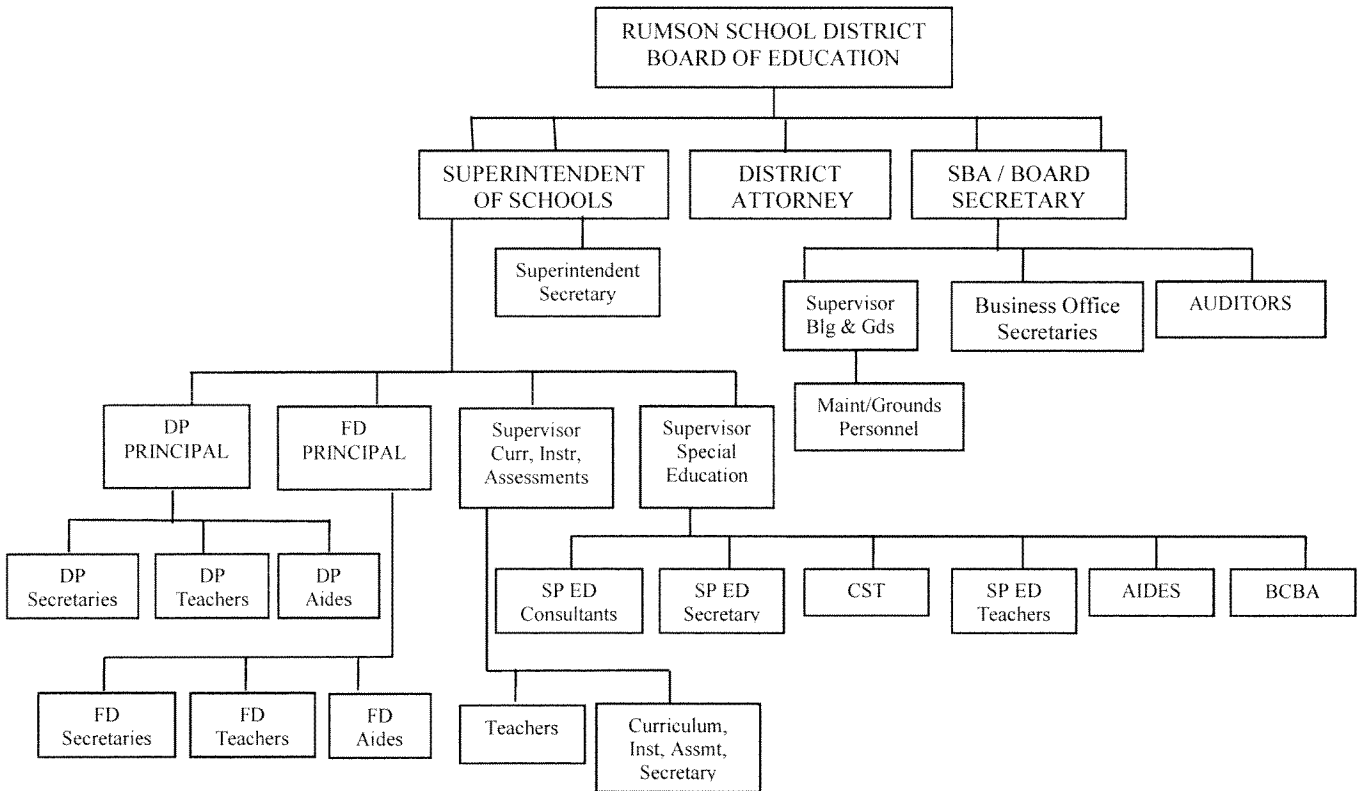
Rumson, NJ

POLICY

RUMSON BOROUGH BOARD OF EDUCATION

ADMINISTRATION
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ORGANIZATIONAL CHART

1110 ORGANIZATIONAL CHART



Adopted: 28 November 2012

Revised:



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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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, 2016, 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, 2016, 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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08, 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 November 21, 2016 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

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

November 21, 2016

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

RUMSON SCHOOL DISTRICT
BOROUGH OF RUMSON
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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, 2016. 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 2015-2016 fiscal year are as follows:

- The total Governmental net position included \$4,254,125 of capital assets and \$2,155,894 of restricted assets designated for state and federal projects, capital projects, and various reserves.
- Total revenues for the year were \$18,429,061 which included \$17,963,201 in Governmental Funds, and \$465,860 for Proprietary Funds.
- There was state aid payments of \$35,927 that was not made in 2015-16 as a result of the New Jersey Legislature's Appropriations Act. This amount will be received in 2016-17.
- Total District expenditures were \$18,728,343 of which \$18,296,736 were for Governmental Funds and \$431,607 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 is reported as a business activity.

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 2015-2016 and 2014-2015.

Table 1
Net Position

	<u>2015-2016</u>	<u>2014-2015</u>
<u>Assets</u>		
Current and Other Assets	\$ 2,910,126	2,776,772
Capital Assets, Net	<u>9,629,521</u>	<u>10,708,969</u>
Total Assets	<u>\$ 12,539,647</u>	<u>13,485,741</u>
<u>Deferred Outflow of Resources</u>		
Bond Issue Refunding Loss	\$ 312,900	357,600
Unamortized Loss on Early Refunding of Debt		
Contribution to Pension Plan	<u>614,501</u>	<u>248,988</u>
Total Deferred Outflow of Resources	<u>\$ 927,401</u>	<u>606,588</u>
<u>Deferred Inflow of Resources</u>		
Pension Deferrals	<u>\$ 156,100</u>	<u>222,158</u>
<u>Liabilities</u>		
Current Liabilities	\$ 923,215	526,322
Other Liabilities	<u>9,051,793</u>	<u>9,708,627</u>
Total Liabilities	<u>\$ 9,975,008</u>	<u>10,234,949</u>
<u>Net Position</u>		
Invested in Capital Assets, Net of Debt	\$ 4,302,521	4,776,969
Restricted	2,155,894	1,765,187
Unrestricted	<u>(3,122,475)</u>	<u>(2,906,934)</u>
Total Net Position	<u>\$ 3,335,940</u>	<u>3,635,222</u>

Table 2 shows the changes in net position for fiscal year 2015-2016 and 2014-2015.

Table 2
Changes in Net Position

	<u>2015-2016</u>	<u>2014-2015</u>
<u>Revenues</u>		
Program Revenues		
Charges for Services	\$ 613,970	614,759
Operating Grants and Contributions	498,839	482,453
General Revenues		
Property Taxes	14,996,273	14,649,559
Grants and Entitlements	2,275,085	2,051,159
Other	<u>44,894</u>	<u>(65,912)</u>
Total Revenues	<u>18,429,061</u>	<u>17,732,018</u>
<u>Program Expenses</u>		
Instruction	6,861,191	6,515,505
Tuition	429,648	432,509
Depreciation	572,724	573,268
Support Services		
Pupils/Instructional Services	1,971,256	1,834,965
Administrative-General, School, Business	1,309,108	1,432,608
Operations and Maintenance of Facilities	1,132,554	1,166,708
Pupil Transportation	716,879	676,138
Employee Benefits	4,467,248	4,063,490
Debt Service	217,296	218,024
Capital Outlay	618,832	
Food Service	<u>431,607</u>	<u>433,077</u>
Total	<u>18,728,343</u>	<u>17,346,292</u>
Increase (Decrease) in Net Position	<u>\$ (299,282)</u>	<u>385,726</u>

Governmental Activities

Local property taxes accounted for 83% of governmental fund revenues in 2015-16.

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) were comprised of charges for services and federal and state reimbursements.

- Food service revenues exceeded expenses by \$34,253.
- Charges for services represent \$465,645 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, 2016, the School Board had approximately \$9,629,521 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 2016 fiscal year.

Table 3

	<u>Governmental Activities</u>	<u>Business Type Activities</u>
Capital Assets at June 30, 2016		
Land	\$ 2,314,500	
Site Improvements	98,842	
Buildings	6,405,070	
Equipment	<u>762,713</u>	<u>48,396</u>
Total	<u>\$ 9,581,125</u>	<u>48,396</u>

Debt Administration

At June 30, 2016, the School District had \$9,733,827 as outstanding debt. Of this amount \$368,903 is for compensated absences, and \$5,327,000 for bonds for school improvement, \$434,236 is unamortized bond premium, and \$3,603,688 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 Debra Allen, 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, 2016

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Assets</u>			
Cash and Cash Equivalents	\$ -	177,695	177,695
Receivables, Net	241,411		241,411
Inventory		1,637	1,637
Restricted Assets:			
Cash and Cash Equivalents	1,712,518		1,712,518
Capital Reserve Account - Cash	776,865		776,865
Capital Assets - (Non-Depreciable)	2,314,500		2,314,500
Capital Assets, Net (Note 1)	7,266,625	48,396	7,315,021
Total Assets	<u>12,311,919</u>	<u>227,728</u>	<u>12,539,647</u>
<u>Deferred Outflow of Resources</u>			
Contribution to Pension Plan	614,501		614,501
Bond Issue Refunding Loss	312,900		312,900
Total Deferred Outflow of Resources	<u>927,401</u>		<u>927,401</u>
<u>Deferred Inflow of Resources</u>			
Pension Deferrals	156,100		156,100
Total Deferred Inflow of Resources	<u>156,100</u>		<u>156,100</u>
<u>Liabilities</u>			
Accounts Payable and Accrued Interest	88,192	4,438	92,630
Deferred Revenue	148,551		148,551
Noncurrent Liabilities: (Note 3)			
Due Within One Year	682,034		682,034
Due Beyond One Year	9,051,793		9,051,793
Total Liabilities	<u>9,970,570</u>	<u>4,438</u>	<u>9,975,008</u>
<u>Net Position</u>			
Invested in Capital Assets, Net of Related Debt	4,254,125	48,396	4,302,521
Restricted For:			
Capital Projects	4,575		4,575
Other	2,151,319		2,151,319
Unrestricted	<u>(3,297,369)</u>	<u>174,894</u>	<u>(3,122,475)</u>
Total Net Position	<u>\$ 3,112,650</u>	<u>223,290</u>	<u>3,335,940</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, 2016

	Program Revenues		Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<u>Functions/Programs</u>						
Governmental Activities:						
Instruction:						
Regular	\$5,301,714			(5,301,714)		(5,301,714)
Special Education	1,279,269		291,609	(987,660)		(987,660)
Other Special Instruction	189,771			(189,771)		(189,771)
Other Instruction	90,437			(90,437)		(90,437)
Support Services:						
Tuition	429,648	148,325		(281,323)		(281,323)
Student & Instruction Related Services	1,971,256		207,230	(1,764,026)		(1,764,026)
School Administrative Services	512,764			(512,764)		(512,764)
General and Business Administrative Services	796,344			(796,344)		(796,344)
Plant Operations and Maintenance	1,132,554			(1,132,554)		(1,132,554)
Pupil Transportation	716,879			(716,879)		(716,879)
Employee Benefits	4,467,248			(4,467,248)		(4,467,248)
Capital Outlay	618,832			(618,832)		(618,832)
Interest on Long-Term Debt	217,296			(217,296)		(217,296)
Depreciation	572,724			(572,724)		(572,724)
Total Government Activities	<u>18,296,736</u>	<u>148,325</u>	<u>498,839</u>	<u>(17,649,572)</u>	<u>-</u>	<u>(17,649,572)</u>
Business-Type Activities:						
Food Service	431,607	465,645			34,038	34,038
Total Business-Type Activities	<u>431,607</u>	<u>465,645</u>	<u>-</u>	<u>-</u>	<u>34,038</u>	<u>34,038</u>
Total Primary Government	<u>18,728,343</u>	<u>613,970</u>	<u>498,839</u>	<u>(17,649,572)</u>	<u>34,038</u>	<u>(17,615,534)</u>

RUMSON SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

Exhibit A-2

Sheet 2 of 2

FOR THE YEAR ENDED JUNE 30, 2016

	Program Revenues		Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
General Revenues:						
Taxes						
Property Taxes, Levied for General Purpose, Net				14,315,581	14,315,581	
Taxes Levied for Debt Service				680,692	680,692	
Federal and State Aid Not Restricted				2,275,085	2,275,085	
Miscellaneous Income				51,756	51,971	
Adjustments and Transfers				(7,077)	(7,077)	
Total General Revenues and Transfers				<u>17,316,037</u>	<u>17,316,252</u>	
Change in Net Position				(333,535)	34,253	(299,282)
Net Position - Beginning (Restated)				<u>3,446,185</u>	<u>189,037</u>	<u>3,635,222</u>
Net Position - Ending				<u>\$ 3,112,650</u>	<u>223,290</u>	<u>3,335,940</u>

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

FUND FINANCIAL STATEMENTS – B

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2016

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<u>Assets</u>				
Cash and Cash Equivalents-Restricted	\$ 2,382,037	101,612	5,734	2,489,383
Receivables, Net	<u>174,764</u>	<u>66,647</u>		<u>241,411</u>
Total Assets	<u>\$ 2,556,801</u>	<u>168,259</u>	<u>5,734</u>	<u>2,730,794</u>
<u>Liabilities and Fund Balance</u>				
Liabilities:				
Accounts Payable	\$ -	19,708	1,159	20,867
Deferred Revenue		<u>148,551</u>		<u>148,551</u>
Total Liabilities	<u>-</u>	<u>168,259</u>	<u>1,159</u>	<u>169,418</u>
Fund Balance:				
Restricted for:				
Excess Surplus	681,402			681,402
Excess Surplus Designated for Subsequent Year's Expenditures	204,446			204,446
Committed To:				
Capital Reserve Account	776,865			776,865
Emergency Reserve	200,000			200,000
Maintenance Reserve	94,000			94,000
Maintenance Reserve Designated for Subsequent Year's Expenditures	138,000			138,000
Assigned To:				
Other Purposes	56,606			56,606
Unassigned:				
Capital Projects			4,575	4,575
General Fund	<u>405,482</u>			<u>405,482</u>
Total Fund Balances	<u>2,556,801</u>	<u>-</u>	<u>4,575</u>	<u>2,561,376</u>
Total Liabilities and Fund Balance	<u>\$ 2,556,801</u>	<u>168,259</u>	<u>5,734</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 \$18,992,910 and the accumulated depreciation is \$9,411,785.	9,581,125
Deferred outflow of resources - contributions to the pension plan	614,501
Deferred inflow of resources - acquisition of assets applicable to future reporting periods	(156,100)
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.	(9,733,827)
Unamortized Portion of Loss on Refunding	312,900
Accrued Interest	<u>(67,325)</u>
Net Position of Governmental Activities	<u>\$ 3,112,650</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, 2016

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>Revenues</u>					
Local Sources:					
Local Tax Levy	\$ 14,315,581			680,692	14,996,273
Tuition Charges	148,325				148,325
Miscellaneous	51,756				51,756
Total Local Sources	<u>14,515,662</u>	-	-	680,692	15,196,354
State Sources	2,170,878	137,887		104,207	2,412,972
Federal Sources		360,952			360,952
Total Revenues	<u>16,686,540</u>	<u>498,839</u>	-	<u>784,899</u>	<u>17,970,278</u>
<u>Expenditures</u>					
Current:					
Regular Instruction	5,128,700				5,128,700
Special Education Instruction	987,660	291,609			1,279,269
Other Special Instruction	189,771				189,771
Other Instruction	90,437				90,437
Support Services and Undistributed Costs:					
Tuition	429,648				429,648
Student and Instruction Related Services	1,764,026	207,230			1,971,256
School Administrative Services	512,764				512,764
Other Administrative Services	796,344				796,344
Plant Operations and Maintenance	1,132,554				1,132,554
Pupil Transportation	716,879				716,879
Unallocated Benefits	4,379,599				4,379,599
Debt Service:					
Principal				605,000	605,000
Interest and Other Charges				222,071	222,071
Capital Outlay	137,474				137,474
Total Expenditures	<u>16,265,856</u>	<u>498,839</u>	-	<u>827,071</u>	<u>17,591,766</u>

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, 2016

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>420,684</u>	<u>-</u>	<u>-</u>	<u>(42,172)</u>	<u>378,512</u>
Other Financing Sources and (Uses):					
Prior Year Encumbrances not Rolled Over Charged as Accounts Payable	(7,065)				(7,065)
Accounts Receivable Cancelled	(12)				(12)
Net Change in Fund Balances	<u>413,607</u>	<u>-</u>	<u>-</u>	<u>(42,172)</u>	<u>371,435</u>
Fund Balance - July 1	<u>2,143,194</u>		<u>4,575</u>	<u>42,172</u>	<u>2,189,941</u>
Fund Balance - June 30	<u><u>\$ 2,556,801</u></u>	<u><u>-</u></u>	<u><u>4,575</u></u>	<u><u>-</u></u>	<u><u>2,561,376</u></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, EXPENDITURESAND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDSTO THE STATEMENT OF ACTIVITIESJUNE 30, 2016

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$ 371,435
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	(572,724)
Capital Outlays	<u>(498,693)</u>
	(1,071,417)
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.	605,000
Bond Premium/(Discount)	17,335
Net Pension Liability	(519,220)
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position	365,513
Pension related deferrals	66,058
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	4,775
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.	<u>(173,014)</u>
Change in Net Position of Governmental Activities	<u>\$ (333,535)</u>

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

RUMSON SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS

Exhibit B-4

JUNE 30, 2016

	<u>Business-Type Activities Enterprise Funds</u>
<u>Assets</u>	
Current Assets:	
Cash and Cash Equivalents	\$ 177,695
Inventory	1,637
Total Current Assets	<u>179,332</u>
Noncurrent Assets	
Equipment	201,754
Accumulated Depreciation	(153,358)
Total Fixed Assets	<u>48,396</u>
Total Assets	<u>\$ 227,728</u>
<u>Liabilities</u>	
Current Liabilities:	
Accounts Payable	<u>\$ 4,438</u>
<u>Net Position</u>	
Investment in Capital Assets	\$ 48,396
Unrestricted	<u>174,894</u>
Total Net Position	<u>\$ 223,290</u>

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

RUMSON SCHOOL DISTRICTSTATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

Exhibit B-5

PROPRIETARY FUNDSJUNE 30, 2016

	<u>Business-Type Activities Enterprise Funds</u>
Operating Revenues:	
Daily Sales	\$ 465,645
Total Operating Revenues	<u>465,645</u>
Operating Expenses:	
Salaries	146,531
Other Employee Benefits	23,768
Cost of Sales	167,865
Supplies and Materials	14,192
Management Fee	15,000
Depreciation	8,031
Insurance	13,564
Miscellaneous	42,656
Operating Expenses	<u>431,607</u>
Operating Gain/(Loss)	34,038
Non-Operating Revenues:	
Interest Revenue	215
Total Non-Operating Revenues	<u>215</u>
Change in Net Position	34,253
Total Net Position - Beginning	<u>189,037</u>
Total Net Position - Ending	<u>\$ 223,290</u>

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

RUMSON SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
JUNE 30, 2016

Exhibit B-6

	Business-Type Activities
	Enterprise Funds
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 465,645
Payments for Salaries	(146,531)
Payments to Suppliers	(306,341)
Net Provided (Used) by Operating Activities	12,773
Cash Flows from Investing Activities	
Interest Earned	215
Net Cash Provided by Investing Activities	215
Net Increase (Decrease) in Cash and Cash Equivalents	12,988
Balances - Beginning of Year	164,707
Balances - End of Year	\$ 177,695
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ 34,038
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities	
Depreciation	8,031
Decrease/(Increase) in Inventory	1,097
(Decrease)/Increase in Accounts Payables	(32,552)
Decrease/(Increase) in Accounts Receivable	2,159
Net Provided (Used) by Operating Activities	\$ 12,773

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, 2016

	<u>Unemployment Compensation Trust</u>	<u>Miscellaneous Trust Fund</u>
Assets:		
Cash and Cash Equivalents	\$ 81,141	(25,902)
Total Assets	<u>\$ 81,141</u>	<u>(25,902)</u>
Net Position:		
Reserved - Miscellaneous Trust	\$ -	(25,902)
Reserved - Unemployment Benefits	<u>81,141</u>	
Total Net Position	<u>\$ 81,141</u>	<u>(25,902)</u>

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

RUMSON SCHOOL DISTRICT**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

Exhibit B-8

FIDUCIARY FUNDS**JUNE 30, 2016**

	Unemployment Compensation Trust	Miscellaneous Trust Fund
<u>Additions</u>		
Contributions	\$ 1,449	105,192
Total Contributions	<u>1,449</u>	<u>105,192</u>
Investment Earnings:		
Interest	92	
Net Investments Earnings	<u>92</u>	<u>-</u>
Total Additions	<u>1,541</u>	<u>105,192</u>
<u>Deductions</u>		
Unemployment Claims	10,314	
Disbursements		235,325
Total Deductions	<u>10,314</u>	<u>235,325</u>
Change in Net Position	(8,773)	(130,133)
Net Position - Beginning of Year	<u>89,914</u>	<u>104,231</u>
Net Position - End of Year	<u>\$ 81,141</u>	<u>(25,902)</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, 2016

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. Principles 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 approved by the Board of Education. Budgets are prepared using the modified accrual basis of accounting; the legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(g). All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2016 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, 2016.

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, 2016 was as follows:

	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Adjustments</u>	<u>Balance June 30, 2016</u>
Governmental Activities:				
Capital Assets That are Not Being Depreciated:				
Land	\$ 2,314,500	_____	_____	2,314,500
Total Capital Assets Not Being Depreciated	<u>2,315,500</u>	_____	_____	<u>2,314,500</u>
Depreciable Assets:				
Site Improvements	456,117			456,117
Buildings & Sites	14,082,262		(682,588)	13,399,674
Equipment	<u>2,650,052</u>	<u>172,567</u>	_____	<u>2,822,619</u>
Total	<u>17,188,431</u>	<u>172,567</u>	<u>(682,588)</u>	<u>16,678,410</u>
Less: Accumulated Depreciation:				
Site Improvements	(349,627)	(7,648)		(357,275)
Buildings	(6,612,727)	(381,877)		(6,994,604)
Equipment	<u>(1,888,035)</u>	<u>(183,199)</u>	<u>11,328</u>	<u>(2,059,906)</u>
Total Accumulated Depreciation	<u>(8,850,389)</u>	<u>(572,724)</u>	<u>11,328</u>	<u>(9,411,785)</u>
Net Depreciable Assets	<u>8,338,042</u>	<u>(400,157)</u>	<u>(671,260)</u>	<u>7,266,625</u>
Governmental Activities Capital Assets (Net)	<u>\$ 10,652,542</u>	<u>(400,157)</u>	<u>(671,260)</u>	<u>9,581,125</u>
Business-Type Activities:				
Equipment	\$ 201,754			201,754
Less Accumulated Depreciation for:				
Equipment	<u>(145,327)</u>	<u>(8,031)</u>	_____	<u>(153,358)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 56,427</u>	<u>(8,031)</u>	=====	<u>48,396</u>

Depreciation expense was charged to governmental functions as follows:

Unallocated	<u>\$ 572,724</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 2016. 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, 2016, cash and cash equivalents and investments of the District consisted of the following:

	Cash and Cash <u>Equivalents</u>
Checking, Money Market Accounts And Certificate of Deposit	<u>\$ 2,850,613</u>

The carrying amount of the District's cash and cash equivalents at June 30, 2016 was \$2,850,613 and the bank balance was \$3,268,312. Of the bank balance, \$500,000 was covered by federal depository insurance and \$2,768,209 was covered by a collateral pool maintained by the banks as required by New Jersey statutes. \$103 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	\$ 2,768,209
FDIC	500,000
Uninsured	103

As of June 30, 2016, 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, 2016, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>	<u>Long-Term</u> <u>Portion</u>	<u>2016-17</u> <u>Payment</u>
Compensated Absences Payable	\$ 195,889	173,014		368,903	368,903	
Pension Liability	3,084,468	519,220		3,603,688	3,603,688	
Bonds Payable	5,932,000		605,000	5,327,000	4,707,000	620,000
Bond Premium	<u>496,270</u>	<u> </u>	<u>62,034</u>	<u>434,236</u>	<u>372,202</u>	<u>62,034</u>
	<u>\$ 9,708,627</u>	<u>692,234</u>	<u>667,034</u>	<u>9,733,827</u>	<u>9,051,793</u>	<u>682,034</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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	790,000	89,020	879,020
2021/2022-2023/2024	<u>1,767,000</u>	<u>85,385</u>	<u>1,852,385</u>
	<u>\$ 5,327,000</u>	<u>820,285</u>	<u>6,147,285</u>

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 Districts' 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 7.06% 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, 2016 was \$141,523 and \$151,996 for 2015, respectively, equal to the required contributions for each year.

During the year ended June 30, 2016, the State of New Jersey contributed \$1,126,069 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 \$515,160 during the year ended June 30, 2016 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**

Year	Annual	Percentage	Net
<u>Funding</u>	<u>Pension</u>	<u>of APC</u>	<u>Pension</u>
	<u>Cost (APC)</u>	<u>Contributed</u>	<u>Obligation</u>
6/30/16	\$ 1,126,069	100%	0
6/30/15	888,579	100%	0
6/30/14	714,939	100%	0

Three-Year Trend Information for PERS

Year	Annual	Percentage	Net
<u>Funding</u>	<u>Pension</u>	<u>of APC</u>	<u>Pension</u>
	<u>Cost (APC)</u>	<u>Contributed</u>	<u>Obligation</u>
6/30/16	\$ 141,523	100%	0
6/30/15	151,996	100%	0
6/30/14	140,214	100%	0

Pension Expense Deferred Outflows/Inflows – PERS

For the year ended June 30, 2016, the District recognized pension expense of \$141,523. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred</u>	<u>Deferred</u>
	<u>Outflows</u>	<u>Inflows</u>
	<u>of Resources</u>	<u>of Resources</u>
Difference Between Expected and Actual Experience	\$ 85,971	
Changes of Assumptions	387,007	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		57,940
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions		98,160
District Contributions Subsequent to the Measurement Date	<u>141,523</u>	<u> </u>
Total	<u>\$ 614,501</u>	<u>156,100</u>

\$614,501 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, 2016, the plan measurement date is June 30, 2015) will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. 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, 2014 and 2015 are as follows:

	<u>Dec. 31, 2015</u>	<u>Dec. 31, 2014</u>
Collective Deferred Outflows of Resources	\$ 614,501	248,988
Collective Deferred Inflows of Resources	156,100	222,158
Collective Net Pension Liability	3,603,688	3,084,468
District's Proportion	.01605%	.01647%

Components of Net Pension Liability

The components of the net pension liability of the participating employers for PERS as of June 30, 2015 and 2014 are as follows:

	<u>2015</u>		
	<u>State</u>	<u>Local</u>	<u>Total</u>
Total Pension Liability	\$ 31,614,118,524	43,109,580,038	74,723,698,562
Plan Fiduciary Net Position	<u>7,891,982,987</u>	<u>20,661,583,919</u>	<u>28,553,566,906</u>
Net Pension Liability	<u>\$ 23,722,135,537</u>	<u>22,447,996,119</u>	<u>46,170,131,656</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	24.96%	47.93%	38.21%
	<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%

NOTE 4: Pension Plans (Continued)

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2103, which was rolled forward to June 30, 2015. 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	3.04%
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, 2014 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, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Intermediate Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%

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

The discount rate used to measure the total pension liability was 4.90% and 5.39% as of June 30, 2015 and 2014, 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 3.80% and 4.29% as of June 30, 2015 and 2014, 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, 2015 and 2014, 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:

	2015		
	At 1% Decrease (3.90%)	At Current Discount Rate (4.90%)	At 1% Increase (5.90%)
State	\$ 27,802,122,942	23,722,135,537	20,314,768,782
Local	<u>27,900,112,533</u>	<u>22,447,996,119</u>	<u>17,876,981,108</u>
Total	<u>\$ 55,702,235,475</u>	<u>46,170,131,656</u>	<u>38,191,749,890</u>
	2014		
	At 1% Decrease (4.39%)	At Current Discount Rate (5.39%)	At 1% Increase (6.39%)
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>

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, 2015 and 2014 are as follows:

	<u>2015</u>	<u>2014</u>
Total Pension Liability	\$ 89,182,662,000	81,095,320,000
Plan Fiduciary Net Position	<u>25,604,797,560</u>	<u>27,282,252,461</u>
Net Pension Liability	<u>\$ 63,577,864,440</u>	<u>53,813,067,539</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	28.71%	33.64%

State Proportionate Share of Net Pension Liability Attributable to District

	<u>2015</u>	<u>2014</u>
District's Liability	<u>\$ 40,147,309</u>	<u>34,218,909</u>
District's Proportion	.06315%	.06359%

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2014. 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%

NOTE 4: Pension Plans (Continued)

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, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

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, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
US High Yield Bonds	2.00%	4.57%
US Equity Market	27.25%	5.63%
Foreign – Developed Equity	12.00%	6.22%
Emerging Markets Equity	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds - MultiStrategy	4.00%	4.59%
Hedge Funds – Equity Hedge	4.00%	5.68%
Hedge Funds – Distressed	4.00%	4.30%

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

The discount rate used to measure the total pension liability was 4.13% and 4.68% as of June 30, 2015 and 2014, 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 3.80% and 4.29% as of June 30, 2015 and 2014, 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, 2015 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>
2015 (3.13%, 4.13%, 5.13%)	\$ 75,559,915,440	63,577,864,440	53,254,610,440
2014 (3.68%, 4.68%, 5.68%)	64,722,984,539	53,813,067,539	44,738,870,539

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, 2015, there were 107,314 retirees receiving post-retirement medical benefits, and the State contributed \$1.25 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 (APB) who retired from a board of education or county college with 25 years of service. The State paid \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

NOTE 6: 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, 2016, no liability existed for compensated absences in the Food Service Fund.

NOTE 7: 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 8: 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.

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.

NOTE 8: Capital Reserve Account (Continued)

The activity of the capital reserve for the July 1, 2015 to June 30, 2016 fiscal year is as follows:

Beginning Balance, July 1, 2015	<u>\$ 776,865</u>
Ending Balance, June 30, 2016	<u>\$ 776,865</u>

NOTE 9: 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>
2015-2016	\$ 92	1,449	10,314	81,141
2014-2015	45,000	13,301	80,243	89,914
2013-2014	0	19,815	5,567	111,856

NOTE 10: 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 11: Equity Balance

At June 30, 2016, the General Fund equity balance was as follows:

Emergency Reserve	\$ 100,000
Emergency Reserve - Designated for Subsequent Year's Expenditures	100,000
Maintenance Reserve	94,000
Maintenance Reserve - Designated for Subsequent Year's Expenditures	138,000
Capital Reserve	576,865
Capital Reserve - Designated for Subsequent Year's Expenditures	200,000
Excess Surplus	681,402
Excess Surplus - Designated for Subsequent Years Expenditures	204,446
Year-End Encumbrances	56,606
Unassigned Fund Balance	<u>441,409</u>
	<u>\$ 2,592,728</u>
 <u>2% Calculation of Excess Surplus</u>	
2015-16 Total General Fund Expenditures Per the CAFR	\$ 16,265,856
Decreased by:	
On-Behalf TPAF Pension & Social Security	<u>(1,641,229)</u>
Adjusted 2015-16 General Fund Expenditures	<u>\$ 14,624,627</u>
2% of Adjusted 2015-16 General Fund Expenditures	\$ 292,493
Increased by Allowable Adjustments	<u>148,916</u>
Maximum Unassigned Fund Balance	<u>\$ 441,409</u>
 <u>Section 2</u>	
Total General Fund – Fund Balance @ 6-30-16	\$ 2,592,728
Decreased by:	
Other Reserves	(1,208,865)
Reserves for Encumbrances	(56,606)
Assigned Fund Balance – Excess Surplus - Designated for Subsequent Year's Expenditures	<u>(204,446)</u>
Total Unassigned Fund Balance	<u>\$ 1,122,811</u>
Restricted Fund Balance – Excess Surplus	<u>\$ 681,402</u>
 <u>Section 3</u>	
Reserved Fund Balance – Excess Surplus Designated for Subsequent Years Expenditures	\$ 204,446
Reserved Fund Balance - Excess Surplus 2015-2016	<u>681,402</u>
	<u>\$ 885,848</u>

NOTE 11: Equity Balance (Continued)**2% Calculation of Excess Surplus (Continued)****Detail of Allowable Adjustments**

Extraordinary Aid	\$ 142,452
Non-Public Transportation	<u>6,464</u>
	<u>\$ 148,916</u>

Detail of Other Reserved Fund Balance

Capital Reserve	\$ 776,865
Emergency Reserve	200,000
Maintenance Reserve	<u>232,000</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 2016-2017. budget.

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

NOTE 12: 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, 2016. 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, 2016 through November 21, 2016.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES – C

RUMSON SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

JUNE 30, 2016

	<u>Original Budget</u>	<u>Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 14,315,581		14,315,581	14,315,581	-
Tuition	148,500		148,500	148,325	(175)
Unrestricted Miscellaneous Revenues	23,951		23,951	51,756	27,805
Total Local Sources	<u>14,488,032</u>	<u>-</u>	<u>14,488,032</u>	<u>14,515,662</u>	<u>27,630</u>
State Sources:					
Special Education Aid	315,384		315,384	315,384	
Extraordinary Aid			-	142,452	142,452
Security Aid	14,317		14,317	14,317	-
Transportation Aid	31,992		31,992	31,992	-
Non-Public Transportation Aid				6,464	6,464
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)			-	1,126,069	1,126,069
Reimbursed TPAF Social Security Contribution (Non-Budgeted)			-	515,160	515,160
Total State Sources	<u>380,733</u>	<u>-</u>	<u>380,733</u>	<u>2,170,878</u>	<u>1,790,145</u>
Total Revenues	<u>14,868,765</u>	<u>-</u>	<u>14,868,765</u>	<u>16,686,540</u>	<u>1,817,775</u>

RUMSON SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

JUNE 30, 2016

	<u>Original Budget</u>	<u>Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Expenditures:					
Current Expense:					
Instruction - Regular Programs:					
Salaries of Teachers:					
Preschool	28,754	31,523	60,277	60,170	107
Kindergarten	359,301	188,565	547,866	401,119	146,747
Grades 1-5	2,583,312	(279,243)	2,304,069	2,245,123	58,946
Grades 6-8	1,795,617	209,935	2,005,552	2,005,551	1
Home Instruction:					
Salaries of Teachers	2,500	1,727	4,227	4,226	1
Purchased Services		15,195	15,195	15,183	12
Undistributed:					
Other Salaries For Instruction	26,826	55,193	82,019	76,429	5,590
Purchased Professional/Educational Services	45,000		45,000	44,198	802
Other Purchased Services	8,700	(45)	8,655	8,655	-
General Supplies	265,487	33,943	299,430	254,200	45,230
Textbooks	16,430	(4,466)	11,964	10,800	1,164
Other Objects	13,400	(4,503)	8,897	3,046	5,851
Total Regular Programs	<u>5,145,327</u>	<u>247,824</u>	<u>5,393,151</u>	<u>5,128,700</u>	<u>264,451</u>
Learning and/or Language Disabilities:					
Specific Learning Disabled:					
Salaries of Teachers	59,456	(55,280)	4,176	3,983	193
Other Salaries for Instruction		1,858	1,858	1,858	-
Total Specific Learning Disabled	<u>59,456</u>	<u>(53,422)</u>	<u>6,034</u>	<u>5,841</u>	<u>193</u>

RUMSON SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

JUNE 30, 2016

	<u>Original Budget</u>	<u>Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Multiple Disabilities:					
Salaries of Teachers	55,702	30	55,732	55,732	-
Other Salaries for Instruction		613	613	613	-
Total Multiple Disabilities	<u>55,702</u>	<u>643</u>	<u>56,345</u>	<u>56,345</u>	<u>-</u>
Resource Room:					
Salaries of Teachers	919,860	(19,093)	900,767	900,767	-
Other Salaries for Instruction	69,568	(44,360)	25,208	24,707	501
Total Resource Room	<u>989,428</u>	<u>(63,453)</u>	<u>925,975</u>	<u>925,474</u>	<u>501</u>
Total Special Programs	<u>1,104,586</u>	<u>(116,232)</u>	<u>988,354</u>	<u>987,660</u>	<u>694</u>
Basic Skills/Remedial:					
Salaries of Teachers	87,000	108,694	195,694	186,388	9,306
General Supplies	3,573	(73)	3,500	3,383	117
Total Basic Skills/Remedial	<u>90,573</u>	<u>108,621</u>	<u>199,194</u>	<u>189,771</u>	<u>9,423</u>
School Sponsored Co-Curricular & Extra-Curricular Activities:					
Salaries	31,000	4,713	35,713	35,713	-
General Supplies	2,250	(887)	1,363	1,363	-
Other Objects	75	105	180	180	-
Total Co-Curricular & Extra-Curricular Activities	<u>33,325</u>	<u>3,931</u>	<u>37,256</u>	<u>37,256</u>	<u>-</u>

RUMSON SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

JUNE 30, 2016

	<u>Original Budget</u>	<u>Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
School Sponsored Athletics:					
Salaries	29,500	9,458	38,958	38,958	-
Other Purchased Services	15,000	(7,660)	7,340	7,340	-
Supplies and Materials	7,500	(617)	6,883	6,883	-
Other Objects	1,200	(1,139)	61		61
Total School Sponsored Athletics	<u>53,200</u>	<u>42</u>	<u>53,242</u>	<u>53,181</u>	<u>61</u>
Total Instruction	<u>6,427,011</u>	<u>244,186</u>	<u>6,671,197</u>	<u>6,396,568</u>	<u>274,629</u>
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEA In State - Special	133,428	(14,600)	118,828	68,342	50,486
Tuition to Private Schools - Disabled Within State	368,646	(72,784)	295,862	293,906	1,956
Tuition to Special Ed - Out of State		62,000	62,000	62,000	-
Tuition Reimbursement		12,600	12,600	5,400	7,200
Total Undistributed Expenditures - Instruction	<u>502,074</u>	<u>(12,784)</u>	<u>489,290</u>	<u>429,648</u>	<u>59,642</u>
Attendance:					
Salaries	-	1,050	1,050	193	857
Health Services:					
Salaries	186,125	1,180	187,305	187,305	-
Purchased Professional And Technical Services	6,000	(579)	5,421	5,420	1
Supplies and Materials	7,300	5,266	12,566	10,171	2,395
Total Health Services	<u>199,425</u>	<u>5,867</u>	<u>205,292</u>	<u>202,896</u>	<u>2,396</u>
Other Support Services - Students - Related Services:					
Salaries of Teachers	240,752	3,836	244,588	244,588	-
Purchased Professional Educational Services	188,400	(3,416)	184,984	157,259	27,725
Supplies and Materials	1,519	(420)	1,099	316	783
Total Other Support Services - Students - Related Services	<u>430,671</u>	<u>-</u>	<u>430,671</u>	<u>402,163</u>	<u>28,508</u>

RUMSON SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

JUNE 30, 2016

	<u>Original Budget</u>	<u>Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Other Support Services - Students - Extraordinary Services:					
Salaries	39,614	15,088	54,702	54,701	1
Purchased Professional Services	176,120	(2,304)	173,816	165,496	8,320
Total Other Support Services - Students - Extraordinary Services	<u>215,734</u>	<u>12,784</u>	<u>228,518</u>	<u>220,197</u>	<u>8,321</u>
Guidance Services:					
Salaries of Other Professional Staff	150,095	4,832	154,927	154,927	-
Other Purchased Services	5,000	(1,826)	3,174		3,174
Supplies and Materials	500	(222)	278		278
Total Guidance Services	<u>155,595</u>	<u>2,784</u>	<u>158,379</u>	<u>154,927</u>	<u>3,452</u>
Child Study Team Services:					
Salaries of Other Professional Staff	344,296	3,224	347,520	347,520	-
Salaries of Secretarial/Clerical Assistants	43,947	747	44,694	44,694	-
Other Purchased Professional Services	1,550	239	1,789	1,451	338
Miscellaneous Purchased Services	2,525	583	3,108	3,082	26
Total Child Study Team Services	<u>392,318</u>	<u>4,793</u>	<u>397,111</u>	<u>396,747</u>	<u>364</u>
Improvement of Instruction:					
Salaries of Supervisors of Instruction	72,084	50,000	122,084	121,196	888
Salaries of Secretarial Assistants	31,408		31,408	31,024	384
Other Purchased Services	750	701	1,451	1,451	-
Other Objects	2,500	17,181	19,681	1,625	18,056
Total Improvement of Instruction	<u>106,742</u>	<u>67,882</u>	<u>174,624</u>	<u>155,296</u>	<u>19,328</u>

RUMSON SCHOOL DISTRICT

Exhibit C-1
Sheet 6 of 11

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

JUNE 30, 2016

	<u>Original Budget</u>	<u>Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Library/Media Services:					
Salaries	97,772	2,694	100,466	100,465	1
Purchased Instructional Services		19,000	19,000	2,879	16,121
Supplies and Materials	13,000	(1,034)	11,966	11,034	932
Other Objects	1,300	4	1,304	752	552
Total Educational Media Services	<u>112,072</u>	<u>20,664</u>	<u>132,736</u>	<u>115,130</u>	<u>17,606</u>
Staff Development:					
Salaries - Supervisors of Instruction	48,057	47	48,104	48,103	1
Salaries of Other Professional Staff	20,939	(250)	20,689	20,683	6
Other Purchased Services	32,000	12,950	44,950	44,269	681
Supplies and Materials	2,500	1,000	3,500	1,001	2,499
Other Objects	2,500	(47)	2,453	2,421	32
Total Staff Development	<u>105,996</u>	<u>13,700</u>	<u>119,696</u>	<u>116,477</u>	<u>3,219</u>
General Administration:					
Salaries	229,269	(7,030)	222,239	203,254	18,985
Legal Services	54,000	2,190	56,190	56,189	1
Audit Fees	17,000	(1,165)	15,835	12,835	3,000
Other Purchased Professional Services	12,000	(7,282)	4,718	4,214	504
Communications/Telephone	26,000	18,916	44,916	32,095	12,821
BOE Other Purchased Services	2,500		2,500	1,872	628
Miscellaneous Purchased Services	54,181	9	54,190	44,157	10,033
General Supplies	4,500	1,022	5,522	4,674	848
Miscellaneous Expenditures	37,500	(2,196)	35,304	19,396	15,908
BOE Membership Dues and Fees	8,500		8,500	6,971	1,529
Total General Administration	<u>445,450</u>	<u>4,464</u>	<u>449,914</u>	<u>385,657</u>	<u>64,257</u>

RUMSON SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

JUNE 30, 2016

	<u>Original Budget</u>	<u>Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
School Administration:					
Salaries of Principals/Assistants	245,684	(4,711)	240,973	240,431	542
Other Professional Salaries	107,783	(50,239)	57,544	57,544	-
Salaries of Secretarial and Clerical Assistants	163,385	1,425	164,810	163,340	1,470
Other Purchased Professional Services	15,000	4,350	19,350	19,350	-
Other Purchased Services	3,000	(200)	2,800	780	2,020
Supplies and Materials	17,500	130	17,630	10,365	7,265
Other Objects	23,000	6,767	29,767	20,954	8,813
Total School Administration	575,352	(42,478)	532,874	512,764	20,110
Business/Central Services:					
Salaries	254,095	698	254,793	254,001	792
Other Purchased Professional Services	25,000	(7,676)	17,324	16,851	473
Miscellaneous Purchased Services	10,000	(5,056)	4,944	1,259	3,685
Supplies and Materials	10,000	1,460	11,460	8,682	2,778
Miscellaneous Expenditures	8,500	(4,331)	4,169	3,807	362
Total Business/Central Services	307,595	(14,905)	292,690	284,600	8,090
Technology Services:					
Salaries	91,488	14,403	105,891	105,206	685
Purchased Technical Services	18,500	(3,849)	14,651	14,651	-
Supplies and Materials	3,500	2,239	5,739	5,653	86
Other Objects		578	578	577	1
Total Technology Services	113,488	13,371	126,859	126,087	772

RUMSON SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

JUNE 30, 2016

	<u>Original Budget</u>	<u>Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Required Maintenance of School Facilities:					
Cleaning, Repair & Maintenance Services	90,000	43,900	133,900	132,462	1,438
General Supplies	15,000	4,301	19,301	19,137	164
Other Objects	4,000	(3,900)	100	100	-
Total Required Maintenance of School Facilities	<u>109,000</u>	<u>44,301</u>	<u>153,301</u>	<u>151,699</u>	<u>1,602</u>
Operation of Plant:					
Salaries	412,883	32,031	444,914	444,913	1
Salaries-Non-Instructional Aides	33,815	23,543	57,358	13,240	44,118
Purchased Professional Services	22,000	(10,251)	11,749	5,982	5,767
Cleaning, Repair, Maintenance Services	30,000	(141)	29,859	26,398	3,461
Other Purchased Property Services	32,000		32,000	30,925	1,075
Insurance	63,448	(782)	62,666	62,666	-
General Supplies	48,000	18,435	66,435	64,847	1,588
Energy (Electricity)	185,000	(36,000)	149,000	134,111	14,889
Other Objects	10,000	(18)	9,982	6,776	3,206
Energy (Natural Gas)	125,000	(36,836)	88,164	68,701	19,463
Total Operations and Maintenance of Plant	<u>962,146</u>	<u>(10,019)</u>	<u>952,127</u>	<u>858,559</u>	<u>93,568</u>
Care and Upkeep of Grounds:					
Salaries	33,870	(293)	33,577	33,577	-
Purchased Professional Services	10,000	17,658	27,658	27,658	-
General Supplies	7,500	(843)	6,657	6,633	24
Total Care and Upkeep of Grounds	<u>51,370</u>	<u>16,522</u>	<u>67,892</u>	<u>67,868</u>	<u>24</u>
Security:					
General Supplies	10,000	44,428	54,428	54,428	-
Total Security	<u>10,000</u>	<u>44,428</u>	<u>54,428</u>	<u>54,428</u>	<u>-</u>

RUMSON SCHOOL DISTRICT

Exhibit C-1
Sheet 9 of 11

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

JUNE 30, 2016

	<u>Original Budget</u>	<u>Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Total Operation & Maintenance of Plant Service	1,132,516	95,232	1,227,748	1,132,554	95,194
Student Transportation Services:					
Contracted Services-Purchased Technical Services		9,300	9,300	9,300	-
Contracted Services - Aid in Lieu-Non Public Schools	15,000	30,084	45,084	40,702	4,382
Contracted Services - Bet. Home & School Vendors	241,247	(700)	240,547	234,723	5,824
Contracted Services -Other Than Bet. Home & School Vendors	138,441	(30,784)	107,657	103,605	4,052
Contracted Services - Special Ed Students-Vendors	55,000	-	55,000	54,126	874
Contracted Services - Special Ed Students-Jointures	369,696	(8,190)	361,506	268,202	93,304
Supplies		6,221	6,221	6,221	-
Total Student Transportation Services	819,384	5,931	825,315	716,879	108,436
Employee Benefits:					
Social Security Contributions	183,500	(11,946)	171,554	171,553	1
Other Retirement Contributions-PERS	145,000	(3,476)	141,524	141,523	1
Unemployment Compensation	25,000	(25,000)	-	-	-
Workmen's Compensation	106,232	(1,720)	104,512	104,512	-
Health Benefits	2,428,141	(173,550)	2,254,591	2,254,590	1
Tuition Reimbursement	30,000	(20,434)	9,566	9,558	8
Other Employee Benefits	14,000	42,634	56,634	56,634	-
Total Personal Services Employee Benefits	2,931,873	(193,492)	2,738,381	2,738,370	11
On-Behalf TPAF Pension Contribution (Non-Budgeted)		-		1,126,069	(1,126,069)
Reimbursed TPAF Social Security Contribution (Non-Budgeted)				515,160	(515,160)
	-	-	-	1,641,229	(1,641,229)
Total Undistributed Expenditures	8,546,285	(15,137)	8,531,148	9,731,814	(1,200,666)
Total Expenditures - Current Expense	14,973,296	229,049	15,202,345	16,128,382	(926,037)

RUMSON SCHOOL DISTRICT

Exhibit C-1
Sheet 10 of 11

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

JUNE 30, 2016

	<u>Original Budget</u>	<u>Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Capital Outlay:					
Equipment:					
Health		4,018	4,018	4,018	-
Grounds	7,673	7,165	14,838	12,118	2,720
Facilities Improvements:					
Other Professional Services	16,074	(1,945)	14,129	13,910	219
Construction Services	87,548		87,548	86,010	1,538
Debt Service Assessment	21,418		21,418	21,418	-
Total Facilities Improvements	<u>132,713</u>	<u>9,238</u>	<u>141,951</u>	<u>137,474</u>	<u>4,477</u>
Total Capital Outlay	<u>132,713</u>	<u>9,238</u>	<u>141,951</u>	<u>137,474</u>	<u>4,477</u>
Total Expenditures	<u>15,106,009</u>	<u>238,287</u>	<u>15,344,296</u>	<u>16,265,856</u>	<u>(921,560)</u>
Excess (Deficiency) of Revs. Over (Under) Expenditures	<u>(237,244)</u>	<u>(238,287)</u>	<u>(475,531)</u>	<u>420,684</u>	<u>896,215</u>
Other Financing Sources (Uses):					
Accounts Receivable Cancelled				(12)	(12)
Prior Year Encumbrances not Rolled over Charged as Accounts Payable				(7,065)	(7,065)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,077)</u>	<u>(7,077)</u>
Excess (Deficiency) of Revs. Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(237,244)</u>	<u>(238,287)</u>	<u>(475,531)</u>	<u>413,607</u>	<u>889,138</u>
Fund Balance July 1	<u>2,179,121</u>		<u>2,179,121</u>	<u>2,179,121</u>	<u>-</u>
Fund Balance June 30	<u>\$ 1,941,877</u>	<u>(238,287)</u>	<u>1,703,590</u>	<u>2,592,728</u>	<u>889,138</u>

RUMSON SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

JUNE 30, 2016

	<u>Original Budget</u>	<u>Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Recapitulation:					
Restricted Fund Balance:					
Excess Surplus				\$ 681,402	
Emergency Reserve				100,000	
Emergency Reserve - Designated for Subsequent Year's Expenditures				100,000	
Maintenance Reserve				94,000	
Maintenance Reserve - Designated for Subsequent Year's Expenditures				138,000	
Excess Surplus - Designated for Subsequent Year's Expenditures				204,446	
Capital Reserve				576,865	
Capital Reserve - Designated for Subsequent Year's Expenditures				200,000	
Assigned Fund Balance:					
Year-End Encumbrances				56,606	
Unassigned Fund Balance				<u>441,409</u>	
				2,592,728	
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>\$ 2,556,801</u>	

RUMSON SCHOOL DISTRICT

Exhibit C-2

BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
State Sources	\$ 92,421	65,174	157,595	137,887	19,708
Federal Sources	268,589	116,872	385,461	360,952	24,509
Total Revenues	<u>\$ 361,010</u>	<u>182,046</u>	<u>543,056</u>	<u>498,839</u>	<u>44,217</u>
Expenditures:					
Instruction:					
Salaries of Teachers		94,430	94,430	75,452	18,978
Purchased Professional Educational Services	90,648	(64,777)	25,871	25,871	
Other Purchased Services	155,780	(25,797)	129,983	128,616	1,367
Textbooks	11,814	32,357	44,171	43,185	986
General Supplies	29,913	10,193	40,106	18,485	21,621
Total Instruction	<u>288,155</u>	<u>46,406</u>	<u>334,561</u>	<u>291,609</u>	<u>42,952</u>
Support Services:					
Employee Benefits		4,436	4,436	4,408	28
Purchased Professional and Technical Services	33,545	87,257	120,802	119,968	834
Supplies and Materials	500	29,163	29,663	29,260	403
Other Objects	38,810	14,784	53,594	53,594	
Total Support Services	<u>72,855</u>	<u>135,640</u>	<u>208,495</u>	<u>207,230</u>	<u>1,265</u>
Total Expenditures	<u>\$ 361,010</u>	<u>182,046</u>	<u>543,056</u>	<u>498,839</u>	<u>44,217</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

RUMSON SCHOOL DISTRICTREQUIRED SUPPLEMENTARY INFORMATION

Exhibit C-3

BUDGET TO GAAP RECONCILIATIONNOTE TO RSIFOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<u>Sources/Inflows of Resources</u>		
Actual Amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 16,686,540	489,839
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)		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	35,927	
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>\$ 16,686,540</u>	<u>489,839</u>
<u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 16,265,856	489,839
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)		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 16,265,856</u>	<u>489,839</u>

REQUIRED SUPPLEMENTARY INFORMATION – PART III

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

RUMSON SCHOOL DISTRICTSCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THENET PENSION LIABILITY - PERS

Exhibit L-1

LAST THREE FISCAL YEARS

	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability (Asset)	100.000%	100.000%	100.000%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 3,603,688	3,084,468	3,193,982
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 3,603,688</u>	<u>3,084,468</u>	<u>3,193,982</u>
District's Covered-Employee Payroll	\$ 1,037,217	1,075,530	1,028,417
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	28.78%	34.87%	32.20%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	38.21%	42.74%	40.71%

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 151,996	140,214	123,350
Contributions in Relation to the Contractually Required Contribution	<u>151,996</u>	<u>140,214</u>	<u>123,350</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>
District's Covered-Employee Payroll	\$ 1,037,217	1,075,530	1,028,417
Contributions as a Percentage of Covered-Employee Payroll	14.65%	13.04%	11.99%

RUMSON SCHOOL DISTRICTSCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THENET PENSION LIABILITY - TPAF

Exhibit L-3

LAST THREE FISCAL YEARS

	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability (Asset)	0.000%	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>40,147,309</u>	<u>34,218,909</u>	<u>29,343,376</u>
Total	<u>\$40,147,309</u>	<u>34,218,909</u>	<u>29,343,376</u>
District's Covered-Employee Payroll	\$ 6,632,631	6,416,136	6,356,454
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	16.52%	18.75%	21.66%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	28.71%	33.64%	33.76%

OTHER SUPPLEMENTARY INFORMATION

SCHOOL LEVEL SCHEDULES – D

N/A

SPECIAL REVENUE FUND – E

RUMSON SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES EXPENDITURES - BUDGETARY BASIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Chapter 192		Chapter 193			Non-Public Nursing	Non-Public Security
	Home Instruction	Compensatory Education	Examination & Classification	Corrective Speech	Supplementary Instruction		
Revenues:							
Federal Sources	\$ -	-					
State Sources	917	16,920	26,757	14,213	12,624	30,659	8,450
Total Revenue	<u>\$ 917</u>	<u>16,920</u>	<u>26,757</u>	<u>14,213</u>	<u>12,624</u>	<u>30,659</u>	<u>8,450</u>
Expenditures:							
Instruction:							
Salaries of Teachers	\$ 917	16,920					
Purchased Professional & Technical Services							
Other Purchased Services							
General Supplies							
Textbooks							
Total Instruction	<u>917</u>	<u>16,920</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Support Services:							
Employee Benefits							
Purchased Professional and Technical Services						30,659	
Supplies and Materials							8,450
Other Objects			26,757	14,213	12,624		
Total Support Services	<u>-</u>	<u>-</u>	<u>26,757</u>	<u>14,213</u>	<u>12,624</u>	<u>30,659</u>	<u>8,450</u>
Total Expenditures	<u>\$ 917</u>	<u>16,920</u>	<u>26,757</u>	<u>14,213</u>	<u>12,624</u>	<u>30,659</u>	<u>8,450</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, 2016

	<u>Non-Public Technology</u>	<u>Non-Public Textbooks</u>	<u>Title I</u>	<u>Title IIA</u>	<u>I.D.E.A. Part B Basic</u>	<u>I.D.E.A. Part B Pre-School</u>	<u>Totals June 30, 2016</u>
Revenues:							
Federal Sources			76,590	26,139	246,815	11,408	360,952
State Sources	8,862	18,485					137,887
Total Revenue	<u>8,862</u>	<u>18,485</u>	<u>76,590</u>	<u>26,139</u>	<u>246,815</u>	<u>11,408</u>	<u>498,839</u>
Expenditures:							
Instruction:							
Salaries of Teachers			57,615				75,452
Purchased Professional & Technical Services			8,864		17,007		25,871
Other Purchased Services			100		128,516		128,616
General Supplies	8,862		5,603	5,000	13,993	9,727	43,185
Textbooks		18,485					18,485
Total Instruction	<u>8,862</u>	<u>18,485</u>	<u>72,182</u>	<u>5,000</u>	<u>159,516</u>	<u>9,727</u>	<u>291,609</u>
Support Services:							
Employee Benefits			4,408				4,408
Purchased Professional and Technical Services				21,139	68,170		119,968
Supplies and Materials					19,129	1,681	29,260
Other Objects							53,594
Total Support Services	<u>-</u>	<u>-</u>	<u>4,408</u>	<u>21,139</u>	<u>87,299</u>	<u>1,681</u>	<u>207,230</u>
Total Expenditures	<u>8,862</u>	<u>18,485</u>	<u>76,590</u>	<u>26,139</u>	<u>246,815</u>	<u>11,408</u>	<u>498,839</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, 2016

Fund Balance - Beginning	\$ <u>4,575</u>
Fund Balance - Ending	\$ <u>4,575</u>

RUMSON SCHOOL DISTRICT

Exhibit F-1a

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISPARTIAL GYM ROOF REPLACEMENTFROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

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

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

Exhibit F-1b

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, 2016

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

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

Exhibit F-1c

CAPITAL PROJECTS FUNDSCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,AND PROJECT STATUS - BUDGETARY BASISREPLACEMENT OF WINDOWS AND DOORS - DEANE-PORTER AND FORRESTDALE SCHOOLFROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
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>
<u>Expenditures and Other Financing Uses</u>				
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

Exhibit F-1d

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, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<u>Revenues and Other Financing Sources</u>				
NJSDA Grant	\$ 134,602		134,602	134,602
Donations	134,765		134,765	134,765
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>
<u>Expenditures and Other Financing Uses</u>				
Purchased Professional and Technical Services	37,312		37,312	37,312
Construction Services	297,546		297,546	297,546
Total Expenditures	<u>334,858</u>	<u>-</u>	<u>334,858</u>	<u>334,858</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 2,055</u>	<u>-</u>	<u>2,055</u>	<u>2,055</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 – II

RUMSON SCHOOL DISTRICT

Exhibit H-1

TRUST AND AGENCY FUND

COMBINING STATEMENT OF FIDUCIARY NET POSITION

AS OF JUNE 30, 2016

	<u>Non-Expendable Miscellaneous Trust Fund</u>	<u>Student Activity</u>	<u>Payroll Agency</u>	<u>Net Salary</u>	<u>Unemployment Compensation Expendable Trust</u>	<u>Total 2016</u>
Assets:						
Cash and Cash Equivalents	\$ (25,902)	98,107	20,892	9,297	81,141	183,535
Total Assets	<u>\$ (25,902)</u>	<u>98,107</u>	<u>20,892</u>	<u>9,297</u>	<u>81,141</u>	<u>183,535</u>
Liabilities and Fund Balances:						
Liabilities:						
Payroll Deductions and Withholdings	\$ -		20,892	9,297		30,189
Due to Student Groups		98,107				98,107
Total Liabilities		<u>98,107</u>	<u>20,892</u>	<u>9,297</u>	<u>-</u>	<u>128,296</u>
Net Position:						
Reserved - Miscellaneous Trust	(25,902)					(25,902)
Reserved - Unemployment Benefits					81,141	81,141
Total Net Position	<u>\$ (25,902)</u>				<u>81,141</u>	<u>55,239</u>

RUMSON SCHOOL DISTRICTEXPENDABLE TRUST FUND

Exhibit H-2

COMBINING STATEMENT OF CHANGESIN FIDUCIARY NET POSITIONJUNE 30, 2016

	<u>Miscellaneous Trust Fund</u>	<u>Unemployment Compensation Insurance Trust Fund</u>	<u>Totals</u>
Additions:			
Local Sources:			
Contributions	\$ 105,192	1,449	106,641
Interest on Investments		92	92
Total Additions	<u>105,192</u>	<u>1,541</u>	<u>106,733</u>
Deductions:			
Disbursements	235,325		235,325
Unemployment Claims		10,314	10,314
Total Deductions	<u>235,325</u>	<u>10,314</u>	<u>245,639</u>
Change in Net Position	(130,133)	(8,773)	(138,906)
Net Position, July 1	<u>104,231</u>	<u>89,914</u>	<u>194,145</u>
Net Position, June 30	<u>\$ (25,902)</u>	<u>81,141</u>	<u>55,239</u>

RUMSON SCHOOL DISTRICT

Exhibit H-3

STUDENT ACTIVITY AGENCY FUND

SCHEDULE OF RECEIPTS AND DISBURSEMENTS

JUNE 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2016</u>
Elementary Schools:				
Forrestdale	\$ 92,406	118,405	136,911	73,900
Deane-Porter	20,453	18,548	14,794	24,207
Total Elementary Schools	<u>\$ 112,859</u>	<u>136,953</u>	<u>151,705</u>	<u>98,107</u>

RUMSON SCHOOL DISTRICTPAYROLL AGENCY FUND

Exhibit H-4

SCHEDULE OF RECEIPTS AND DISBURSEMENTSJUNE 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
Assets:				
Cash and Cash Equivalents	\$ 4,300	9,155,463	9,138,871	20,892
Total Assets	<u>\$ 4,300</u>	<u>9,155,463</u>	<u>9,138,871</u>	<u>20,892</u>
Liabilities:				
Payroll Deductions, Withholdings	\$ 4,300	9,155,463	9,138,871	20,892
Total Liabilities	<u>\$ 4,300</u>	<u>9,155,463</u>	<u>9,138,871</u>	<u>20,892</u>

LONG-TERM DEBT – I

RUMSON SCHOOL DISTRICT

LONG-TERM DEBT

SCHEDULE OF SERIAL BONDS

JUNE 30, 2016

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, 2015</u>	<u>Retired</u>	<u>Ending Balance June 30, 2016</u>
			<u>Date</u>	<u>Amount</u>				
2008 Refunding School Bonds	8/15/2008	\$ 2,745,000	5/1/2017	\$ 255,000	3.750%	\$ 760,000	260,000	500,000
			5/1/2018	245,000	5.000%			
2009 Serial Bonds	5/19/2009	1,257,000	2/1/2017	85,000	4.000%	887,000	85,000	802,000
			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				
			2/1/2014	117,000				
2013 Refunding School Bonds	5/15/2013	4535000	9/1/2016	280,000	3.000%	4,285,000	260,000	4,025,000
			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	720,222				
						<u>\$ 5,932,000</u>	<u>605,000</u>	<u>5,327,000</u>

RUMSON SCHOOL DISTRICT

DEBT SERVICE FUND

Exhibit I-3

BUDGETARY COMPARISON SCHEDULE

JUNE 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:					
Local Sources:					
Local Tax Levy	\$ 680,692		680,692	680,692	-
State Sources:					
Debt Service Aid Type II	104,207		104,207	104,207	-
Total Revenues	<u>784,899</u>	<u>-</u>	<u>784,899</u>	<u>784,899</u>	<u>-</u>
Expenditures:					
Regular Debt Service:					
Redemption of Principal	605,000		605,000	605,000	-
Interest	222,070		222,070	222,071	(1)
Total Expenditures	<u>827,070</u>	<u>-</u>	<u>827,070</u>	<u>827,071</u>	<u>(1)</u>
Excess of Revenues over Expenditures	(42,171)	-	(42,171)	(42,172)	(1)
Fund Balance July 1	<u>42,172</u>		<u>42,172</u>	<u>42,172</u>	
Fund Balance June 30	<u>\$ 1</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>(1)</u>

STATISTICAL SECTION

(Unaudited)

RUMSON SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN 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>	<u>2016</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	4,254,125
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	2,155,894
Unrestricted	<u>(239,781)</u>	<u>(51,441)</u>	<u>(17,944)</u>	<u>4,824</u>	<u>185,970</u>	<u>194,255</u>	<u>202,580</u>	<u>209,395</u>	<u>(3,039,544)</u>	<u>(3,297,369)</u>
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>	<u>3,112,650</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	48,396
Unrestricted	<u>\$ 20,680</u>	<u>31,069</u>	<u>28,189</u>	<u>29,877</u>	<u>47,488</u>	<u>50,406</u>	<u>90,076</u>	<u>124,116</u>	<u>132,610</u>	<u>174,894</u>
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>	<u>223,290</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	4,302,521
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	2,155,894
Unrestricted	<u>(219,101)</u>	<u>(20,372)</u>	<u>10,245</u>	<u>34,701</u>	<u>237,656</u>	<u>244,661</u>	<u>292,656</u>	<u>333,511</u>	<u>(2,906,934)</u>	<u>(3,122,475)</u>
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>	<u>3,335,940</u>

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses:										
Governmental Activities:										
Instruction:										
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	5,301,714
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	1,279,269
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)	54,378	189,771
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	90,437
Support Services:										
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	429,648
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	1,971,256
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	512,764
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	796,344
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	1,132,554
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	716,879
Unallocated Depreciation and Amortization							(3,929,197.33)	(3,709,577.25)	4,636,758	5,658,804
Amortization of Loss on Debt Issuance							(172,268.41)	(537,189.00)		
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)	218,024	217,296
Total Governmental Activities Expenses	(14,040,970.02)	(14,455,844.43)	(13,972,499.20)	(14,605,141.19)	(15,192,175.28)	(15,333,574.78)	(15,898,570.27)	(16,487,910.69)	16,913,215	18,296,736
Business-Type Activities:										
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	431,607
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)		
Total Business-Type Activities Expenses	(50,607.15)	(375,203.28)	(306,056.02)	(292,987.85)	(312,429.94)	(339,159.50)	(387,402.40)	(428,169.92)	433,077	431,607
Total District Expenses	\$ (14,091,577.17)	(14,831,047.71)	\$ (14,278,555.22)	(14,898,129.04)	(15,504,605.22)	(15,672,734.28)	(16,285,972.67)	(16,774,952.38)	17,346,292	18,728,343
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Instruction (Tuition)				\$ 23,514.00	\$ 64,170.00	\$ 242,047.10	\$ 175,025.00	186,858.00	183,266	148,325
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	498,839
Capital Grants and Contributions				216,818.35	110,241.82	22,181.63				
Total Governmental Activities Program Revenue	191,150.90	179,590.00	209,366.81	468,128.35	314,481.55	389,547.13	331,481.08	768,430.37	665,719	647,164
Business-Type Activities:										
Charges for Services:										
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	465,645
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								
Total Business-Type Activities Program Revenue	56,332.82	432,787.81	291,985.83	283,802.50	319,216.00	344,404.99	424,733.27	458,589.26	431,493.00	465,645.00
Total District Program Revenues	\$ 247,483.72	612,377.81	\$ 501,352.64	\$ 751,930.85	\$ 633,697.55	\$ 733,952.12	\$ 756,214.35	1,227,019.63	1,097,212.00	1,112,809.00

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
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)	(17,649,572)
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)	34,038
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)	(17,615,534)
General Revenues and Other Changes in Net Assets:										
Governmental Activities:										
Property Taxes Levied for General Purpos	\$ 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	14,315,581
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	680,692
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	2,275,085
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	4,077	5,354
Miscellaneous Income	124,230.73	38,328.35	50,167.57	26,915.71	46,311.09	(24,451.77)	93,006.67	39,810.61	(70,129)	39,540
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	17,316,252
Business-Type Activities:										
Investment Earnings	507.15	1,852.75	482.73	166.83	119.43	74.32	89.97	112.98	140	215.00
								597.94		
Total Business-Type Activities	507.15	1,852.75	482.73	166.83	119.43	74.32	89.97	710.92	140	215.00
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	17,316,467
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	(333,535)
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)	34,253
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	(299,282)

RUMSON SCHOOL DISTRICT

FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN 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>	<u>2016</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	1,642,940	2,094,713
Assigned					\$ 338,502	\$ 118,736	\$ 118,736	\$ 175,505	75,501	56,606
Unassigned					\$ 409,410	\$ 385,133	\$ 412,588	\$ 387,098	424,753	405,482
Total General Fund	<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>	<u>\$ 2,556,801</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	\$ 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		
Total All Other	<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>	<u>\$ 4,575</u>
Governmental Funds										

RUMSON SCHOOL DISTRICT

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues:										
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	14,996,273
Tuition Charges	\$ 10,771	\$ 12,449	\$ 26,829	\$ 23,514	\$ 64,170	\$ 242,047	\$ 175,025	\$ 186,858	183,266	148,325
Interest Earnings	\$ 76,059	\$ 75,312	\$ 23,683	\$ 13,497	\$ 8,262	\$ 4,359	\$ 4,443	\$ 1,262	57,214	5,354
Miscellaneous	\$ 113,460	\$ 25,879	\$ 23,339	\$ 225,212	\$ 48,311	\$ (24,452)	\$ 93,067	\$ 39,811		46,402
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	2,412,972
Federal Sources	\$ 284,820	\$ 230,587	\$ 342,612	\$ 383,954	\$ 413,190	\$ 299,871	\$ 402,853	\$ 308,619	334,348	360,952
Total Revenues	\$ 14,028,308	\$ 14,485,492	\$ 14,646,652	\$ 15,514,280	\$ 15,571,608	\$ 16,052,104	\$ 16,901,786	\$ 16,923,625	17,423,651	17,970,278
Expenditures:										
Instruction:										
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	5,128,700
Special	\$ 608,322	\$ 952,510	\$ 1,129,871	\$ 898,102	\$ 998,709	\$ 913,643	\$ 985,394	\$ 1,019,118	1,390,056	1,279,269
Other	\$ 97,361	\$ 104,358	\$ 100,908	\$ 101,363	\$ 63,012	\$ 54,606	\$ 55,893	\$ 58,068	54,378	189,771
School-Sponsored/Other Inst	\$ 110,861	\$ 53,069	\$ 65,197	\$ 47,010	\$ 49,706	\$ 53,534	\$ 55,167	\$ 57,722	55,866	90,437
Community Services										
Undistributed:										
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			2,267,474	2,400,904
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	568,425	796,344
School Administrative Services	\$ 498,707	\$ 432,292	\$ 382,870	\$ 433,645	\$ 446,352	\$ 450,136	\$ 473,433	\$ 568,846	864,183	512,764
Central Services	\$ 211,902	\$ 233,289	\$ 258,605	\$ 249,325	\$ 272,821	\$ 259,767	\$ 316,016	\$ 301,782		
Admin. Information Technology	\$ 47,407	\$ 81,797	\$ 91,427	\$ 88,936	\$ 99,891	\$ 110,424	\$ 99,305	\$ 110,881		
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	1,132,554
Pupil Transportation	\$ 518,579	\$ 503,718	\$ 513,303	\$ 544,866	\$ 594,626	\$ 648,813	\$ 794,567	\$ 806,428	676,138	716,879
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	4,379,599
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	137,474
Special Revenue	\$ 433,859	\$ 359,703	\$ 479,255	\$ 519,279	\$ 522,490	\$ 411,855				
Debt Service:										
Principal	\$ 360,000	\$ 385,000	\$ 450,000	\$ 435,000	\$ 505,000	\$ 525,000	\$ 555,000	\$ 570,000	590,000	605,000
Interest and Other Charges	\$ 399,119	\$ 382,015	\$ 309,239	\$ 360,805	\$ 361,038	\$ 340,032	\$ 319,201	\$ 234,513	239,926	222,071
Total Expenditures	\$ 13,962,173	\$ 14,419,679	\$ 14,058,525	\$ 14,674,841	\$ 15,398,454	\$ 15,541,609	\$ 14,304,844	\$ 17,083,743	17,568,433	17,591,766
Excess/(Deficiency) of Revenues										
Over/(Under) Expenditures	\$ 66,135	\$ 65,813	\$ 588,127	\$ 839,439	\$ 173,155	\$ 510,495	\$ 390,774	\$ (160,119)	(144,782)	378,512
Other Financing Sources/(Uses):										
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	(7,077)
Total Other Financing Sources/(Uses)	\$ 10,260	\$ 947	\$ 1,258,605	\$ -	\$ -	\$ -	\$ -	\$ -	(123,266)	(7,077)
Net Change in Fund Balances	\$ 76,395	\$ 66,760	\$ 1,846,732	\$ 839,439	\$ 173,155	\$ 510,495	\$ 390,774	\$ (160,119)	(268,048)	371,435
Debt Service as a Percentage of Noncapital Expenditures										
	5.45%	5.36%	5.41%	5.44%	5.65%	5.60%	5.34%	4.89%	4.89%	5.13%

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 Ending June 30,</u>	<u>Tuition</u>	<u>Miscellaneous</u>	<u>Interest on Investments</u>	<u>Annual Totals</u>
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
2015	\$ 183,266	\$ 49,855	\$ 4,077	\$ 237,198
2016	\$ 148,325	\$ 46,402	\$ 5,354	\$ 200,081

Source: District records

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm Reg.</u>	<u>Qfarm</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>
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	
	<u>Value</u>	<u>Property</u>	<u>Utilities^a</u>	<u>Taxable</u>	(County	School	
					<u>Equalized) Value</u>	<u>Tax Rate^b</u>	
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	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 School Tax Rate	Total Direct Regional High School Tax Ra	Rumson Borough	Monmouth County Rumson Borough	
	Rumson Borough	Rumson Borough			
2007	0.4020	0.347	0.281	0.328	1.358
2008	0.4100	0.366	0.281	0.332	1.389
2009	0.4410	0.361	0.302	0.327	1.431
2010	0.4580	0.381	0.323	0.328	1.490
2011	0.4680	0.379	0.332	0.329	1.508
2012	0.4800	0.389	0.342	0.301	1.512
2013	0.4960	0.407	0.359	0.346	1.608
2014	0.4460	0.374	0.322	0.315	1.457
2015	0.4460	0.372	0.329	0.306	1.453
2016	0.449	0.368	0.327	0.289	1.433

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

	2016			2007		
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value
Taxpayer 1	\$ 31,047,000	1	0.0107	\$ 28,346,300	1	0.0099
Taxpayer 2	12,156,100	2	0.0042	11,220,900	2	0.0039
Taxpayer 3	9,490,500	3	0.0033	10,501,300	3	0.0037
Taxpayer 4	9,316,000	4	0.0032	9,499,200	4	0.0033
Taxpayer 5	7,700,000	5	0.0026	8,000,000	5	0.0028
Taxpayer 6	7,564,600	6	0.0026	7,283,700	6	0.0025
Taxpayer 7	6,769,200	7	0.0023	6,931,300	7	0.0024
Taxpayer 8	6,664,500	8	0.0023	6,534,200	8	0.0023
Taxpayer 9	6,498,600	9	0.0022	6,488,400	9	0.0023
Taxpayer 10	6,442,600	10	0.0022	6,500,000	10	0.0120
Total	<u>\$ 103,649,100</u>		<u>0.0356</u>	<u>\$ 101,305,300</u>		<u>0.0451</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 ^a		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 ^a	Per Capita ^d
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2007	\$ 9,130,000.00					\$ 9,130,000.00	0.028	\$ 1,265.42	
2008	8,745,000.00					8,745,000.00	0.025	1,204.88	
2009	9,559,000.00					9,559,000.00	0.023	1,307.84	
2010	9,124,000.00					9,124,000.00	0.021	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	920.54	
2015	5,932,000.00					5,932,000.00	N/A	846.82	
2016	5,327,000.00					5,327,000.00	N/A	763.40	

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			Percentage of Actual Taxable Value ^a of Property	Net Valuation Taxable
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
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
2016	5,327,000.00	None	5,327,000.00	0.159%	3,358,735,600

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^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes:			
Rumson Borough	\$		\$
Monmouth County General Obligation Debt:			
Rumson Borough	N/A		<hr/>
Other Debt: Information not available for Municipal Water Authority			
Rumson School District Direct Debt			<hr/> 6,522,000.00
Total Direct and Overlapping Debt			<hr/> <hr/> \$ 6,522,000.00

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			Rumson Borough
Equalized Valuation Basis	2015	\$	3,358,735,600.00
	2014		3,338,372,433.00
	2013		<u>3,318,993,162.00</u>
	(A)	\$	<u>10,016,101,195.00</u>
Average Equalized Valuation of Taxable Property	(A/3)	\$	3,338,700,398.33
Debt Limit (3% of Average Equalization Value)	(B)		100,161,011.95 a
Total Net Debt Applicable To Limit	(C)		<u>6,522,000.00</u>
Legal Debt Margin	(B-C)	\$	<u>93,639,011.95</u>

			Fiscal Year							
			<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>			
Debt Limit	\$	92,288,098	\$	101,480,112	\$	107,679,117	\$	108,949,540	\$	107,969,027
Total Net Debt Applicable To Limit		<u>9,130,000</u>		<u>8,745,000</u>		<u>9,559,000</u>		<u>9,124,000</u>		<u>8,619,000</u>
Legal Debt Margin	\$	<u>83,158,098</u>	\$	<u>92,735,112</u>	\$	<u>98,120,117</u>	\$	<u>99,825,540</u>	\$	<u>99,350,027</u>

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

			<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>			
Debt Limit	\$	105,405,482	\$	102,708,174	\$	101,412,826	\$	100,392,707	\$	100,161,012
Total Net Debt Applicable To Limit		<u>8,094,000</u>		<u>7,092,000</u>		<u>6,522,000</u>		<u>5,932,000</u>		<u>6,522,000</u>
Legal Debt Margin	\$	<u>97,311,482</u>	\$	<u>95,616,174</u>	\$	<u>94,890,826</u>	\$	<u>94,460,707</u>	\$	<u>93,639,012</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^a</u>	<u>Personal Income^b</u>	<u>Per Capita Personal Income^c</u>	<u>Unemployment Rate^d</u>
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	460,680,582	66,019	4.40%
2015	6,926	Unavailable	Unavailable	4.60%
2016	Unavailable	Unavailable	Unavailable	4.40%

^a Population information provided by the NJ Department of Labor and Workforce Development

^b Personal income has been estimated based upon the municipal population and per capita personal income presented.

^c Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

^d 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>	<u>2016</u>			<u>2007</u>		
	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Municipal Employment</u>
		1			1	
		2			2	
		3			3	
		4			4	
		5	DATA NOT AVAILABLE		5	
		6			6	
		7			7	
		8			8	
		9			9	
		10			10	
<u>Total</u>	<u> </u>		<u> </u>	<u> </u>		<u> </u>
	<u> </u>		<u> </u>	<u> </u>		<u> </u>

RUMSON SCHOOL DISTRICT

FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Function/Program</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>	<u>2016</u>
Instruction:										
Regular	69	68	70	68	63	64	65	66	67	67
Special Education	16	17	16	17	20	18	19	21	21	18
Other Special Education	2	3	3	3	3	3	3	3	3	12
Vocational										
Other Instruction	23	24	24	23	17	14	13	14	13	13
Nonpublic School Programs										
Adult/Continuing Education Programs										
Support Services:										
Student and Instruction Related Services	6	5	5	6	6	6	6	6	6	15
General Administration	6	5	5	5	5	5	5	6	6	2
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	9	9	10	10	10	10	10	10	10
Pupil Transportation										
Other Support Services										
Special Schools										
Food Service										
Child Care										
Total	<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>	<u>146</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^a</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff^b</u>	<u>Pupil/Teacher Ratio</u>	<u>Average Daily Enrollment (ADE)^c</u>	<u>Average Daily Attendance (ADA)^d</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%
2016	944	17,139,219	18,156	4.43%	94.0	10.0	964.1	926.9	-0.81%	96.13%

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>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>	<u>2016</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	402	411	434	431	427	412	426	401	401	408
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	561	560	561	552	556	571	568	575	575	555
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>Total</u>
	<u>Project # (s)</u>			
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
2016	N/A	86,468.26	65,230.45	151,698.71
Total School Facilities		<u>\$ 716,977.13</u>	<u>\$ 542,495.32</u>	<u>\$ 1,259,472.45</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
2016
INSURANCE SCHEDULE

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - NJSIG		
Blanket Buildings and Contents (special form coverage/replacement cost)	\$ 31,317,720	\$ 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	1,000,000	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	5,000
School Board Legal Liability - New Jersey		
School Boards Association Insurance Group	5,000,000	5,000
Student Accident and Athletic Account - Zurich	2,000,000	
Fidelity Bond Insurance:		
Selective Insurance Company:		
Board Secretary	200,000	
Treasurer of School Moneys		
Crime - Employee Dishonesty - NJSIG	500,000	1,000
Excess Workers Compensation - CHUBB	After 7 day	
Flood		
Deane-Porter	20,000	2,000
Forrestdale	20,000	2,000

Source: District records.

SINGLE AUDIT SECTION

Robert A. Hulsart and Company
CERTIFIED PUBLIC ACCOUNTANTS

99.

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 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, 2016, 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 November 21, 2016.

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 its 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**

November 21, 2016

Robert A. Hulsart and Company

CERTIFIED PUBLIC ACCOUNTANTS

101.

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 THE UNIFORM GUIDANCE AND SCHEDULES OF EXPENDITURE OF STATE
FINANCIAL ASSISTANCE AS REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

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 *U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the 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, 2016. 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; Title 2 U.S. Code of Federal Regulations CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and U.S. Uniform Guidance and New Jersey OMB's Circular 15-08, 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, 2016.

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 federal and state program and to test and report on internal control over compliance in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of 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 state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control 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 the U.S. Uniform Guidance and New Jersey OMB Circular 15-08. 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**

November 21, 2016

RUMSON SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Schedule A
K-3

Department of Education Project/Title	CFDA Number	Federal Fain Number	Program or Award Amount	Grant Period		Balance at June 30, 2015	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Balance at June 30, 2016			
				From	To						(Accounts Receivable)	Deferred Revenue	Due to Grantor	
Special Revenue Fund:														
Title I	84.010A	S101A150030	100,296	9/1/15	8/31/16	\$ -		62,308	(76,590)		(14,282)			
Title IIA	84.367A	S367A150029	26,139	9/1/14	8/31/15			26,019	(26,139)		(120)			
I.D.E.A.:														
Part B	84.027	H027A150100	247,618	9/1/15	8/31/16			234,665	(246,815)		(12,150)			
Part B	84.027	H027A150100	287,043	9/1/14	8/31/15	(4,505)		4,505						
Preschool	84.173	H173A150114	11,645	9/1/14	8/31/15			1,299	(1,299)					
Preschool	84.173	H173A150114	10,109	9/1/15	8/31/16			7,345	(10,109)		(2,764)			
Total U.S. Department of Education						<u>(4,505)</u>	<u>-</u>	<u>336,141</u>	<u>(360,952)</u>	<u>-</u>	<u>(29,316)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Federal Financial Assistance						<u>\$ (4,505)</u>	<u>-</u>	<u>336,141</u>	<u>(360,952)</u>	<u>-</u>	<u>(29,316)</u>	<u>-</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, 2016

Schedule B
K-4

Department of Education Project/Title	State Grant Number	Program or Award Amount	Grant Period		Balance at June 30, 2015	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year Balances	Balance at June 30, 2016			MEMO	
			From	To							(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Total Cumulative Expenditures
State Department of Education:															
Special Education Aid	16-495-034-5120-089	\$ 315,384	7/1/15	6/30/16	\$ -		315,384	(315,384)						(29,820)	315,384
Security Aid	16-495-034-5120-084	14,317	7/1/15	6/30/16			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								
Extraordinary Aid	16-495-034-5120-473	142,452	7/1/15	6/30/16				(142,452)			(142,452)				142,452
Transportation Aid	16-495-034-5120-014	31,992	7/1/15	6/30/16			31,992	(31,992)						(2,874)	31,992
Non-Public Transportation Aid	16-495-034-5120-014	6,464	7/1/15	6/30/16				(6,464)			(6,464)				6,464
Non-Public Transportation Aid	15-495-034-5120-014	3,621	7/1/14	6/30/15	(3,621)		3,621								
PARCC Readiness Aid	16-495-034-5120-098	9,520	7/1/15	6/30/16			9,520	(9,520)						(898)	9,520
Per Pupil Growth Aid	16-495-034-5120-097	9,520	7/1/15	6/30/16			9,520	(9,520)						(898)	9,520
Reimbursed TPAF Social Security Contribution (Non-Budgeted)	16-100-034-5095-003	515,160	7/1/15	6/30/16			489,312	(515,160)			(25,848)				515,160
					(172,636)		1,042,681	(1,044,809)			(174,764)			(35,927)	1,044,809
Debt Service Type II Aid	16-495-034-5120-017	104,207	7/1/15	6/30/16			104,207	(104,207)							104,207
Special Revenue Fund:															
N.J. Nonpublic Textbook Aid	15-100-034-5120-064	20,019	7/1/14	6/30/15	67					(67)					
N.J. Nonpublic Textbook Aid	16-100-034-5120-064	19,471	7/1/15	6/30/16			19,471	(18,485)							18,485
N.J. Nonpublic Security Aid	16-100-034-5120-084	8,525	7/1/15	6/30/16			8,525	(8,450)						75	8,450
N.J. Nonpublic Technology Aid	16-100-013-5120-373	8,866	7/1/15	6/30/16			8,866	(8,862)						4	8,862
N.J. Nonpublic Technology Aid	15-100-013-5120-373	10,752	7/1/14	6/30/15	11					(11)					
N.J. Nonpublic Auxiliary Services Aid:															
Home Instruction	15-100-034-5120-067	147	7/1/14	6/30/15	(147)		147								
Home Instruction	16-100-034-5120-067	917	7/1/15	6/30/16				(917)			(917)				917
Compensatory Education	16-100-034-5120-067	35,533	7/1/15	6/30/16			35,532	(16,920)						18,612	16,920
Compensatory Education	15-100-034-5120-067	34,936	7/1/14	6/30/15	13,437					(13,437)					
N.J. Nonpublic Handicapped Aid:															
Supplemental Instruction	16-100-034-5120-066	12,624	7/1/15	6/30/16			12,624	(12,624)							12,624
Supplemental Instruction	15-100-034-5120-066	18,833	7/1/14	6/30/15	5,493					(5,493)					
Examination and Classification Annual	15-100-034-5120-066	8,664	7/1/14	6/30/15	3,971					(3,971)					
Examination and Classification Annual	16-100-034-5120-066	6,490	7/1/15	6/30/16			6,490	(6,490)							6,490
Examination and Classification Initial	16-100-034-5120-066	20,267	7/1/15	6/30/16			20,267	(20,267)							20,267
Corrective Speech	16-100-034-5120-066	14,213	7/1/15	6/30/16			14,213	(14,213)							14,213
Corrective Speech	15-100-034-5120-066	15,373	7/1/14	6/30/15	854					(854)					
N.J. Nonpublic Nursing Services Aid	15-100-034-5120-070	31,870	7/1/14	6/30/15	152					(152)					
N.J. Nonpublic Nursing Services Aid	16-100-034-5120-070	30,690	7/1/15	6/30/16			30,690	(30,659)						31	30,659
					23,838		156,825	(137,887)		(23,985)	(917)		19,708		137,887
Total State Financial Assistance					\$ (148,798)		1,303,713	(1,286,903)		(23,985)	(175,681)		19,708	(35,927)	1,286,903

See Accompanying Notes to Schedules of Financial Assistance

BOARD OF EDUCATION

K-5

RUMSON SCHOOL DISTRICT**NOTES TO SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE****JUNE 30, 2016****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>
<u>State Assistance</u>				
Actual Amounts (Budgetary) “Revenues” from the Schedule of Expenditures of State Financial Assistance	\$ 1,044,089	137,887	104,207	1,286,183
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	1,126,069			1,126,069
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)	_____	_____	_____	_____
Total State Revenue as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances	<u>\$ 2,170,158</u>	<u>137,887</u>	<u>104,207</u>	<u>2,412,252</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>
<u>Federal Assistance</u>				
Actual Amounts (Budgetary)				
“Revenues” from the Schedule				
of Expenditures of Federal				
Awards	\$	360,952		360,952
Difference – Budget to “GAAP”				
Grant Accounting Budgetary				
Basis Differs from GAAP in that				
Encumbrances are Recognized as				
Expenditures and the Related				
Revenue is Recognized				
	_____	_____	_____	_____
Total Federal Revenue as				
Reported on the Statement				
of Revenue, Expenditures,				
and Changes in Fund				
Balances	\$ _____	<u>360,952</u>	_____	<u>360,952</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, 2016. 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, 2016.

RUMSON SCHOOL DISTRICTSCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2016*Part I - 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 condition(s) identified that are not considered to be material weaknesses?

_____ Yes None Reported

Noncompliance material to general purpose financial statements noted?

_____ Yes NoFederal Awards

N/A

State Awards

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

\$750,000

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)

16-495-034-5120-089

16-495-034-5120-084

16-495-034-5120-098

16-495-034-5120-097

16-495-034-5120-014

16-100-034-5095-003

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)

Transportation Aid (State Aid - Public Cluster)

Reimbursed TPAF Social Security Contribution

RUMSON SCHOOL DISTRICTSCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2016*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

RUMSON SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

This section identifies audit findings required to be reported by section 200.515 paragraph c of Circular 2 CFR 200 and OMB 15-08.

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

K-6

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

K-7

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Prior Audit Findings:

None