

**SCHOOL DISTRICT OF THE
BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2019**

BOARD OF EDUCATION

BOROUGH OF RUMSON

STATE OF NEW JERSEY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2019

PREPARED BY

RUMSON BOARD OF EDUCATION

BOARD SECRETARY'S OFFICE

OUTLINE OF CAFR

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INTRODUCTORY SECTION



November 25, 2019

Honorable President and
Members of the Board of Education
Rumson School District
Monmouth County, New Jersey 07760

Dear Board Members:

The comprehensive annual financial report of the Rumson School District (District) for the fiscal year ended June 30, 2019 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations 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 and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". 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.

1. REPORTING ENTITY AND ITS SERVICES: Rumson School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement #3. All funds and account groups of the District are included in this report. The Rumson Board of Education, Deane-Porter School and Forestdale School constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels pre-K through 8. These include regular and special education for handicapped youngsters. The District resident enrollment on October 15, 2018 as reported in the Annual Application for State School Aid was 992 which is an decrease of 41 students over the previous year's resident enrollment. The following details the changes in the student enrollment of the district over the last ten years.

Resident Enrollment

<u>Oct. 15 Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2019	992	(12.44%)
2018	1033	5.30%
2017	981	3.91%
2016	944	(2.88%)
2015	972	(.001%)
2014	973	(1.11%)
2013	984	.001%
2012	983	-0-
2011	983	-0-
2010	983	(1.21%)

2. ECONOMIC CONDITION AND OUTLOOK: The Borough of Rumson is located one-half mile west of the Atlantic Ocean between Fair Haven and Sea Bright in Monmouth County and is comprised of approximately 5.2 square miles. The community is predominantly residential in character and land available for development is limited.

The growth in enrollment is attributed to a shift from parochial to public school and younger families moving into the district replacing older ones.

3. MAJOR INITIATIVES: The 2018-2019 budget contained funding for a Dean of Students, continued professional development and program development to support academic and social-emotional initiatives, the addition of a Class III Officer on campus via a Shared Services Agreement with the Rumson Police Department, additional technology and the continuation of prior year initiatives.

Students continue to score well above state averages on New Jersey Student Learning Assessment.

All program initiatives and enhancements have been closely correlated with the New Jersey Student Learning Standards.

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

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

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

5. BUDGETARY CONTROLS:

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriation of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance on June 30, 2018.

6. ACCOUNTING SYSTEM AND REPORTS:

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

7. DEBT ADMINISTRATION:

At June 30, 2019, the District had \$3,327,000 of outstanding school bonds.

8. CASH MANAGEMENT:

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

9. RISK MANAGEMENT:

The Board carries various forms of insurance, including but not limited to general liability, hazard and theft insurance on property and contents, and fidelity bonds.

10. OTHER INFORMATION:

Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ferraioli, Wielkotz, Cerullo & Cova, P.A. was appointed by the Rumson Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

11. ACKNOWLEDGEMENTS:

We would like to express our appreciation to the members of the Rumson School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school districts and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without efficient and dedicated services of our central office staff.

Respectfully submitted,

John Bormann

John Bormann
Superintendent

Debra Leigh Allen

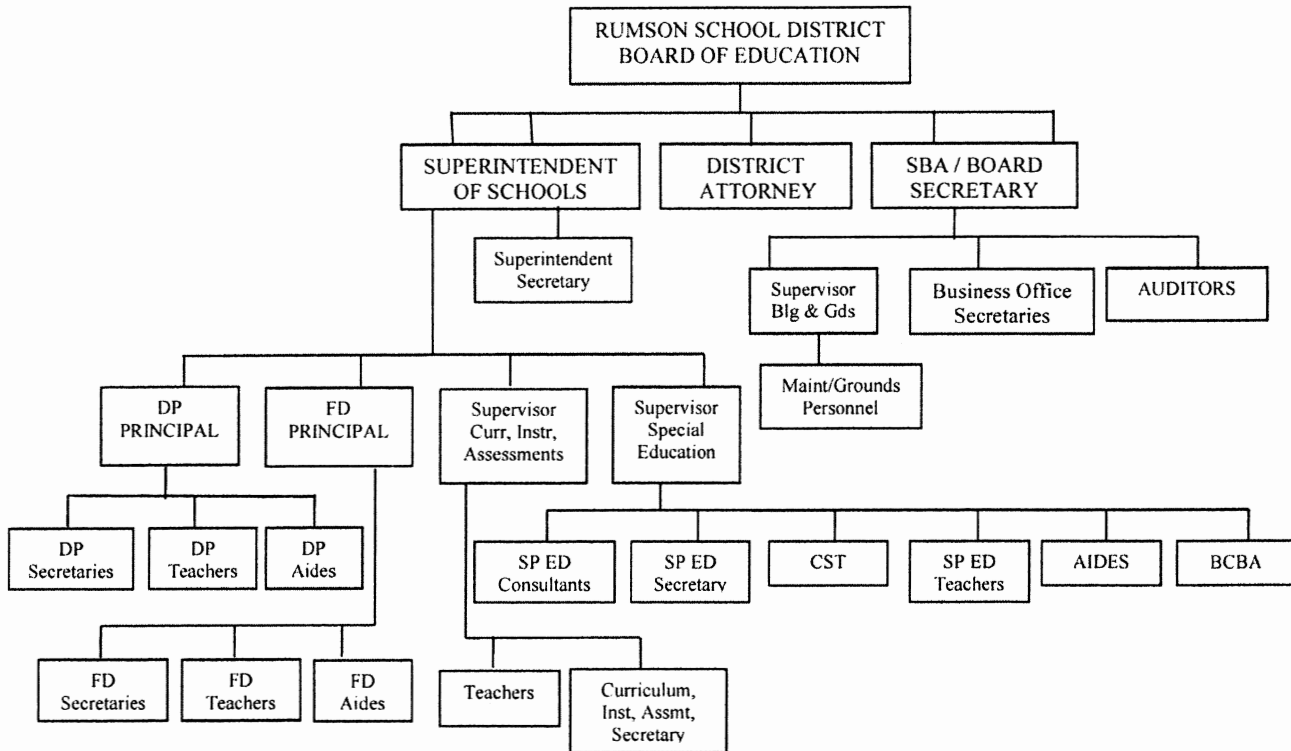
Debra Leigh Allen
Business Administrator/Board Secretary

POLICY

RUMSON BOROUGH BOARD OF EDUCATION

ADMINISTRATION
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ORGANIZATIONAL CHART

1110 ORGANIZATIONAL CHART



Adopted: 28 November 2012
Revised:



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

ROSTER OF OFFICIALS

JUNE 30, 2019

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Charles Jones, President	2021
Elaine Melia, Vice President	2019
Russell Binns	2019
Scott Caldwell	2019
Kara Markiewicz	2020
Maura Beyer	2020
Kim Swain	2020
John Connors	2021
Melissa Ginsberg	2021

Other Officials

John Bormann, Superintendent

Debra Leigh Allen, School Business Administrator/Board Secretary

Anthony Sciarrillo, Esq., Solicitor

RUMSON BOARD OF EDUCATION
CONSULTANTS AND ADVISORS

Audit Firm

Ferraioli, Wielkotz, Cerullo & Cuva, P.A.
Certified Public Accountants
401 Wanaque Avenue
Pompton Lakes, NJ 07442

Attorney

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

Official Depositories

TD Bank
Red Bank, NJ

1st Constitution Bank
Rumson, NJ

FINANCIAL SECTION

Ferraioli, Wielkocz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA
Steven D. Wielkocz, CPA, RMA
James J. Cerullo, CPA, RMA
Paul J. Cuva, CPA, RMA
Thomas M. Ferry, CPA, RMA

Certified Public Accountants
401 Wanaque Avenue
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973-835-7900
Fax 973-835-6631

Newton Office
100B Main Street
Newton, NJ 07860
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Fax 973-579-7128

INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Borough of 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 Borough of Rumson School District, in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2019, 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 misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, 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 of material misstatement.



Honorable President and
Members of the Board of Education
Page 2.

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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Rumson Board of Education, in the County of Monmouth, State of New Jersey, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison Information identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the 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.



Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Rumson Board of Education's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are the responsibility of management and were 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 standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical data section has not been subject 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2019 on our consideration of the Borough of Rumson Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of

Honorable President and
Members of the Board of Education
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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 Borough of Rumson Board of Education's internal control over financial reporting and compliance.

Paul J. Cuva

Paul J. Cuva, C.P.A.
Licensed Public School Accountant
No. CS00076600

Ferraioli, Wielkocz, Cerullo + Cuva, P.A.

FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

November 25, 2019



**REQUIRED SUPPLEMENTARY
INFORMATION - PART I**

**RUMSON SCHOOL DISTRICT
RUMSON, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

The discussion and analysis of the Rumson School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2019. The intent of this discussion and analysis is to look at the District's financial performance as a whole and should not be interpreted as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the District's revenues and expenditures by program for the General Fund, Special Revenue Fund, Capital Projects Fund, Debt Service and Enterprise Fund.

FINANCIAL HIGHLIGHTS

- In total, net position increased \$863,134. Net position of governmental activities increased \$808,688 while net position of business-type activity increased by \$54,446.
- General revenues accounted for \$22,433,454 revenue or 92 percent of all District revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$1,957,328 or 8 percent of total revenues of \$24,390,782.
- The School District had \$22,963,658 in expenses related to governmental activities; only \$1,339,650 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$22,432,696 were adequate to provide for these programs.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the District as a whole (government-wide statements), and then proceed to provide an increasingly detailed look at specified financial activities.

District-Wide Financial Statements

The *statement of net position and statement of activities* reports information about the District as a whole and about its activities in a manner that helps answer the question, "Is the District better or worse off as a result of the year's activities?" These statements include all assets and liabilities of the District using the accrual basis of accounting, similar to the accounting used by private sector corporations. All of the current year's revenues and expenses are taken into consideration regardless of when cash is received or paid.

Both of the district-wide financial statements distinguish functions of the Rumson School District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*).

**RUMSON SCHOOL DISTRICT
RUMSON, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(CONTINUED)**

USING THIS ANNUAL REPORT, (continued)

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

- Governmental Activities – All of the school district's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Business-type Activity – This service is provided on a charge for goods and services basis to recover all the expenses of the goods or services provided. The Food Service Enterprise fund is reported as a business activity.

The two statements report the District's net position and changes in them. The change in net position can be utilized by a reader to assist in determining whether the District's financial health is improving or deteriorating. However, the reader should also consider non-financial factors such as property tax base, current New Jersey laws restricting revenue growth, student enrollment growth, facility conditions, required educational programs and other factors in determining the District's overall financial health.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Rumson School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the District's funds can be divided into three categories: Governmental Funds, Proprietary Funds and Fiduciary Funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balances of *spendable resources* available at the end of the fiscal year. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities* (reported in the Statement of Net Position and the Statement of Activities).

**RUMSON SCHOOL DISTRICT
RUMSON, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(CONTINUED)**

USING THIS ANNUAL REPORT, (continued)

The Rumson School District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures and changes in fund balances for the general, special revenue and debt service funds, which are considered to be major funds.

The Rumson School District adopts annual appropriated budgets for its governmental funds. A budgetary comparison statement has been provided for the general fund and special revenue fund to demonstrate compliance with their budgets.

Proprietary Funds

Proprietary funds use the accrual basis of accounting, the same as on the district-wide statements, therefore the statements will essentially match the business-type activities portion of the district-wide statements. The Rumson School District uses proprietary funds to account for its food service program and its after school program.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning budgetary information for the District's major funds.

Our 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. Varying degrees of assurance are being provided by the auditor regarding the Required Supplemental Information and the Supplemental Information identified above. 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 in the Financial Section.

**RUMSON SCHOOL DISTRICT
RUMSON, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS

The Statement of Net Position provides the perspective of the District as a whole. Net position may, over time, serve as a useful indicator of a government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets and the depreciation of capital assets.

The School District's net position is \$4,948,331 at June 30, 2019. Of this amount, \$(2,317,309) was in unrestricted balances. Restricted items of net position are reported separately to show legal constraints that limit the School District's ability to use those items for day-to-day operations. Our analysis below focuses on the net position (Table 1) and change in net position (Table 2) of the School District.

Table 1
Net Position
June 30,

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Assets						
Current and Other Assets	5,648,977	3,837,822	134,252	70,555	5,783,229	3,908,377
Capital Assets	<u>8,834,596</u>	<u>8,739,230</u>	<u>43,427</u>	<u>52,686</u>	<u>8,878,023</u>	<u>8,791,916</u>
Total Assets	<u>14,483,573</u>	<u>12,577,052</u>	<u>177,679</u>	<u>123,241</u>	<u>14,661,252</u>	<u>12,700,293</u>
Deferred Outflow of Resources	<u>866,088</u>	<u>1,183,677</u>	—	—	<u>866,088</u>	<u>1,183,677</u>
Liabilities						
Current Liabilities	1,731,606	1,370,262	17,911	17,919	1,749,517	1,388,181
Noncurrent Liabilities	<u>7,669,621</u>	<u>7,522,708</u>	—	—	<u>7,669,621</u>	<u>7,522,708</u>
Total Liabilities	<u>9,401,227</u>	<u>8,892,970</u>	<u>17,911</u>	—	<u>9,419,138</u>	<u>8,910,889</u>
Deferred inflows of Resources	<u>1,159,871</u>	<u>887,884</u>	—	—	<u>1,159,871</u>	<u>887,884</u>
Net Position						
Invested in Capital Assets-						
Net of Debt	3,808,572	4,610,562	43,427	52,686	3,851,999	4,663,248
Restricted	3,413,641	3,086,417	—	—	3,413,641	3,086,417
Unrestricted	<u>(2,433,650)</u>	<u>(3,717,104)</u>	<u>116,341</u>	<u>52,636</u>	<u>(2,317,309)</u>	<u>(3,664,468)</u>
Total Net Position	<u>4,788,563</u>	<u>3,979,875</u>	<u>159,768</u>	<u>105,322</u>	<u>4,948,331</u>	<u>4,085,197</u>

**RUMSON SCHOOL DISTRICT
RUMSON, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 2 below shows the changes in net position for fiscal year 2019 compared to 2018.

**Table 2
Changes in Net Position
Year Ended June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenues						
Program Revenues:						
Charges for Services and Sales	249,150	357,085	617,678	635,798	866,828	992,883
Operating Grants and Contributions	1,090,500	687,783			1,090,500	687,783
General Revenues:						
Taxes:						
Property taxes, levied for:						
General purposes	16,078,918	15,313,255			16,078,918	15,313,255
Debt Service	820,709	746,247			820,709	746,247
Federal and State Aid	5,386,125	6,443,350			5,386,125	6,443,350
Miscellaneous Income	<u>146,944</u>	<u>59,413</u>	<u>758</u>	<u>473</u>	<u>147,702</u>	<u>59,886</u>
Total Revenues and Transfers	<u>23,772,346</u>	<u>23,607,133</u>	<u>618,436</u>	<u>636,271</u>	<u>24,390,782</u>	<u>24,243,404</u>

**RUMSON SCHOOL DISTRICT
RUMSON, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Functions/Program Expenses						
Instruction:						
Regular	5,859,216	5,693,759			5,859,216	5,693,759
Special Education	2,169,831	1,628,625			2,169,831	1,628,625
Other Instruction	469,109	372,176			469,109	372,176
Support Services:						
Tuition	263,737	123,595			263,737	123,595
Student & Instruction						
Related Services	2,274,265	2,209,244			2,274,265	2,209,244
School Administrative						
Services	462,921	452,378			462,921	452,378
General Administrative						
Services	507,083	429,366			507,083	429,366
Central Services	269,137	267,195			269,137	267,195
Admin. Info. Technology	49,952	51,385			49,952	51,385
Plant Operations and						
Maintenance	1,252,321	1,048,452			1,252,321	1,048,452
Pupil Transportation	563,659	613,189			563,659	613,189
Unallocated Benefits	8,173,000	9,248,932			8,173,000	9,248,932
Capital Outlay - Undepreciable	25,054	21,419			25,054	21,419
Interest on Long-Term Debt	121,602	152,645			121,602	152,645
Unallocated depreciation	502,771	537,019			502,771	537,019
Food Service			<u>563,990</u>	<u>675,684</u>	<u>563,990</u>	<u>675,684</u>
Total Expenses	<u>22,963,658</u>	<u>22,849,379</u>	<u>563,990</u>	<u>675,684</u>	<u>23,527,648</u>	<u>23,525,063</u>
Increase or (Decrease) in						
Net Position	<u>808,688</u>	<u>757,754</u>	<u>54,446</u>	<u>(39,413)</u>	<u>863,134</u>	<u>718,341</u>

**RUMSON SCHOOL DISTRICT
RUMSON, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Governmental and Business- Activities

As reported in the Statement of Activities the cost of all of our governmental and business-type activities this year was \$23,527,648. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was \$16,899,627 because some of the cost was paid by those who benefitted from the programs \$866,828, by other governments and organizations who subsidized certain programs with grants and contributions \$6,476,625, and by miscellaneous sources \$147,702.

Revenues for the District's business-type activities (food service and after school programs) were comprised of charges for services. Significant financial results include the following:

- ✓ Program revenues exceeded expenses by \$54,446.
- ✓ Charges for services provided totaled \$617,678. This represents amounts paid by consumers for daily food services and after school programs.

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS

The School District's budgets are prepared according to New Jersey law, and are based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted funds are the general fund and the special revenue fund.

During the fiscal year ended June 30, 2019, the School District amended the budgets of these major governmental funds several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- TPAF, which is the state's contribution to the pension fund and post retirement medical benefits and TPAF social security reimbursements, is neither a revenue item nor an expenditures item to the District but is required to be reflected in the governmental funds financial statements.
- The special revenue fund was increased by \$614,382 for an increase in federal and state grant awards.

General Fund

The general fund actual revenue was \$19,915,885. That amount is \$2,893,344 above the final amended budget of \$17,022,541. The variance between the actual revenues and final budget was largely the result of non-budgeted on-behalf payments of \$2,680,406 for TPAF social security reimbursements and on-behalf pension and post retirement medical benefits payments and a \$60,090 excess in tuition and miscellaneous anticipated revenues and \$152,848 excess in other state aids.

**RUMSON SCHOOL DISTRICT
RUMSON, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(CONTINUED)**

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS, (continued)

General Fund, (continued)

The actual expenditures of the general fund were \$19,490,484 which is \$1,007,232 above the final amended budget of \$18,483,253. The variance between the actual expenditures and final budget was due to excess non-budget on-behalf State TPAF social security, pension and medical retirement payments of \$2,680,406 and \$1,673,174 of unexpended budgeted funds.

Special Revenue Fund

The special revenue fund actual revenue was \$1,090,500. That amount is greater than the original budget estimate of \$528,800 and less than the final amended budget of \$1,143,182.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2019 the School District had \$19,906,396 invested in sites, buildings and equipment, and of this amount, \$11,071,800 in depreciation has been taken over the years. We currently have a net book value of \$8,834,596. Total additions for the year were \$598,127. Total depreciation for the year was \$502,771. Table 3 shows fiscal year 2019 balances compared to 2018.

**Table 3
Capital Assets at June 30,
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Land	2,314,500	2,314,500			2,314,500	2,314,500
Site Improvements	77,073	83,924			77,073	83,924
Buildings	5,262,528	5,641,509			5,262,528	5,641,509
Equipment	650,513	699,307	43,427	52,686	693,940	751,993
Construction in Progress	<u>529,982</u>	<u> </u>	<u> </u>	<u> </u>	<u>529,982</u>	<u>0</u>
	<u>8,834,596</u>	<u>8,739,240</u>	<u>43,427</u>	<u>52,686</u>	<u>8,878,023</u>	<u>8,791,926</u>

Debt Administration

At June 30, 2019, the District had \$8,547,576 of outstanding debt. Of this amount, \$422,870 is for compensated absences; \$3,327,000 of serial bonds for school construction; \$2,919,882 for the net pension obligation for PERS; \$248,134 of unamortized bond premium; and \$1,629,690 for obligations under capital leases.

**RUMSON SCHOOL DISTRICT
RUMSON, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(CONTINUED)**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

Many factors were considered by the District during the process of developing the 2019-2020 budget. The primary factors were the District's projected student population and the services that are required to be provided by the District, as well as increasing salary and benefit costs.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Rumson School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Ms. Debra Leigh Allen,
School Business Administrator
Rumson School District
69 Forrest Avenue
Rumson, NJ 07760

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

Rumson School District
Statement of Net Position
June 30, 2019

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	3,281,435	123,930	3,405,365
Receivables, net	274,597	8,094	282,691
Internal balances			-
Inventory		2,228	2,228
Restricted assets:			
Cash and cash equivalents	2,092,945		2,092,945
Land	2,314,500		2,314,500
Other Capital Assets, net	6,520,096	43,427	6,563,523
Total Assets	<u>14,483,573</u>	<u>177,679</u>	<u>14,661,252</u>
DEFERRED OUTFLOW OF RESOURCES:			
Pension related	687,288		687,288
Loss on Refunding of Debt	178,800		178,800
Total Deferred Outflow of Resources	<u>866,088</u>	<u>-</u>	<u>866,088</u>
LIABILITIES			
Accounts payable	643,487		643,487
Accrued interest on bonds	46,358		46,358
Payable to federal and state government	17,360		17,360
Deferred revenue	146,446	17,911	164,357
Noncurrent liabilities:			
Due within one year	877,955		877,955
Due beyond one year	7,669,621		7,669,621
Total liabilities	<u>9,401,227</u>	<u>17,911</u>	<u>9,419,138</u>
DEFERRED INFLOW OF RESOURCES:			
Pension related	<u>1,159,871</u>		<u>1,159,871</u>
NET POSITION			
Invested in capital assets, net of related debt	3,808,572	43,427	3,851,999
Restricted for:			
Capital Projects	1,748,945		1,748,945
Other Purposes	1,664,696		1,664,696
Unrestricted	(2,433,650)	116,341	(2,317,309)
Total net position	<u>4,788,563</u>	<u>159,768</u>	<u>4,948,331</u>

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

**Rumson School District
Statement of Activities
For the Year Ended June 30, 2019**

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:								
Instruction:								
Regular	5,859,216					(5,859,216)		(5,859,216)
Special education	2,169,831			816,267		(1,353,564)		(1,353,564)
Other instruction	469,109					(469,109)		(469,109)
Support services:								
Tuition	263,737		249,150			(14,587)		(14,587)
Student & instruction related services	2,274,265			274,233		(2,000,032)		(2,000,032)
School administrative services	462,921					(462,921)		(462,921)
General administrative services	507,083					(507,083)		(507,083)
Central Services	269,137					(269,137)		(269,137)
Admin. Info. Technology	49,952					(49,952)		(49,952)
Plant operations and maintenance	1,252,321					(1,252,321)		(1,252,321)
Pupil transportation	563,659					(563,659)		(563,659)
Employee Benefits	8,173,000					(8,173,000)		(8,173,000)
Capital outlay-undepreciable	25,054					(25,054)		(25,054)
Interest on long-term debt	121,602					(121,602)		(121,602)
Unallocated depreciation	502,771					(502,771)		(502,771)
Total governmental activities	22,963,658		249,150	1,090,500		(21,624,008)		(21,624,008)
Business-type activities:								
Food Service	518,010		565,029			47,019		47,019
Rumson After School Program	38,110		41,669			3,559		3,559
Homework Club	7,870		10,980			3,110		3,110
Total business-type activities	563,990		617,678			53,688		53,688
Total primary government	23,527,648		866,828	1,090,500		(21,624,008)		(21,570,320)
General revenues:								
Property Taxes Levied for:								
General Purposes						16,078,918		16,078,918
Debt Service						820,709		820,709
Federal and State aid not restricted						5,345,114		5,345,114
State aid restricted						41,011		41,011
Interest on Investments						4	758	762
Miscellaneous Income						146,940		146,940
Total general revenues, special items, extraordinary items and transfers						22,432,696	758	22,433,454
Change in Net Position						808,688	54,446	863,134
Net Position—beginning, as previously reported						3,979,875	105,322	4,085,197
Prior period adjustment								-
Net Position—beginning, as restated						3,979,875	105,322	4,085,197
Net Position—ending						4,788,563	159,768	4,948,331

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

FUND FINANCIAL STATEMENTS

**Rumson School District
Balance Sheet
Governmental Funds
June 30, 2019**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	1,568,887	77,120	1,629,690	5,738	3,281,435
Receivables from Other Governments	202,911	71,686			274,597
Interfund Receivable					
Other Receivables					
Restricted Cash and Cash Equivalents	2,092,945				2,092,945
Total Assets	<u>3,864,743</u>	<u>148,806</u>	<u>1,629,690</u>	<u>5,738</u>	<u>5,648,977</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	5,673		487,357		493,030
Payable to State Government		17,360			17,360
Deferred Revenue	15,000	131,446			146,446
Total Liabilities	<u>20,673</u>	<u>148,806</u>	<u>487,357</u>		<u>656,836</u>
Fund Balances:					
Restricted for:					
Excess Surplus - Current Year	922,679				922,679
Excess Surplus-prior year-Designated for Subsequent Year's Expenditures	376,451				376,451
Emergency Reserve	50,000				50,000
Emergency Reserve-Designated for Subsequent Year's Expenditures	50,000				50,000
Maintenance Reserve	42,644				42,644
Maintenance Reserve-Designated for Subsequent Year's Expenditures	201,356				201,356
Capital Reserve	1,268,945				1,268,945
Capital Reserve-Designated for Subsequent Year's Expenditures	480,000				480,000
Debt Service				5,738	5,738
Assigned to:					
Year end encumbrances	21,566				21,566
Unassigned:					
Capital Projects			1,142,333		1,142,333
General Fund	430,429				430,429
Total Fund Balances	<u>3,844,070</u>		<u>1,142,333</u>	<u>5,738</u>	<u>4,992,141</u>
Total Liabilities and Fund Balances	<u>3,864,743</u>	<u>148,806</u>	<u>1,629,690</u>	<u>5,738</u>	

Amounts reported for *governmental activities* in the statement of net assets (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$19,906,396 and the accumulated depreciation is \$11,071,800.	8,834,596
Deferred outflow of resources	687,288
Deferred inflow of resources	(1,159,871)
Accounts payable for PERS payment subsequent to the measurement date.	(150,457)
Unamortized portion of loss on refunding	178,800
Interest on Long-term debt accrued	(46,358)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(8,547,576)</u>
Net position of governmental activities	<u>4,788,563</u>

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

Rumson School District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2019

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources:					
Local Tax Levy	16,078,918			820,709	16,899,627
Tuition	249,150				249,150
Miscellaneous	146,940	472,702	4		619,646
Total - Local Sources	<u>16,475,008</u>	<u>472,702</u>	<u>4</u>	<u>820,709</u>	<u>17,768,423</u>
State Sources	3,423,469	202,361		41,011	3,666,841
Federal Sources		415,437			415,437
Total Revenues	<u>19,898,477</u>	<u>1,090,500</u>	<u>4</u>	<u>861,720</u>	<u>21,850,701</u>
EXPENDITURES					
Current:					
Regular Instruction	5,859,216				5,859,216
Special Education Instruction	1,405,135	764,696			2,169,831
Other Instruction	469,109				469,109
Support Services and Undistributed Costs:					
Tuition	263,737				263,737
Student & Instruction Related Services	2,000,032	274,233			2,274,265
General Administrative Services	507,083				507,083
School Administrative Services	462,921				462,921
Central Services	269,137				269,137
Admin. Info. Technology	49,952				49,952
Plant Operations and Maintenance	1,252,321				1,252,321
Pupil Transportation	563,659				563,659
Employee Benefits	6,303,919				6,303,919
Debt Service:					
Principal				715,000	715,000
Interest and Other Charges				146,720	146,720
Capital Outlay	84,263	51,571	487,357		623,191
Total Expenditures	<u>19,490,484</u>	<u>1,090,500</u>	<u>487,357</u>	<u>861,720</u>	<u>21,930,061</u>
Excess (Deficiency) of Revenues					
Over Expenditures	<u>407,993</u>	<u>-</u>	<u>(487,353)</u>	<u>-</u>	<u>(79,360)</u>
OTHER FINANCING SOURCES (USES)					
Capital Lease Proceeds	-	-	1,629,690		1,629,690
Transfers in	-	-		5,738	5,738
Transfers out	-	-	(5,738)		(5,738)
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>1,623,952</u>	<u>5,738</u>	<u>1,629,690</u>
Net Change in Fund Balances	407,993	-	1,136,599	5,738	1,550,330
Fund Balance—July 1	<u>3,436,077</u>	<u>-</u>	<u>5,734</u>	<u>-</u>	<u>3,441,811</u>
Fund Balance—June 30	<u>3,844,070</u>	<u>-</u>	<u>1,142,333</u>	<u>5,738</u>	<u>4,992,141</u>

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

Rumson School District
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2019

Total net change in fund balances - governmental funds (from B-2)	1,550,330
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	(502,771)
Depreciable Capital outlays	<u>598,137</u>
	95,366
Repayment of long-term debt is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. In the current year, these amounts consist of:	
Principal Payments	715,000
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 assets.	
Capital Lease Proceeds	(1,629,690)
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 (+).	
(Increase)/Decrease in compensated absences payable	0
In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The change in accrued interest is an addition to the reconciliation.	
Prior Year Accrued Interest	54,142
Current Year Accrued Interest	(46,358)
Bond Premium/Discount	17,334
Pension Deferrals	
District pension contributions are reported as expenditures in the governmental funds when made. However, per GASB No. 68 they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.	
District Pension Contributions	147,507
Less: Pension Expense	<u>(94,943)</u>
Decrease in Pension Expense	52,564
Per GASB No. 68 Non-employer contributing entities are required to record an increases in revenue and expense for On-behalf TPAF pension payments paid by the State of New Jersey on the Statement of Activities that are in excess of those amounts reported in the fund financial statements	
Increase in On-behalf State Aid TPAF Pension	1,197,255
Increase in On-behalf TPAF Pension Expense	(1,197,255)
Per GASB No. 75 Non-employer contributing entities are required to record an increases in revenue and expense for On-behalf TPAF medical payments paid by the State of New Jersey on the Statement of Activities that are in excess of those amounts reported in the fund financial statements	
Increase in On-behalf State Aid TPAF Medical Expense	724,390
Increase in On-behalf TPAF Medical Expense	(724,390)
Change in net assets of governmental activities	<u><u>808,688</u></u>

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

**Rumson School District
Statement of Net Position
Proprietary Funds
June 30, 2019**

	Business-Type Activities - Enterprise Fund			
	Food Service Program	After School Program	Homework Club	Total Enterprise Fund
ASSETS				
Current Assets:				
Cash and Cash Equivalents	60,014	56,972	6,944	123,930
Accounts Receivable	8,094			8,094
Inventory	2,228			2,228
Total Current Assets	70,336	56,972	6,944	134,252
Noncurrent Assets:				
Capital Assets:				
Equipment	229,910			229,910
Less Accumulated Depreciation	(186,483)			(186,483)
Total Capital Assets (Net of Accumulated Depreciation)	43,427	-	-	43,427
Total Assets	113,763	56,972	6,944	177,679
LIABILITIES				
Current Liabilities:				
Prepaid Revenue	17,911			17,911
Total Current Liabilities	17,911	-	-	17,911
Total Liabilities	17,911	-	-	17,911
NET POSITION				
Invested in Capital Assets Net of Related Debt	43,427			43,427
Unrestricted	52,425	56,972	6,944	116,341
Total Net Position	95,852	56,972	6,944	159,768

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

Rumson School District
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2019

	Business-Type Activities -			Total
	Enterprise Fund			
	Food Service	After School	Homework	Enterprise
	Program	Program	Club	Fund
Operating Revenues:				
Charges for Services:				
Daily Sales	565,029			565,029
Miscellaneous		41,669	10,980	52,649
Total Operating Revenues	<u>565,029</u>	<u>41,669</u>	<u>10,980</u>	<u>617,678</u>
Operating Expenses:				
Salaries	184,475			184,475
Other Employee Benefits	39,967			39,967
Cost of Sales	241,617			241,617
Supplies and Materials	4,014			4,014
Management Fee	15,000			15,000
Depreciation Expense	9,259			9,259
Insurance	11,000			11,000
Miscellaneous Expenses	12,678	38,110	7,870	58,658
Total Operating Expenses	<u>518,010</u>	<u>38,110</u>	<u>7,870</u>	<u>563,990</u>
Operating Income (Loss)	47,019	3,559	3,110	53,688
Non-Operating revenues:				
Interest and investment revenue	758			758
Change in Net Assets	47,777	3,559	3,110	54,446
Total Net Position—Beginning, as previously reported	<u>48,075</u>	<u>53,413</u>	<u>3,834</u>	<u>105,322</u>
Total Net Position—Ending	<u>95,852</u>	<u>56,972</u>	<u>6,944</u>	<u>159,768</u>

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

**Rumson School District
Combining Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2019**

	Food Service Program	After School Program	Homework Club	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	567,190	41,669	10,980	619,839
Payments for Salaries	(184,475)			(184,475)
Payments for Employee Benefits	(39,967)			(39,967)
Payments to Vendors	(298,818)	(38,110)	(7,870)	(344,798)
Net Cash Provided by (Used for) Operating Activities	<u>43,930</u>	<u>3,559</u>	<u>3,110</u>	<u>50,599</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Income	758			758
Net Cash Provided by (Used for) Investing Activities	<u>758</u>	<u>-</u>	<u>-</u>	<u>758</u>
Net Increase (Decrease) in Cash and Cash Equivalents	44,688	3,559	3,110	51,357
Balances—Beginning of Year	15,326	53,413	3,834	72,573
Balances—End of Year	<u>60,014</u>	<u>56,972</u>	<u>6,944</u>	<u>123,930</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	47,019	3,559	3,110	53,688
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	9,259			9,259
Decrease/(Increase) in Accounts Receivable	(4,690)			(4,690)
(Decrease)/Increase in Prepaid Revenue	(8)			(8)
(Decrease)/Increase in Interfund Payable	(7,650)			(7,650)
Total Adjustments	<u>(3,089)</u>	<u>-</u>	<u>-</u>	<u>(3,089)</u>
Net Cash Provided by (Used for) Operating Activities	<u>43,930</u>	<u>3,559</u>	<u>3,110</u>	<u>50,599</u>

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

**Rumson School District
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2019**

	Fiduciary Funds	
	Unemployment Compensation Trust Fund	Agency Fund
ASSETS		
Cash and Cash Equivalents	48,556	435,339
Due from Payroll Agency	15,692	
Total Assets	64,248	435,339
LIABILITIES		
Payable to student groups		141,797
Payroll deductions and withholdings		277,850
Due To Unemployment Trust Fund		15,692
Total Liabilities	-	435,339
NET POSITION		
Held in trust for unemployment claims and other purposes	64,248	

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

Rumson School District
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2019

	<u>Unemployment Compensation Trust Fund</u>
ADDITIONS	
Contributions:	
Plan Member	\$ 15,691
Total Contributions	<u>15,691</u>
Investment earnings:	
Net investment earnings	441
Total additions	<u>16,132</u>
DEDUCTIONS	
Unemployment Claims	<u>5,856</u>
Total deductions	<u>5,856</u>
Change in net assets	10,276
Net position - beginning of the year	<u>53,972</u>
Net position - end of the year	<u><u>\$ 64,248</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the Board have been prepared in conformity with accounting principles generally accepted in the United States of America (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. Description of the School District and Reporting Entity:

The Board of Education of the Borough of Rumson ("Board") School District (the "District") is an instrumentality of the State of New Jersey, established to function as an educational institution. The Borough of Rumson School District is a Type II district located in the County of Monmouth, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades K-8. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

Governmental Accounting Standards Board publication, Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency and a resulting financial benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e. benefit of economic resources, access/entitlement to economic resources, and significance) should be included in the financial reporting entity. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include an elementary school, located in the Borough of Rumson. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation:

The Board's basic financial statements consist of District-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

District-wide Financial Statements:

The statement of net position and the statement of activities display information about the Board as a whole. These statements include the financial activities of the overall District, except for the fiduciary funds. The statements distinguish between those activities of the Board that are governmental and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the Board at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the governmental activities and for the business-type activities of the Board. Direct expenses are those that are specifically associated with a service, program or function and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues, including all taxes, are presented as general revenues of the Board, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Board.

Fund Financial Statements:

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

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions of the Board are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Board's governmental funds:

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

GOVERNMENTAL FUNDS, (continued)

General Fund - The General Fund is the general operating fund of the Board. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay subfund.

As required by the New Jersey State Department of Education, the Board includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - 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). The financial resources are derived from sale of bonds, lease purchases and other revenues.

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 FUNDS

The focus of Proprietary Fund measurement is upon determination of net income, changes in net position, financial position and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. Proprietary funds are classified as enterprise or internal service; the Board has no internal service funds. The following is a description of the Proprietary Funds of the Board:

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

PROPRIETARY FUNDS, (continued)

Enterprise Funds - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the Board is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the Board has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The Board's Enterprise Fund is comprised of the Food Service Fund, the Rumson Homework Club and the Rumson After School Fund.

FIDUCIARY FUNDS

Fiduciary Fund - Fiduciary Fund reporting focuses on net position and changes in net position.

Trust and Agency Funds - The Trust and Agency Funds are used to account for assets held by the Board in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

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 cost of unemployment benefits paid by the New Jersey Department of Labor.

Agency Funds - Agency funds are used to account for the assets that the Board holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activities funds.

C. Measurement Focus:

District-wide Financial Statements

The District-wide statements (i.e., the statement of net position and the statement of activities) are prepared using the economic resources measurements focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the Board are included on the statement of net position, except for fiduciary funds.

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

C. Measurement Focus: (continued)

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the District-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the District-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Board finances and meets the cash flow needs of its proprietary activities.

D. Basis of Accounting:

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The District-wide financial statements and the financial statements of the proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions

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

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

D. Basis of Accounting: (continued)

Revenues - Exchange and Non-exchange Transactions, (continued)

Nonexchange transactions, in which the Board receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Board must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Board on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under GAAP, in accordance with GASB No. 33, Accounting and Financial Reporting for Nonexchange Transactions, the last state aid payment is not considered revenue to the school district if the state has not recorded the corresponding expenditure, even though state law dictates recording the revenue.

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

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

The measurement of focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

E. Budgets/Budgetary Control:

Annual appropriated budgets are adopted in the spring of the preceding year for the general, special revenue and debt service funds. The budgets are submitted to the county superintendents office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. 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(G)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year.

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

E. Budgets/Budgetary Control: (continued)

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and 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.

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 Board has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end.

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

G. Cash, Cash Equivalents and Investments:

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

G. Cash, Cash Equivalents and Investments: (continued)

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the Board has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

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

H. Tuition Revenues/Receivable:

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

I. Inventories:

On District-wide financial statements, inventories are presented at cost, which approximates market on a first-in, first-out basis and are expensed when used.

On fund financial statements inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Inventories of proprietary funds consist of food and goods held for resale, as well as supplies, and are expensed when used.

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

J. Prepaid Items:

Payments made to vendors for services that will benefit periods beyond June 30, 2019, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

K. Short-Term Interfund Receivables/Payables:

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

L. Capital Assets:

General capital assets are those assets not specifically related to activities reported in the enterprise fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the district -wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the enterprise fund are reported both in the business-type activity column of the District-wide statement of net position and in the fund.

All capital assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The capital assets acquired or constructed are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date received. The Board currently maintains a capitalization threshold of \$2,000.00. The Board does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not capitalized.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activity Estimated Lives</u>
Sites and Improvements	20 years	N/A
Buildings and Improvements	7-50 years	N/A
Furniture, Equipment and Vehicles	5-20 years	5-20 years

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

M. Compensated Absences:

Compensated absences are those absences for which employees will be paid, such as accumulated vacation and sick leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Board and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Board and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

N. Deferred Revenue:

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Deferred revenue in the special revenue fund represents cash that has been received but not yet earned. See Note 1(F) regarding the special revenue fund.

O. Accrued Liabilities and Long-term Obligations:

All payables, accrued liabilities and long-term obligations are reported in the District-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgements, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds, long-term obligations, and capital leases that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

P. Accounting and Financial Reporting for Pensions:

In fiscal year 2015, the District implemented GASB 68. This Statement amends GASB Statement No. 27. It improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement.

The District has also implemented GASB Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date-an amendment to GASB No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

P. Accounting and Financial Reporting for Pensions: (continued)

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

Q. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has two items that qualify for reporting in this category, deferred amounts related to pension and the unamortized portion of a loss on refunding of debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies in this category, deferred amounts related to pension.

R. Fund Balances:

Fund balance is divided into five classifications based primarily on the extent to which the Board is bound to observe constraints imposed upon the resources in the governmental funds. The classifications are as follows:

- **Nonspendable** fund balance includes amounts that are not in a spendable form (inventory, for example) or are required to be maintained intact (the principal of an endowment fund, for example).
- **Restricted** fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use). Effectively, restrictions may be changed or lifted only with the consent of resource providers.
- **Committed** fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Board's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

R. Fund Balances: (continued)

- **Assigned** fund balance comprises amounts *intended* to be used by the Board for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
- **Unassigned** fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund.

S. Net Position:

Net position represent the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Board applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

T. Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Board, these revenues are sales for milk. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

U. Extraordinary and Special Items:

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the fiscal year.

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

V. Allocation of Indirect Expenses:

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities as unallocated depreciation. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

W. Use of Estimates:

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect certain reports, amounts and disclosures. Accordingly, actual results could differ from those estimates.

X. Allowance for Uncollectible Accounts:

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

Y. New Accounting Standards:

During fiscal year 2019, the District adopted the following GASB Statements:

GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placement.* The objective of this Statement is to improve consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt.

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

GASB Statement No. 84, *Fiduciary Activities.* This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus on the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify component units and postemployment benefit arrangements that are fiduciary activities.

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Y. New Accounting Standards: (continued)

GASB Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the fundamental principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. .

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the end of a Construction*. The objectives of this Statement is to (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

GASB Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. This Statement improves the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 31, 2018.

GASB Statement No. 91, *Conduit Debt Obligations*. This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This Statement is effective for reporting periods beginning after December 15, 2020.

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS:

As of June 30, 2019, cash and cash equivalents of the Board consisted of the following:

Checking/Money Market Accounts	\$5,982,098
State of New Jersey Cash Management Fund	<u>107</u>
	<u>\$5,982,205</u>

During the period ended June 30, 2019, the Board did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2019 was \$5,982,205 and the bank balance was \$4,650,676. The entire balance was covered by federal depository insurance and the collateral pool maintained by the banks as required by New Jersey statutes.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based on banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments (established in New Jersey Statutes 18A:20-37) are treated as cash equivalents. As of June 30, 2019, \$-0- of the Board's bank balance of \$4,650,676 was exposed to custodial credit risk.

Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 18A-37 limit the length of time for most investments to 397 days.

Credit Risk

New Jersey Statutes 18A:20-37 limits school district investments to those specified by the Statutes. The type of allowance investments are Bonds of the United States of America or local unit or school districts of which the local unit is a part of: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS: (continued)

New Jersey Cash Management Fund

All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investments’s existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the “Other-than-State” participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis. As of June 30, 2019, the District has \$107 on deposit with the New Jersey Cash Management Fund.

NOTE 3. RECEIVABLES:

Receivables at June 30, 2019, consisted of accounts receivable, interfund and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial <u>Statements</u>	Enterprise Fund	District Wide Financial <u>Statements</u>
State Aid	\$194,752	\$	\$194,752
Federal Aid	37,474	8,094	37,474
Other	25,519		33,613
Interfund	<u>16,852</u>		<u>16,852</u>
	<u>\$274,597</u>	<u>\$8,094</u>	<u>\$282,691</u>

NOTE 4. INTERFUND BALANCES AND TRANSFERS:

The District had the following interfund balances as of June 30, 2019:

\$16,852 Due from the General Fund to the Special Revenue Fund for grants received.

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 5. CAPITAL ASSETS:

Capital asset activity for the fiscal year ended June 30, 2019 was as follows:

	<u>Balance</u> <u>6/30/18</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/19</u>
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$2,314,500	\$	\$	\$2,314,500
Construction in Progress	<u> </u>	<u>529,982</u>	<u> </u>	<u>529,982</u>
Total Capital Assets, Not Being Depreciated	<u>2,314,500</u>	<u>529,982</u>	<u> </u>	<u>2,844,482</u>
Capital Assets Being Depreciated				
Site Improvements	456,117			456,117
Buildings and Sites	13,399,674			13,399,674
Equipment	<u>3,137,978</u>	<u>68,145</u>	<u> </u>	<u>3,206,123</u>
Total Capital Assets, Being Depreciated	<u>16,993,769</u>	<u>68,145</u>	<u> </u>	<u>17,061,914</u>
Less Accumulated Depreciation:				
Site Improvements	(372,193)	(6,851)		(379,044)
Buildings and Sites	(7,758,165)	(378,981)		(8,137,146)
Equipment	<u>(2,438,671)</u>	<u>(116,939)</u>	<u> </u>	<u>(2,555,610)</u>
Total Accumulated Depreciation	<u>(10,569,029)</u>	<u>(502,771)</u>	<u> </u>	<u>(11,071,800)</u>
Total Capital Assets, Being Depreciated, Net	<u>6,424,740</u>	<u>(434,626)</u>	<u> </u>	<u>5,990,114</u>
Governmental Activities Capital Assets, Net	<u>\$8,739,240</u>	<u>\$95,356</u>	<u> </u>	<u>\$8,834,596</u>
	<u>Balance</u> <u>6/30/18</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/19</u>
Business-Type Activity				
Equipment	\$229,910	\$	\$	\$229,910
Totals	<u>229,910</u>	<u> </u>	<u> </u>	<u>229,910</u>
Less Accumulated Depreciation				
Equipment	<u>(177,224)</u>	<u>(9,259)</u>	<u> </u>	<u>(186,483)</u>
Total Accumulated Depreciation	<u>(177,224)</u>	<u>(9,259)</u>	<u> </u>	<u>(186,483)</u>
Business-Type Activity Capital Assets, Net	<u>\$52,686</u>	<u>(\$9,259)</u>	<u> </u>	<u>\$43,427</u>

Depreciation expense was not allocated to governmental functions. It appears on the statement of activities as “unallocated depreciation”.

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 6. LONG-TERM DEBT OBLIGATIONS:

Changes in long-term obligations for the fiscal year ended June 30, 2019 are as follows:

	<u>Balance</u> <u>6/30/18</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>6/30/19</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
Obligations Under Capital Leases	\$	\$1,629,690	\$	\$1,629,690	\$45,921
Compensated Absences Payable	422,870			422,870	
Net Pension Obligation	3,524,704		604,822	2,919,882	
Bonds Payable	4,042,000		715,000	3,327,000	770,000
Bond Premium	<u>310,168</u>	<u> </u>	<u>62,034</u>	<u>248,134</u>	<u>62,034</u>
	<u>\$8,299,742</u>	<u>\$1,629,690</u>	<u>\$1,381,856</u>	<u>\$8,547,576</u>	<u>\$877,955</u>

A. Bonds Payable:

The Board issued General Obligation Bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets.

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

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 4.00% 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.

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 6. LONG-TERM DEBT OBLIGATIONS: (continued)

Schedule of Payments

Fiscal Year	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019-2020	\$770,000	\$120,220	\$890,220
2020-2021	790,000	89,020	879,020
2021-2022	820,000	56,795	876,795
2022-2023	830,000	23,764	853,764
2023-2024	<u>117,000</u>	<u>4,826</u>	<u>121,826</u>
	<u>\$3,327,000</u>	<u>\$294,625</u>	<u>\$3,621,625</u>

B. Bonds and Notes Authorized But Not Issued:

As of June 30, 2019, the District had no authorized but not issued bonds.

C. Capital Leases Payable:

The District is leasing energy conservation measures equipment under a capital lease. The capital lease is for a term of fifteen years. The following is a schedule of the future minimum lease payments under the capital lease, and the present value of the net minimum lease payments at June 30, 2019:

Fiscal Year	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$45,921	\$22,944	\$68,865
2021	136,986	39,668	176,654
2022	143,094	36,122	179,216
2023	87,863	32,812	120,675
2024	92,825	30,531	123,356
Thereafter	<u>1,123,001</u>	<u>177,227</u>	<u>1,300,228</u>
	<u>\$1,629,690</u>	<u>\$339,304</u>	<u>\$1,968,994</u>

NOTE 7. 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 Teachers' 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 or reports can be accessed on the internet at: <http://www.state.nj.us/treasury/pensions/financial-reports.shtm>.

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 7. PENSION PLANS: (continued)

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.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

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

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

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 7. PENSION PLANS: (continued)

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.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

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

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

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 7. PENSION PLANS: (continued)

Defined Contribution Retirement Program

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

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

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

Contributions Requirements Fund Based Statements

The Board's contribution to PERS and DCRP, equal to the required contributions for each year as reported in the fund based statements, were as follows:

Year	<u>PERS</u>	<u>DCRP</u>
<u>Ending</u> 6/30/19	\$147,507	\$10,437
6/30/18	140,270	5,186
6/30/17	136,007	2,540

The State of New Jersey contribution to TPAF (paid on-behalf of the District) for normal and post retirement benefits have been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13, as follows:

Year	Pension	Post-Retirement	NCGI	Long-Term
<u>Ending</u>	<u>Contributions</u>	<u>Medical</u>	<u>Premium</u>	<u>Disability</u>
<u>6/30/19</u>	<u>\$1,414,034</u>	<u>\$654,830</u>	<u>\$29,599</u>	<u>\$781</u>
6/30/18	1,048,642	693,731	25,448	703
6/30/17	722,924	624,185	26,193	789

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 7. PENSION PLANS: (continued)

In addition, the post-retirement medical benefits are included in the district-wide financial statements.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$581,162 during the year ended June 30, 2019 for the employer’s share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13.

ACCOUNTING AND FINANCIAL REPORTING FOR PENSION IN THE DISTRICT-WIDE STATEMENTS PER - GASB NO. 68

Public Employees Retirement System (PERS)

At June 30, 2019, the District had a liability of \$2,919,882 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2018, the District's proportion was .0148296400 percent, which was a decrease of .0003118787 percent from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized pension expense of \$94,942. At June 30, 2019, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$55,683	\$15,056
Changes of assumptions	481,148	933,623
Net difference between projected and actual earnings on pension plan investments		27,389
Changes in proportion and differences between District contributions and proportionate share of contributions		183,803
District contributions subsequent to the measurement date	<u>150,457</u>	<u> </u>
Total	<u>\$687,288</u>	<u>\$1,159,871</u>

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 7. PENSION PLANS: (continued)

The \$150,457 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2019, the plan measurement date is June 30, 2018) will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2019	\$20,266
2020	(28,058)
2021	(201,198)
2022	(174,401)
2023	(55,846)

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.63, 5.48, 5.57, 5.72 and 6.44 years for 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

Additional Information

Local Group Collective balances at June 30, 2018 and June 30, 2017 are as follows:

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Collective deferred outflows of resources	\$4,684,852,302	\$6,424,455,842
Collective deferred inflows of resources	7,646,736,226	5,700,625,981
Collective net pension liability	19,689,501,539	23,278,401,588
District's Proportion	.0148296400%	.0151415187%

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

Actuarial Assumptions

The collective total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which rolled forward to June 30, 2018. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	2.25 Percent
Salary Increases:	
Through 2026	1.65-4.15 Percent (based on age)
Thereafter	2.65-5.15 Percent (based on age)
Investment Rate of Return	7.00 Percent

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Mortality Rates

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation)

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 7. PENSION PLANS: (continued)

are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
High yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

Discount Rate

The discount rate used to measure the total pension liability was 5.66% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.87% as of June 30, 2018 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 contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined 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 June 30, 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2046 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 7. PENSION PLANS: (continued)

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, 2018, 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:

	June 30, 2018		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>4.66%</u>	<u>5.66%</u>	<u>6.66%</u>
District's proportionate share of the pension liability	\$3,671,415	\$2,919,882	\$2,289,394

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The financial report may be accessed at www.state.nj.us/treasury/pensions.

Teachers Pensions and Annuity Fund (TPAF)

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2019 was as follows:

Net Pension Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>45,300,960</u>
	<u>\$45,300,960</u>

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 7. PENSION PLANS: (continued)

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2018, the proportion of the TPAF net pension liability associated with the District was .0712079373%.

For the year ended June 30, 2019, the District recognized on-behalf pension expense and revenue of \$2,640,888 for contributions provided by the State in the District-Wide Financial Statements.

Actuarial Assumptions

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.25%
Salary Increases 2011-2026	1.55%-4.55%
Thereafter	2.00%-5.45%
Investment Rate of Return	7.00%

Mortality Rates

Pre-retirement mortality rates were based on the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Post-retirement mortality rates were based on the RP-2006 Healthy Annuitant White Collar Mortality Tables, with adjustments as described in the latest experience study, projected on a generational basis from a base year of 2006 using a 60-year average of improvement rates based on Social Security data from 1953 to 2013. Disability mortality rates were based on the RP-2006 Disabled Retiree Mortality Tables with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 7. PENSION PLANS: (continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
High yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 7. PENSION PLANS: (continued)

Discount Rate

The discount rate used to measure the total pension liability was 4.86% and 4.25% as of June 30, 2018 and 2017, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.87% and 3.58% as of June 30, 2018 and 2017, 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 contribution rate in the most recent fiscal year. The State contributed 50% of the actuary determined 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 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, 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

Because the District's proportionate share of the net pension liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

NOTE 8. POST-RETIREMENT BENEFITS:

General Information about the OPEB Plan

Plan Description and Benefits Provided

The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2018, the State paid PRM benefits for 148,401 State and local retirees.

The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2018, the State contributed \$1.909 billion to pay for pay-as-you-go PRM benefit costs incurred by covered retirees. The increase in the State's pay-as-you-go contribution between Fiscal Year 2017 and Fiscal Year 2018 is attributed to rising health costs, an increase in the number of participants qualifying for State-paid PRM benefits at retirement and larger fund balance utilization in Fiscal Year 2017 than in Fiscal Year 2018. The Fiscal Year 2019 Appropriations Act includes \$1.921 billion as the State's contribution to fund pay-as-you-go PRM costs.

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 8. POST-RETIREMENT BENEFITS: (continued)

In accordance with the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. As such, the Fiscal Year 2017 total State OPEB liability to provide these benefits has been re-measured to \$97.1 billion, an increase of \$60.6 billion or 166 percent from the previous year's \$36.5 billion liability booked in accordance with GASB Statement No. 45. For Fiscal Year 2018, the total OPEB liability for the State is \$90.5 billion, a decrease of \$6.6 billion or 7 percent from the re-measured total OPEB liability in Fiscal Year 2017.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB No. 75.

Total OPEB Liability

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASB No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level for the State Health Benefit Local Education Retired Employee's Plan and is not specific to the board of education/board of trustees, and could be found at <https://www.state.nj.us/treasury/pensions/GASBnotices> OPEB.

The portion of the OPEB Liability that was associated with the District recognized at June 30, 2019 was as follows:

OPEB Liability:	
District's proportionate share	\$ -0-
State's proportionate share	
associated with the District	<u>31,215,846</u>
	<u>\$31,215,846</u>

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 8. POST-RETIREMENT BENEFITS: (continued)

Actual Assumptions and Other Imputes

The total OPEB liability in the June 30, 2018 actuarial valuation reported by the State in the State's Report of Total Nonemployer OPEB Liability for the State Health Benefit Local Education Retired Employee's Plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%	
	<u>TPAF/ABP</u>	<u>PERS</u>
Salary increases:		
Through 2026	1.55 - 4.55%	2.15 - 4.15% based on age
Thereafter	2.00 - 5.45%	3.15 - 5.15% based on age

Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Health Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Health Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 – June 30, 2015 and July 1, 2011 – June 30, 2014 for TPAF and PERS, respectively.

100% of all retirees who currently have healthcare coverage are assumed to continue with that coverage. 100% of active members are considered to participate in the Plan upon retirement, having a coverage blend of 85% and 15% in PPO and HMO, respectively.

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 8. POST-RETIREMENT BENEFITS: (continued)

(a) *Health Care Trend Assumptions*

For pre-Medicare preferred provider organization (PPO) and Health Maintenance Organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

(b) *Discount Rate*

The discount rate for June 30, 2018 was 3.87%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

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

Because the District's proportionate share of the OPEB liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

Sensitivity of the Total Nonemployer OPEB Liability to Changes in the Healthcare Cost Trend Rates:

Because the District's proportionate share of the OPEB liability is zero, consideration of potential changes in the healthcare cost trend rates is not applicable to the District.

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

For the year ended June 30, 2019, the board of education/board of trustees recognized on-behalf OPEB expense of \$1,379,220 in the district-wide financial statements as determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75 and in which there is a special funding situation.

In accordance with GASB No. 75, the Borough of Rumson School District proportionate share of school retirees OPEB is zero; therefore, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources.

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 9. DEFERRED COMPENSATION:

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

Security Benefits (NEA)
VOYA

The Equitable

NOTE 10. 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 are not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

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

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefit accrue to employees. As of June 30, 2019, a liability existed for compensated absences in the Food Service Fund in the amount of \$-0-.

NOTE 11. 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 insurance coverage through the New Jersey Boards Association Insurance Group (NJSBAIG), the state's largest school board insurance group.

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 11. RISK MANAGEMENT: (continued)

NJSBAIG provides coverage for workers’ compensation, general and auto liability, property damage, crime, bonds, boiler and machinery, umbrella excess catastrophe, and school boards officials’ errors and omissions. Reinsurance has been purchased by NJSBAIG to cap losses retained by the group. Retention levels have been set on a “per accident” basis. NJSBAIG encourages loss control among the school districts by giving cost reductions for good loss history and uses individual experience modifications in the calculation of premiums.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of 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 and prior year:

<u>Fiscal Year</u>	Employee Contributions/ Interest Earnings/ District <u>Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2018-2019	\$16,132	\$5,856	\$64,248
2017-2018	22,909	7,690	53,972
2016-2017	1,731	34,129	48,753

NOTE 12. 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 and has since increased the reserve by additional budget appropriations and by the interest earned on investments 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 or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 12. CAPITAL RESERVE ACCOUNT: (continued)

The activity of the capital reserve for the July 1, 2018 to June 30, 2019 fiscal year is as follows:

Beginning balance, July 1, 2018	\$1,391,570
Deposits:	
Transfer Per Board Resolution - June 19, 2019	400,000
Budgeted Withdrawal	<u>42,625</u>
Ending balance, June 30, 2019	<u><u>\$1,748,945</u></u>

The June 30, 2019 LRFPP balance of local support costs of uncompleted capital projects at June 30, 2019 is \$16,985,411. The withdrawals from the capital reserve were for use in a DOE approved facilities project, consistent with the District's Long Range Facilities Plan.

NOTE 13. EMERGENCY RESERVE ACCOUNT:

The emergency reserve is used to accumulate funds in accordance with N.J.S.A. 18A:7F-41c(1) to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1% of the general fund budget not to exceed one million dollars. Deposits may be made to the emergency reserve account by board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both. Withdrawals from the reserve require the approval of the commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent.

The activity of the emergency reserve for the July 1, 2019 to June 30, 2019 fiscal year is as follows:

Beginning balance, July 1, 2018	<u>\$100,000</u>
Ending balance, June 30, 2019	<u><u>\$100,000</u></u>

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 14. MAINTENANCE RESERVE ACCOUNT:

A maintenance reserve account was established by Board of Education resolution adopted June 29, 2010. The account is maintained in the general fund. The maintenance reserve account is used to accumulated funds for the required maintenance of a facility in accordance with the EFCRA (N.J.S.A. 18A:7G-9). EFCFA requires that upon district completion of a school facilities project, the district must submit a plan for the maintenance of that facility. All such plans must include a provision for a maintenance reserve fund. The activity of the maintenance reserve for the July 1, 2018 to June 30, 2019 fiscal year is as follows:

Beginning balance, July 1, 2018	\$244,000
Deposits:	
Transfer Per Board Resolution - June 19, 2019	12,050
Budgeted Withdrawal	<u>12,050</u>
Ending balance, June 30, 2019	<u>\$244,000</u>

NOTE 15. FUND BALANCE APPROPRIATED:

General Fund [Exhibit B-1] - Of the \$3,844,070 General Fund fund balance at June 30, 2019, \$21,566 is reserved for encumbrances; \$244,000 has been legally established as a maintenance reserve in accordance with N.J.S.A. 18A:7G-9 as amended by P.L. 2004, c.73; \$100,000 has been legally established as an emergency reserve in accordance with N.J.S.A. 18A:7F-41c(1); \$1,299,130 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$376,451 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2020); \$1,748,945 has been reserved in the Capital Reserve Account; and \$430,429 is unreserved and undesignated.

Debt Service Fund - The Debt Service Fund fund balance at June 30, 2019 of \$5,738 is restricted for the payment of debt service.

NOTE 16. CALCULATION OF EXCESS SURPLUS:

In accordance with *N.J.S.A.* 18A:7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance — Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2019 is \$1,299,130 of which \$922,679 is the result of current year operations.

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2019**

NOTE 17. INVENTORY:

Inventory in the Food Service Fund at June 30, 2019 consisted of the following:

Supplies	<u>\$2,228</u>
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The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by the USDA. It is valued at estimated market prices by the USDA. The amount of unused commodities at year end is reported on Schedule A as deferred revenue.

NOTE 18. CONTINGENT LIABILITIES:

It is the best judgment of the District's management that there are no pending or threatened litigation, unasserted claims or assessments that would have any adverse effect on the accompanying financial statements.

NOTE 19. SUBSEQUENT EVENTS:

On November 5, 2019, the voters approved a referendum to undertake additions, renovations, alterations and improvements at Forrestdale School and Deane-Porter School, including fixtures, furnishings, equipment site work and related work.

The District appropriated \$25,743,972 and authorized the issuance of bonds to finance the projects. The District will be eligible for State debt service aid of approximately 40% of the final eligible cost of the projects.

The District has evaluated subsequent events through November 25, 2019, the date which the financial statements were available to be issued and no other items were noted for disclosure.

**REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

BUDGETARY COMPARISON SCHEDULES

Rimmon Board of Education Budgetary Comparison Schedule General Fund						
For the Year Ended June 30, 2019						
	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual 18-19	Variance Final to Actual	
REVENUES:						
Local Sources:						
Local Tax Levy	16,078,918		16,078,918	16,078,918		
Tuition	281,000		281,000	249,150	(31,850)	
Miscellaneous	55,000		55,000	146,940	91,940	
Total - Local Sources	16,414,918		16,414,918	16,475,008	60,090	
State Sources:						
Categorical Transportation Aid	112,978		112,978	112,978		
Categorical Security Aid	24,596	52,731	77,327	77,327		
Categorical Special Education Aid	354,177	63,141	417,318	417,318		
Extraordinary Aid				142,332	142,332	
Additional Non-Public Transportation Aid				10,516	10,516	
TPAF Post Retirement Pension (On-Behalf - Non-Budgeted)				1,414,034	1,414,034	
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				654,830	654,830	
TPAF NCGI Premium (On-Behalf - Non-Budgeted)				29,599	29,599	
TPAF LTDD Contribution (On-Behalf - Non-Budgeted)				781	781	
TPAF Social Security (Reimbursed - Non-Budgeted)				581,162	581,162	
Total - State Sources	491,751	115,872	607,623	3,440,877	2,833,254	
TOTAL REVENUES	16,906,669	115,872	17,022,541	19,915,885	2,893,344	

Rimmon Board of Education Budgetary Comparison Schedule General Fund						
For the Year Ended June 30, 2019						
	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual 18-19	Variance Final to Actual	
EXPENDITURES:						
Current Expense:						
Regular Programs - Instruction						
Preschool Salaries of Teachers	90,302	10,000	100,302	91,194	9,108	
Kindergarten - Salaries of Teachers	429,230	4,000	433,230	420,283	12,947	
Grades 1-5 - Salaries of Teachers	2,686,484	(30,186)	2,656,298	2,514,749	141,549	
Grades 6-8 - Salaries of Teachers	2,062,866	(7,683)	2,055,183	1,983,697	71,486	
Regular Programs - Home Instruction:						
Salaries of Teachers	7,550	780	8,330	8,330		
Purchased Professional-Educational Services	2,000	3,559	5,559	5,559		
Regular Programs - Undistributed Instruction						
Other Salaries for Instruction	64,819	21,074	85,893	63,607	22,286	
Purchased Professional-Educational Services	371,757	25,007	396,764	396,764		
Other Purchased Services (400-500 series)	93,101	(9,999)	83,102	83,073	29	
General Supplies	284,963	427	285,390	268,495	16,895	
Textbooks	14,433	(8)	14,425	14,425		
Other Objects	10,290	12,043	22,333	9,040	13,293	
Other Undistributed Instruction						
TOTAL REGULAR PROGRAMS - INSTRUCTION	6,117,795	29,014	6,146,809	5,859,216	287,593	
Special Education Instruction - Multiple Disabilities						
Salaries of Teachers	59,170	4,851	64,021	63,584	437	
Other salaries for instruction	25,080	5,000	30,080	25,578	4,502	
Purchased Professional-Educational Service	350	(41)	309	249	60	
Total Multiple Disabilities	84,600	9,810	94,410	89,411	4,999	
Special Education Instruction - Resource Room/Resource Center						
Salaries of Teachers	1,166,340	20,480	1,186,820	1,166,987	19,833	
Purchased Professional-Educational Services	73,800	52,900	126,700	113,931	12,769	
General Supplies	13,102	(2,941)	10,161	8,886	1,275	
Other Salaries for Instruction	1,500	26,942	28,442	25,920	2,522	
Textbooks						
Total Resource Room/Resource Center	1,254,742	97,381	1,352,123	1,315,724	36,399	
Special Education Instruction - Preschool Disabilities - Full-Time						
TOTAL SPECIAL EDUCATION - INSTRUCTION	1,339,342	107,191	1,446,533	1,405,135	41,398	
Basic Skills/Remedial - Instruction						
Salaries of Teachers	314,480	(6,826)	307,654	296,740	10,914	
General Supplies	2,091		2,091	322	1,769	
Total Basic Skills/Remedial - Instruction	316,571	(6,826)	309,745	297,062	12,683	

Rimmon Board of Education Budgetary Comparison Schedule General Fund						
For the Year Ended June 30, 2019						
	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual 18-19	Variance Final to Actual	
School-Sponsored Cocurricular Activities - Instruction						
Salaries of Teachers	83,951	17,311	101,262	101,262		
General Supplies	5,546	(4,656)	890	890		
Other Objects	2,028	9,558	11,586	11,586		
Total School-Sponsored Cocurricular Activities - Instruction	91,525	22,213	113,738	113,738		
School-Sponsored Athletics - Instruction						
Salaries	50,976	(2,940)	48,036	48,036		
Purchased Services (300-500 series)	5,234	453	5,687	5,687		
Supplies and Materials	7,200	(3,789)	3,411	3,411		
Other Objects	1,435	(260)	1,175	1,175		
Total School-Athletics - Instruction	64,845	(6,536)	58,309	58,309		
Total Instructional Programs - Instruction	472,941	8,851	481,792	469,109	12,683	
TOTAL INSTRUCTION	7,930,078	145,056	8,075,134	7,733,460	341,674	
Undistributed Expenditures - Instruction:						
Tuition to Private Schools for the Disabled - Within State	307,952	35,966	343,918	259,937	83,981	
Tuition Other		3,800	3,800	3,800		
Total Undistributed Expenditures - Instruction:	307,952	39,766	347,718	263,737	83,981	
Undist. Expend. - Attendance & Social Work						
Salaries	17,674	1,497	19,171	18,353	818	
Total Undist. Expend. - Attendance & Social Work	17,674	1,497	19,171	18,353	818	
Undist. Expend. - Health Services						
Salaries	194,890		194,890	193,292	1,598	
Purchased Professional and Technical Services	11,200	691	11,891	10,294	1,597	
Other Purchased Services (400-500 series)	2,485	172	2,657	1,191	1,466	
Supplies and Materials	18,749	(4,797)	13,952	10,142	3,810	
Total Undistributed Expenditures - Health Services	227,324	(3,934)	223,390	214,919	8,471	

Rimson Board of Education Budgetary Comparison Schedule General Fund						
For the Year Ended June 30, 2019						
	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual 18-19	Variance Final to Actual	
Undist. Expend. - Other Supp. Serv. Students - Related Serv.						
Salaries	225,125	(2,514)	222,611	215,977	6,634	
Purchased Professional - Educational Services	164,466	42,970	207,436	194,571	12,865	
Supplies and Materials	287	3,189	3,476	3,358	118	
Total Undist. Expend. - Other Supp. Serv. Students - Related Serv.	389,878	43,645	433,523	413,906	19,617	
Undist. Expend. - Other Supp. Serv. Students - Extra. Serv.						
Salaries	149,335	(42,718)	106,617	93,014	13,603	
Purchased Professional - Educational Services						
Total Undist. Expend. - Other Supp. Serv. Students - Extra. Serv.	149,335	(42,718)	106,617	93,014	13,603	
Undist. Expend. - Guidance						
Salaries of Other Professional Staff	292,384	(34,784)	257,600	250,069	7,531	
Purchased Professional - Educational Services	15,000	5,700	20,700	20,689	11	
Other Purchased Services (400-500 series)	7,000	(1,500)	5,500	4,564	936	
Supplies and Materials	4,535	(200)	4,335	4,240	95	
Total Undist. Expend. - Guidance	318,919	(30,784)	288,135	279,562	8,573	
Undist. Expend. - Child Study Teams						
Salaries	383,506	12,247	395,753	392,299	3,454	
Salaries of Secretarial and Clerical Assistants	49,282	2,396	51,678	51,578	100	
Other Services (400-500 series)						
Purchased Professional - Educational Services	10,000	10,270	20,270	20,270		
Supplies and Materials	3,710	(230)	3,480	3,417	63	
Misc Pur. Serv (400-500 series O/than Resid Costs)	4,951	(599)	4,352	4,338	14	
Total Undist. Expend. - Child Study Teams	451,449	24,084	475,533	471,902	3,631	
Undist. Expend. - Improvement of Instructional Services						
Salaries of Supervisor of Instruction	122,225	1,304	123,529	123,525	4	
Salaries of Other Professional Staff	1,335	2,933	4,268	4,268		
Salaries of Secretarial and Clerical Assistants	54,074	(1,368)	52,706	52,706		
Other Purchased Services (400-500 series)	4,701	2,395	7,096	6,100	996	
Supplies and Materials	1,750	(960)	790	790		
Other Purchased Professional and Technical Services	5,260	(3,849)	1,411		1,411	
Total Undist. Expend. - Improvement of Inst. Services	189,345	455	189,800	187,389	2,411	
Undist. Expend. - Educational Media Serv./Sch. Library						
Salaries	107,860		107,860	106,082	1,778	
Salaries of Technology Coordinators	109,064	3,000	112,064	112,060	4	
Purchased Professional - Technical Services	17,522	(2,231)	15,291	14,911	380	
Other Purchased Services (400-500 series)	19,137	(3,000)	16,137	15,595	542	
Supplies and Materials	17,585	(5,471)	12,114	5,423	6,691	
Other Objects	989	(40)	949	562	387	
Total Undist. Expend. - Educational Media Serv./Sch. Library	272,157	(7,742)	264,415	252,633	11,782	

Rimmon Board of Education Budgetary Comparison Schedule General Fund						
For the Year Ended June 30, 2019						
	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual 18-19	Variance Final to Actual	
Undist. Expend. - Instructional Staff Training Serv.						
Salaries of Other Professional Staff	8,077	3,965	12,042	12,042		
Salaries of Secretarial and Clerical Assistants	6,000	(2,703)	3,297	879	2,418	
Purchased Professionals - Educational Services	90,538	(10,760)	79,778	40,902	38,876	
Other Purchased Services (400-500 series)	11,294	(717)	10,577	6,153	4,424	
Supplies and Materials	3,400	6,980	10,380	8,378	2,002	
Other Objects						
Total Undist. Expend. - Instructional Staff Training Serv.	119,309	(3,235)	116,074	68,354	47,720	
Undist. Expend. - Supp. Serv. - General Administration						
Salaries	239,159	335	239,494	239,494		
Legal Services	30,000	30,563	60,563	60,563		
Audit Fees	16,250	1,007	17,257	17,256	1	
Internal Control Audit Fees	5,000	(340)	4,660	4,340	320	
Purchased Technical Services	6,470	(2,175)	4,295	4,295		
Communications/Telephone	37,000	(4,646)	32,354	32,354		
BOE Other Purchased Services	8,200	(1,724)	6,476	6,475	1	
Other Purchased Services (400-500 series)	49,580	(15,022)	34,558	33,632	926	
General Supplies	2,500	1,833	4,333	1,833	2,500	
Misc Expenditures	9,905	(2,534)	7,371	7,370	1	
Judgments Against District	48,488	41,512	90,000	90,000		
BOE Membership Dues and Fees	10,000	(529)	9,471	9,471		
Total Undist. Expend. - Supp. Serv. - General Administration	462,552	45,780	508,332	507,083	1,249	
Undist. Expend. - Support Serv. - School Administration						
Salaries of Principals/Assistant Principals	266,294	1,223	267,517	267,515	2	
Salaries of Secretarial and Clerical Assistants	163,041	(1,223)	161,818	153,243	8,575	
Purchased Professional and Technical Services	34,030	(12,280)	21,750	21,750		
Other Purchased Services (400-500 series)	6,000	391	6,391	6,288	103	
Supplies and Materials	8,982	(2,149)	6,833	6,778	55	
Other Objects	12,790	(3,693)	9,097	7,347	1,750	
Total Undist. Expend. - Support Serv. - School Administration	491,137	(17,731)	473,406	462,921	10,485	
Undistributed Expenditures-Central Services						
Salaries	254,765	5,437	260,202	260,200	2	
Purchased Professional Services	8,000	8,000	16,000	2,303	5,697	
Misc Pur Serv (400-500 series Other Resid Costs)	5,560	(1,800)	3,760	3,394	366	
Supplies and Materials	2,923	(2,637)	286	2,092	831	
Misc Exp.	2,500	(1,000)	1,500	1,148	352	
Total Undistributed-Central Services	276,385	(287)	276,098	269,137	6,961	

Rumson Board of Education Budgetary Comparison Schedule General Fund						
For the Year Ended June 30, 2019						
	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual 18-19	Variance Final to Actual	
Undistributed Expenditures-Admin. Info. Tech.						
Salaries	17,015	546	17,561	17,561		
Purchased Professional Services	12,050	(4,500)	7,550	7,507	43	
Purchased Technical Services	18,520	(1,517)	17,003	15,533	1,470	
Other Purchased Services	5,067	1,200	6,267	6,192	75	
Supplies and Materials	5,800		5,800	2,783	3,017	
Other Objects	800	(250)	550	376	174	
Total Undistributed Expenditures-Admin. Info. Tech.	59,252	(4,521)	54,731	49,952	4,779	
Undist. Expend. - Required Maint. for School Facilities						
Cleaning, Repair and Maintenance Services	161,700	17,375	179,075	149,088	29,987	
General Supplies	15,500	126	15,626	15,365	261	
Other Objects	2,500	(501)	1,999	1,520	479	
Undist. Expend. - Required Maint. for School Facilities	179,700	17,000	196,700	165,973	30,727	
Undist. Expend. - Custodial Services						
Salaries	470,050	18,028	488,078	483,550	4,528	
Salaries of Non-Instructional Aides	121,834	(14,634)	107,200	106,655	545	
Purchased Professional and Technical Services		4,430	4,430			
Cleaning, Repair and Maintenance Services	34,900	(15,430)	19,470	13,665	5,805	
Other Purchased Property Services	31,500	358	31,858	31,858		
Insurance	67,675	976	68,651	68,651		
General Supplies	45,500	1,905	47,405	42,497	4,908	
Energy (Natural Gas)	90,000	(9,789)	80,211	69,106	11,105	
Energy (Electricity)	150,000	(3,976)	146,024	132,757	13,267	
Other Objects	9,290		9,290	8,152	1,138	
Total Undist. Expend. - Custodial Services	1,020,749	(18,132)	1,002,617	961,321	41,296	
Undistributed Expenditures-Care & Upkeep of Grounds						
Salaries	36,200	2,997	39,197	38,946	251	
Purchased Professional and Technical Services	25,500	(2,997)	22,503	11,123	11,380	
Cleaning, Repair and Maintenance Services	22,500		22,500	13,127	9,373	
General Supplies	8,000	(3,525)	4,475	3,515	960	
Undistributed Expenditures-Care & Upkeep of Grounds	92,200	(3,525)	88,675	66,711	21,964	

Rimmon Board of Education Budgetary Comparison Schedule General Fund						
For the Year Ended June 30, 2019						
	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual 18-19	Variance Final to Actual	
Undistributed Expenditures-Security						
Salaries	24,758		24,758	20,649	4,109	
Purchased Professional and Technical Services	64,580		64,580	36,797	27,783	
General Supplies	5,550	(2,000)	3,550	870	2,680	
Undistributed Expenditures-Security	94,888	(2,000)	92,888	58,316	34,572	
Undist. Expend. - Student Transportation Services						
Other Purchased Professional & Technical Services	5,350	150	5,500	5,500		
Contracted Services - Aid in Lieu of Payments-Non Public	20,000	(150)	19,850	14,000	5,850	
Contract Services (Between Home & School)-Vendors	490,969		490,969	411,971	78,998	
Contract Services (Other than Between Home & School)-Vendors	3,200		3,200		3,200	
Contracted Services (Special Ed. Students)-Joint	235,119		235,119	131,811	103,308	
General Supplies	500		500	377	123	
Total Undist. Expend. - Student Transportation Services	755,138		755,138	563,659	191,479	
UNALLOCATED BENEFITS						
Social Security Contributions	193,263	3,653	196,916	179,549	17,367	
Other Retirement Contributions-Regular	160,530	4,602	165,132	165,132		
Workmen's Compensation	126,765		126,765	113,899	12,866	
Health Benefits	3,389,851	19,191	3,409,042	3,091,378	317,664	
Tuition Reimbursement	1,500	13,819	15,319	15,319		
Other Employee Benefits	18,331		18,331	16,325	2,006	
Unused Sick Payment to Terminated or Retired Staff	58,872	(13,500)	45,372	41,911	3,461	
TOTAL UNALLOCATED BENEFITS	3,949,112	27,765	3,976,877	3,623,513	353,364	
TPAF Post Retirement Pension (On-Behalf - Non-Budgeted)			1,414,034		(1,414,034)	
On-behalf TPAF Post Retirement Medical (non-budgeted)			654,830		(654,830)	
On-behalf TPAF NCGH Premium (non-budgeted)			29,599		(29,599)	
TPAF LTDI Contribution (On-Behalf - Non-Budgeted)			781		(781)	
Reimbursed TPAF Social Security Contributions (non-budgeted)			581,162		(581,162)	
TOTAL ON-BEHALF CONTRIBUTIONS			2,680,406		(2,680,406)	
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	3,949,112	27,765	3,976,877	6,303,919	(2,327,042)	
TOTAL UNDISTRIBUTED EXPENDITURES	9,824,455	65,670	9,890,125	11,672,761	(1,782,636)	
TOTAL GENERAL CURRENT EXPENSE	17,754,533	210,726	17,965,259	19,406,221	(1,440,962)	

Rimmon Board of Education Budgetary Comparison Schedule General Fund						
For the Year Ended June 30, 2019						
	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual 18-19	Variance Final to Actual	
CAPITAL OUTLAY						
Equipment						
Undistributed Expended-Instruction		16,696	16,696	16,696	0	
Upkeep of Grounds		3,525	3,525	3,524	1	
Total Equipment		20,221	20,221	20,220	0	
Facilities Acquisition and Construction Services						
Other Purchased Prof. and Tech. Services	80,000	(3,645)	76,355	42,625	33,730	
Construction Serv.	400,000		400,000		400,000	
Assessment for Debt Service on SDA	21,418		21,418	21,418		
Total Facilities Acquisition and Construction Services	501,418	(3,645)	497,773	64,043	433,730	
TOTAL CAPITAL OUTLAY	501,418	16,576	517,994	84,263	433,730	
TOTAL EXPENDITURES	18,255,951	227,302	18,483,253	19,490,484	(1,007,232)	
Excess (Deficiency) of Revenues (Over) (Under) Expenditures	(1,349,282)	(111,430)	(1,460,712)	425,401	1,886,113	
Other Financing Sources (Uses):						
Operating Transfer Out:						
Capital Reserve - Transfer to Capital Projects Fund						
Total Other Financing Sources (Uses):						
Excess (Deficiency) of Revenues and Other Financing Sources (Over) (Under) Expenditures and Other Financing Sources (Uses)	(1,349,282)	(111,430)	(1,460,712)	425,401	1,886,113	
Fund Balance, July 1	3,477,290		3,477,290	3,477,290		
Fund Balance, June 30	2,128,008	(111,430)	2,016,578	3,902,691	1,886,113	

Rimmon Board of Education Budgetary Comparison Schedule General Fund						
For the Year Ended June 30, 2019						
	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual 18-19	Variance Final to Actual	
Recapitulation of excess (deficiency) of revenues under expenditures:						
Adjustment for Prior Year Encumbrances			(111,430)	(111,430)	400,000	400,000
Increase in Capital Reserve - Principal						
Increase in Emergency Reserve - Principal						
Budgeted Withdrawal from Capital Reserve - for Local Share	(480,000)		(480,000)	(42,625)		437,375
Budgeted Withdrawal from Maintenance Reserve	(12,050)		(12,050)	(12,050)		
Budgeted Fund Balances	(857,232)		(857,232)	191,506		1,048,738
	(1,349,282)	(111,430)	(1,460,712)	425,401		1,886,113
Recapitulation:						
Restricted Fund Balance:						
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures				376,451		
Reserved - Excess Surplus				922,679		
Maintenance Reserve				42,644		
Maintenance Reserve-Designated for Subsequent Year's Expenditures				201,356		
Capital Reserve				1,268,945		
Capital Reserve-Designated for Subsequent Year's Expenditures				480,000		
Emergency Reserve				50,000		
Emergency Reserve-Designated for Subsequent Year's Expenditures				50,000		
Assigned Fund Balance:						
Year end Encumbrances				21,566		
Unassigned Fund Balance				489,050		
Total				3,902,691		
Reconciliation to Governmental Funds Statement (GAAP):						
Last State Aid Payment not recognized on GAAP basis				(58,621)		
Fund Balance per Governmental Funds (GAAP)				3,844,070		

**Runson School District
Budgetary Comparison Schedule
Special Revenue Fund
For the Year Ended June 30, 2019**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		485,534	485,534	472,702	(12,832)
State Sources	175,000	44,721	219,721	202,361	(17,360)
Federal Sources	353,800	84,127	437,927	415,437	(22,490)
Total Revenues	528,800	614,382	1,143,182	1,090,500	(52,682)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	100,000	8,674	108,674	107,204	1,470
Purchased Professional and Technical Services	8,500	(8,500)			
Purchased Professional - Educational Services	9,445	(9,445)			
Other Purchased Services	200,000	10,271	210,271	210,271	
General Supplies	17,000	489,103	506,103	431,051	75,052
Textbooks	18,000	(1,606)	16,394	16,170	224
Total Instruction	352,945	488,497	841,442	764,696	76,746
Support Services:					
Salaries of Other Professional Staff	30,000	(221)	29,779	29,714	65
Employee Benefits	12,000	10,141	22,141	18,321	3,820
Purchased Professional & Technical Services	48,855	7,665	56,520	56,520	
Purchased Professional - Educational Services		55,375	55,375	98,795	43,420
Other Purchased Services (400-500 series)		2,335	2,335	2,335	
Supplies & Materials	25,000	26,801	51,801	50,685	1,116
Other Objects	60,000	23,789	83,789	66,718	17,071
Total Support Services	175,855	125,885	301,740	274,233	27,507
Facilities Acquisition and Const. Serv.:					
Instructional Equipment				51,571	(51,571)
Total Facilities Acquisition and Const. Serv.				51,571	(51,571)
Total Expenditures	528,800	614,382	1,143,182	1,090,500	52,682
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)					

**Rumson School District
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information
For the Year Ended June 30, 2019**

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

		General Fund	Special Revenue Fund
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue"			
from the budgetary comparison schedule	[C-1]&[C-2]	19,915,885	1,090,500
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
Add Prior Year Encumbrances			
Less Current Year Encumbrances			
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.			
		41,213	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year (GASB 33).			
		(58,621)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	19,898,477	1,090,500
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	19,490,484	1,090,500
Differences - budget to GAAP			
The district budgets for claims and compensated absences only to the extent expected to be paid, rather than on the modified accrual basis. <i>[Not applicable in this example]</i>			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.			
Add Prior Year Encumbrances			
Less Current Year Encumbrances			
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.			
Net transfers (outflows) to general fund			
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	19,490,484	1,090,500

**REQUIRED SUPPLEMENTARY
INFORMATION - PART III**

Exhibit L-1

**Rumson School District
Schedules of Required Supplementary Information
Schedule of District's Proportionate Share of Net Pension Liability - PERS
Last 10 Fiscal Years***

Fiscal Year Ending June 30,	District's Proportion Share of the Net Pension Liability (Asset)		District's Proportion Share of the Net Pension Liability (Asset)		District's Covered Payroll -PERS Employee's	District's Proportion Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll		Plan Fiduciary Net Position as a percentage of the total Pension Liability
	Proportion Share of the Net Pension Liability (Asset)	Proportion Share of the Net Pension Liability (Asset)	Proportion Share of the Net Pension Liability (Asset)	Proportion Share of the Net Pension Liability (Asset)		Proportion Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll	Proportion Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll	
2015	0.0164744513%	\$ 3,084,468	\$ 1,075,530	286.79%	42.74%			
2016	0.0165349470%	3,603,688	1,037,217	347.44%	38.21%			
2017	0.0153094500%	4,534,221	1,085,370	417.76%	40.14%			
2018	0.0151415187%	3,524,704	1,090,895	323.10%	48.10%			
2019	0.0148296394%	2,919,882	1,113,161	262.31%	53.60%			

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

Exhibit L-2

**Rumson School District
Schedules of Required Supplementary Information
Schedule of District's Contributions - PERS
Last 10 Fiscal Years***

Fiscal Year Ending June 30,	Contractually Required Contribution		Contributions in Relation to the Contractually Required Contributions		Contribution Deficiency (Excess)	District's PERS Covered- Employee Payroll	Contributions as a Percentage of PERS Covered- Employee Payroll
	Contractually Required Contribution	\$	Contractually Required Contributions	\$			
2015	151,996	\$	151,996	\$	-	1,075,530	14.13%
2016	141,523		141,523		-	1,037,217	13.64%
2017	136,007		136,007		-	1,085,370	12.53%
2018	140,270		140,270		-	1,090,895	12.86%
2019	147,507		147,507		-	1,113,161	13.25%

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

**Rumson School District
Schedules of Required Supplementary Information
Schedule of District's Proportionate Share of Net Pension Liability - TPAF
Last 10 Fiscal Years***

Fiscal Year Ending June30,	District's Proportion Share of the Net Pension Liability (Asset)		District's Proportion Share of the Net Pension Liability (Asset)	State's Proportionate Share of the Net Pension Liability Associated with the District (Asset)		District's Covered Payroll -TPAF Employee's	District's Proportion Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll		Plan Fiduciary Net Position as a percentage of the total Pension Liability
	Proportion Share of the Net Pension Liability (Asset)	Proportion Share of the Net Pension Liability (Asset)		Proportionate Share of the Net Pension Liability Associated with the District (Asset)	Proportionate Share of the Net Pension Liability Associated with the District (Asset)		Proportion Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll	Proportion Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll	
2015	0.0640243081%	\$ -	\$ 34,218,909	\$ 6,413,136	18.74%	33.64%			
2016	0.0635199318%	\$ -	\$ 40,147,309	6,632,631	16.52%	28.71%			
2017	0.0642008613%	\$ -	\$ 50,504,485	7,521,299	14.89%	22.33%			
2018	0.0665998935%	\$ -	\$ 44,904,050	7,781,120	17.33%	25.41%			
2019	0.0712079373%	\$ -	\$ 45,300,960	8,221,616	18.15%	26.49%			

* GASB requires that ten years of information be presented. However, since fiscal year 2015 was the first year of GASB 68 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

Rumson School District
Note to Required Schedules of Supplementary Information - Part III
For the fiscal year ended June 30, 2019

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (3.58%) to the current measurement date (3.87%), resulting in a change in the discount rate from 5.00% to 5.66%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (3.58%) to the current measurement date (3.87%), resulting in a change in the discount rate from 4.25% to 4.86%. This change in the discount rate is considered to be a change in actuarial assumptions under GASBS No. 68.

RUMSON SCHOOL DISTRICT
Schedule of Required Supplementary Information
Schedule of Changes in the District's Proportionate Share of the State OPEB Liability
Last 10 Fiscal Years*

	<u>2018</u>	<u>2019</u>
Total OPEB Liability		
Service Costs	\$ 1,526,736	\$ 1,267,003
Interest on Total OPEB Liability	1,144,405	1,325,580
Changes in Assumptions	(4,733,016)	(3,582,175)
Differences Between Expected and Actual Experience		(3,148,476)
Gross Benefit Payments	(837,537.00)	(834,701.00)
Contribution from the Member	30,840	28,849
Net Changes in total Share of OPEB Liability	<u>(2,868,572)</u>	<u>(4,943,920)</u>
Total OPEB Liability - Beginning	<u>39,028,338</u>	<u>36,159,766</u>
Total OPEB Liability - Ending	<u>\$ 36,159,766</u>	<u>\$ 31,215,846</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -
State's Proportionate Share of OPEB Liability	<u>36,159,766</u>	<u>31,215,846</u>
Total OPEB Liability - Ending	<u>\$ 36,159,766</u>	<u>\$ 31,215,846</u>
District's Covered Employee Payroll	<u>\$ 8,872,015</u>	<u>\$ 9,334,777</u>
Districts' Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%

Notes to Schedule:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

* GASB requires that ten years of information be presented. However, since fiscal year 2018 was the first year of GASB 75 implementation ten years is not presented. Each year thereafter, an additional year will be included until ten years of data is presented.

RUMSON SCHOOL DISTRICT
Notes to Required Schedules of Supplementary Information OPEB Liability
For the fiscal year ended June 30, 2019

Change in benefit terms	None
Change in assumptions	Assumptions used in calculating the OPEB liability are presented in Note 8.

Supplementary Schedules

SPECIAL REVENUE FUND

**Rumson School District
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2019**

	Total Brought Forward (Ex. E-1a)	Title I	Title II	Title IV	Non-Public Security	Totals 2019
REVENUES						
Local Sources	472,702					472,702
State Sources	156,311				46,050	202,361
Federal Sources	296,130	96,214	13,093	10,000		415,437
Total Revenues	925,143	96,214	13,093	10,000	46,050	1,090,500
EXPENDITURES:						
Instruction:						
Salaries of Teachers	32,657	74,547				107,204
Other Purchased Services (400-500 series)	210,271					210,271
General Supplies	427,705	3,346				431,051
Textbooks	16,170					16,170
Total Instruction	686,803	77,893				764,696
Support Services:						
Salaries of Other Professional Staff	29,714					29,714
Employee Benefits		18,321				18,321
Purchased Professional & Technical Services	85,859		12,936	7,665		106,460
Other Purchased Professional - Educational Services				2,335		2,335
Other Purchased Services (400-500 series)	4,478		157		46,050	50,685
Supplies & Materials	66,718					66,718
Other Objects						
Total Support Services	186,769	18,321	13,093	10,000	46,050	274,233
Facilities Acquisition and Const. Serv.:						
Instructional Equipment	51,571					51,571
Total Facilities Acquisition and Const. Serv.	51,571					51,571
Total Expenditures	925,143	96,214	13,093	10,000	46,050	1,090,500
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)						

**Rumson School District
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2019**

	Total Brought Forward (Ex. E-1b)	IDEA PART B			Non-Public Textbook	Ch. 192 - Aux. Serv. Compensatory Education	Total Carried Forward
		Basic	Preschool				
REVENUES							
Local Sources	472,702					472,702	
State Sources	107,484			16,170	32,657	156,311	
Federal Sources		284,918	11,212			296,130	
Total Revenues	580,186	284,918	11,212	16,170	32,657	925,143	
EXPENDITURES:							
Instruction:							
Salaries of Teachers					32,657	32,657	
Other Purchased Services (400-500 series)	427,705	210,271				210,271	
General Supplies						427,705	
Textbooks				16,170		16,170	
Total instruction	427,705	210,271		16,170	32,657	686,803	
Support services:							
Salaries of Other Professional Staff	29,714					29,714	
Employee Benefits							
Purchased Professional & Technical Services							
Purchased Professional - Educational Services		74,647	11,212			85,859	
Other Purchased Services (400-500 series)	4,478					4,478	
Supplies & Materials	66,718					66,718	
Other Objects							
Total support services	100,910	74,647	11,212			186,769	
Facilities acquisition and const. serv.:							
Instructional Equipment	51,571					51,571	
Total facilities acquisition and const. serv.	51,571					51,571	
Total Expenditures	580,186	284,918	11,212	16,170	32,657	925,143	
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)							

**Rumson School District
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2019**

	Ch. 193 - Handicapped Services					
	Non-Public Supplemental Instruction	Non-Public Exam & Classification	Non-Public Corrective Speech	Non-Public Nursing	Miscellaneous Donations	Total Carried Forward
REVENUES						
Local Sources						
State Sources	11,052	23,789	17,267	29,714	472,702	472,702
Federal Sources		25,662				107,484
Total Revenues	11,052	23,789	17,267	29,714	472,702	580,186
EXPENDITURES:						
Instruction:						
Salaries of Teachers						
Other Purchased Services (400-500 series)						
General Supplies	11,052				416,653	427,705
Textbooks						
Total Instruction	11,052	-	-	-	416,653	427,705
Support Services:						
Salaries of Other Professional Staff				29,714		29,714
Employee Benefits						
Purchased Professional & Technical Services						
Purchased Professional - Educational Services						
Other Purchased Services (400-500 series)		25,662	17,267			4,478
Supplies & Materials	23,789					66,718
Other Objects						
Total Support Services	-	23,789	17,267	29,714	4,478	100,910
Facilities Acquisition and Const. Serv.:						
Instructional Equipment					51,571	51,571
Total Facilities Acquisition and Const. Serv.	-	-	-	-	51,571	51,571
Total Expenditures	11,052	23,789	17,267	29,714	472,702	580,186
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-

CAPITAL PROJECTS FUND

**Rumson School District
Capital Project Fund
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis
For the Year Ended June 30, 2019**

Revenues and Other Financing Sources:

Lease proceeds and transfers	\$ 1,629,690
Interest on Investments	4
Total revenues and other financing sources	1,629,694

Expenditures and Other Financing Uses:

Other Purchased Prof. and Tech. Services	8,500
Equipment Purchases	478,857
Transfer to Debt Service Fund	5,738
Total expenditures and other financing uses	493,095

Excess (deficiency) of revenues over (under) expenditures	1,136,599
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Fund balance - beginning	5,734
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Fund balance - ending	\$ 1,142,333
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Rumson School District
Capital Project Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Replacement Windows and Doors - Deane-Porter and Forrestdale School
From Inception and For the Year Ended For the Year Ended June 30, 2019

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
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>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	19,575	-	19,575	19,575
Construction Services	671,905	-	671,905	671,905
Transfers to Debt Service Fund	-	2,520	2,520	2,520
Total expenditures	<u>691,480</u>	<u>2,520</u>	<u>694,000</u>	<u>694,000</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u>2,520</u>	\$ <u>(2,520)</u>	\$ <u>-</u>	\$ <u>-</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	9/30/2013
Revised target completion date	9/30/2014

**Rumson School District
Capital Project 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 For the Year Ended June 30, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
NJSDA Grant	134,602		134,602	134,602
Donations	134,765		134,765	134,765
Bond Proceeds and Transfers	<u>67,546</u>		<u>67,546</u>	<u>67,546</u>
Total revenues	<u>336,913</u>	<u>-</u>	<u>336,913</u>	<u>336,913</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	36,153		36,153	36,153
Construction Services	297,546		297,546	297,546
Transfers to Debt Service Fund		<u>3,214</u>	<u>3,214</u>	<u>3,214</u>
Total expenditures	<u>333,699</u>	<u>3,214</u>	<u>336,913</u>	<u>336,913</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 3,214</u>	<u>\$ (3,214)</u>	<u>\$ -</u>	<u>\$ -</u>

Additional project information:

Project Number	4570-050-09-0ZVE
Project Date	
Bond Authorization Date	NA
Bonds Authorized	NA
Bonds Issued	NA
Original Authorized Cost	\$497,160
Revised Authorized Cost	\$336,913
Percentage Decrease under Original Authorized Cost	
Percentage completion	-32%
Original target completion date	100%
Revised target completion date	8/31/2010
	6/30/2015

**Rumson School District
Capital Project Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Energy Conservation Measures - Deane-Porter and Forrestdale Schools
From Inception and For the Year Ended For the Year Ended June 30, 2019**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Lease Proceeds and Transfers	<u> </u>	<u>1,629,690</u>	<u>1,629,690</u>	<u>1,629,690</u>
Total revenues	<u> -</u>	<u>1,629,690</u>	<u>1,629,690</u>	<u>1,629,690</u>
Expenditures and Other Financing Uses				
Other Purchased Prof. and Tech. Services		8,500	8,500	8,500
Equipment Purchases	<u> </u>	<u>478,857</u>	<u>478,857</u>	<u>478,857</u>
Total expenditures	<u> -</u>	<u>487,357</u>	<u>487,357</u>	<u>487,357</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u> -</u>	\$ <u>1,142,333</u>	\$ <u>1,142,333</u>	\$ <u>1,142,333</u>

Additional project information:

Project Number	NA
Project Date	5/22/2019
Bond Authorization Date	NA
Bonds Authorized	NA
Bonds Issued	NA
Original Authorized Cost	\$1,629,690
Revised Authorized Cost	\$1,629,690
Percentage Decrease under Original Authorized Cost	0%
Percentage completion	0.3%
Original target completion date	
Revised target completion date	

**Rumson School District
Capital Projects Fund
Summary Schedule of Project Expenditures
For the Fiscal Year Ended June 30, 2019**

Project Title/Issue	Approval Date	Revised Budgetary Appropriations	GAAP		Unexpended Appropriations June 30, 2019
			Prior Years	Expenditures to Date Current Year	
Replacement Windows and Doors - Deane-Porter and Forrestdale School		694,000	691,480	2,520	-
Renovation of Forrestdale School Science Laboratory	5/27/2010	336,913	333,699	3,214	-
Energy Conservation Measures - Deane-Porter and Forrestdale School	5/22/2019	1,629,690		487,357	1,142,333
Totals		<u>\$ 2,660,603</u>	<u>\$ 1,025,179</u>	<u>\$ 493,091</u>	<u>\$ 1,142,333</u>

PROPRIETARY FUNDS

Rumson School District
Combining Statement of Net Position
Enterprise Funds
June 30, 2019

	<u>Food Service Program</u>	<u>After School Program</u>	<u>Homework Club</u>	<u>Totals</u>
ASSETS				
Current Assets:				
Cash and Cash Equivalents	60,014	56,972	6,944	123,930
Accounts Receivable	8,094			8,094
Inventory	2,228			2,228
Total Current Assets	<u>70,336</u>	<u>56,972</u>	<u>6,944</u>	<u>134,252</u>
Noncurrent Assets:				
Capital Assets:				
Equipment	229,910			229,910
Less Accumulated Depreciation	<u>(186,483)</u>			<u>(186,483)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>43,427</u>			<u>43,427</u>
Total Assets	<u>113,763</u>	<u>56,972</u>	<u>6,944</u>	<u>177,679</u>
LIABILITIES				
Current Liabilities:				
Interfund Payable				-
Prepaid Revenue	17,911			17,911
Total Current Liabilities	<u>17,911</u>	<u>-</u>	<u>-</u>	<u>17,911</u>
Total Liabilities	<u>17,911</u>	<u>-</u>	<u>-</u>	<u>17,911</u>
NET POSITION				
Invested in Capital Assets Net of Related Debt	43,427			43,427
Unrestricted	52,425	56,972	6,944	116,341
Total Net Position	<u>95,852</u>	<u>56,972</u>	<u>6,944</u>	<u>159,768</u>

Rumson School District
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Funds
For the Year Ended June 30, 2019

	<u>Food Service Program</u>	<u>After School Program</u>	<u>Homework Club</u>	<u>Totals</u>
Operating Revenues:				
Charges for Services:				
Daily Sales	565,029			565,029
Miscellaneous		41,669	10,980	52,649
Total Operating Revenues	<u>565,029</u>	<u>41,669</u>	<u>10,980</u>	<u>617,678</u>
Operating Expenses:				
Salaries	184,475			184,475
Other Employee Benefits	39,967			39,967
Cost of Sales	241,617			241,617
Supplies and Materials	4,014			4,014
Management Fee	15,000			15,000
Depreciation Expense	9,259			9,259
Insurance	11,000			11,000
Miscellaneous	12,678	38,110	7,870	58,658
Total Operating Expenses	<u>518,010</u>	<u>38,110</u>	<u>7,870</u>	<u>563,990</u>
Operating Income (Loss)	47,019	3,559	3,110	53,688
Non-Operating revenues:				
Interest and investment revenue	758			758
Change in Net Assets	47,777	3,559	3,110	54,446
Total Net Position—Beginning	<u>48,075</u>	<u>53,413</u>	<u>3,834</u>	<u>105,322</u>
Total Net Position—Ending	<u><u>95,852</u></u>	<u><u>56,972</u></u>	<u><u>6,944</u></u>	<u><u>159,768</u></u>

Rumson School District
Combining Statement of Cash Flows
Enterprise Funds
For the Year Ended June 30, 2019

	Food Service Program	After School Program	Homework Club	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	567,190	41,669	10,980	619,839
Payments for Salaries	(184,475)			(184,475)
Payments for Employee Benefits	(39,967)			(39,967)
Payments to Vendors	(298,818)	(38,110)	(7,870)	(344,798)
Net Cash Provided by (Used for) Operating Activities	<u>43,930</u>	<u>3,559</u>	<u>3,110</u>	<u>50,599</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Income	758			758
Net Cash Provided by (Used for) Investing Activities	<u>758</u>	<u>-</u>	<u>-</u>	<u>758</u>
Net Increase (Decrease) in Cash and Cash Equivalents	44,688	3,559	3,110	51,357
Balances—Beginning of Year	15,326	53,413	3,834	72,573
Balances—End of Year	<u>60,014</u>	<u>56,972</u>	<u>6,944</u>	<u>123,930</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	47,019	3,559	3,110	53,688
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	9,259			9,259
Decrease/(Increase) in Inventory				-
Decrease/(Increase) in Accounts Receivable	(4,690)			(4,690)
(Decrease)/Increase in Prepaid Revenue	(8)			(8)
(Decrease)/Increase in Interfund Payable	(7,650)			(7,650)
(Decrease)/Increase in Accounts Payable	-			-
Total Adjustments	<u>(3,089)</u>	<u>-</u>	<u>-</u>	<u>(3,089)</u>
Net Cash Provided by (Used for) Operating Activities	<u>43,930</u>	<u>3,559</u>	<u>3,110</u>	<u>50,599</u>

FIDUCIARY FUND

**Rumson School District
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2019**

	Fiduciary Funds				Total 2019
	Student Activity	Payroll Agency	Net Salary	Unemployment Compensation Trust Fund	
ASSETS					
Cash and cash equivalents	141,797	290,768	2,774	48,556	483,895
Due From Payroll Agency				15,692	15,692
Total assets	<u>141,797</u>	<u>290,768</u>	<u>2,774</u>	<u>64,248</u>	<u>499,587</u>
LIABILITIES					
Payable to student groups	141,797				141,797
Payroll deductions and withholdings		275,076	2,774		277,850
Due To Unemployment Trust Fund		15,692			15,692
Total liabilities	<u>141,797</u>	<u>290,768</u>	<u>2,774</u>	<u>-</u>	<u>435,339</u>
NET POSITION					
Held in trust for unemployment claims and other purposes				<u>64,248</u>	<u>64,248</u>

Rumson School District
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2019

	Unemployment Compensation Trust Fund	Totals
	<u> </u>	<u> </u>
ADDITIONS		
Contributions:		
Plan Member	\$ 15,691	15,691
Total Contributions	<u> 15,691</u>	<u> 15,691</u>
Investment earnings:		
Interest	441	441
Net investment earnings	441	441
Total additions	<u> 16,132</u>	<u> 16,132</u>
DEDUCTIONS		
Unemployment Claims	5,856	5,856
Total deductions	<u> 5,856</u>	<u> 5,856</u>
Change in net assets	10,276	10,276
Net position - beginning of the year	53,972	53,972
Net position - end of the year	<u><u> \$ 64,248</u></u>	<u><u> \$ 64,248</u></u>

**Rumson School District
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Year Ended June 30, 2019**

	<u>Balance July 1, 2018</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2019</u>
ELEMENTARY SCHOOLS:				
Forrestdale	80,127	135,394	110,950	104,571
Deane-Porter	26,495	2,883	670	28,708
Tech Reserve		8,518		8,518
	<u>106,622</u>	<u>146,795</u>	<u>111,620</u>	<u>141,797</u>

**Rumson School District
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Year Ended June 30, 2019**

	<u>Balance July 1, 2018</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2019</u>
Payroll Deductions and Withholdings Due To Unemployment Trust Fund	42,767	7,840,411	7,608,102	275,076
		<u>15,692</u>		<u>15,692</u>
	<u>42,767</u>	<u>7,856,103</u>	<u>7,608,102</u>	<u>290,768</u>

LONG-TERM DEBT

**Rumson School District
General Long Term Debt Account Group
Statement of Serial Bonds
June 30, 2019**

ISSUE	Date of Issue	Amount of Issue	Date	Annual Maturities Amount	Interest Rate	Balance July 1, 2018	Issued	Retired	Balance June 30, 2019
2009 Serial Bonds	5/19/2009	\$ 1,257,000	2/01/2020	100,000	4.125%	627,000		95,000	532,000
			2/01/2021	100,000	4.125%				
			2/01/2022	105,000	4.125%				
			2/01/2023	110,000	4.125%				
			2/01/2024	117,000	4.125%				
2013 Refunding School Bonds	5/15/2013	4,535,000	9/01/2019	670,000	4.000%	3,415,000		620,000	2,795,000
			9/01/2020	690,000	4.000%				
			9/01/2021	715,000	4.000%				
			9/01/2022	720,000	4.000%				
						\$ 4,042,000	-	715,000	\$ 3,327,000

**Rumson School District
Budgetary Comparison Schedule
Debt Service Fund
For the Year Ended June 30, 2019**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	820,709		820,709	820,709	-
State Sources:					
Debt Service Aid Type II	41,011		41,011	41,011	-
Total - State Sources	41,011	-	41,011	41,011	-
Total Revenues	861,720	-	861,720	861,720	-
EXPENDITURES:					
Regular Debt Service:					
Interest	146,720		146,720	146,720	-
Redemption of Principal	715,000		715,000	715,000	-
Total Regular Debt Service	861,720	-	861,720	861,720	-
Total expenditures	861,720	-	861,720	861,720	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Other Financing Sources:					
Operating Transfers In:					
Transfer from Capital Projects Fund				5,738	5,738
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	-	-	-	5,738	5,738
Fund Balance, July 1					
Fund Balance, June 30	-	-	-	5,738	5,738

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

J SERIES

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changes over time.	J-1 to J-5
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue sources, the property tax.	J-6 to J-9
Debt Capacity These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 to J-15
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20
Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2004; schedules presenting district-wide information include information beginning in that year.	

STATISTICAL SECTION (UNAUDITED)

Introduction to the Statistical Section

Financial Trends

- J-1 Net Assets/Position by Component
- J-2 Changes in Net Assets/Position
- J-3 Fund Balances - Governmental Funds
- J-4 Changes in Fund Balances - Governmental Funds
- J-5 General Fund Other Local Revenue by Source

Revenue Capacity

- J-6 Assessed Value and Estimated Actual Value of Taxable Property
- J-7 Direct and Overlapping Property Tax Rates
- J-8 Principal Property Taxpayers
- J-9 Property Tax Levies and Collections

Debt Capacity

- J-10 Ratios of Outstanding Debt by Type
- J-11 Ratios of General Bonded Debt Outstanding
- J-12 Direct and Overlapping Governmental Activities Debt
- J-13 Legal Debt Margin Information

Demographic and Economic Information

- J-14 Demographic and Economic Statistics
- J-15 Principal Employers

Operating Information

- J-16 Full-time Equivalent District Employees by Function/Program
- J-17 Operating Statistics
- J-18 School Building Information*
- J-19 Schedule of Allowable Maintenance Expenditures by School Facility
- J-20 Insurance Schedule

Borough of Rumson School District
Net Position by Component
Last Ten Fiscal Years*
(accrual basis of accounting)
Unaudited

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	5,678,995	6,301,896	6,563,022	7,119,583	8,076,411	4,720,542	4,254,125	4,324,181	4,610,562	3,808,572
Restricted	1,654,525	1,529,909	1,979,029	2,417,359	1,955,546	1,765,187	2,155,894	2,489,215	3,086,417	3,413,641
Unrestricted	4,824	185,970	194,255	202,580	209,395	(3,039,544)	(3,297,569)	(3,591,275)	(3,717,104)	(2,433,650)
Total Governmental Activities Net Assets	7,338,344	8,017,775	8,736,306	9,739,522	10,241,352	3,446,185	3,112,650	3,222,121	3,979,875	4,788,563
Business-type Activities										
Invested in Capital Assets, Net of Related Debt	78,420	67,714	70,116	67,867	64,957	56,427	48,396	54,646	52,686	43,427
Restricted	-	47,488	50,406	90,076	124,116	132,610	174,894	102,688	52,636	116,341
Unrestricted	29,877	-	-	-	-	-	-	-	-	-
Total Business-type Activities Net Assets	108,297	115,202	120,522	157,943	189,073	189,037	223,290	157,334	105,322	159,768
District-wide										
Invested in Capital Assets, Net of Related Debt	5,757,415	6,369,610	6,633,138	7,187,450	8,141,368	4,776,969	4,302,521	4,378,827	4,663,248	3,851,999
Restricted	1,654,525	1,529,909	1,979,029	2,417,359	1,955,546	1,765,187	2,155,894	2,489,215	3,086,417	3,413,641
Unrestricted	34,701	233,458	244,661	292,656	333,511	(2,906,934)	(3,122,475)	(3,488,587)	(3,664,468)	(2,317,309)
Total District Net Assets	7,446,641	8,132,977	8,856,828	9,897,465	10,430,425	3,635,222	3,335,940	3,379,455	4,085,197	4,948,331

Source: CAFR Schedules A-1

* GASB requires that ten years of statistical data be presented.

Borough of Rumson School District
Changes in Net Position
Last Ten Fiscal Years*
(accrual basis of accounting)
Unaudited

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental Activities:										
Instruction:										
Regular	(6,784,928.93)	(7,230,472.88)	(7,217,176.66)	(5,073,182.07)	(5,248,664.42)	(5,015,205.00)	(5,301,714.00)	(5,356,025)	(5,693,759)	(5,859,216)
Special Education	(1,493,807.84)	(1,671,371.00)	(1,567,341.69)	(985,393.94)	(1,017,118.09)	(1,390,056.00)	(1,279,269.00)	(1,640,340)	(1,628,625)	(2,169,831)
Other Special Education	(108,827.38)	(70,066.70)	(62,167.11)	(55,892.53)	(58,068.14)	(54,378.00)	(189,771.00)	(303,653)	(224,234)	(297,062)
Other Instruction	(52,362.45)	(53,319.58)	(57,406.38)	(55,166.90)	(57,722.23)	(55,866.00)	(90,437.00)	(129,045)	(147,942)	(172,047)
Support Services:										
Tuition	(359,495.27)	(554,430.33)	(562,548.31)	(466,294.58)	(470,232.60)	(432,509.00)	(429,648.00)	(414,753)	(123,595)	(263,737)
Student & Instruction Related Services	(1,971,520.19)	(1,744,226.27)	(1,796,447.17)	(1,739,874.45)	(1,796,507.39)	(1,834,965.00)	(1,971,256.00)	(2,037,637)	(2,209,244)	(2,274,265)
School Administrative Services	(631,567.89)	(659,607.37)	(658,884.15)	(401,233.51)	(396,896.44)	(568,425.00)	(512,764.00)	(443,349)	(452,378)	(462,921)
General Administrative Services	(575,132.70)	(488,448.57)	(585,688.09)	(473,433.28)	(568,845.95)	(864,183.00)	(796,344.00)	(458,025)	(429,366)	(507,083)
Central Services	(297,474.18)	(325,811.47)	(313,389.60)	(316,016.04)	(301,781.92)			(254,286)	(267,195)	(269,137)
Admin. Info. Technology	(113,406.84)	(126,386.35)	(137,235.22)	(99,305.30)	(110,880.63)			(41,067)	(51,385)	(49,952)
Plant Operations and Maintenance	(1,302,814.92)	(1,316,259.03)	(1,391,086.06)	(1,050,906.15)	(1,124,753.87)	(1,166,708.00)	(1,132,554.00)	(1,106,738)	(1,048,452)	(1,252,321)
Pupil Transportation	(540,902.03)	(594,626.01)	(648,812.94)	(794,566.76)	(806,427.55)	(676,138.00)	(716,879.00)	(638,330)	(613,189)	(563,659)
Employee Benefits							(4,467,248.00)	(8,269,297)	(9,248,932)	(8,173,000)
Non-depreciable Capital Outlay							(618,832.00)	(20,259)	(21,419)	(25,054)
Interest on Long-term Debt	(372,900.57)	(357,149.72)	(335,391.40)	(285,839.02)	(283,245.21)	(218,024.00)	(217,296.00)	(178,444)	(152,645)	(121,602)
Unallocated Depreciation				(3,929,197.33)	(3,709,577.25)	(4,636,758.00)	(572,724.00)	(620,234)	(537,019)	(502,771)
Amortization of Loss on Debt Issuance				(172,268.41)	(537,189.00)					
Total Governmental Activities Expenses	(14,605,141.19)	(15,192,175.28)	(15,333,574.78)	(15,898,570.27)	(16,487,910.69)	(16,913,215.00)	(18,296,736.00)	(21,911,482)	(22,849,379)	(22,963,658)
Business-type Activities:										
Food Service	(266,413.35)	(257,664.94)	(270,566.50)	(340,024.40)	(388,172.92)	(433,077.00)	(431,607.00)	(563,233)	(626,108)	(518,010)
Rumson After School Academy	(26,574.50)	(54,765.00)	(68,593.00)	(47,378.00)	(39,997.00)			(46,831)	(44,110)	(38,110)
Homework Club									(5,466)	(7,870)
Total Business-type Activities Expenses	(292,987.85)	(312,429.94)	(339,159.50)	(387,402.40)	(428,169.92)	(433,077.00)	(431,607.00)	(610,064)	(675,684)	(563,990)
Total District Expenses	(14,898,129.04)	(15,504,605.22)	(15,672,734.28)	(16,285,972.67)	(16,916,080.61)	(17,346,292.00)	(18,728,343.00)	(22,521,546)	(23,525,063)	(23,527,648)
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instruction	23,514.00	64,170.00	242,047.10	175,025.00	186,858.00	183,266.00	148,325.00	166,150	357,085	249,150
Operating Grants and Contributions	227,796.00	140,069.73	125,318.40	156,456.08	581,572.37	482,453.00	498,839.00	710,698	687,783	1,090,500
Capital Grants and Contributions	216,818.35	110,241.82	22,181.63							
Total Governmental Activities Program Revenues	468,128.35	314,481.55	389,547.13	331,481.08	768,430.37	665,719.00	647,164.00	876,848	1,044,868	1,339,650
Business-type Activities:										
Charges for Services:										
Food Service	257,228.00	264,451.00	275,811.99	377,355.27	418,592.26	431,493.00	465,645.00	516,300	575,808	565,029
Rumson After School Academy	26,574.50	54,765.00	68,593.00	47,378.00	39,997.00			53,620	50,690	41,669
Homework Club									9,300	10,980
Capital Grants										
Total Business-type Activities Program Revenues	283,802.50	319,216.00	344,404.99	424,733.27	458,589.26	431,493.00	465,645.00	570,010	635,798	617,678
Total District Program Revenues	751,930.85	633,697.55	733,952.12	756,214.35	1,227,019.63	1,097,212.00	1,112,809.00	1,446,858	1,680,666	1,957,328

Borough of Rumson School District
Changes in Net Position
Last Ten Fiscal Years*
(accrual basis of accounting)
Unaudited

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net (Expense)/Revenue										
Governmental Activities	(14,137,013)	(14,877,694)	(14,944,028)	(15,567,089)	(15,719,480)	(16,247,496)	(17,649,572)	(21,034,654)	(21,804,511)	(21,624,008)
Business-type Activities	(9,185)	6,786	5,245	37,331	30,419	(1,584)	34,038	(40,054)	(39,886)	53,688
Total District-wide Net Expense	(14,146,198)	(14,870,908)	(14,938,782)	(15,529,758)	(15,689,061)	(16,249,080)	(17,615,534)	(21,074,688)	(21,844,397)	(21,570,320)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes	12,357,424.22	12,851,720.00	13,095,904.00	13,419,218.00	13,687,602.00	13,961,354.00	14,315,581.00	14,745,047	15,313,255	16,078,918
Taxes Levied for Debt Service	670,163.78	731,047.00	744,316.00	757,759.00	755,187.00	688,205.00	680,692.00	722,225	746,247	820,709
Unrestricted/Restricted Federal and State Aid	1,978,150.65	1,617,786.53	1,842,429.57	2,295,818.73	1,671,332.82	2,051,159.00	2,275,085.00	5,590,162	6,443,350	5,386,125
Investment Earnings	13,497.26	8,262.19	4,359.45	4,442.74	1,261.76	4,077.00	5,354.00			4
Miscellaneous Income	26,915.71	48,311.09	(24,451.77)	93,006.67	39,810.61	(70,129.00)	39,325.00	86,671	59,413	146,940
Transfers										
Total Governmental Activities	15,046,151.62	15,257,126.81	15,662,557.25	16,570,245.14	16,155,194.19	16,634,666.00	17,316,037.00	21,144,105	22,562,265	22,432,696
Business-type Activities:										
Investment Earnings	166.83	119.43	74.32	89.97	710.92	140.00	215.00		473	758
Total Business-type Activities	166.83	119.43	74.32	89.97	710.92	140.00	215.00	-	473	758
Total District-wide	15,046,318.45	15,257,246.24	15,662,631.57	16,570,335.11	16,155,905.11	16,634,806.00	17,316,252.00	21,144,105	22,562,738	22,433,454
Change in Net Position										
Governmental Activities	909,138.78	379,433.08	718,529.60	1,003,155.95	435,713.87	387,170.00	(333,535.00)	109,471	757,754	808,688
Business-type Activities	(9,018.52)	6,905.49	5,319.81	37,420.84	31,130.26	(1,444.00)	34,255.00	(40,054)	(39,413)	54,446
Total District	900,120.26	386,338.57	723,849.41	1,040,576.79	466,844.13	385,726.00	(299,280.00)	69,417	718,341	863,134

Source: CAFR A-2

* GASB requires that ten years of statistical data be presented.

**Borough of Rumson School District
Fund Balances Governmental Funds
Last Ten Fiscal Years***
(modified accrual basis of accounting)
Unaudited

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	1,376,153									
Unreserved	331,337									
Restricted		1,022,726	1,855,058	1,855,058	1,813,639	1,642,940	2,094,713	2,481,623	2,969,253	3,392,075
Assigned		338,502	118,736	118,736	175,505	75,501	56,606	1,858	111,430	21,566
Unassigned		409,410	385,133	412,588	387,098	424,753	405,482	408,932	355,394	430,429
Total General fund	1,707,490	1,770,638	2,358,927	2,386,382	2,376,242	2,143,194	2,556,801	2,892,413	3,436,077	3,844,070
All Other Governmental Funds										
Reserved	392,170									
Restricted, Reported in:										
Capital Projects Fund		108,565	3,775	96,155	4,575	4,575	4,575	5,734	5,734	1,142,333
Debt Service Fund		1,391	69	20	42,172	42,171				5,738
Unreserved, Reported in:										
Capital Projects Fund	147,662	54,666		494,846	136,829					
Debt Service	5,685	4,059	1,391	69	35,000					
Total Other Governmental Funds	545,517	168,681	5,235	591,090	218,576	46,746	4,575	5,734	5,734	1,148,071

Source: CAFR B-1

* GASB requires that ten years of statistical data be presented.

Borough of Rumson School District

Governmental Fund Expenditures by Function
Last Ten Fiscal Years
(modified accrual basis of accounting)
Unaudited

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Tax Levy	13,027,588	13,582,767	13,840,220	14,176,977	14,442,789	14,649,559	14,996,273	15,467,272	16,059,502	16,899,627
Other Local Revenue	262,225	1,207,443	221,955	272,535	227,931	240,480	200,081	421,505	520,627	868,796
State Sources	1,840,515	1,454,908	1,690,058	2,049,422	1,944,286	2,199,264	2,412,972	2,718,928	3,115,814	3,666,841
Federal Sources	383,954	413,190	299,871	402,853	308,619	334,348	360,952	367,656	400,628	415,437
Total Revenues	15,514,282	15,571,608	16,052,104	16,901,787	16,923,625	17,423,651	17,970,278	18,975,361	20,096,571	21,850,701
Expenditures										
Instruction:										
Regular	4,263,165	4,652,973	4,587,897	5,073,182	5,248,644	5,015,205	5,128,700	5,321,658	5,674,159	5,859,216
Special	898,102	998,709	913,643	985,394	1,019,118	1,390,056	1,279,269	1,640,340	1,628,625	2,169,831
Other	101,363	63,012	54,606	55,893	58,068	54,378	189,771	303,653	224,234	297,062
School Sponsored/Other Inst.	47,010	49,706	53,534	55,167	57,722	55,866	90,437	129,045	147,942	172,047
Support Services:										
Speech	58,546	203,970	233,900							
Extraordinary	294,418	63,283	46,071	97,627						
Staff Training	359,495	554,430	762,947	2,206,168	2,114,762	2,267,474	2,400,904	2,452,390	2,332,839	2,538,002
Instruction	944,300	997,249	1,382,203	401,234	396,896	568,425	796,344	458,025	429,366	507,083
Students	91,271	382,550	414,612	473,433	568,846	864,183	512,764	443,349	452,378	462,921
General Administration	433,645	446,352	450,136	316,016	301,782	316,016	254,286	267,195	267,195	269,137
School Administration	249,325	272,821	259,767	99,305	110,881	110,881	41,067	51,385	49,952	49,952
Central Services	88,936	99,891	110,424	1,105,820	1,274,754	1,166,708	1,132,554	1,106,738	1,048,452	1,252,321
Admin. Information Technology	1,029,102	1,023,519	1,093,192	794,567	806,428	676,138	716,879	638,330	613,189	563,659
Operations and Maintenance	544,866	2,510,879	2,595,532	3,929,197	3,673,027	4,091,635	4,379,599	4,833,039	5,678,837	6,303,919
Student Transportation	403,028	406,973	462,039	141,436	648,303	588,439	137,474	194,550	162,486	623,191
Business and Other Support Services	450,089	478,058	108,288							
On-Behalf TPAF Pension Cont.	53,972	61,247	108,288							
Reimb. TPAF Social Security Cont.	519,279	522,490	411,855							
Capital Outlay										
Special Revenue										
Debt Service:										
Principal	435,000	505,000	525,000	555,000	570,000	590,000	605,000	620,000	665,000	715,000
Interest and Other Charges	360,805	361,038	340,032	319,201	234,513	239,926	222,071	202,120	176,820	146,720
Total Governmental Fund Expenditures	14,674,843	15,398,453	15,541,610	16,511,013	17,083,744	17,568,433	17,591,766	18,638,590	19,552,907	21,930,061
Excess (Deficiency) of Revenues Over (Under) Expenditures	839,439	173,155	510,494	390,774	(160,119)	(144,782)	378,512	336,771	543,664	(79,360)
Other Financing Sources (Uses)										
Operating Transfers In	128,177	1,391	32,522	594,020	100,000	25,239	(7,077)			1,629,690
Operating Transfers Out	(128,177)	(1,391)	(32,522)	(594,020)	(100,000)	(148,505)				
Proceeds from Borrowing										
Proceeds from Refunding				5,155,338						
Payments to Escrow Agent				(5,155,338)						
Total Other Financing Sources (Uses)						(123,266)	(7,077)			1,629,690
Net Changes in Fund Balance	839,439	173,155	510,494	390,774	(160,119)	(268,048)	371,435	336,771	543,664	1,550,330
Debt Service as a percentage of noncapital expenditures	5.44%	5.65%	5.60%	5.34%	4.89%	4.89%	4.74%	4.46%	4.34%	4.04%

Source: CAFR Schedule B-2

Note: Noncapital expenditures are total expenditures less capital outlay.

Central Service and Administrative Information Technology account classifications were added beginning with year end June 30,2005. Prior to June 30,2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services. (1) Prior to 2014 special revenue fund instruction was classified as regular instruction, this was corrected in 2014 to special education instruction.

Borough of Rumson School District
General Fund Other Local Revenue by Source
Last Ten Fiscal Years
Unaudited

<u>Fiscal Year Ended June 30,</u>	<u>Tuition</u>	<u>Interest Income</u>	<u>Miscellaneous</u>	<u>Total</u>
2010	23,514	13,497	225,214	262,225
2011	64,170	8,262	48,311	120,743
2012	178,584	4,291	39,080	221,955
2013	175,025	4,443	93,067	272,535
2014	186,858	1,262	39,811	227,931
2015	183,266	4,077	53,137	240,480
2016	148,325	5,354	46,402	200,081
2017	166,150		86,671	252,821
2018	357,085		59,413	416,498
2019	249,150		146,940	396,090

Source: District records.

Borough of Rumson School District

Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax Exempt Property	Public Utilities a	Net Assessed Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate b
2008	45,975,700	2,747,446,100	6,051,700	31,000	101,724,700	0	3,668,100	2,904,897,300	0	1,340,414	2,906,237,714	2,671,610,268	0.776
2009	42,970,900	2,802,888,200	6,051,700	32,600	102,395,500	0	1,494,800	2,955,833,700	0	1,626,628	2,957,460,328	3,079,553,829	0.802
2010	37,540,800	2,819,687,500	6,051,700	29,200	102,464,300	0	628,700	2,966,402,200	0	1,903,707	2,968,305,907	3,765,682,073	0.839
2011	38,412,300	2,807,299,400	6,307,600	32,000	102,610,100	0	628,700	2,955,290,100	0	1,405,766	2,956,695,866	3,625,612,976	0.847
2012	41,969,100	2,809,034,000		30,200	103,446,700	0	628,700	2,955,108,700	0	1,363,484	2,956,472,184	3,482,171,902	0.869
2013	54,489,000	2,757,376,100		26,800	99,895,900	0	628,700	2,912,416,500	0	1,277,630	2,913,694,130	3,441,790,050	0.903
2014	51,516,500	3,117,104,600	2,973,000	13,800	112,110,600	0	672,300	3,284,390,800	0	1,058,300	3,285,449,100	3,334,509,190	0.820
2015	47,011,900	3,192,319,600	7,361,700	25,000	80,679,000	0	31,338,400	3,358,735,600	0	1,124,732	3,359,860,332	3,285,349,130	0.818
2016	38,095,200	3,290,090,400	6,891,700	25,000	111,691,600	0	488,900	3,447,282,800	0	1,126,150	3,448,408,950	3,359,860,332	0.816
2017	35,813,400	3,286,000,000	6,898,900	29,400	110,281,900	0	1,024,700	3,440,048,300	0	1,124,274	3,441,172,574	3,379,789,415	0.845
2018	51,604,600	3,404,746,900	7,043,700	25,000	110,367,200	0	1,195,200	3,574,982,600	0	1,121,447	3,576,104,047	3,462,130,705	0.851

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 occurs when 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 of assessed value.

#REF!

Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years
 Per \$100 of Assessed Valuation
 Unaudited

Assessment Year	Total Direct School Tax Rate	Overlapping Rates			Total Direct and overlapping Tax Rate
		Total Direct Regional School Tax Rate	Rumson Borough	Monmouth County	
2008	0.410	0.366	0.281	0.332	1.389
2009	0.441	0.361	0.302	0.327	1.431
2010	0.458	0.381	0.323	0.328	1.490
2011	0.468	0.379	0.332	0.329	1.508
2012	0.480	0.389	0.342	0.301	1.512
2013	0.496	0.407	0.359	0.346	1.608
2014	0.446	0.374	0.322	0.315	1.457
2015	0.446	0.372	0.329	0.306	1.453
2016	0.448	0.368	0.327	0.289	1.432
2017	0.467	0.378	0.335	0.289	1.469
2018	0.473	0.378	0.333	0.298	1.482

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any adjustments.

- (a) The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the net value of debt service are based on each year's requirements.
- (b) Rates for debt service are based on each year's requirements.

Borough of Rumson School District
 Schedule of Principal Taxpayers
 Current and Nine Years Ago
 Unaudited

	2018			2009		
	Taxpayer	Taxable Assessed Value	% of District's Net Assessed Valuation	Rank Optional	Taxable Assessed Value	% of District's Net Assessed Valuation
Taxpayer #1		31,066,400	0.92%	1	28,346,300	0.84%
Taxpayer #2		11,072,700	0.33%	2	12,015,700	0.36%
Taxpayer #3		9,794,700	0.29%	3	10,501,300	0.31%
Taxpayer #4		8,776,700	0.26%	4	9,499,200	0.28%
Taxpayer #5		7,907,500	0.24%	5	8,000,000	0.24%
Taxpayer #6		7,500,000	0.22%	6	7,203,700	0.21%
Taxpayer #7		6,817,700	0.20%	7	6,931,300	0.21%
Taxpayer #8		6,770,300	0.20%	8	6,534,200	0.19%
Taxpayer #9		6,596,000	0.20%	9	6,524,400	0.19%
Taxpayer #10		6,474,500	0.19%	10	6,450,000	0.19%
		<u>102,776,500</u>	<u>3.06%</u>		<u>102,006,100</u>	<u>3.04%</u>

Source: Municipal Tax Assessor's Office.

Borough of Rumson School District

**School Tax Levies and Collections
Last Ten Years
Unaudited**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
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%	
2016	14,996,273	14,996,273	100.00%	
2017	15,467,271	15,467,271	100.00%	
2018	16,059,502	16,059,502	100.00%	
2019	16,899,627	16,899,627	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 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.

**Borough of Rumson School District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited**

Fiscal Year Ended June 30,	Governmental Activities			Bond		Business-Type		Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases	Anticipation Notes (BANs)	Capital Leases	Total District			
2009	9,559,000	-	-	-	-	9,559,000	27640.7%	2,641.34	
2010	9,124,000	-	-	-	-	9,124,000	2.2%	1,248.32	
2011	8,619,000	-	-	-	-	8,619,000	2.1%	1,212.24	
2012	8,094,000	-	-	-	-	8,094,000	1.9%	1,142.41	
2013	7,092,000	-	-	-	-	7,092,000	1.9%	1,006.39	
2014	6,522,000	-	-	-	-	6,522,000	1.5%	931.05	
2015	5,932,000	-	-	-	-	5,932,000	1.3%	850.10	
2016	5,327,000	-	-	-	-	5,327,000	1.1%	769.13	
2017	4,707,000	-	-	-	-	4,707,000	1.0%	689.77	
2018	4,042,000	-	-	-	-	4,042,000	0.8%	588.87	
2019	3,327,000	-	1,629,690	-	-	4,956,690	N/A	731.51	

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

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

N/A Information was not available as of the report date.

**Borough of Rumson School District
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
Unaudited**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding				Percentage of Actual Taxable Value ^a of Property	Net Valuation Taxable
	General Obligation	Deductions	Net General Bonded Debt Outstanding			
	Bonds					
2010	9,124,000	-	9,124,000	0.309%	2,968,305,907	
2011	8,619,000	-	8,619,000	0.290%	2,956,695,866	
2012	8,094,000	-	8,094,000	0.274%	2,956,472,184	
2013	7,092,000	-	7,092,000	0.240%	2,913,694,130	
2014	6,522,000	-	6,522,000	0.221%	3,285,349,130	
2015	5,932,000	-	5,932,000	0.204%	3,359,860,332	
2016	5,327,000	-	5,327,000	0.162%	3,358,735,600	
2017	4,707,000	-	4,707,000	0.140%	3,447,282,800	
2018	4,042,000	-	4,042,000	0.117%	3,440,048,300	
2019	3,327,000	-	3,327,000	0.097%	3,638,386,422	

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

(a) See Exhibit J-6 for property tax data.

(b) Population data can be found in Exhibit J-14.

**Borough of Rumson School District
Direct and Overlapping Governmental Activities Debt
As of June 30, 2019
Unaudited**

<u>Borough of Rumson</u>	<u>Net Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Borough of Rumson	\$ 11,808,046	100.000%	\$ 11,808,046
Monmouth County General Obligation Net Debt	485,117,930	3.067%	14,878,706
Subtotal, overlapping debt			<u>26,686,752</u>
Rumson School District Direct Debt			<u>3,327,000</u>
Total direct and overlapping debt			<u>\$ 30,013,752</u>

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

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

(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.

Borough of Rumson School District
 Legal Debt Margin Information,
 Last Ten Fiscal Years
 Unaudited

Legal Debt Margin Calculation for Fiscal Year 2018

Equalized valuation basis	
2018	\$ 3,638,386,422
2017	\$ 3,462,130,705
2016	\$ 3,427,549,226
[A]	\$ 10,528,066,353
Average equalized valuation of taxable property	[A/3] \$ 3,509,355,451
Debt limit (3 % of average equalization value)	[B] 105,280,664 a
Total Net Debt Applicable to Limit	[C] 3,327,000
Legal debt margin	[B-C] \$ 101,953,664

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Borough of Rumson:										
Debt limit	\$ 108,949,540	\$ 107,969,027	\$ 105,405,482	\$ 102,708,174	\$ 101,412,826	\$ 100,392,707	\$ 100,161,012	\$ 101,021,976	\$ 102,259,558	\$ 105,280,664
Total net debt applicable to limit	9,124,000	8,619,000	8,094,000	7,092,000	6,522,000	5,932,000	5,327,000	4,707,000	4,042,000	3,327,000
Legal debt margin	\$ 99,825,540	\$ 99,350,027	\$ 97,311,482	\$ 95,616,174	\$ 94,890,826	\$ 94,460,707	\$ 94,834,012	\$ 96,314,976	\$ 98,217,558	\$ 101,953,664
Total net debt applicable to the limit as a percentage of debt limit	8.37%	7.98%	7.68%	6.91%	6.43%	5.91%	5.32%	4.66%	3.95%	3.16%

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 NISA 18A:24-19 for a K through 8 district; other % limits would be applicable for other district types.

Borough of Rumson School District
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Population (a)	Personal Income (b)	Per Capita Personal Income (c)	Unemployment Rate (d)
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	480,733,660	69,410	4.60%
2016	6,824	486,121,288	71,237	4.40%
2017	6,864	517,511,280	75,395	3.30%
2018	6,776	Unavailable	Unavailable	3.00%
2019	Unavailable	Unavailable	Unavailable	2.50%

Source:

- (a) Population information provided by the NJ Department of Labor and Workforce Development.
- (b) Personal income has been estimated based on the municipal population and per capita personal income presented
- (c) Per capita personal income from Bureau of Economic Analysis.
Estimates for 2010-2018 reflect county population estimates available on DOE site.
- (d) Unemployment data provided by the NJ Dept. of Labor and Workforce Development April 2019

Borough of Rumson School District

**Principal Employers
Current and Ten Years Ago
Unaudited**

Information not available

Source: Municipal Tax Assessor's Office.

Borough of Rumson School District
Full-time Equivalent District Employees by Function/Program
Last Ten Fiscal Years
Unaudited

#REF!

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Instruction:										
Regular	68.00	63.00	64.00	65.00	66.00	67.00	67.00	67.00	73.00	77.00
Special Education	17.00	20.00	18.00	19.00	21.00	21.00	18.00	18.00	18.00	20.00
Other Special Instruction	3.00	3.00	3.00	3.00	3.00	3.00	12.00	12.00	13.00	11.00
Other Instruction	23.00	17.00	14.00	13.00	14.00	13.00	13.00	15.00	15.00	15.00
Support Services:										
Student & Instruction Related Services	6.00	6.00	6.00	6.00	6.00	6.00	15.00	16.00	16.00	16.00
Other Support Services	5.00	5.00	5.00	5.00	6.00	6.00	2.00	2.00	2.00	2.00
School Administrative Services	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	4.00
General Administrative Services	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Central Services & Adm. Info. Technology										
Plant Operations and Maintenance	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Pupil Transportation										
Total	141.00	133.00	129.00	130.00	135.00	135.00	146.00	149.00	156.00	159.00

BOROUGH OF RUMSON SCHOOL DISTRICT

**Operating Statistics
Last Ten Fiscal Years
Unaudited**

Fiscal Year Ended June 30,	Enrollment (a)	Operating Expenditures	Cost Per Pupil (b)	Percentage Change	Teaching Staff (c)	Pupil/Teacher Ratio	Average Daily Enrollment (d)	Average Daily Attendance (d)	% Change in Average Daily Enrollment	Student Attendance Percentage
2010	983.0	12,454,198	15,338	8.14%	87.0	11.3	973.0	929.3	-3.26%	95.51%
2011	983.0	13,076,387	15,761	2.76%	87.0	11.3	984.9	936.8	1.22%	95.12%
2012	983.0	13,133,166	15,858	0.06%	87.0	11.3	990.5	949.8	-0.57%	95.89%
2013	994.0	15,630,037	17,288	9.01%	87.0	11.4	1,005.0	964.4	1.46%	97.02%
2014	973.0	15,729,633	17,386	0.05%	90.0	10.8	976.5	935.4	-2.84%	96.14%
2015	972.0	16,411,288	18,320	5.37%	91.0	10.7	972.0	929.0	-0.46%	95.58%
2016	944.0	17,139,219	18,633	1.70%	94.0	10.0	964.1	926.9	-0.81%	96.13%
2017	981.0	17,106,931	19,305	1.04%	95.0	10.33	988	948.7	2.48%	96.02%
2018	1033.0	18,023,304	22,320	15.60%	101.0	11.70	1,036	991.4	5.00%	95.61%
2019	992.0	19,406,221	N/A	N/A	99.6	10.03	999	954.5	-4.00%	95.80%

Source:

- (a) Enrollment is from ASSA dated October 15th from the year before for On Roll Students.
- (b) From Taxpayer's Guide to Education Spending. Enrollment includes sent pupils.
- (c) Teaching staff includes only full-time equivalents of certificated instructional staff.
- (d) Average daily enrollment and average daily attendance are obtained from the School Register Summary.

Note:

N/A = Data not available.
Enrollment is from October 15th ASSA.

BOROUGH OF RUMSON SCHOOL DISTRICT

**School Building Information
Last Ten Fiscal Years
Unaudited**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Elementary:										
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	431	427	412	426	401	401	408	403	407	383
Middle										
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	552	556	571	568	575	575	555	578	626	609

Number of Schools at June 30, 2019

Elementary	1
Middle	1

Source: District Records

Note: Year of original construction in parentheses. Increases in square footage and capacity are the result of additions. Enrollment is from October 15th ASSA.

BOROUGH OF RUMSON SCHOOL DISTRICT
General Fund
Schedule of Required Maintenance for School Facilities
Unaudited

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

School Facilities	Project #'s	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
FORRESTDALE	N/A	94,591	60,782	100,664	86,468	92,085	62,395	108,725	112,138	58,879	50,288
DEANE-PORTER	N/A	\$ 71,382	\$ 45,853	\$ 61,697	65,230	69,467	38,242	82,021	87,751	46,074	39,352
Total School Facilities		165,973	106,635	162,362	151,699	161,552	100,637	190,746	199,889	104,953	89,640

BOROUGH OF RUMSON SCHOOL DISTRICT

**Insurance Schedule
June 30, 2019
Unaudited**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - NJSIG		
Blanket Buildings and Contents (special form coverage/replacement cost)	\$ 33,985,518	\$ 5,000
Extra Expense	\$ 50,000,000	
Musical Instruments	Included in Business Income	1,000
Comprehensive General Liability	10,000,000	
Money and Securities	100,000	
Data Processing Equipment	1,000,000	250
Camera Equipment	Included	250
Miscellaneous Property	Included	
Automobile Policy - NJSIG	1,000,000	1,000
Worker's 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	4,000,000	5,000
Student Accident and Athletic Account		
Mutual of Omaha:	25,000	
Fidelity Bond Insurance		
Selective Insurance Company:	200,000	
Board Secretary		
Treasurer of School Monies		
Crime - Employee Dishonesty - NJSIG	500,000/100,000	1,000
Excess Workers Comp - Chubb	After 7 Day	
Flood		
Deanne-Porter	10,000	1,000
Forrestdale	10,000	1,000

SINGLE AUDIT SECTION

Ferraioli, Wielkott, Cerullo & Cuva, P.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
Borough of Rumson School District
County of Monmouth
Rumson, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; 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 and each major fund and the aggregate remaining fund information of the Board of Education of the Borough of Rumson School District, in the County of Monmouth, New Jersey, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 25, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit on the financial statements, we considered the Borough of Rumson Board of Education'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 on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Rumson Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Rumson Board of Education's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a



timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Rumson Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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 or the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

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.

Paul J. Cuva

Paul J. Cuva, C.P.A.
Licensed Public School Accountant
No. CS00076600

Ferraioli, Wielkotz, Cerullo & Cuva, P.A.
FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

November 25, 2019

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY N.J. OMB CIRCULAR 15-08

Honorable President and
Members of the Board of Education
Borough of 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 Borough of Rumson School District, in the County of Monmouth, New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplements* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Borough of Rumson Board of Education's major state programs for the year ended June 30, 2019. The Borough of Rumson Board of Education'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 state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Borough of Rumson Board of Education'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 N.J. OMB Circular 15-08. Those standards, and N.J. OMB 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 Borough of Rumson Board of Education'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 Borough of Rumson Board of Education's compliance.

Opinion on Each Major State Program

In our opinion, the Borough of Rumson Board of Education 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, 2019.

Report on Internal Control Over Compliance

Management of the Borough of Rumson Board of Education 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 Borough of Rumson Board of Education's internal control over compliance with the type of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with N.J. 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 Borough of Rumson Board of Education'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 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 over compliance was for the limited purpose 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 over compliance 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 N.J. OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Paul J. Cuva

Paul J. Cuva, C.P.A.
Licensed Public School Accountant
No. CS00076600

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Certified Public Accountants
Pompton Lakes, New Jersey

November 25, 2019

**Borough of Rumson School District
Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2019**

SCHEDULE A
Exhibit K-3

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2018	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2019	
												Accounts Receivable	Deferred Revenue
U.S. Department of Education													
Passed-through State Department of Education													
Special Revenue Fund:													
Title I, Part A	84-010	S010A180030		110,917	7/1/2018 6/30/2019	(30,252)	(30,252)	112,692	(96,214)			(13,774)	
Title I, Part A	84-010	S010A170030		82,700	7/1/2017 6/30/2018	(30,252)	30,252						
Title I, Part A	84-367A	S367A180029		13,746	7/1/2018 6/30/2019		(3,236)	8,293	(13,093)			(8,036)	
Title II, Part A, Improving Teacher Quality	84-367A	S367A170029		15,350	7/1/2017 6/30/2018	(3,236)	3,236						
Title IV, Student Support and Academic Enrich.	84-424	S424A180031		10,000	7/1/2018 6/30/2019	(2,589)	(2,589)	12,589	(10,000)				
Title IV, Student Support and Academic Enrich.	84-424	S424A170031		9,278	7/1/2017 6/30/2018	(2,589)	2,589						
I.D.E.A. Part B, Basic Regular	84-027	H027A180100		290,353	7/1/2018 6/30/2019	(24,801)	(24,801)	294,055	(284,918)			(15,664)	
I.D.E.A. Part B, Basic Regular	84-027	H027A170100		282,568	7/1/2017 6/30/2018	(24,801)	24,801						
I.D.E.A. Part B, Preschool	84-173	H173A180114		11,212	7/1/2018 6/30/2019	(8,382)	(8,382)	19,594	(11,212)				
I.D.E.A. Part B, Preschool	84-173	H173A170114		10,787	7/1/2017 6/30/2018	(8,382)	8,382						
Total Special Revenue Fund						(69,260)		447,223	(415,437)			(37,474)	
Total Federal Financial Awards						(69,260)		447,223	(415,437)			(37,474)	

Note: This schedule was not subject to an audit in accordance with Title 2, U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance).

Borough of Ramson School District
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2019

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Deferred Revenue (Accts Receivable)	Due to Grantor	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances	Balance at June 30, 2019		Due to Grantor	MEMO		
			From	To							(Accounts Receivable)	Deferred Revenue/ Interfund Payable		Budgetary Receivable	Cumulative Total Expenditures	
State Department of Education																
General Fund:																
Special Education Categorical Aid	19-495-034-5120-089	417,318	7/1/2018	6/30/2019			417,318	(417,318)							\$417,318	
Transportation Aid	19-495-034-5120-014	112,978	7/1/2018	6/30/2019			112,978	(112,978)							(\$11,298)	
Security Aid	19-495-034-5120-084	71,327	7/1/2018	6/30/2019			71,327	(77,327)							(\$5,991)	
Extraordinary Aid	19-495-034-5120-044	142,332	7/1/2018	6/30/2019				(142,332)			(142,332)				142,332	
Non-Public Transportation Aid	18-495-034-5120-014	10,516	7/1/2018	6/30/2019				(10,516)			(10,516)				10,516	
On-Behalf Non-contributory Insurance	18-495-034-5120-014	5,521	7/1/2018	6/30/2019			5,521	(29,599)							5,521	
On-Behalf Teacher's Pension and Annuity Fund	19-495-034-5094-004	29,599	7/1/2018	6/30/2019			29,599	(1,414,034)							29,599	
On Behalf TPAF Post Retirement Medical	19-495-034-5094-002	1,414,034	7/1/2018	6/30/2019			1,414,034	(654,830)							1,414,034	
On Behalf TPAF Long-Term Disability Contributions	19-495-034-5094-001	654,830	7/1/2018	6/30/2019			654,830	(781)							654,830	
Reimbursed TPAF Social Security Contributions	19-495-034-5094-003	581,162	7/1/2018	6/30/2019			539,257	(581,162)			(41,905)				581,162	
Reimbursed TPAF Social Security Contributions	18-495-034-5094-003	556,621	7/1/2017	6/30/2018			27,302								556,621	
Total General Fund																
					(109,946)		3,356,070	(3,440,877)			(194,753)				(58,621)	4,019,147
Special Revenue Fund:																
N.J. Nonpublic Aid:																
Textbook Aid	19-100-034-5120-064	16,394	7/1/2018	6/30/2019			16,394	(16,170)		(275)			224		16,170	
Textbook Aid	18-100-034-5120-064	18,297	7/1/2017	6/30/2018											18,022	
Auxiliary Services (Chapter 192):																
Compensatory Education	19-100-034-5120-067	32,657	7/1/2018	6/30/2019			32,657	(32,657)							32,657	
Nonpublic Handicapped Aid (Chapter 193):																
Supplementary Instructions	19-100-034-5120-066	23,789	7/1/2018	6/30/2019			23,789	(23,789)							23,789	
Examination & Classification	19-100-034-5120-066	37,680	7/1/2018	6/30/2019			37,680	(25,662)					12,018		25,662	
Corrective Speech	19-100-034-5120-066	22,520	7/1/2018	6/30/2019			22,520	(17,267)					5,053		17,267	
Nursing Services Aid	19-100-034-5120-070	29,779	7/1/2018	6/30/2019			29,779	(29,714)					65		29,714	
Nursing Services Aid	18-100-034-5120-070	32,598	7/1/2017	6/30/2018				(46,050)			(367)				32,091	
Security Aid	19-100-034-5120-509	46,050	7/1/2018	6/30/2019			46,050								46,050	
Technology Initiative	18-100-034-5120-373	25,050	7/1/2017	6/30/2018											24,745	
Technology Initiative	19-100-034-5120-373	11,052	7/1/2018	6/30/2019			11,052	(11,052)							11,052	
Technology Initiative	18-100-034-5120-373	12,538	7/1/2017	6/30/2018											12,293	
Total Special Revenue Fund																
					(109,946)		219,721	(202,361)			(1,011)		17,360		-	289,452
Debt Service Fund:																
Debt Service Aid	19-495-034-5120-017	41,011						(41,011)								41,011
Total Debt Service Fund																
					(109,946)		41,011	(41,011)								41,011
TOTAL STATE FINANCIAL ASSISTANCE																
					(109,946)		3,616,802	(3,684,249)			(1,011)		17,360		(58,621)	4,349,610
Less On-Behalf TPAF Pension and Annuity Aid																
		29,599	7/1/2018	6/30/2019			29,599	(29,599)								29,599
On-Behalf Non-contributory Insurance																
		1,414,034	7/1/2018	6/30/2019			1,414,034	(1,414,034)								1,414,034
On Behalf Teacher's Pension and Annuity Fund																
		781	7/1/2018	6/30/2019			781	(781)								781
On Behalf TPAF Long-Term Disability Contributions																
		654,830	7/1/2018	6/30/2019			654,830	(654,830)								654,830
							2,099,244	(2,099,244)								2,099,244
TOTAL FOR STATE FINANCIAL ASSISTANCE DETERMINATION																
					(109,946)		1,517,558	(1,585,005)			(1,011)		17,360		(58,621)	2,250,366

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

NOTE 1. GENERAL

The accompanying Schedules of Expenditures of Federal and State Awards present the activity of all federal and state award programs of the Board of Education, Borough of Rumson School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state financial assistance passed through other government agencies is included on the Schedule of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Awards and Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1(D) and 1(E) to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of *2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last 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 last state aid payment in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS: (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(17,408) for the general fund and \$-0- for the special revenue fund. See *Note A* [the Notes to Required Supplementary Information] for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board’s basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$	\$3,423,469	\$3,423,469
Special Revenue Fund	415,437	202,361	617,798
Debt Service Fund		<u>41,011</u>	<u>41,011</u>
Total Financial Awards	<u>\$415,437</u>	<u>\$3,666,841</u>	<u>\$4,082,278</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 on behalf of the District for the year ended June 30, 2019. 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, 2019.

NOTE 6. ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District’s financial statements and the amounts subject to State single audit and major program determination.

NOTE 7. INDIRECT COST RATE

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

NOTE 8. SCHOOLWIDE PROGRAM FUNDS

Schoolwide programs are not separate federal programs as defined in *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Grant Guidance); amounts used in schoolwide programs are included in the total expenditures of the program contributing the funds in the Schedule of Expenditures of Federal Awards. The following funds by program are included in schoolwide programs in the school district:

<u>Program</u>	<u>Total</u>
Title I, Part A: <i>Grants to Local Educational Agencies</i>	\$96,214
Title II, Part A: <i>Improving Teacher Quality State Grants</i>	13,093
Title IV: <i>Student Support and Academic Enrichment</i>	<u>10,000</u>
Total	<u>\$119,307</u>

**BOROUGH OF RUMSON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

1. Material weakness(es) identified? yes X no

2. Significant deficiencies identified that are
not considered to be material weaknesses? yes X none reported

Noncompliance material to basic financial
statements noted? yes X no

Federal Awards

Not Applicable

**BOROUGH OF RUMSON SCHOOL DISTRICT
SCHEDULE OF FINANCIAL, FEDERAL AND STATE FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Section II - Financial Statement Findings

None

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs

Not Applicable

**BOROUGH OF RUMSON SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Status of Prior Year Findings

There were no prior year audit findings.