

SCHOOL DISTRICT
OF
RUMSON-FAIR HAVEN REGIONAL
OF MONMOUTH COUNTY

Rumson-Fair Haven Regional High School District
Rumson, New Jersey

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2020

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

Of the

Rumson-Fair Haven Regional High School District
of Monmouth County

Rumson, New Jersey

For the Fiscal Year Ended June 30, 2020

Prepared by

Rumson-Fair Haven Regional Board of Education
Finance Department

OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

	Page
INTRODUCTORY SECTION	
Letter of Introduction	1-5
Organizational Chart	6
Roster of Officials	7
Consultants and Advisors	8
FINANCIAL SECTION	
Independent Auditor's Report	10-12
Required Supplementary Information - Part I	
Management's Discussion and Analysis	14-23
Basic Financial Statements	
A. District Wide Financial Statements	
A-1 Statement of Net Position	25
A-2 Statement of Activities	26
B. Fund Financial Statements	
Governmental Funds	
B-1 Balance Sheet	27
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	28
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances Of Governmental Funds to the Statement of Activities	29
Proprietary Funds	
B-4 Statement of Net Position	30
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position	31
B-6 Statement of Cash Flows	32
Fiduciary Funds	
B-7 Statement of Fiduciary Net Position	33
B-8 Statement of Changes in Fiduciary Net Position	34
Notes to Financial Statements	35-75

OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

Required Supplementary Information - Part II

C.	Budgetary Comparison Schedules	77-81
	C-1 Budgetary Comparison Schedule - General Fund	
	C-1a Combining Schedule of Revenues, Expenditures, and Changes In Fund Balance - Budget and Actual	N/A
	C-1b Community Development Block Grant - Budget and Actual	N/A
	C-2 Budgetary Comparison Schedule - Special Revenue Fund	82

Notes to the Required Supplementary Information

C-3	Budget-to-GAAP Reconciliation	83
-----	-------------------------------	----

Required Supplementary Information - Part III

L.	Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
	L-1 Schedule of the District's Proportionate Share of the Net Pension Liability - PERS	85
	L-2 Schedule of District Contributions - PERS	86
	L-3 Schedule of the District's Proportionate Share of the Net Pension Liability - TPAF	87
M.	Schedules Related to Accounting and Reporting for Postemployment Benefits Other Than Pensions	
	M-1 Schedule of Changes in the Total OPEB Liability and Related Ratios	88

	Notes to the Required Supplementary Information - Part III	89
--	--	----

Other Supplementary Information

D.	School Based Budget Schedules	
	D-1 Combining Balance Sheet	N/A
	D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
	D-3 Blended Resource Fund - Schedule of Blended Expenditures Budget and Actual	N/A
E.	Special Revenue Fund	
	E-1 Combining Schedules of Program Revenues and Expenditures - Budgetary Basis	93-94
	E-2 Preschool Education Aid Schedule of Expenditures - Budgetary Basis	N/A

OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

F.	Capital Projects Fund	
	F-1 Summary Schedule of Project Expenditures	96
	F-2 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance- Budgetary Basis	97
	F-2a through F-2d Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis	98-100
G.	Proprietary Funds	
	Enterprise Fund	
	G-1 Combining Schedule of Net Position	N/A
	G-2 Combining Schedule of Revenues, Expenses and Changes in Fund Net Position	N/A
	G-3 Combining Schedule of Cash Flows	N/A
H.	Fiduciary Funds	
	H-1 Combining Schedule of Fiduciary Net Position	103
	H-2 Combining Schedule of Changes in Fiduciary Net Position	104
	H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	105
	H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	106
	H-5 Private Purpose Scholarship Fund Schedule of Receipts and Disbursements	107
I.	Long-Term Debt	
	I-1 Schedule of Serial Bonds	109
	I-2 Schedule of Obligations Under Capital Leases	N/A
	I-3 Debt Service Fund Budgetary Comparison Schedule	110
	I-4 Statement of Loans Payable - N.J.D.E.A.	N/A

STATISTICAL SECTION (Unaudited)

Introduction to the Statistical Section

Financial Trends	
J-1 Net Position by Component	113
J-2 Changes in Net Position	114-115
J-3 Fund Balances - Governmental Funds	116
J-4 Changes in Fund Balances - Governmental Funds	117
J-5 General Fund - Other Local Revenue by Source	118
Revenue Capacity	
J-6 Assessed Value and Estimated Actual Value of Taxable Property	119-120
J-7 Direct and Overlapping Property Tax Rates	121
J-8 Principal Property Taxpayers	122
J-9 Property Tax Levies and Collections	123

OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT

Debt Capacity	
J-10 Ratios of Outstanding Debt by Type	124-125
J-11 Ratios of General Bonded Debt Outstanding	126
J-12 Direct and Overlapping Governmental Activities Debt	127
J-13 Legal Debt Margin Information	128
Demographic and Economic Information	
J-14 Demographic and Economic Statistics	129
J-15 Principal Employers	130
Operating Information	
J-16 Full-time Equivalent District Employees by Function/Program	131
J-17 Operating Statistics	132
J-18 School Building Information	133
J-19 Schedule of Required Maintenance Expenditures by School Facility	134
J-20 Insurance Schedule	135

SINGLE AUDIT SECTION

K-1 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	137-138
K-2 Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance and New Jersey OMB Circular 15-08	139-141
K-3 Schedule of Expenditures of Federal Awards, Schedule A	142
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	143
K-5 Notes to Schedules of Awards and Financial Assistance	144-145
K-6 Schedule of Findings and Questioned Costs	146-148
- Section I - Summary of Auditor's Results	
- Section II - Financial Statements Findings	
- Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs	
K-7 Summary Schedule of Prior Audit Findings	149

INTRODUCTORY SECTION

BOARD OF EDUCATION
RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL
74 RIDGE ROAD
RUMSON, NEW JERSEY 07760-1896
TELEPHONE (732) 842-1597
FAX (732) 842-3908

November 5, 2020

Honorable President and
Members of the Board of Education
Rumson-Fair Haven Regional School District
Rumson, New Jersey

Dear Board Members/Citizens:

It is with pleasure we submit the Comprehensive Annual Financial Report (CAFR) of the Rumson-Fair Haven Regional High School for the fiscal year ended June 30, 2020. This CAFR includes the district's basic financial statements prepared in accordance with generally accepted accounting principles for local governments. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the district. 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 district. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities, including the Management's Discussion and Analysis, have been included.

The Comprehensive Annual Financial Report is presented in four sections as follows:

- The Introductory Section contains a Letter of Transmittal, Roster of Officials, List of Consultants, Independent Auditors and Advisors, and an Organizational Chart of the School District;
- The Financial Section begins with the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the district's financial position and operating results, and other schedules providing detailed budgetary information;
- The Statistical Section includes selected economic and demographic information, financial trends, and the fiscal capacity of the school district, generally presented on a multi-year basis;
- The Single Audit Section – The district is required to undergo an annual Single Audit in conformity with the provisions 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 New Jersey 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 independent auditors' report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, is included in the Single Audit Section of this report.

SCHOOL DISTRICT ORGANIZATION

The Rumson-Fair Haven Regional High School is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14 as amended by GASB Statement No. 39. The Rumson-Fair Haven Regional Board of Education and its High School constitute the district's reporting entity.

The district continues to maintain a high quality of education and provides a full range of programs and services appropriate to grades 9 through 12. These include regular education, as well as programs for students with disabilities both in and out of district.

The Board of Education, comprised of nine members, each elected to three-year terms, meets on the second and third Tuesday of each month for the regular monthly meeting. During its meetings the board determines district goals and priorities and conducts other business. Board meetings are open to the public and begin at 7:00 PM.

Various parent groups, including the Rumson Fair Haven Education Foundation, the Performing Arts Society, the Booster Club and the PTO, are highly active in the district and provide community support for a variety of programs and activities for the children.

To maintain effective communications, the district uses several options to ensure a consistent flow of information to our stakeholders. During the budget review process, information about the budget was posted on the district website. The district website is updated regularly with important information for parents, such as school closures, delayed openings, medical/health alerts, new curriculum initiatives, new board projects, and more. The district also communicates with parents via Blackboard, a system that provides both phone and e-mail contact. The ability to contact the entire parent population within minutes in order to update them in an emergency situation, is a vital component in ensuring that our communication efforts are timely, accurate, and effective.

MAINTAINING OUR SCHOOL SYSTEM

Our first priority is maintaining current educational programming and opportunities for students. We strongly believe that maintaining programs and opportunities translates into "staying ahead of the curve." In other words, "maintaining" translates to developing new, yet sensible (research-based) programs. The 2019-2020 budget reflected the commitment to district goals and continual improvement of programs.

RAISING STANDARDS AND EXPANDING OPPORTUNITIES

During the 2019-2020 school year, the district worked on key initiatives such as:

- 1) Create opportunities for 21st Century Learning experiences for all students
- 2) Improve communication structures
- 3) Evaluate the organization of the administrative team/tasks
- 4) Assess the sustainability of the activities and athletics programs
- 5) Improving resources for student wellness

BUILDING PROFESSIONALISM

Our professional development initiatives are built into our budget. During the 2019-2020 school year, initiatives include: the addition of Innovation Specialists, teachers who coach other teachers in key areas of pedagogy. Additionally, 2019-2020 marked the addition of teacher led professional development sessions focused on technology and implementation of new standards.

PROTECTING OUR INVESTMENT - CAPITAL AND MAINTENANCE RESERVE

The 2018-2019 school year marked the Rumson Fair Haven community's approval of a \$12.59 million referendum. These funds provide for a five year implementation of improvements to our facilities. During the 2018-2019 school year, a great deal of time was spent planning for phasing in the construction activities. Teachers and leaders joined Board members in planning for the first phase of the referendum, which included renovations to the classrooms on the third floor, the rooms used by our self-contained special education programs, and a new world language lab. Construction began as soon as the students graduated in June, 2019. During the 2019-2020 school year, the 300 wing was updated and several classrooms were reconfigured to create additional classroom space. Planning for construction during 2020-2021 was conducted. A maintenance plan has been written for existing facilities and equipment. In conjunction with the improvements delineated in the referendum, funds from maintenance reserve and capital reserve were used to make improvements to the site.

PLANNING FOR THE FUTURE

Every summer the entire administrative team meets with the Board to plan for the future. Every initiative is discussed and goals are written in the ensuing months. Every topic, including budget, facilities, curricula, wellness, community relations, etc. is discussed and planned for.

MATH

Building upon the work done in the 2018-2019 school year, we implemented Physics 9 by connecting Algebra I and Physics. Math teachers were included in the Physics classrooms in order to address the mathematical skills necessary to learn Physics.

SCIENCE

The referendum includes funds for renovations of all science classrooms. Teachers and administrators collaborated to plan for a change in sequence for high school science courses, which allows for grade nine students enrolled in Algebra to enroll in Physics concurrently.

ENGLISH AND LANGUAGE ARTS

We successfully implemented dual-enrollment courses with Rutgers University in the English department. Teachers were trained to teach Expository Writing. Students were successful in the course, and writing skills taught in this course are also being explored in other courses. We also have implemented writing across the curriculum initiative and English teachers have served as models and mentors.

SOCIAL STUDIES

Articulation meetings with sending districts are being held on an ongoing basis. The Social Studies department is helping the English department's efforts in promoting writing across the curriculum. Some sections of Social Studies are supported by Literacy Coaches, funded by Title I funds.

21st CENTURY LIFE AND CAREERS

We continue to examine the infusion of 21st century life and careers standards into existing curricula offerings. Every course we revise and work on in any way examines the linkage to 21st century and careers standards.

VISUAL AND PERFORMING ARTS

There exists an excellent linkage to the sending districts. This connection helped our program to grow slightly over the years. We engage in many joint ventures with the sending districts.

COMPREHENSIVE HEALTH AND PHYSICAL EDUCATION

We reviewed and revised the physical education curriculum to infuse writing and reflection in the curriculum. We are continuing work to develop curricula that provide life skills and training to all students.

WORLD LANGUAGE

We continue our exchange programs (Spanish and Chinese) and are looking to expand the program to include French. In 2019-2020, our students participated in Immersion programs in China and Spain (November, 2019). Students from Spain spent a week with RFH students in February, 2020.

TECHNOLOGY

We recently audited all courses to ascertain technology skills that are taught. We are currently working on scope and sequence that would ensure all of our students are taught the essential technological skills prior to graduation.

INTERNAL CONTROLS

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

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

As part of the district's Single Audit, described earlier, tests are made to determine adequacy of the internal control system, including that portion related to federal and state financial assistance programs, as well as to determine that the district has complied with applicable laws, regulations, contracts and grants.

BUDGETARY CONTROLS

In addition to internal controls, the district maintains budgetary controls. The objective of these 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 funds, and the debt service fund. The final budget amount, as amended for the fiscal year, is reflected in the financial section. P.L. 2011, c 202 allowed school districts to elect to eliminate the budget vote and adopt a budget approved by the Board of Education and the New Jersey Department of Education (NJDOE) providing that the tax levy increase does not exceed 2% plus any allowable waivers.

ACCOUNTING SYSTEM AND REPORTS

The District's financial statements are presented in conformity with accounting principles generally accepted in the United States, as promulgated by the Governmental Accounting Standards Board

(GASB). The accounting system of the district is an encumbrance accounting system that 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-appropriations of fund balance at fiscal year end. These funds are explained in "Notes to the Basic Financial Statements," Note 1.

INDEPENDENT AUDIT

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. In addition to meeting the requirements set forth in State Statutes, the audit also was designed to meet requirements of Title 2 U.S. Code of Federal Requirements Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the New Jersey OMB's Circular 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". The auditors' report on the basic financial statements, required supplementary information, individual fund statements and schedules is included in the financial section of this report. The auditors' reports related specifically to the Single Audit are included in the single audit section of this report.

Accounting principles generally accepted in the United States require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

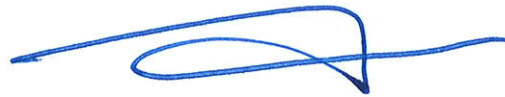
ACKNOWLEDGMENTS

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

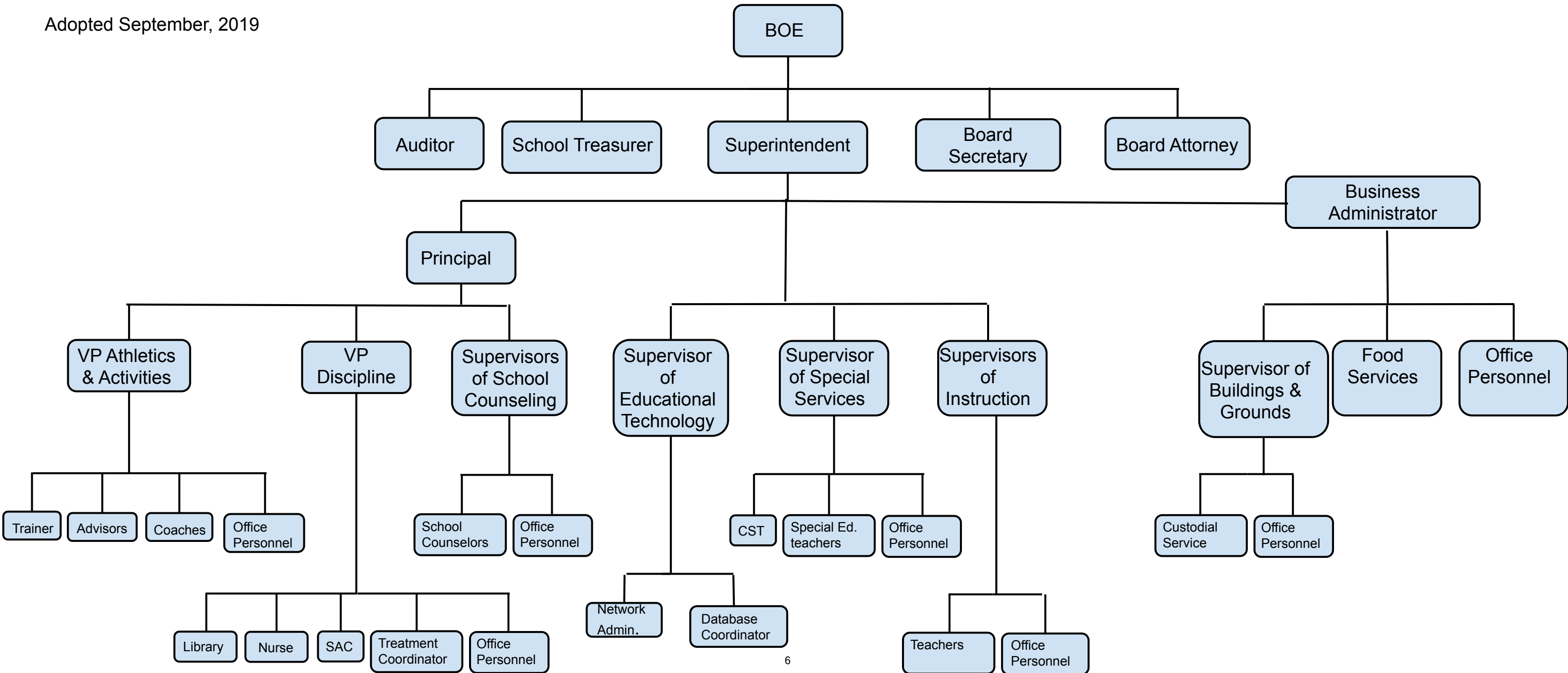
Respectfully submitted,



Debra Gulick
Superintendent



Frank E. Gripp III
School Business Administrator/
Board Secretary



Rumson-Fair Haven Regional High School District
Rumson, New Jersey

Roster of Officials
June 30, 2020

Members of the Board of Education

Term Expires

Annie McGinty, President	2020
Jane Pattwell, Vice President	2022
Brian Leddin	2021
Lisa Walters	2020
Anthony Leland	2022
Sarah Maris	2021
Katherine Thompson	2022
Joseph Kenney	2021
Eileen Hickey	2020

Other Officials

Debra Gulick, Superintendent

Frank E. Gripp, III, School Business Administrator/Board Secretary

Anthony Sciarrillo, Esquire

Rumson-Fair Haven Regional High School District
Consultants and Advisors

Audit Firm

Kathryn Perry, CPA
Jump, Perry and Company, L.L.P.
12 Lexington Avenue
Toms River, New Jersey 08753

Attorney

Anthony Sciarrillo, Esq.
Sciarrillo, Cornell, Merlino, McKeever & Osborne, LLC
238 St. Paul Street
Westfield, New Jersey 07090

Official Depositories

Wells Fargo Bank
Rumson, New Jersey

PNC Bank
Fair Haven, New Jersey

Rumson-Fair Haven Bank and Trust
Fair Haven, New Jersey

State of NJ Cash Management Fund

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Rumson-Fair Haven Regional High School District:
County of Monmouth
Rumson, New Jersey

Report of 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 Board of Education of Rumson-Fair Haven Regional High School District in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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 standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Rumson-Fair Haven Regional High School District in the County of Monmouth, State of New Jersey as of June 30, 2020 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, and the schedules related to accounting and reporting for pensions and post-retirement benefits, as listed 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 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 Rumson-Fair Haven Regional High School District's basic financial statements. The introductory section, combining fund financial statements and schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and is also not a required part of the basic financial statements.

The combining fund financial statements and schedules and the schedule of expenditures of federal and state awards are the responsibility of management and were derived from and relate 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 fund financial statements and schedules and the schedule of expenditures of federal and state awards are fairly stated, in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 5, 2020 on our consideration of the Board of Education of the Rumson-Fair Haven Regional High School District in the County of Monmouth, State of New Jersey 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 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 Rumson-Fair Haven Regional High School District in the County of Monmouth, State of New Jersey internal control over financial reporting and compliance.

Respectfully Submitted,



Jump, Perry & Company L.L.P.
Toms River, New Jersey



Kathryn Perry, Partner
Licensed Public School Accountant
No. CS 20CS00226400

November 5, 2020

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Rumson-Fair Haven Regional High School District

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2020

Unaudited

The discussion and analysis of Rumson-Fair Haven Regional High School District's financial performance provides an overall review of the School Board's financial activities for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at the School Board's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School Board's financial performance.

Financial Highlights

Key financial highlights for June 30, 2020 are as follows:

Net position totaled \$14,298,764, which represents a (11.14) percent decrease from June 30, 2019.

General revenues accounted for \$21,754,374 in revenue or 90.19 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$2,366,642 or 9.81 percent of total revenues of \$24,121,016.

Total assets decreased by \$2,101,759 as current assets decreased by \$1,475,293 and capital assets, net decreased by \$(626,466).

The School Board had \$25,913,085 in expenses; only \$2,366,642 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$21,754,374 were adequate to provide for these programs.

Among major funds, the General Fund had \$22,199,459 in revenues and \$21,158,357 in expenditures and transfers. The General Fund's balance increased \$1,041,102 over June 30, 2019. The General Fund's balance is \$5,976,806.

Using this Comprehensive Annual Financial Report (CAFR)

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

The Statement of Net Position and Statement of Activities provide information about the activities of the School Board, presenting both an aggregate view of the School Board's finances and longer-term view of those finances. Fund financial statements provide the next level of detail. For government funds, these statements tell how services were financed in the short term as well as what remains for future spending. The fund financial statements also look at the School Board's most significant funds with all other non-major funds presented in total in one column. In the case of Rumson-Fair Haven Regional High School District, the General Fund is by far the most significant.

Reporting the School Board as a Whole

Statement of Net Position and the Statement of Activities

The Statement of Net Position and Statement of Activities provide information about the activities of the entire School District and are designed to provide readers with a broad overview of the District's finances, in a manner similar to private-sector business.

These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into consideration all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in net position. The change in net position is important because it informs the reader that, for the School District as a whole, the financial position of the School District has improved or worsened. The causes of the change may be the result of many factors, some financial and some not. Non-financial factors include, but are not limited to, the District's property tax base, current laws in New Jersey restricting revenue growth, facility conditions, and required educational programs. In the Statement of Net Position and the Statement of Activities, the School Board is divided into two kinds of activities:

Governmental Activities - All of the School Board's programs and services are reported here including, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

Business-Type Activities - This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service Funds are reported as a business activity.

Reporting the School Board's Most Significant Funds

Fund Financial Statement

The Analysis of the School Board's major funds begins with Exhibit B-1. Fund financial reports provide detailed information about the School Board's major funds. The School Board's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund.

Governmental Funds

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

Enterprise Fund

The Enterprise Fund uses the same basis of accounting as business-type activities.

The School Board as a Whole

The Statement of Net Position provides the financial perspective of the School Board as a whole.

Table 1 provides a summary comparison of the School Board's net position for June 30, 2020 and 2019.

Table 1

Net Position as of June 30, 2020 and June 30, 2019

	June 30, 2020			June 30, 2019		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Assets:						
Current and other assets	\$ 15,659,081	\$ 296,618	\$ 15,955,699	\$ 17,174,940	\$ 256,052	\$ 17,430,992
Capital assets, net	14,573,372	42,526	14,615,898	15,195,081	47,283	15,242,364
Total assets	30,232,453	339,144	30,571,597	32,370,021	303,335	32,673,356
Deferred outflow of resources	622,216	-	622,216	967,168	-	967,168
Liabilities:						
Current liabilities	125,656	-	125,656	2,313	-	2,313
Long-term liabilities outstanding	15,492,182	-	15,492,182	16,286,916	-	16,286,916
Total liabilities	15,617,838	-	15,617,838	16,289,229	-	16,289,229
Deferred inflow of resources	1,277,211	-	1,277,211	1,260,462	-	1,260,462
Net position:						
Net investment in capital assets	2,378,372	42,526	2,420,898	2,599,081	47,283	2,646,364
Restricted	14,866,042	-	14,866,042	16,204,125	-	16,204,125
Unrestricted	(3,284,794)	296,618	(2,988,176)	(3,015,708)	256,052	(2,759,656)
Total Net Position	\$ 13,959,620	\$ 339,144	\$ 14,298,764	\$ 15,787,498	\$ 303,335	\$ 16,090,833

The unrestricted net position is a negative balance due to the unfunded liabilities for compensated absences and PERS pension. The District expects to be able to fund these liabilities as they come due yearly.

The School Board's combined net position was \$14,298,764 on June 30, 2020. This is a change of (11.14)% from the previous year.

Table 2 provides a comparison analysis of School Board's changes in net position from fiscal years June 30, 2020 and 2019.

Table 2

Changes in Net Position

	June 30, 2020			June 30, 2019		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues						
Program revenues:						
Charges for services	\$ 295,816	\$ 818,483	\$ 1,114,299	\$ 257,211	\$ 1,103,526	\$ 1,360,737
Operating and capital grants and contributions	1,252,343	-	1,252,343	1,335,385	-	1,335,385
General revenues:						
Property taxes	20,031,713	-	20,031,713	19,477,149	-	19,477,149
Federal and state aid	1,381,350	-	1,381,350	1,035,306	-	1,035,306
Investment earnings	214,753	-	214,753	-	-	-
Miscellaneous	126,558	-	126,558	266,245	-	266,245
Total revenues	23,302,533	818,483	24,121,016	22,371,296	1,103,526	23,474,822
Expenses						
Instructional services	9,970,941	-	9,970,941	9,633,086	-	9,633,086
Support services	14,662,146	782,674	15,444,820	12,525,201	1,045,064	13,570,265
Interest on long-term liabilities	497,324	-	497,324	13,757	-	13,757
Total expenses	25,130,411	782,674	25,913,085	22,172,044	1,045,064	23,217,108
Change in net position	(1,827,878)	35,809	(1,792,069)	199,252	58,462	257,714
Net position - beginning	15,787,498	303,335	16,090,833	15,588,246	244,873	15,833,119
Net position (deficit) - ending	\$ 13,959,620	\$ 339,144	\$ 14,298,764	\$ 15,787,498	\$ 303,335	\$ 16,090,833

The tax levy increase was due in general to cover increased costs in salaries and benefits, equipment, and materials. The Federal and State aid-restricted increased due to the increase in grants available.

Regular instructional costs increased due to contractual increases in salary and benefits as well as program maintenance and enhancements.

Other support services increased primarily due to the additional other purchased professional services from the Special Revenue Fund.

Expenses for Fiscal Year June 30, 2020

Business-Type Activities

Revenues for the District's business-type activities (food service program and intramurals) were comprised of charges for services and royalties.

Total Enterprise Fund revenues exceeded expenses by \$35,809.

Charges for services represent \$818,483 of revenue. This represents the amount paid by patrons for daily food service and catering.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total costs of services and the net cost of services. The net cost shows the financial burden that was placed on the School District's taxpayers by each of these functions.

Table 3

	2020		2019	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Instruction	\$ 9,970,941	\$ 9,675,125	\$ 9,633,086	\$ 9,633,086
Support Services:				
Pupils and Instructional Staff	5,155,598	3,903,255	4,942,823	3,607,438
General Administration, School Administration, Business Operation and Maintenance of Facilities	8,556,584	8,556,584	6,172,721	6,172,721
Pupil Transportation	949,964	949,964	1,409,657	1,409,657
Interest and Fiscal Charges	<u>497,324</u>	<u>497,324</u>	<u>13,757</u>	<u>13,757</u>
Total Expenses	<u>\$ 25,130,411</u>	<u>\$ 23,582,252</u>	<u>\$ 22,172,044</u>	<u>\$ 20,836,659</u>

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

Extracurricular activities includes expenses related to student activities provided by the District which are designed to provide opportunities for students to participate in school and public events for the purpose of motivation, enjoyment, skill improvement, school spirit and leadership. Approximately 95% of the student population participates in extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

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

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

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

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the District.

The School Board's Funds

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

As the School Board completed the fiscal year ended June 30, 2020, it reported a combined fund balance of \$15,533,425, which is a decrease of \$1,639,202. The Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds, Exhibit B-2, presents the reader with a detailed explanation of the decrease in fund balance for the fiscal year.

The following schedule presents a summary of General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund revenues for the fiscal year ended June 30, 2020.

<u>Revenue</u>	<u>2020 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2019</u>	<u>Percent of Increase/ (Decrease)</u>
Local Sources	\$ 20,668,840	88.69 %	\$ 668,235	3.34 %
State Sources	2,545,982	10.93	412,451	19.33
Federal Sources	<u>87,711</u>	<u>0.38</u>	<u>(149,449)</u>	<u>(63.02)</u>
Total	<u>\$ 23,302,533</u>	<u>100.00 %</u>	<u>\$ 931,237</u>	<u>4.16 %</u>

The following schedule presents a summary of General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2020.

<u>Expenditures</u>	<u>2020 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2019</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expenditures:				
Instruction	\$ 8,970,115	35.97 %	\$ 271,474	3.12 %
Undistributed				
Expenditures	12,185,281	48.85	(65,646)	(0.54)
Capital Outlay	2,888,015	11.58	1,462,829	102.64
Debt Service:				
Principal	401,000	1.61	(374,000)	(48.26)
Interest	<u>497,324</u>	<u>1.99</u>	<u>481,824</u>	<u>3,108.54</u>
Total	<u>\$ 24,941,735</u>	<u>100.00 %</u>	<u>\$ 1,776,481</u>	<u>7.67 %</u>

General Fund Budgeting Highlights

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

Over the course of the year, the School Board revises its budget as it attempts to take into consideration unexpected changes in revenue and expenditures.

A schedule showing the School Board's original and final budget compared with actual operating results is provided in Section C of the CAFR, entitled Budgetary Comparison Schedules. The School Board generally did better than had been budgeted in its General Fund since it practices conservative budgetary practices in which revenues are forecasted very conservatively and expenditures are budgeted with worst-case scenarios in mind.

The General Fund finished the fiscal year approximately \$4,796,272 better than had been budgeted in terms of expenditures. Revenue-wise, the General Fund fared about \$678,207 more than expected. Both these amounts have been adjusted for the non-budgeted amounts reflected in the comparison schedule for reimbursed TPAF social security contributions and on-behalf TPAF post-retirement medical contributions.

The General Fund has restricted a portion of its Fund Balance. The restricted Fund Balance items are as follows:

Capital Reserve	1,255,074
Maintenance Reserve	818,149
Emergency Reserve	25,000

These restricted reserves are regulated as to their use by the State of New Jersey. Therefore, the Board places funds in the reserves in combination with the future financial needs of the District.

The expenditures were less due to cost containment by the Board even after the salary and benefit increases. General supplies were purchased at better prices than expected due to the school board joining other schools in cooperative bidding. Through efforts made in finding jointures with other local districts, and increase students on district owned vehicles the district transportation costs were lowered for special needs students.

The excesses will be carried forward into the beginning fund balance from the 2019-2020 fiscal year and will be used to reduce the local tax levy for the 2021-2022 fiscal year.

Capital Assets and Debt Administration

Capital Assets. At the end of the fiscal year June 30, 2020, the School Board had \$14,615,898 invested in land, buildings, and machinery and equipment.

Table 4

Capital Assets (Net of Depreciation) at June 30, 2020 and June 30, 2019

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 7,500	\$ 7,500	\$ -	\$ -	\$ 7,500	\$ 7,500
Construction in Progress Building and Improvements	-	1,370,445	-	-	-	1,370,445
Machinery and Equipment	13,811,592	12,984,794	12,875	4,163	13,824,467	12,988,957
	754,280	832,342	29,651	(84,339)	783,931	748,003
Total	\$ 14,573,372	\$ 15,195,081	\$ 42,526	\$ (80,176)	\$ 14,615,898	\$ 15,114,905

During the current fiscal year, \$509,167 of capital assets were capitalized as additions. Increases in capital assets were offset by depreciation expense for the year.

Debt Administration. The District's long-term liabilities are as follows for the governmental and business-type activities :

	June 30, 2020	June 30, 2019
Bonds Payable (net)	\$ 12,195,000	\$ 12,596,000
Pension Liability-PERS	3,003,477	3,364,752
Compensated Absences Payable	<u>293,705</u>	<u>326,164</u>
Total Long-Term Liabilities	\$ <u>15,492,182</u>	\$ <u>16,286,916</u>

For more detailed information, please refer to the Capital Assets and Long-term debt notes in the basic financial statements.

Economic Factors and Next Year's Budget

For the 2019-2020 school year, the School Board was able to sustain its budget through the local tax levy, state education aid and local revenue sources. Approximately 11.31% of the School Board's revenue is from federal, state and local aid (restricted and not restricted), while 88.69% of total revenue is from local tax levy.

The \$(3,284,794) in unrestricted net position for all governmental activities represents the accumulated results of all past years' operations. It means that if the School Board had to pay off all bills today, including all of the School Board's non-capital liabilities (compensated absences, etc.), the School Board would have that much in value.

The 2019-2020 budget was adopted in May 2019 based in part on the state education aid the School Board anticipated receiving. Due to the economic condition in the State of New Jersey funding from the State for the current year remained below the previous year. Any future increases based on the enrollment formula, originally formulated to allocate state education aid amongst school boards, will be minimal. Future decreases in local revenue and state education aid will place additional burden on the Borough's of Rumson and Fair Haven for increased aid.

The School Board anticipates a slight increase in enrollment for the 2020-2021 fiscal year. If the School Board were to experience a significant increase in enrollment with no appreciable increase in state aid for future budgets, the School Board will be faced with the following alternatives: (a) reduce programs and services, (b) increase local tax levy or (c) seek alternative sources of funding.

Contacting the School Board's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or need additional information, you may contact the School Business Administrator/Board Secretary at Rumson-Fair Haven Regional High School District, 74 Ridge Road, Rumson, NJ, 07760.

BASIC FINANCIAL STATEMENTS

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Statement of Net Position
June 30, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 14,242,676	\$ 294,065	\$ 14,536,741
Capital reserve cash	1,032,106	-	1,032,106
Receivables - other	17,133	-	17,133
Receivables - state	367,015	-	367,015
Receivables - federal	-	-	-
Inventory	-	2,553	2,553
Interfund receivable	151	-	151
Capital assets, non depreciable	7,500	-	7,500
Capital assets, depreciable net:	14,565,872	42,526	14,608,398
Total assets	<u>30,232,453</u>	<u>339,144</u>	<u>30,571,597</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - PERS	622,216	-	622,216
Deferred charge on refunding	-	-	-
Total deferred outflows of resources	<u>622,216</u>	<u>-</u>	<u>622,216</u>
LIABILITIES			
Other liabilities	20	-	20
Unearned revenue	125,636	-	125,636
Noncurrent liabilities:			
Due within one year	489,278	-	489,278
Due beyond one year	15,002,904	-	15,002,904
Total liabilities	<u>15,617,838</u>	<u>-</u>	<u>15,617,838</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - PERS	1,277,211	-	1,277,211
Deferred premium on refunding	-	-	-
Total deferred inflows of resources	<u>1,277,211</u>	<u>-</u>	<u>1,277,211</u>
NET POSITION			
Net investment in capital assets	2,378,372	42,526	2,420,898
Restricted for:			
Debt service	1	-	1
Capital projects	10,811,692	-	10,811,692
Other purposes	4,054,349	-	4,054,349
Unrestricted	(3,284,794)	296,618	(2,988,176)
Total net position	<u>\$ 13,959,620</u>	<u>\$ 339,144</u>	<u>\$ 14,298,764</u>

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Current:							
Regular instruction	\$ 7,309,321	\$ 295,816	\$ -	\$ -	\$ (7,013,505)	\$ -	\$ (7,013,505)
Special education instruction	1,506,598	-	-	-	(1,506,598)	-	(1,506,598)
Other special instruction	1,155,022	-	-	-	(1,155,022)	-	(1,155,022)
Support services and undistributed costs:							
Instruction	1,106,999	-	-	-	(1,106,999)	-	(1,106,999)
Attendance and social work	29,608	-	-	-	(29,608)	-	(29,608)
Health services	95,021	-	-	-	(95,021)	-	(95,021)
Other support services	1,834,439	-	-	-	(1,834,439)	-	(1,834,439)
Improvement of instruction	695,469	-	-	-	(695,469)	-	(695,469)
Educational media services	125,787	-	-	-	(125,787)	-	(125,787)
Instruction staff training	15,932	-	-	-	(15,932)	-	(15,932)
General administrative services	659,983	-	-	-	(659,983)	-	(659,983)
School administrative services	498,080	-	-	-	(498,080)	-	(498,080)
School central services	332,824	-	-	-	(332,824)	-	(332,824)
School admin info technology	21,315	-	-	-	(21,315)	-	(21,315)
Allowed maintenance for school facilities	606,059	-	-	-	(606,059)	-	(606,059)
Other operation & maintenance of plant	3,469,063	-	-	-	(3,469,063)	-	(3,469,063)
Care & upkeep of grounds	68,757	-	-	-	(68,757)	-	(68,757)
Security	198,554	-	-	-	(198,554)	-	(198,554)
Student transportation services	949,964	-	-	-	(949,964)	-	(949,964)
Unallocated employee benefits	2,701,949	-	-	-	(2,701,949)	-	(2,701,949)
Non-budgeted expenditures	1,252,343	-	1,252,343	-	-	-	-
Interest expense	497,324	-	-	-	(497,324)	-	(497,324)
Total governmental activities	25,130,411	295,816	1,252,343	-	(23,582,252)	-	(23,582,252)
Business-type activities:							
Food Service	758,648	797,306	-	-	-	38,658	38,658
Intramurals	24,026	21,177	-	-	-	(2,849)	(2,849)
Total business-type activities	782,674	818,483	-	-	-	35,809	35,809
Total primary government	\$ 25,913,085	\$ 1,114,299	\$ 1,252,343	\$ -	\$ (23,582,252)	\$ 35,809	\$ (23,546,443)
General revenues:							
Taxes:							
Property taxes levied for general purpose					19,318,269	-	19,318,269
Taxes levied for debt service					713,444	-	713,444
Federal and state aid					1,381,350	-	1,381,350
Miscellaneous income					126,558	-	126,558
Investment Income					214,753	-	214,753
Total general revenues					21,754,374	-	21,754,374
Change in net position					(1,827,878)	35,809	(1,792,069)
Net position—beginning					15,787,498	303,335	16,090,833
Net position—ending					\$ 13,959,620	339,144	\$ 14,298,764

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 4,560,401	\$ 125,636	\$ 9,556,618	\$ 21	\$ 14,242,676
Capital reserve account	1,032,106	-	-	-	1,032,106
Receivables from other funds	151	-	-	-	151
Receivables from state	367,015	-	-	-	367,015
Receivables from federal	-	-	-	-	-
Receivables from other governments	-	-	-	-	-
Other receivables	17,133	-	-	-	17,133
Total assets	<u>\$ 5,976,806</u>	<u>\$ 125,636</u>	<u>\$ 9,556,618</u>	<u>\$ 21</u>	<u>\$ 15,659,081</u>
LIABILITIES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund payable	-	-	-	-	-
Other current liabilities	-	-	-	20	20
Unearned revenue	-	125,636	-	-	125,636
Total liabilities	<u>-</u>	<u>125,636</u>	<u>-</u>	<u>20</u>	<u>125,656</u>
FUND BALANCES					
Restricted for:					
Unexpended additional spending proposal					
Capital reserve account	1,255,074	-	-	-	1,255,074
Maintenance reserve account	818,149	-	-	-	818,149
Emergency reserve account	25,000	-	-	-	25,000
Excess surplus - current year	-	-	-	-	-
Excess surplus -- designated for					
Subsequent year's expenditures	-	-	-	-	-
Debt service fund	-	-	-	1	1
Capital projects fund	-	-	9,556,618	-	9,556,618
Special revenue fund	-	-	-	-	-
Other purposes	-	-	-	-	-
Assigned to:					
Designated by the BOE for subsequent year's expenditures	584,669	-	-	-	584,669
Other purposes	2,626,531	-	-	-	2,626,531
Unassigned to:					
General fund	667,383	-	-	-	667,383
Total fund balances	<u>5,976,806</u>	<u>-</u>	<u>9,556,618</u>	<u>1</u>	<u>15,533,425</u>
Total liabilities and fund balances	<u>\$ 5,976,806</u>	<u>\$ 125,636</u>	<u>\$ 9,556,618</u>	<u>\$ 21</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$32,452,287 and the accumulated depreciation is \$17,878,915.	14,573,372
Deferred outflows related to the PERS pension plan	622,216
Deferred inflows related to the PERS pension plan	(1,277,211)
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(15,492,182)</u>
Net position of governmental activities	<u>\$ 13,959,620</u>

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	\$ 19,318,269	\$ -	\$ -	\$ 713,444	\$ 20,031,713
Tuition charges	295,816	-	-	-	295,816
Interest on investments	191,094	-	-	-	191,094
Interest earned on capital reserve funds	23,659	-	-	-	23,659
Miscellaneous	9,520	117,038	-	-	126,558
Total - Local sources	19,838,358	117,038	-	713,444	20,668,840
State sources	2,361,101	-	-	184,881	2,545,982
Federal sources	-	87,711	-	-	87,711
Total revenues	22,199,459	204,749	-	898,325	23,302,533
EXPENDITURES					
Current:					
Regular instruction	\$ 6,151,771	\$ 196,304	\$ -	\$ -	\$ 6,348,075
Special education instruction	1,472,672	-	-	-	1,472,672
Other special instruction	1,149,368	-	-	-	1,149,368
Undistributed - current:					
Instruction	1,010,875	-	-	-	1,010,875
Attendance and social work	29,608	-	-	-	29,608
Health services	88,221	6,800	-	-	95,021
Other support services	1,832,794	1,645	-	-	1,834,439
Improvement of instruction	695,469	-	-	-	695,469
Educational media services	125,787	-	-	-	125,787
Instruction staff training	15,932	-	-	-	15,932
General administrative services	659,983	-	-	-	659,983
School administrative services	496,613	-	-	-	496,613
School central services	332,824	-	-	-	332,824
School admin info technology	21,315	-	-	-	21,315
Required maintenance for school facilities	606,059	-	-	-	606,059
Other operation & maintenance of plant	1,090,215	-	-	-	1,090,215
Care & upkeep of grounds	68,757	-	-	-	68,757
Security	198,554	-	-	-	198,554
Student transportation services	949,964	-	-	-	949,964
Unallocated employee benefits	2,701,523	-	-	-	2,701,523
Non-budgeted expenditures	1,252,343	-	-	-	1,252,343
Debt service:					
Principal	-	-	-	401,000	401,000
Interest and other charges	-	-	-	497,324	497,324
Capital outlay	207,710	-	2,680,305	-	2,888,015
Total expenditures	21,158,357	204,749	2,680,305	898,324	24,941,735
Excess (Deficiency) of revenues over expenditures	1,041,102	-	(2,680,305)	1	(1,639,202)
OTHER FINANCING SOURCES (USES)					
Transfer from Debt Service Fund	-	-	-	-	-
Transfer to Capital Fund	-	-	-	-	-
Bond Issuance	-	-	-	-	-
Bond Premium	-	-	-	-	-
Costs for bond issuance	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-
Net change in fund balances	1,041,102	-	(2,680,305)	1	(1,639,202)
Fund balance—July 1	4,935,704	-	12,236,923	-	17,172,627
Fund balance—June 30	\$ 5,976,806	\$ -	\$ 9,556,618	\$ 1	\$ 15,533,425

RUMSON-FAIR HAVEN REGIONAL HIGH 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, 2020

Total net change in fund balances - governmental funds (from B-2) **\$ (1,639,202)**

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	\$ (1,130,876)	
	Capital outlays	<u>509,167</u>	(621,709)

In the Statement of Activities, the PERS pension expense is the amount paid plus net change in the Deferred Outflows, Deferred Inflows and pension liability as reported by the State of New Jersey. (426)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long -term liabilities in the statement of net position and is not reported in the statement of activities. 401,000

In the statement of activities, certain operating expenses, e.g., compensated absences (sick leave) and special termination benefits (early retirement incentive) 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, essentially, the amounts actually paid. 32,459

Change in net position of governmental activities **\$ (1,827,878)**

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2020

	Business-type Activities - Enterprise Funds		
	Food Service	Intramural	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 278,733	\$ 15,332	\$ 294,065
Other receivables	-	-	-
Inventories	2,553	-	2,553
Total current assets	281,286	15,332	296,618
Noncurrent assets:			
Furniture, machinery & equipment	174,742	-	174,742
Less accumulated depreciation	(132,216)	-	(132,216)
Total noncurrent assets	42,526	-	42,526
Total assets	\$ 323,812	\$ 15,332	\$ 339,144
LIABILITIES			
Current liabilities:			
Accounts payable	-	-	-
Interfund payable	-	-	-
Accrued salaries and benefits	-	-	-
Total current liabilities	-	-	-
Noncurrent Liabilities:			
Compensated absences	-	-	-
Total noncurrent liabilities	-	-	-
Total liabilities	-	-	-
NET POSITION			
Net investment in capital assets	42,526	-	42,526
Restricted for:			
Other	-	-	-
Unrestricted	281,286	15,332	296,618
Total net position	323,812	15,332	339,144
Total liabilities and net position	\$ 323,812	\$ 15,332	\$ 339,144

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2020

	Business-type Activities - Enterprise Fund		
	Food Service	Intramural	Total Enterprise
Operating revenues:			
Local sources:			
Daily sales reimbursable programs			
School breakfast	\$ -	\$ -	\$ -
School lunch	-	-	-
Total daily sales reimbursable programs	-	-	-
Daily sales non-reimbursable programs	789,004	-	789,004
Special functions	8,302	-	8,302
Miscellaneous	-	21,177	21,177
Total operating revenues	<u>797,306</u>	<u>21,177</u>	<u>818,483</u>
Operating expenses:			
Salaries	274,794	20,856	295,650
Employee benefits	55,503	3,170	58,673
Purchased property	5,609	-	5,609
Other purchased services	58,682	-	58,682
Supplies and materials	40,730	-	40,730
Depreciation	4,757	-	4,757
Cost of sales - reimbursable programs	-	-	-
Cost of sales - non-reimbursable programs	318,573	-	318,573
Total operating expenses	<u>758,648</u>	<u>24,026</u>	<u>782,674</u>
Operating income (loss)	<u>38,658</u>	<u>(2,849)</u>	<u>35,809</u>
Nonoperating revenues (expenses):			
Interest income	-	-	-
State sources:			
State school lunch program	-	-	-
State school breakfast program	-	-	-
Federal sources:			
School breakfast program	-	-	-
National school lunch program	-	-	-
Food distribution program	-	-	-
After school snack program	-	-	-
Total nonoperating revenues (expenses)	<u>-</u>	<u>-</u>	<u>-</u>
Income before contributions & transfers	<u>38,658</u>	<u>(2,849)</u>	<u>35,809</u>
Transfers in (out)	-	-	-
Change in net position	<u>38,658</u>	<u>(2,849)</u>	<u>35,809</u>
Total net position—beginning	285,154	18,181	303,335
Total net position—ending	<u>\$ 323,812</u>	<u>\$ 15,332</u>	<u>\$ 339,144</u>

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2020

	Business-type Activities - Enterprise Funds		
	Food Service	Intramural	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and other funds	\$ 798,811	\$ 21,177	\$ 819,988
Payments to employees & benefits	(330,297)	(24,026)	(354,323)
Payments to suppliers	(424,655)	-	(424,655)
Net cash provided by (used in) operating activities	<u>43,859</u>	<u>(2,849)</u>	<u>41,010</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State sources	-	-	-
Federal sources	-	-	-
Board interfund loans	-	-	-
Net cash provided by (used in) non-capital financing activities	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Change in capital contributions	-	-	-
Purchases of capital assets	-	-	-
Gain/Loss on sale of capital assets (proceeds)	-	-	-
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	-	-	-
Proceeds from sale/maturities of investments	-	-	-
Net cash provided by (used in) investing activities	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	43,859	(2,849)	41,010
Balances—beginning of year	234,874	18,181	253,055
Balances—end of year	<u>\$ 278,733</u>	<u>\$ 15,332</u>	<u>\$ 294,065</u>
Reconciliation of operating income (loss) to net cash provided by			
(used in) operating activities:			
Operating income (loss)	\$ 38,658	\$ (2,849)	\$ 35,809
Adjustments to reconcile operating income (loss) to			
net cash provided by (used in) operating activities:			
Depreciation and net amortization	4,757	-	4,757
(Increase) decrease in other receivables	1,505	-	1,505
(Increase) decrease in inventories	(1,061)	-	(1,061)
Total adjustments	<u>5,201</u>	<u>-</u>	<u>5,201</u>
Net cash provided by (used in) operating activities	<u>\$ 43,859</u>	<u>\$ (2,849)</u>	<u>\$ 41,010</u>

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

	<u>Unemployment Compensation Trust</u>	<u>Scholarship Fund</u>	<u>Agency Funds</u>
ASSETS			
Cash and cash equivalents	\$ 253,559	\$ 481,517	\$ 416,412
Total assets	<u>253,559</u>	<u>481,517</u>	<u>416,412</u>
Payroll deductions and withholdings	-	-	7,982
Payable to student groups	-	-	408,279
Interfund payable	-	-	151
Total liabilities	<u>-</u>	<u>-</u>	<u>416,412</u>
NET POSITION			
Held in trust for unemployment claims and other purposes	253,559	-	-
Reserved for scholarships	-	481,517	-
Total net position	<u>253,559</u>	<u>481,517</u>	<u>-</u>
Total liabilities and net position	<u>\$ 253,559</u>	<u>\$ 481,517</u>	<u>\$ 416,412</u>

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2020

	<u>Scholarship Funds</u>	<u>Unemployment Compensation Trust</u>	<u>Total</u>
ADDITIONS			
Contributions:			
Board	\$ -	\$ 16,711	\$ 16,711
Other	7,615	-	7,615
Total Contributions	<u>7,615</u>	<u>16,711</u>	<u>24,326</u>
Investment earnings:			
Net increase (decrease) in fair value of investments	-	-	-
Interest	-	-	-
Dividends	-	-	-
Less investment expense	-	-	-
Net investment earnings	<u>-</u>	<u>-</u>	<u>-</u>
Total additions	<u>7,615</u>	<u>16,711</u>	<u>24,326</u>
DEDUCTIONS			
Unemployment claims	-	2,420	2,420
Scholarships awarded	21,700	-	21,700
Total deductions	<u>21,700</u>	<u>2,420</u>	<u>24,120</u>
Change in net position	(14,085)	14,291	206
Net position—beginning of the year	<u>495,602</u>	<u>239,268</u>	<u>734,870</u>
Net position—end of the year	<u>\$ 481,517</u>	<u>\$ 253,559</u>	<u>\$ 735,076</u>

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2020

1. Summary of Significant Accounting Policies

The Financial statements of the Board of Education ("Board") of the Rumson-Fair Haven Regional High School District ("District") 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. Reporting Entity

The Rumson-Fair Haven Regional High 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 staggered terms. The purpose of the District is to educate students in grades 9-12. The Rumson-Fair Haven Regional High School District had an approximate enrollment of 988 students at June 30, 2020.

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

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The district-wide financial statements include all funds and account groups of the District over which the Board exercises operating control. The operations of the District include elementary school, junior high schools and a senior high school located in Rumson and Fair Haven. 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, Basis of Accounting

The School District'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. The Statement of Net Position includes the reporting of assets, deferred outflows, liabilities and deferred inflows. Items not meeting that definition of assets and liabilities have been classified as deferred outflows or deferred inflows. The deferred outflows are reported under assets and deferred inflows are reported under liabilities on the Statement of Net Position.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2020

1. **Summary of Significant Accounting Policies (Cont'd)**

B. Basis of Presentation, Basis of Accounting (Cont'd)

Basis of Presentation

The School District has Bond Costs which have been classified as a Deferred Outflow and the Bond Premium has been classified as a Deferred Inflow. The School District has employees that are enrolled in a defined benefit plan operated by the State of New Jersey which creates deferred outflows and inflows as described in Note 13.

District-Wide Statements: The district-wide financial statements (A-1 and A-2) include the statement of net position and the statement of activities. These Statements include the financial activities of the overall District, except for fiduciary activities. All interfund activity, excluding the fiduciary funds, has been eliminated in the statement of activities. Individual funds are not displayed but the statements distinguish governmental activities, generally financed in whole or in part with fees charged to external customers.

The Statement of Net Position presents the financial condition of the governmental and business-type activity of the District at fiscal year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements: During the fiscal year, the District segregates transactions related to certain 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 - governmental, 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. 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.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2020

1. **Summary of Significant Accounting Policies (Cont'd)**

B. Basis of Presentation, Basis of Accounting (Cont'd):

Basis of Presentation (Cont'd):

The District reports the following governmental funds:

General Fund - The General Fund is the general operating fund of the District and is used to account for 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 NJDOE, the District includes budgeted capital outlay in this Fund. Generally accepted accounting principles 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 Capital 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 all 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 temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

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.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2020

1. **Summary of Significant Accounting Policies (Cont'd)**

B. Basis of Presentation, Basis of Accounting (Cont'd):

Basis of Presentation (Cont'd)

The District reports the following proprietary fund:

Enterprise (Food Service) Fund - The Enterprise Fund accounts for all revenues and expenses pertaining to the Board's cafeteria operations. The Food Service Fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the costs (i.e., expenses including depreciation and indirect costs) of providing primarily through user charges.

The District reports the following fiduciary funds:

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

Expandable Trust Fund - An Expandable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expandable Trust Funds account for assets where both the principal and interest may be spent. The Expandable Trust Fund includes the Unemployment Compensation Trust Fund and the Scholarship Fund.

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

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2020

1. **Summary of Significant Accounting Policies (Cont'd)**

B. Basis of Presentation, Basis of Accounting (Cont'd)

Basis of Accounting

Basis of Accounting determines when transactions are recorded in the financial records and reported on the financial statements.

District-Wide, Proprietary, and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds are accounted for using the "economic resources" measurement focus and the modified accrual basis of accounting; the Enterprise Fund and Fiduciary Funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Differences in the accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds, if general long-term debt and acquisitions under capital releases, are reported as other financing sources.

All governmental and business-type activities and Enterprise Funds of the District follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

Property Taxes: Ad Valorem (Property) Taxes are susceptible to accrual as, under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "Accounts Receivable".

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2020

1. **Summary of Significant Accounting Policies (Cont'd)**

C. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the County Office and are not voted upon in the annual school election. Budgets are prepared using the modified accrual basis of accounting, except for Special Revenue 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:23A-16.2(f). All budget amendments/transfers must be approved by Board resolution. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally-authorized revisions of the annual budgets during the year.

Appropriations, except remaining project appropriations, encumbrances, and unexpected grant appropriation, lapse at the end of each fiscal year. The Capital Project Fund presents the remaining project appropriations compared to current-year expenditures.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the Special Revenue Fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund-types. Unencumbered appropriations lapse at fiscal year-end.

The accounting records of the Special Revenue Fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

D. Encumbrance Accounting

Under Encumbrance Accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the Special Revenue Fund are reported as reservations of fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the Special Revenue Fund, for which the District has received advances are reflected in the Balance Sheet as unearned 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.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2020

1. **Summary of Significant Accounting Policies (Cont'd)**

E. Assets, Liabilities, and Equity

Cash, Cash Equivalents

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.

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:2037 provides a list of permissible investments that may be purchased by New Jersey school districts.

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

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.

Interfund Transactions

Transfers between Governmental and Business-Type activities on the District-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as Interfund transfers. Interfund transfers are reported as other financing sources/uses in Governmental Funds and as non-operating revenues/expenses to the funds that initially paid for them are not presented on the financial statements.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2020

1. Summary of Significant Accounting Policies (Cont'd)

E. Assets, Liabilities, and Equity (Cont'd)

Inventories

Inventories and prepaid expenses, which benefit future periods are recorded as an expenditure during the year of purchase.

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represent 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.

In addition to liabilities, the statement of net 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 future periods and so will *not* be recognized as an inflow of resources (revenue) until that time.

Capital Assets

The District has an established formal system of accounting for its Capital Assets. Purchased or constructed Capital Assets are reported at cost. Donated Capital Assets are valued at their estimated acquisition value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The District does not possess any infrastructure.

All reported Capital Assets except for Land and Construction in Progress are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Building and Improvements	20-50 years
Furniture and Equipment	5-20 years
Vehicles	8 years

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2020

1. **Summary of Significant Accounting Policies (Cont'd)**

E. Assets, Liabilities, and Equity (Cont'd)

Compensated Absences

The Districts accounts for Compensated Absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Board. A liability for Compensated Absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and the employee is accrued as the 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 Policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee 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 benefits accrue to employees. As of June 30, 2020, no liability existed for compensated absences in the Food Service Fund.

Unearned Revenue

Unearned revenue in the special revenue fund represents cash which has been received but not yet earned.

Accrued Liabilities and Long-Term Obligations

All Payables, Accrued Liabilities, and Long-Term Obligations are reported on the District-wide financial statements. In general, governmental fund payables are 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.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2020

1. **Summary of Significant Accounting Policies (Cont'd)**

E. Assets, Liabilities, and Equity (Cont'd):

Accrued Liabilities and Long-Term Obligations (Cont'd)

However, contractually-required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

Net Position

Net Position represent the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing 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 District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted Net Position are available.

Fund Balance Reserves

Governmental Accounting Standards established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five categories, as defined below:

1. **Nonspendable** - includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, long-term receivables, and corpus of any permanent funds.
2. **Restricted** - includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. **Committed** - includes amounts that can be spent only for the specific purposes determined by a formal action of the government's highest level of decision-making authority.
4. **Assigned** - amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process.
5. **Unassigned** - includes all spendable amounts not contained in the other classifications

1. Summary of Significant Accounting Policies (Cont'd)

E. Assets, Liabilities, and Equity (Cont'd)

Revenues - Exchange and Nonexchange Transactions

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

Nonexchange Transactions, in which the District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from Nonexchange Transactions must also be available before it can be recognized.

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

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the Enterprise Fund. For the School District, these revenues are sales for food service and intramural. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the Enterprise Fund.

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. Employee Benefits, including the employer's share of Social Security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. 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 attributable to a specific function is considered an Indirect Expense and is reported separately in the Statement of Activities. Interest on long-term debt is considered an Indirect Expense and is reported separately on the Statement of Activities.

1. **Summary of Significant Accounting Policies (Cont'd)**

E. Assets, Liabilities, and Equity (Cont'd)

Extraordinary and Special Items

Extraordinary Items are transactions or events that are unusual in nature and infrequent in occurrence. Special Items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

Management Estimates

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

F. GASB Pronouncements

Recently Issued Accounting Pronouncements to be implemented in future years

Statement No. 84, *Fiduciary Activities* in January 2017. This Statement establishes standards of accounting and financial reporting for fiduciary activities. The requirements of this Statement are effective for periods beginning after December 15, 2019. Management has not yet determined the impact of this Statement on the financial statements.

Statement No. 87, *Leases* in June 2017. This Statement establishes standards of accounting and financial reporting for leases by lessees and lessors. The requirements of this Statement are effective for periods beginning after June 15, 2021, and all reporting periods thereafter. Management has not yet determined the impact of this Statement on the financial statements.

Statement No. 91, *Conduit Debt Obligations*, The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate 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 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. Statement No. 91 is effective for reporting periods beginning after December 15, 2021. Management has not yet determined the potential impact on the School District's financial statements.

Statement No. 92, *Omnibus 2020*, The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Statement No. 92 is effective for reporting periods beginning after June 15, 2021. Management has not yet determined the potential impact on the School District's financial statements.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2020

1. **Summary of Significant Accounting Policies (Cont'd)**

F. GASB Pronouncements (Cont'd)

Statement No. 93, *Replacement of Interbank Offered Rates*, Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (LIBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an IBOR. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of Statement No. 93 are effective for reporting periods beginning after June 15, 2020. Management has not yet determined the potential impact on the School District's financial statements.

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). Statement No. 94 is effective for reporting periods beginning after June 15, 2022, and all reporting periods thereafter. Management has not yet determined the potential impact on the School District's financial statements.

Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The requirements of Statement No. 95 are effective immediately.

Statement No. 96, *Subscription-Based Information Technology Arrangements*, This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). Statement No. 96 is effective for reporting periods beginning after June 15, 2022, and all reporting periods thereafter. Management has not yet determined the potential impact on the School District's financial statements.

2. **Capital Reserve Account**

A Capital Reserve Account was established by the Rumson-Fair Haven Regional High School District by inclusion of \$165,641 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.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2020

2. Capital Reserve Account (Cont'd)

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 excess approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the Account cannot at any time exceed the local support costs of uncompleted Capital Projects in its approved LRFP.

The activity of the Capital Reserve for the July 1, 2019 to June 30, 2020 fiscal year is as follows:

Beginning Balance July 1, 2019	\$ 2,008,446
Add:	
Increase per Resolution	222,969
Transfer from Capital Projects	-
Interest Earnings	23,659
Less:	
Withdrawals	<u>(1,000,000)</u>
Ending Balance, June 30, 2020	\$ <u>1,255,074</u>

The June 30, 2020 LRFP balance of local support costs of uncompleted Capital Projects is \$26,589,759.

3. Maintenance Reserve Account

A Maintenance Reserve Account was established by the Rumson-Fair Haven Regional High School District by inclusion of \$200,000 for the accumulation of funds for use as maintenance of Capital Projects in subsequent fiscal years. The Maintenance Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the Maintenance Reserve Account are restricted to maintenance projects in the District's approved Comprehensive Maintenance Plan (CMP). Upon submission of the CMP to the New Jersey Department of Education, the District may increase the balance in the maintenance reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. The 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-14.2(g), the balance in the account cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2020

3. Maintenance Reserve Account (Cont'd)

The balance in the Maintenance Reserve does not exceed four percent of the replacement cost of the school district's school facilities for the current year at June 30, 2020.

The activity of the Maintenance Reserve for the July 1, 2019 to June 30, 2020 fiscal year is as follows:

Balance, July 1, 2019	\$ 1,158,756
Add:	
Interest earnings	9,393
Increase per Resolution	800,000
Less:	
Withdrawals	<u>(1,150,000)</u>
Balance, June 30, 2020	\$ <u>818,149</u>

4. Emergency Reserve Account

An Emergency Reserve Account was established by the Rumson-Fair Haven Regional High School District by inclusion of \$200,000 for the accumulation of funds in accordance with N.J.S.A. 18A:7F-41c(1). The Emergency Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget. Funds placed in the Emergency Reserve Account are to finance unanticipated general fund expenditures required for a thorough and efficient education.

The activity of the Emergency Reserve for the July 1, 2019 to June 30, 2020 fiscal year is as follows:

Balance, July 1, 2019	\$ <u>250,000</u>
Less:	
Withdrawals	<u>(225,000)</u>
Balance, June 30, 2020	\$ <u>25,000</u>

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2020

5. Transfers to Capital Outlay

During the year ending June 30, 2020, the District transferred \$- to the Capital Outlay Account.

6. Deposits and Investments

The Board of Education considers petty cash, change funds, cash in banks, certificates of deposit and deposits with the New Jersey Cash Management Fund as Cash and Cash Equivalents.

Deposits

The Board's deposits are insured through the Federal Deposit Insurance Corporation ("FDIC") or New Jersey's Governmental Unit Deposit Protection Act. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to maintain additional collateral in the amount of 5% of the average public deposits and to deposit these amounts with the Federal Reserve Bank for all deposits not covered by the FDIC.

Bank balances at June 30, 2020 are insured up to \$250,000 in aggregate by the FDIC for each bank. At June 30, 2020, the book value of the Board's deposits were \$16,720,335.

Custodial Credit Risk Related to Deposits

Custodial Credit Risk is the Risk that, in the event of a bank failure, the Board's deposit might not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public funds owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

At June 30, 2020, the Board's bank balances of \$18,452,320 were exposed to Custodial Credit Risk as follows:

	<u>2020</u>
Insured under FDIC and GUDPA	\$ 18,294,041
Uninsured and Uncollateralized	<u>158,279</u>
	<u>\$ 18,452,320</u>

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2020

6. Deposits and Investments (Cont'd)

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located, Local Government investment pools, and agreements or the repurchase of fully-collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2020, the Board had no investments.

Interest Rate Risk

On January 25, 2007, the Board adopted a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

State law limits investments as noted above (N.J.S.A. 18A:20-37). The District has an investment policy that further limits its investment choices.

Investment and interest earnings in the Capital Projects Fund are assigned to the Debt Service Fund in accordance with Board policy.

New Jersey Asset and Rebate Management Program

The Program has been established as a joint investment trust, (the "Trust"), by local governmental units in the State of New Jersey, (the "State"), consistent with the Interlocal Services Act, constituting Chapter 208 of the Pamphlet Laws of 1973 of the State of New Jersey and the acts amendatory thereof and supplemental thereto (N.J.S.A. 40:8A-1 et seq.), (the "Interlocal Services Act"), to make available to counties, municipalities, school districts, authorities, or other political subdivisions of the State, and where applicable, any bond trustee acting on behalf of such local government, a convenient method for investing and accounting for surplus cash and tax exempt debt proceeds. The Program seeks to invest tax-exempt bond and note proceeds in compliance with arbitrage management and rebate requirements of the Internal Revenue Code of 1986, as amended. The Program also provides for record keeping, depository and arbitrage rebate calculation.

As of June 30, 2020, the District had \$11,540,965 on deposit with the New Jersey Asset and Rebate Management Program.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2020

7. Receivables

Receivables at June 30, 2020, consisted of state aid, interfund, intergovernmental, and other. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivable follows:

	Governmental Fund Financial <u>Statements</u>	District-Wide Financial <u>Statements</u>
State Aid	\$ 367,015	\$ 367,015
Federal Aid	-	-
Other	17,133	17,133
Interfunds	<u>151</u>	<u>151</u>
	384,299	384,299
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>
Total Receivables, Net	<u>\$ 384,299</u>	<u>\$ 384,299</u>

8. Interfund Balances and Transfers

Balances due to/from other funds at June 30, 2020 consist of the following:

\$ 151	Due to General Fund from Trust & Agency Fund representing cash advance.
<u>-</u>	Due to Capital Projects Fund from General Fund representing cash advance.
<u>\$ 151</u>	

9. Inventory

As of June 30, 2020, the District had the following inventory:

Food	\$ 1,610
Supplies	<u>943</u>
	<u>\$ 2,553</u>

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2020

10. Capital Assets

Capital assets consisted of the following at June 30, 2020:

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated				
Land	\$ 7,500	\$ -	\$ -	\$ 7,500
Construction in Progress	<u>1,370,445</u>	<u>-</u>	<u>(1,370,445)</u>	<u>-</u>
Total Capital Assets Not Being Depreciated	<u>1,377,945</u>	<u>-</u>	<u>(1,370,445)</u>	<u>7,500</u>
Capital Assets Being Depreciated				
Site Improvements	905,353	-	-	905,353
Building and Building Improvements	27,417,853	1,856,111	-	29,273,964
Machinery and Equipment	<u>2,241,969</u>	<u>23,501</u>	<u>-</u>	<u>2,265,470</u>
Totals at Historical Cost	<u>30,565,175</u>	<u>1,879,612</u>	<u>-</u>	<u>32,444,787</u>
Less Accumulated Depreciation for:				
Site Improvements	(905,353)	-	-	(905,353)
Building and Building Improvements	(14,433,059)	(1,029,313)	-	(15,462,372)
Machinery and Equipment	<u>(1,409,627)</u>	<u>(101,563)</u>	<u>-</u>	<u>(1,511,190)</u>
Total Accumulated Depreciation	<u>(16,748,039)</u>	<u>(1,130,876)</u>	<u>-</u>	<u>(17,878,915)</u>
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>13,817,136</u>	<u>748,736</u>	<u>-</u>	<u>14,565,872</u>
Government Activity Capital Assets, Net	<u>\$ 15,195,081</u>	<u>748,736</u>	<u>(1,370,445)</u>	<u>\$ 14,573,372</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Building Improvements	\$ 12,875	-	-	\$ 12,875
Equipment	161,867	-	-	161,867
Less Accumulated Depreciation	<u>(127,459)</u>	<u>(4,757)</u>	<u>-</u>	<u>(132,216)</u>
Enterprise Fund Capital Assets, Net	<u>\$ 47,283</u>	<u>\$ (4,757)</u>	<u>\$ -</u>	<u>\$ 42,526</u>

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2020

10. Capital Assets (Cont'd)

The NJ State Department of Education has set the capitalization threshold used by school districts in the State of New Jersey at \$2,000.

Depreciation expense was charged to functions as follows:

Regular Instruction	\$ 961,246
Student and Instruction Related Services	96,124
School Administration Services	33,926
Other Special Instruction	5,654
Special Education Instruction	<u>33,926</u>
Total	<u>\$ 1,130,876</u>

11. Long-Term Obligations

A. Long-Term Obligation Activity:

Changes in Long-Term Obligations for the year ended June 30, 2020, are as follows:

	<u>Balance</u> <u>July 1, 2019</u>	<u>Increases/</u> <u>Decreases</u>	<u>Balance</u> <u>June 30, 2020</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
<u>Governmental Activities:</u>				
Compensated Absences Payable	\$ 326,164	\$ (32,459)	\$ 293,705	\$ 14,278
PERS Pension Liability	3,364,752	(361,275)	3,003,477	-
Bonds Payable	<u>12,596,000</u>	<u>(401,000)</u>	<u>12,195,000</u>	<u>475,000</u>
	<u>\$ 16,286,916</u>	<u>\$ (794,734)</u>	<u>\$ 15,492,182</u>	<u>\$ 489,278</u>

For the governmental activities, the bonds payable are liquidated from the School's District's debt service fund. Compensated absences payable and PERS pension liability are liquidated by the general fund.

Interest paid on debt issued by the District is exempt from federal income tax. Because of this, bondholders are willing to accept a lower interest rate than they would taxable debt. The District temporarily reinvests the proceeds of such debt in higher-yielding taxable securities, especially during construction projects. The Federal Tax Code refers to this as arbitrage.

Earnings in excess of the yield on the debt issue are rebated to the Federal Government based on requirements in the Internal Revenue Code. Arbitrage rebate payable represents amounts due to the Internal Revenue Service for interest earned on unspent bond proceeds that exceeds legally-allowable returns.

Rebatable arbitrage liabilities related to the District debt are not recorded in governmental funds. There is no recognition in the Balance Sheet or Income Statement until rebatable amounts are due and payable to the Federal Government. There are no rebatable amounts at June 30, 2020.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2020

11. Long-Term Obligations (Cont'd)

B. Debt Service Requirements:

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

2018 School Bonds

On October 2, 2018, the voters approved a referendum authorizing the issuance of \$12,596,000 in bonds for the purpose of auditorium renovations, site improvements, alterations, renovations and additions. On December 6, 2018, \$12,596,000 of School Bonds were issued.

The Bonds are general obligations of the Board and are secured by a pledge of the full faith and credit of the Board for the payment of the principal thereof and the interest thereon and, unless paid from other sources, the Bonds are payable from ad valorem taxes to be levied on all taxable real property in the school district, without limitation as to rate or amount. The Bonds are additionally secured by the provisions of the New Jersey School Bond Reserve Act.

The District, in conjunction with the issuance of the Bonds, has agreed to undertake and provide certain information to bondholders on a continuing basis. The Securities and Exchange Commission ("SEC") Rule 15c2-12(b)(5) "Continuing Disclosure" requirements, which the District has adopted, requires that various financial information about the District and the Municipality be provided annually to various information repositories.

Redemption

Debt Service Requirements on serial bonds payable at June 30, 2020 are as follows:

Fiscal Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 475,000	\$ 418,382	\$ 893,382
2022	485,000	402,944	887,944
2023	500,000	387,182	887,182
2024	520,000	370,932	890,932
2025	535,000	354,031	889,031
2026-2030	2,955,000	1,497,969	4,452,969
2031-2035	3,565,000	968,975	4,533,975
2036-2039	3,160,000	295,263	3,455,263
	<u>\$ 12,195,000</u>	<u>\$ 4,695,678</u>	<u>\$ 16,890,678</u>

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2020

11. Long-Term Obligations (Cont'd)

C. Bonds Authorized But Not Issued

As of June 30, 2020, the District had no authorized but not issued bonds.

D. Capital Leases

As of June 30, 2020, the District had no capital leases.

12. Operating Leases

As of June 30, 2020, the District had no operating leases.

13. Pension Plans

A. Public Employees' Retirement System (PERS)

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

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

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2020

13. Pension Plans (cont'd)

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, 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.

Contributions - The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2019, the State's pension contribution was less than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2020, the School District reported a liability of \$3,003,477 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined using update procedure to roll forward the total pension liability from an actuarial valuation as of July 1, 2018, to the measurement date of June 30, 2019. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2019. The School District's proportion measured as of June 30, 2019, was .0166688695%, which was a decrease of .0045842531% from its proportion measured as of June 30, 2018.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2020

13. Pension Plans (cont'd)

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

For the year ended June 30, 2020, the School District recognized full accrual pension expense of \$197,618 in the government-wide financial statements consisting of employer contributions of \$162,139 and non-employer contributions of \$154,398. This pension expense was based on the pension plans June 30, 2019 measurement date. At June 30, 2019, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 53,908	\$ 13,268
Changes of assumptions	299,908	1,042,498
Net difference between projected and actual earnings on pension plan investments	-	47,411
Changes in proportion and differences between District contributions and proportionate share of contributions	105,408	174,034
District contributions subsequent to the measurement date	<u>162,992</u>	<u>-</u>
Total	<u>\$ 622,216</u>	<u>\$ 1,277,211</u>

\$162,992 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2019-2020 total salaries for PERS employees multiplied by an employer contribution rate. The payable is due on April 1, 2021 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2020	\$ (73,003)
2021	(236,823)
2022	(211,469)
2023	(99,296)
2024	(10,199)
Thereafter	-
Total	<u>\$ (630,790)</u>

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2020

13. Pension Plans (cont'd)

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

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	-	5.21
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
Net Difference between projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	5.00	5.00
June 30, 2015	5.00	5.00
June 30, 2016	5.00	5.00
June 30, 2017	5.00	5.00
June 30, 2018	5.00	5.00
June 30, 2019	5.00	5.00

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 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for the 2019, 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2020

13 Pension Plans (cont'd)

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

Actuarial Assumptions - The collective total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following assumptions:

Inflation Rate

Price	2.75%
Wage	3.25%

Salary Increases:

Through 2026	2.00% - 6.00% Based on years of service
Thereafter	3.00% -7.00% Based on years of service

Investment Rate of Return	7.00%
---------------------------	-------

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment 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 rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2019 are summarized in the following table.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2020

13. Pension Plans (cont'd)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00 %	4.67 %
Cash Equivalents	5.00 %	2.00 %
U.S. Treasuries	5.00 %	2.68 %
Investment Grade Credit	10.00 %	4.25 %
High Yield	2.00 %	5.37 %
Private Credit	6.00 %	7.92 %
Real Assets	2.50 %	9.31 %
Real Estate	7.50 %	8.33 %
U.S. Equity	28.00 %	8.26 %
Non-U.S. Developed Markets Equity	12.50 %	9.00 %
Emerging Markets Equity	6.50 %	11.37 %
Private Equity	12.00 %	10.85 %

Discount Rate

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. 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 3.50% as of June 30, 2019, based on 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. State employer contributed 70% 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 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2020

13. Pension Plans (cont'd)

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

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, 2019 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:

	1% Decrease (5.28%)	Current Discount Rate (6.28%)	1% Increase (7.28%)
District's proportionate share of the net pension liability	2,865,929	3,003,477	1,765,731

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2020 and 2019:

	6/30/20	6/30/19
Collective Deferred Outflows of Resources	3,149,522,616	4,684,852,302
Collective Deferred Inflows of Resources	7,645,087,574	7,646,736,226
Collective Net Pension Liability	18,143,832,135	19,689,501,539
School District's Portion	.0125048134%	.0170890665%

B. Teachers' Pension and Annuity (TPAF)

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

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

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2020

13. Pension Plans (cont'd)

B. Teachers' Pension and Annuity (TPAF) (cont'd)

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 tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, 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.

Contributions - The contribution policy for TPAF is set by *N.J.S.A. 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2019, the State's pension contribution was less than the actuarial determined amount.

As mentioned previously, the employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A. 18A:66-33*. Therefore, the School District is 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 School District does 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 School District.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2020

13. Pension Plans (cont'd)

B. Teachers' Pension and Annuity (TPAF) (cont'd)

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2019 was \$48,874,048. The School District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2019, the State proportionate share of the TPAF net pension liability attributable to the School District was .0796371124%, which was a increase of .0031763185% from its proportion measured as of June 30, 2018

For the fiscal year ended June 30, 2020, the State of New Jersey recognized a pension expense in the amount of \$1,695,177 for the State's proportionate share of the TPAF pension expense attributable to the School District. This pension expense was based on the pension plans June 30, 2019 measurement date.

Actuarial Assumptions - The collective total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following assumptions, applied to all periods in the measurement:

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55-4.45% based on years of service
Thereafter	2.75-5.65% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2020

13. Pension Plans (cont'd)

B. Teachers' Pension and Annuity (TPAF) (cont'd)

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

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, 2019) 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, 2019 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	3.00 %	4.67 %
Cash Equivalents	5.00 %	2.00 %
U.S. Treasuries	5.00 %	2.68 %
Investment Grade Credit	10.00 %	4.25 %
High Yield	2.00 %	5.37 %
Private Credit	6.00 %	7.92 %
Real Assets	2.50 %	9.31 %
Real Estate	7.50 %	8.33 %
U.S. Equity	28.00 %	8.26 %
Non-U.S. Developed Markets Equity	12.50 %	9.00 %
Emerging Markets Equity	6.50 %	11.37 %
Private Equity	12.00 %	10.85 %

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2020

13. Pension Plans (cont'd)

B. Teachers' Pension and Annuity (TPAF) (cont'd)

Discount Rate - The discount rate used to measure the total pension liability was 5.60% as of June 30, 2019. 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, 2019, based on 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. State employer contributed 40% 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 2054. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2054, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2019 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:

	1% Decrease (4.60%)	Current Discount Rate (5.60%)	1% Increase (6.60%)
State's proportionate share of the net pension liability	57,772,464	48,874,048	41,707,069

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

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2020

14. Post-Retirement Benefits

General Information about the OPEB Plan

Plan description and benefits provided

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

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

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

Basis of Presentation

The Schedule presents the State of New Jersey's obligation under NJSA 52:14-17.32f. The Schedule does not purport to be a complete presentation of the financial position or changes in financial position of the State Health Benefit Local Education Retired Employees Plan or the State of New Jersey. The accompanying Schedule was prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the State of New Jersey to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2020

14. Post-Retirement Benefits (cont'd)

Employees covered by benefit terms

At June 30, 2018, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	148,051
Active plan members	<u>216,892</u>
Total	<u><u>364,943</u></u>

Total Nonemployer 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 returned PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASB 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education. Note that actual numbers will be published in the NJ State's CAFR (<https://www.nj.gov/treasury/omb/publications/archives.shtml>).

Actuarial assumptions and other imputes

The total OPEB liability in the June 30, 2019 actuarial valuation reported by the State in the State's most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation Rate	2.5%
Salary Increases through 2026	PERS 2.00%-6.00% PFRS 3.25%-15.25% TPAF 1.55%-3.05%
Salary Increases after 2026	PERS 3.00%-7.00% PFRS 3.25%-15.25% TPAF 1.55%-3.05%
Discount Rate	3.50%
Healthcare Cost Trend Rates	4.5%-5.7%
Retirees' Share of Benefit Related Costs	1.5% of projected health insurance premiums for retirees

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2020

14. Post-Retirement Benefits (cont'd)

Actuarial assumptions and other inputs (cont'd)

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018, July 1, 2014 - June 30, 2018, and July 1, 2013 - June 30, 2018 for TPAF, PERS and PFRS, respectively.

Changes in the Total OPEB Liability reported by the State of New Jersey

Balance at June 30, 2018	\$ 46,110,832,982
Changes for the year:	
Service cost	1,734,404,850
Interest on the total OPEB liability	1,827,787,206
Differences Between Expected and Actual Experience	(7,323,140,818)
Changes in assumptions	622,184,027
Gross benefit payments by the state	(1,280,958,373)
Contributions from members	<u>37,971,171</u>
Net changes	<u>(4,381,751,937)</u>
Balance at June 30, 2019	<u>\$ 41,729,081,045</u>

Discount rate

The discount rate for June 30, 2019 was 3.50%. 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2020

14. Post-Retirement Benefits (cont'd)

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the June 30, 2019 total OPEB liability of the State for school board retirees, as well as the State's total OPEB liability for the school district calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB Liability of the State for School Retirees	\$49,298,534,898	\$41,729,081,045	\$35,716,321,820
Total OPEB Liability of the State Associated with the School District for School Retirees	\$31,112,015	\$26,334,977	\$22,540,360

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Sensitivity of the total OPEB liability to changes in healthcare cost trend rates

The following presents the June 30, 2019 total OPEB liability of the State for school board retirees, as well as the State's total OPEB liability for the school district calculated using a health care cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Trend Rate	1% Increase
Total OPEB Liability of the State for School Retirees	\$34,382,902,820	\$41,729,081,045	\$51,453,912,586
Total OPEB Liability of the State Associated with the School District for School Retirees	\$21,698,847	\$26,334,977	\$32,472,262

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2020

14. Post-Retirement Benefits (cont'd)

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

For the year ended June 30, 2020, the board of education recognized OPEB expense of \$628,880 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 75 and in which there is a special funding situation.

In accordance with GASB 75, the Rumson-Fair Haven Regional High School District's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2019, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$(10,484,965,300)
Changes of assumptions	-	(8,481,529,343)
Contributions made in fiscal year ending 2019 after June 30, 2018 measurement date	-	-
Total	<u>\$ -</u>	<u>\$(18,966,494,643)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2020	\$ (2,546,527,182)
2021	(2,546,527,182)
2022	(2,546,527,182)
2023	(2,546,527,182)
2024	(2,546,527,182)
Thereafter	<u>(6,233,858,733)</u>
Total	<u>\$ (18,966,494,643)</u>

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2020

15. Deferred Compensation

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

AXA Equitable Valic

16. Risk Management

The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omission; injuries to employees; and natural disasters.

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2019 / 2020	\$ 16,711	\$ -	\$ (2,420)	\$ 253,559
2018 / 2019	16,503	-	(7,513)	239,268
2017 / 2018	14,904	-	(14,208)	230,278

17. Contingent Liabilities

Grant Programs

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

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

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2020

18. Fund Balance Appropriated

Fund balance will be displayed in the following classifications depicting the relative strength of the spending constraints placed on the purposes for which resources can be used.

- **Nonspendable Fund Balance** - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as the corpus of an endowment fund).
- **Restricted Fund Balance** - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- **Committed Fund Balance** - amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest-level action to remove or change the constraint.
- **Assigned Fund Balance** - amounts a District intends to use for a specific purpose; intent can be expressed by the Board or by an official or body to which the Board delegates the authority.
- **Unassigned Fund Balance** - amounts that are available for any purpose; these amounts are reported only in the General Fund.

Fund balance reporting is the result of State Statutes, New Jersey Department of Education regulations and motions (resolutions/ordinances) that are passed at Board meetings. The Board acts on these motions under the guidance of the District's Superintendent and Business Administrator.

The District's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of each fiscal year, utilizing adjusting journal entries.

First, non-spendable fund balances are determined; then, restricted fund balances for specific purposes are determined (not including non-spendable amounts). Any remaining fund balance amounts for the non-General Funds are classified as restricted fund balances.

There is a potential for the non-General Funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purpose amounts exceed the positive fund balances for the non-General Funds.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2020

18. Fund Balance Appropriated (cont'd)

Classification Totals

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Fund Balances:					
Restricted	\$ 2,098,223	\$ -	\$ 1	\$ 9,556,618	\$ 11,654,842
Committed	-	-	-	-	-
Assigned	3,211,200	-	-	-	3,211,200
Unassigned	667,383	-	-	-	667,383
	<u>\$ 5,976,806</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 9,556,618</u>	<u>\$ 15,533,425</u>

19. Calculation of Excess Surplus

The Designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. 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, 2020 is \$-.

20. Uncertain Tax Positions

The school district had no unrecognized tax benefits at June 30, 2020. The school district files tax returns in the U.S. federal jurisdiction and New Jersey. The school district has no open year prior to June 30, 2017.

21. Subsequent Events

The school district Management has evaluated subsequent events through November 5, 2020, the date the financial statements were available to be issued.

The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of COVID-19 on the School District's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on the School District's customers, employees and vendors all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the School District's financial condition or results of operations is uncertain.

Rumson-Fair Haven Regional High School District

Notes to Financial Statements

For the Year Ended June 30, 2020

22. Tax Abatement

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

23. Economic Dependency

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

REQUIRED SUPPLEMENTARY INFORMATION - PART II

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	\$ 19,318,269	\$ -	\$ 19,318,269	\$ 19,318,269	\$ -
Interest on investments	-	-	-	181,701	181,701
Interest earned on emergency reserve	1	(1)	-	-	-
Interest earned on maintenance reserve	1	(1)	-	9,393	9,393
Interest earned on capital reserve funds	1	(1)	-	23,659	23,659
Tuition - from individuals	173,368	-	173,368	295,816	122,448
Miscellaneous	5,000	-	5,000	9,520	4,520
Total - local sources	19,496,640	(3)	19,496,637	19,838,358	341,721
State sources:					
Categorical Special Education Aid	494,140	-	494,140	494,140	-
Categorical Transportation Aid	266,811	-	266,811	266,811	-
Security aid	15,063	-	15,063	15,063	-
Extraordinary aid	-	-	-	320,888	320,888
Non-public transportation	-	-	-	15,598	15,598
TPAF -LTDI (on-behalf - Non-budgeted)	-	-	-	1,333	1,333
TPAF - post retirement medical (on-behalf-Non-budgeted)	-	-	-	628,880	628,880
Teacher's pension and annuity fund (on-behalf - Non-budgeted)	-	-	-	1,695,177	1,695,177
TPAF social security (reimbursed - Non-budgeted)	-	-	-	622,130	622,130
Total state sources	776,014	-	776,014	4,060,020	3,284,006
Total revenues	20,272,654	(3)	20,272,651	23,898,378	3,625,727
EXPENDITURES:					
Current Expenditures:					
Regular Programs - Instruction					
Grades 9-12 - Salaries of teachers	5,378,294	37,433	5,415,727	5,407,461	8,266
Regular Programs - Home Instruction:					
Salaries of teachers	15,000	25,590	40,590	40,590	-
Purchased professional-educational services	10,000	11,910	21,910	21,910	-
Regular Programs - Undistributed Instruction					
Purchased professional-educational services	-	-	-	-	-
Purchased technical services	57,800	-	57,800	55,907	1,893
Other purchased services (400-500 series)	78,065	(5,120)	72,945	65,025	7,920
Software Instruction	-	-	-	-	-
General supplies	452,118	147,365	599,483	524,537	74,946
Textbooks	125,089	(500)	124,589	35,662	88,927
Other objects	2,675	-	2,675	679	1,996
TOTAL REGULAR PROGRAMS - INSTRUCTION	6,119,041	216,678	6,335,719	6,151,771	183,948
SPECIAL EDUCATION - INSTRUCTION					
Multiple Disabilities:					
Salaries of Teachers	116,609	(24,009)	92,600	92,599	1
Other salaries for instruction	117,742	(12,131)	105,611	103,964	1,647
General supplies	3,000	-	3,000	2,114	886
Textbooks	1,400	-	1,400	1,091	309
Total Multiple Disabilities	238,751	(36,140)	202,611	199,768	2,843
Resource Room/Resource Center:					
Salaries of Teachers	984,782	(15,015)	969,767	969,767	-
Other Salaries for Instruction	89,388	16,785	106,173	106,171	2
General supplies	3,000	(400)	2,600	2,243	357
Textbooks	1,700	-	1,700	1,154	546
Total Resource Room/Resource Center	1,078,870	1,370	1,080,240	1,079,335	905
Autism					
Salaries of Teachers	109,128	(5,855)	103,273	103,273	-
Other Salaries for Instruction	69,106	16,216	85,322	85,322	-
General supplies	4,700	400	5,100	4,974	126
Total Autism	182,934	10,761	193,695	193,569	126
TOTAL SPECIAL EDUCATION- INSTRUCTION	1,500,555	(24,009)	1,476,546	1,472,672	3,874
Basic Skills/Remedial - Instruction					
Salaries of Teachers	37,986	(5,000)	32,986	32,904	82
Other Purchased Services (400-500 series)	-	-	-	-	-
General Supplies	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Basic Skills/Remedial - Instruction	37,986	(5,000)	32,986	32,904	82

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Bilingual Education - Instruction					
Salaries of Teachers	\$ 11,000	\$ -	\$ 11,000	\$ 7,370	\$ 3,630
General Supplies	50	-	50	-	50
Textbooks	57	-	57	-	57
Total Bilingual Education - Instruction	11,107	-	11,107	7,370	3,737
School-Spon. Curricular Actvts. - Instruction					
Salaries	169,500	21,014	190,514	190,513	1
Purchased Services (300-500 series)	21,450	(5,758)	15,692	15,681	11
Supplies and Materials	34,371	(16,748)	17,623	17,621	2
Other Objects	11,400	(3,483)	7,917	7,916	1
Total School-Spon. Cocurricular Actvts. - Instruction	236,721	(4,975)	231,746	231,731	15
School-Spon. Athletics - Instruction					
Salaries	710,387	1,330	711,717	710,906	811
Purchased Services (300-500 series)	103,500	656	104,156	83,226	20,930
Supplies and Materials	97,378	3,679	101,057	78,081	22,976
Other Objects	11,000	-	11,000	5,150	5,850
Total School-Spon. Cocurricular Actvts. - Instruction	922,265	5,665	927,930	877,363	50,567
Total Instruction	8,827,675	188,359	9,016,034	8,773,811	242,223
Undistributed Expenditures - Instruction:					
Tuition to Co. Voc. School Dist. - reg.	362,395	-	362,395	357,230	5,165
Tuition to Co. Voc. School Dist. - special	74,960	(14,100)	60,860	-	60,860
Tuition to Private Sch for Disbl w/i State	955,101	(155,981)	799,120	653,645	145,475
Total Undistributed Expenditures - Instruction:	1,392,456	(170,081)	1,222,375	1,010,875	211,500
Undistributed Expend. - Attend. & Social Work					
Salaries	30,271	-	30,271	28,329	1,942
Other Purchased Services (400-500 series)	-	-	-	-	-
Supplies and Materials	1,500	-	1,500	1,279	221
Other Objects	-	-	-	-	-
Total Undistributed Expend. - Attend. & Social Work	31,771	-	31,771	29,608	2,163
Undist. Expend. - Health Services					
Salaries	65,605	(20)	65,585	65,340	245
Purchased professional and technical services	13,775	3,400	17,175	16,286	889
Other purchased services (400-500 series)	915	309	1,224	770	454
Supplies and materials	7,900	(1,009)	6,891	5,825	1,066
Total Undistributed Expenditures - Health Services	88,195	2,680	90,875	88,221	2,654
Undist. Expend. - Speech, OT, PT and Related Services					
Salaries	65,480	86,315	151,795	151,795	-
Salaries of other professional staff	-	-	-	-	-
Purchased Prof. Ed. Services	173,400	(106,611)	66,789	66,789	-
Total Undist. Expend. - Speech, OT, PT and Related Services	238,880	(20,296)	218,584	218,584	-
Undistributed Expenditures - Guidance					
Salaries of Other Professional Staff	617,300	(82,484)	534,816	533,397	1,419
Salaries of Secretarial and Clerical Assistants	113,052	(20,774)	92,278	92,077	201
Other Salaries	75,651	-	75,651	75,651	-
Purchased Professional - Educational Services	16,000	111,440	127,440	1,440	126,000
Other Purch. Prof. & Tech. Svc.	14,347	(2,422)	11,925	3,142	8,783
Other Purchased Services (400-500 series)	34,715	-	34,715	25,719	8,996
Supplies and Materials	6,110	-	6,110	2,363	3,747
Other Objects	1,020	-	1,020	929	91
Total Undistributed Expenditures - Guidance	878,195	5,760	883,955	734,718	149,237
Undistributed Expenditures - Child Study Teams					
Salaries of Other Professional Staff	217,371	(2,585)	214,786	214,687	99
Salaries of Secretarial and Clerical assistants	58,374	185	58,559	58,559	-
Purchased Professional - Educational Services	13,250	(1,600)	11,650	8,950	2,700
Other Purchased Prof. & Tech. Services	12,000	-	12,000	9,551	2,449
Other Purchased Services (400-500 series)	7,200	(4,000)	3,200	547	2,653
Residential costs	530,632	128,453	659,085	582,349	76,736
Misc. Purch Serv	-	-	-	-	-
Supplies and Materials	10,084	(4,000)	6,084	4,849	1,235
Total Undistributed Expenditures - Child Study Teams	848,911	116,453	965,364	879,492	85,872
Undist. Expend.-Imprvmt of Instr. Svcs-Other Support Services-Instr.					
Salaries Superv. Of Instr.	604,481	9,666	614,147	614,146	1
Salaries Other Prof. Staff	35,505	(17,533)	17,972	13,950	4,022
Salaries Secr. & Clerical Asst.	52,492	367	52,859	52,859	-
Purchased Professional - Educational Services	5,000	(886)	4,114	-	4,114
Other Purchased Services (400-500 series)	16,500	-	16,500	8,423	8,077
Other objects	6,900	-	6,900	6,091	809
Total Undist. Expend.-Imprvmt of Instr. Svcs-Other Support Services-Instr.	720,878	(8,386)	712,492	695,469	17,023

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Educational Media Services/School Library					
Salaries	\$ 94,375	\$ -	\$ 94,375	\$ 93,762	\$ 613
Other Purchased Services (400-500)	28,642	-	28,642	28,315	327
Supplies and Materials	5,761	321	6,082	3,710	2,372
Total Undist. Expend. - Educational Media Services/School Library	128,778	321	129,099	125,787	3,312
Undist. Expend. - Instruction Staff Training Services					
Other Purchased Prof. and Tech. Services	53,725	-	53,725	1,782	51,943
Other Purchased Services (400-500 series)	39,700	-	39,700	14,150	25,550
Total Undist. Expend. - Instruction Staff Training Services	93,425	-	93,425	15,932	77,493
Undist. Expend. - Support Service - General Administration					
Salaries	287,251	(32,450)	254,801	254,801	-
Legal Services	72,500	37,754	110,254	110,253	1
Audit Fees	24,000	(3,600)	20,400	20,400	-
Expenditure & Internal Control Audit Fees	7,000	(1,802)	5,198	3,955	1,243
Other Purchased Professional Services	3,500	23,875	27,375	27,367	8
Purchased technical services	7,500	655	8,155	8,155	-
Communications/Telephone	37,500	(18,782)	18,718	12,126	6,592
BOE Other Purchased Services	3,500	(3,026)	474	474	-
Misc. Purch. Serv.(400-500)	172,554	8,755	181,309	177,956	3,353
General Supplies	6,500	-	6,500	5,239	1,261
BOE In-house Training/Meeting Supplies	1,000	(250)	750	231	519
Judgments Against the School District	35,000	(13,330)	21,670	21,670	-
Miscellaneous Expenditures	9,500	-	9,500	9,107	393
BOE Membership Dues and Fees	13,000	(4,751)	8,249	8,249	-
Total Undist. Expend. - Support Service - General Administration	680,305	(6,952)	673,353	659,983	13,370
Undist. Expend. - Support Service - School Administration					
Salaries of Principals/Assistant principals	324,523	5,520	330,043	330,036	7
Salaries of Secretarial and Clerical Assistants	95,592	647	96,239	96,239	-
Purchased Professional and Technical Services	3,000	500	3,500	500	3,000
Other Purchased Services (400-500 series)	58,500	(5,520)	52,980	29,119	23,861
Supplies and Materials	8,900	13,853	22,753	5,129	17,624
Other Objects	8,100	30,000	38,100	35,590	2,510
Total Undist. Expend. - Support Service - School Administration	498,615	45,000	543,615	496,613	47,002
Undistributed Expenditures- Central Services					
Salaries	318,785	2,403	321,188	321,188	-
Purchased Technical Services	13,500	(2,403)	11,097	1,309	9,788
Misc. Purchased Services	8,250	(690)	7,560	3,890	3,670
Supplies and Materials	3,500	1,495	4,995	4,992	3
Miscellaneous Expenditures	2,250	(805)	1,445	1,445	-
Total Central Services	346,285	-	346,285	332,824	13,461
Administration Information Technology					
Salaries	-	475	475	475	-
Purchased technical services	22,000	(475)	21,525	20,840	685
Total Admin info tech	22,000	-	22,000	21,315	685
Interest Earned on Maintenance Reserve					
Interest earned on maintenance reserve	1	(1)	-	-	-
Total Interest Earned on Maintenance Reserve	1	(1)	-	-	-
Interest Earned on Maintenance Reserve					
Interest earned on maintenance reserve	1	(1)	-	-	-
Total Interest Earned on Maintenance Reserve	1	(1)	-	-	-
Required Maint for School Facilities					
Cleaning, Repair and Maintenance Services	203,900	(143,000)	60,900	34,216	26,684
Architect Fee	-	-	-	-	-
Building repairs	-	1,267,878	1,267,878	533,077	734,801
General Supplies	90,000	(14,736)	75,264	38,766	36,498
Other Objects	-	-	-	-	-
Total Required Maintenance for School Facilities	293,900	1,110,142	1,404,042	606,059	797,983
Custodial Services					
Salaries	319,851	(8,263)	311,588	311,588	-
Purchased Professional and Technical Services	24,000	131	24,131	24,130	1
Cleaning, Repair and Maintenance Services	297,000	(750)	296,250	269,968	26,282
Other Purchased Property Services	68,000	-	68,000	51,006	16,994
Insurance	115,947	(1,049)	114,898	110,109	4,789
Miscellaneous Purchased Services	5,000	1,750	6,750	5,491	1,259
General Supplies	66,500	9,000	75,500	49,514	25,986
Energy (Natural Gas)	12,000	-	12,000	5,897	6,103
Energy (Electricity)	314,000	-	314,000	261,213	52,787
Other objects	500	1,049	1,549	1,299	250
Total Custodial services	1,222,798	1,868	1,224,666	1,090,215	134,451

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Care and Upkeep of Grounds					
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -
Cleaning, Repair and Maintenance Services	37,000	-	37,000	30,789	6,211
General Supplies	19,500	-	19,500	8,432	11,068
Other objects	30,000	-	30,000	29,536	464
Total Care and Upkeep of Grounds	86,500	-	86,500	68,757	17,743
Security					
Salaries	47,593	-	47,593	28,342	19,251
Purchased Professional and Technical Services	145,000	90,000	235,000	166,355	68,645
General Supplies	99,000	(90,000)	9,000	3,857	5,143
Total Security	291,593	-	291,593	198,554	93,039
Total Oper. And Maintenance of Plant Services	1,894,791	1,112,010	3,006,801	1,963,585	1,043,216
Student Transportation Services					
Salaries for Pupil Transportation (Between Home and School) - Regular	19,375	-	19,375	19,375	-
Contract Svc (btw Home & Sch.)-vendors	179,534	-	179,534	125,069	54,465
Contr Serv (Oth.than Bet Home & Sch) - Vend	253,760	5,000	258,760	146,689	112,071
Contract Serv. (Reg Students) - ESCs & CSTAs	425,096	-	425,096	291,383	133,713
Contract Serv.(Spl. Ed. Students) - ESCs & CTAs	526,141	-	526,141	366,781	159,360
Contr Serv. - Aid in Lieu Pymts-NonPub Sch	15,000	(5,000)	10,000	667	9,333
Total Student Transportation Services	1,418,906	-	1,418,906	949,964	468,942
Regular Programs - Instruction					
Tuition Reimbursement	45,000	(45,000)	-	-	-
Total Regular Programs - Instruction	45,000	(45,000)	-	-	-
Improvement of Instruction Services					
Tuition Reimbursement	3,300	(3,300)	-	-	-
Total Improvement of Instruction Services	3,300	(3,300)	-	-	-
Operation and Maintenance of Plant Service					
Other Employee Benefits	4,000	(4,000)	-	-	-
Total Operation and Maintenance of Plant Service	4,000	(4,000)	-	-	-
Total Allocated Benefits	52,300	(52,300)	-	-	-
Interest Earned on Current Expense Emergency Reserve					
Interest earned on current expense emergency reserve	-	-	-	-	-
Total Interest Earned on Current Expense Emergency Reserve	-	-	-	-	-
Personal Services- Employee Benefits					
Social Security Contributions	233,001	-	233,001	207,993	25,008
Other Retirement Contributions - PERS	212,748	-	212,748	162,992	49,756
Unemployment Compensation	-	-	-	-	-
Workmen's Compensation	100,580	-	100,580	96,408	4,172
Health Benefits	2,275,365	(81,615)	2,193,750	2,117,351	76,399
Tuition Reimbursement	-	56,686	56,686	52,622	4,064
Other Employee Benefits	-	66,996	66,996	64,157	2,839
Total Personal Services-Employee Benefits	2,821,694	42,067	2,863,761	2,701,523	162,238
On-behalf Contributions					
On-behalf TPAF LTDI (non-budgeted)	-	-	-	1,333	(1,333)
On-behalf TPAF OPEB (post retirement med) (non-budgeted)	-	-	-	628,880	(628,880)
On-behalf TPAF Pension Contributions (non-budgeted)	-	-	-	1,695,177	(1,695,177)
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	-	-	622,130	(622,130)
Total On-behalf Contributions	-	-	-	2,947,520	(2,947,520)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	2,873,994	(10,233)	2,863,761	5,649,043	(2,785,282)
TOTAL UNDISTRIBUTED EXPENDITURES	12,156,387	1,066,274	13,222,661	13,872,013	(649,352)
TOTAL GENERAL CURRENT EXPENDITURES	20,984,062	1,254,633	22,238,695	22,645,824	(407,129)
CAPITAL OUTLAY					
Interest Deposit to Capital Reserve	1	(1)	-	-	-
Equipment					
Regular Programs - Instruction:					
Grades 9-12	6,800	-	6,800	3,240	3,560
Special Education- Instruction:					
School - Sponsored and Other Instructional Program	2,200	-	2,200	-	2,200
Facilities Acquisition and Construction Services					
Construction Services	1,000,000	1,400,000	2,400,000	149,879	2,250,121
Equipment	-	-	-	-	-
Assessment for Debt Service on SDA Funding	54,591	-	54,591	54,591	-
Total Facilities Acquisition and Construction Services	1,054,591	1,400,000	2,454,591	204,470	2,250,121
TOTAL CAPITAL OUTLAY	1,063,592	1,399,999	2,463,591	207,710	2,255,881

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
TOTAL EXPENDITURES	22,047,654	2,654,632	24,702,286	22,853,534	1,848,752
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,775,000)	(2,654,635)	(4,429,635)	1,044,844	5,474,479
Fund Balance, July 1	4,999,185	-	4,999,185	4,999,185	-
Fund Balance, June 30	<u>\$ 3,224,185</u>	<u>\$ (2,654,635)</u>	<u>\$ 569,550</u>	<u>\$ 6,044,029</u>	<u>\$ 5,474,479</u>
Recapitulation:					
Restricted Fund Balance:					
Maintenance reserve				\$ 818,149	
Emergency Reserve				25,000	
Excess surplus - current year				-	
Excess surplus-designated for subsequent year's expenditures				-	
Capital reserve				1,255,074	
Assigned Fund Balance:					
Year-end encumbrances				2,626,531	
Designated for subsequent year's expenditures				584,669	
Unrestricted/undesignated				<u>734,606</u>	
Reconciliation to governmental funds statements (GAAP)					
Fund balance per governmental funds (Budgetary)				6,044,029	
Last state aid payment not recognized on GAAP basis				(67,223)	
Fund balance per governmental funds (GAAP) - B-1				<u>\$ 5,976,806</u>	

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local sources	\$ -	\$ 145,662	\$ 145,662	\$ 117,038	\$ (28,624)
State sources	-	-	-	-	-
Federal sources	160,000	67,802	227,802	194,968	(32,834)
Total Revenues	<u>160,000</u>	<u>213,464</u>	<u>373,464</u>	<u>312,006</u>	<u>(61,458)</u>
EXPENDITURES					
Instruction:					
Personal services-salaries	10,000	34,352	44,352	29,600	14,752
Purchased professional and technical services	-	-	-	-	-
General supplies	-	125,509	125,509	106,885	18,624
Tuition	150,000	16,326	166,326	166,326	-
Other objects	-	750	750	750	-
Total instruction	<u>160,000</u>	<u>176,937</u>	<u>336,937</u>	<u>303,561</u>	<u>33,376</u>
Support services:					
Personal services - salaries	-	-	-	-	-
Purchased professional and technical services	-	22,540	22,540	5,500	17,040
Other purchased services	-	1,300	1,300	1,300	-
Employee benefits	-	12,687	12,687	1,645	11,042
Travel	-	-	-	-	-
Supplies- materials	-	-	-	-	-
Other objects	-	-	-	-	-
Total support services	<u>-</u>	<u>36,527</u>	<u>36,527</u>	<u>8,445</u>	<u>28,082</u>
EXPENDITURES:					
Facilities acquisition and const. serv.:					
Instructional equipment	-	-	-	-	-
Total facilities acquisition and const. serv.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>160,000</u>	<u>213,464</u>	<u>373,464</u>	<u>312,006</u>	<u>61,458</u>
Other financing sources (uses)					
Transfer in from general fund	-	-	-	-	-
Contribution to whole school reform	-	-	-	-	-
Total outflows	<u>160,000</u>	<u>213,464</u>	<u>373,464</u>	<u>312,006</u>	<u>61,458</u>
Excess (deficiency) of revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation to governmental funds statements (GAAP)					
Last state aid payment not recognized on GAAP basis				\$ -	
Fund balance per governmental funds (GAAP)				<u>\$ -</u>	

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Required Supplementary Information
Budget-to-GAAP Reconciliation
Note to Required Supplementary Information
For the Year Ended June 30, 2020

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]	\$ 23,898,378	[C-2]	\$ 312,006
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-		(107,257)
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(1,695,177)		-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(67,223)		-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		63,481		-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	\$ 22,199,459	[B-2]	\$ 204,749
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 22,853,534	[C-2]	\$ 312,006
Differences - budget to GAAP:				
TPAF pension payments completely funded by the State of New Jersey are not included on the GAAP statements.		(1,695,177)		-
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		-		(107,257)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	\$ 21,158,357	[B-2]	\$ 204,749

REQUIRED SUPPLEMENTARY INFORMATION - PART III

**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability-PERS
For the Year Ended June 30, 2020**

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
District's proportion of the net pension liability	0.0161430529%	0.0162541387%	0.0180580346%	0.0171215635%	0.0170890665%	0.0166688695%
District's proportionate share of the net pension liability	\$ 3,162,163	\$ 3,809,153	\$ 5,348,272	\$ 3,985,626	\$ 3,364,752	\$ 3,003,477
District's covered-employee payroll	-	1,141,200	1,138,190	1,184,539	1,197,946	1,371,874
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	#DIV/0!	333.78%	469.89%	336.47%	280.88%	218.93%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	280.88%	56.27%

The amounts presented were determined as of the fiscal year-end that occurred one year before the District's fiscal year end.

* The schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled governments should present information for those years for which information is available.

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Required Supplementary Information
Schedule of District Contributions-PERS
For the Year Ended June 30, 2020

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Contractually required contributions	\$ 133,081	\$ 139,742	\$ 160,999	\$ 161,629	\$ 171,160	\$ 162,992
Contributions in relation to the contractually required contribution	<u>133,081</u>	<u>139,742</u>	<u>160,999</u>	<u>161,629</u>	<u>171,160</u>	<u>162,992</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 1,141,200	\$ 1,138,190	\$ 1,184,539	\$ 1,197,946	\$ 1,371,874	\$ 1,426,618
Contributions as a percentage of covered-employee payroll	11.66%	12.28%	13.59%	13.49%	12.48%	11.43%

* The schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled governments should present information for those years for which information is available.

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Required Supplementary Information
Schedule of the District's Proportionate Share of Net Pension Liability-TPAF
For the Year Ended June 30, 2020

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
State's proportion of the net pension liability	0.0745429505%	0.0742711461%	0.0767383243%	0.0761061988%	0.0764607939%	0.0796371124%
State's proportionate share of the net pension liability	\$ 39,840,781	\$ 46,942,536	\$ 60,367,252	\$ 51,313,544	\$ 48,642,715	\$ 48,874,048
District's covered-employee payroll	7,807,842	7,945,192	8,159,094	8,193,112	8,466,257	8,691,646
Proportionate share of the net pension liability as a percentage of District's covered-employee payroll	510.27%	590.83%	739.88%	626.30%	574.55%	562.31%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%

The District has a special funding situation and is not required to make any payments for this liability therefore it is not recorded on the CAFR.

The amounts presented were determined as of the fiscal year-end that occurred one year before the District's fiscal year end.

* The schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled governments should present information for those years for which information is available.

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Required Supplementary Information
Schedule of Changes in the Total OPEB Liability and Related Ratios
For the Year Ended June 30, 2020
(Unaudited)

Last 10 Fiscal Years*

	<u>2018</u>	<u>2019</u>	<u>2020</u>
State's proportion of the OPEB liability associated with the District			
Service cost	\$ 1,540,528	\$ 1,266,696	\$ 1,150,469
Interest cost	1,090,160	1,258,772	1,149,794
Differences between expected and actual experiences	-	(3,772,610)	(4,521,974)
Changes in assumptions	(4,691,572)	(3,321,982)	392,657
Member contributions	29,224	26,753	23,963
Gross benefit payments	<u>(793,648)</u>	<u>(774,072)</u>	<u>(808,405)</u>
Net change in total OPEB liability	(2,825,308)	(5,316,443)	(2,613,496)
Total OPEB liability - beginning	<u>37,090,224</u>	<u>34,264,916</u>	<u>28,948,473</u>
Total OPEB liability - ending	<u>\$ 34,264,916</u>	<u>\$ 28,948,473</u>	<u>\$ 26,334,977</u>
District's covered employee payroll	<u>\$ 10,842,657</u>	<u>\$ 11,274,010</u>	<u>\$ 11,285,925</u>
Total State's OPEB liability as a percentage of covered employee payroll	333%	257%	233%

* The schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled governments should present information for those years for which information is available.

Rumson-Fair Haven Regional High School District

Notes to Required Supplementary Information - Part III

For the Year Ended June 30, 2020

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 4.86% as of June 30, 2018, to 5.60% as of June 30, 2019.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 5.66% as of June 30, 2018, to 6.28% as of June 30, 2019.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 3.87% as of June 30, 2018, to 3.50% as of June 30, 2019.

OTHER SUPPLEMENTARY INFORMATION

D. School Based Budget Schedules
Not Applicable

E. Special Revenue Fund

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Special Revenue Fund
Combining Schedules of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2020

	<u>Title I 19/20</u>	<u>Title II Part A 19/20</u>	<u>I.D.E.A. B-Basic Reg Prog 19/20</u>
Revenues:			
Local sources	-	\$ -	\$ -
State sources	-	-	-
Federal sources	<u>23,142</u>	<u>5,500</u>	<u>166,326</u>
Total revenues	<u>23,142</u>	<u>5,500</u>	<u>166,326</u>
Expenditures:			
Instruction:			
Salaries	21,497	-	-
Purchased professional services	-	-	-
General supplies	-	-	-
Tuition	-	-	166,326
Other Objects	<u>-</u>	<u>-</u>	<u>-</u>
Total instruction	<u>21,497</u>	<u>-</u>	<u>166,326</u>
Support services:			
Other support services - students - special:			
Salaries		-	-
Purchased prof. and tech. services	-	5,500	-
Other purchased services	-	-	-
Employee benefits	1,645	-	-
Travel	-	-	-
Supplies and materials	<u>-</u>	<u>-</u>	<u>-</u>
Total other support services - students - special	<u>1,645</u>	<u>5,500</u>	<u>-</u>
Total support services	<u>1,645</u>	<u>5,500</u>	<u>-</u>
Equipment:			
Regular programs instruction	-	-	-
Non-instructional equipment	<u>-</u>	<u>-</u>	<u>-</u>
Total equipment	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>23,142</u>	<u>\$ 5,500</u>	<u>\$ 166,326</u>

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2020

(Continued from prior page)

	RFH Education Foundation 19/20	Other	Total 2020
Revenues:			
Local sources	\$ 113,650	3,388	\$ 117,038
State sources	-	-	-
Federal sources	-	-	194,968
Total revenues	<u>113,650</u>	<u>3,388</u>	<u>312,006</u>
Expenditures:			
Instruction:			
Salaries	7,943	160	29,600
Purchased professional services	-	-	-
General supplies	103,657	3,228	106,885
Tuition	-	-	166,326
Other objects	750	-	750
Total instruction	<u>112,350</u>	<u>3,388</u>	<u>303,561</u>
Support services:			
Other support services - students - special:			
Salaries	-	-	-
Purchased prof. and tech. services	-	-	5,500
Other purchased services	1,300	-	1,300
Employee benefits	-	-	1,645
Travel	-	-	-
Supplies and materials	-	-	-
Other objects	-	-	-
Total other support services - students - special	<u>1,300</u>	<u>-</u>	<u>8,445</u>
Total support services	<u>1,300</u>	<u>-</u>	<u>8,445</u>
Equipment:			
Regular programs instruction	-	-	-
Non-instructional equipment	-	-	-
Total equipment	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 113,650</u>	<u>\$ 3,388</u>	<u>\$ 312,006</u>

F. Capital Projects Fund

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Project Expenditures
For the Year Ended June 30, 2020

<u>Project Title/Issue</u>	<u>Approval Date</u>	<u>Revised Budgetary Appropriations</u>	<u>GAAP Expenditures to Date</u>		<u>Unexpended Appropriations June 30, 2020</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Alterations, Renovations and Additions	12/6/2018	8,827,000	359,077	2,680,305	5,787,618
Auditorium Renovations	12/6/2018	339,000	-	-	339,000
Site Improvements	12/6/2018	3,430,000	-	-	3,430,000
Totals		<u>\$ 12,596,000</u>	<u>\$ 359,077</u>	<u>\$ 2,680,305</u>	<u>\$ 9,556,618</u>

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis
For the Year Ended June 30, 2020

Revenues and Other Financing Sources	
State Sources - SDA Grant	\$ -
Bond proceeds and transfers	-
Capital lease proceeds	-
Transfer from capital reserve	-
Interest	-
Total revenues	-
 Expenditures and Other Financing Uses	
Purchased professional and technical services	-
Land and improvements	-
Construction services	2,680,305
Supplies	-
Total expenditures	2,680,305
Excess (deficiency) of revenues over (under) expenditures	(2,680,305)
Fund balance - beginning	12,236,923
Fund balance - ending	\$ 9,556,618

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
ALTERATIONS, RENOVATIONS AND ADDITIONS
For the Year Ended June 30, 2020

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ -	\$ -	\$ -	\$ -
Bond proceeds and transfers	8,827,000	-	8,827,000	8,827,000
Local Revenue	-	-	-	-
Total revenues	8,827,000	-	8,827,000	8,827,000
Expenditures and Other Financing Uses				
Purchased prof. and technical services	188,509	-	188,509	-
Construction services	170,568	2,680,305	2,850,873	8,827,000
Supplies	-	-	-	-
Total expenditures	359,077	2,680,305	3,039,382	8,827,000
Excess (deficiency) of revenues over (under) expenditures	\$ 8,467,923	\$ (2,680,305)	\$ 5,787,618	\$ -
Additional project information:				
Project Number	4580-050-18-1000			
Grant Date	7/9/2019			
Bond Authorization Date	12/6/2018			
Bonds Authorized	\$ 12,596,000			
Bonds Issued	12,596,000			
Original Authorized Cost	8,827,000			
Additional Authorized Cost	-			
Revised Authorized Cost	8,827,000			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	34.43%			
Original target completion date	2023			
Revised target completion date	2023			

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
AUDITORIUM RENOVATIONS
For the Year Ended June 30, 2020

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ -	\$ -	\$ -	\$ -
Bond proceeds and transfers	339,000	-	339,000	339,000
Local Revenue	-	-	-	-
Total revenues	<u>339,000</u>	<u>-</u>	<u>339,000</u>	<u>339,000</u>
Expenditures and Other Financing Uses				
Purchased prof. and technical services	-	-	-	-
Construction services	-	-	-	339,000
Supplies	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>339,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 339,000</u>	<u>\$ -</u>	<u>\$ 339,000</u>	<u>\$ -</u>

Additional project information:

Project Number	4580-050-18-2000
Grant Date	7/9/2019
Bond Authorization Date	12/6/2018
Bonds Authorized	\$ 12,596,000
Bonds Issued	12,596,000
Original Authorized Cost	339,000
Additional Authorized Cost	-
Revised Authorized Cost	339,000
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	0.00%
Original target completion date	2021
Revised target completion date	2021

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
SITE IMPROVEMENTS
For the Year Ended June 30, 2020

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ -	\$ -	\$ -	\$ -
Bond proceeds and transfers	3,430,000	-	3,430,000	3,430,000
Local Revenue	-	-	-	-
Total revenues	<u>3,430,000</u>	<u>-</u>	<u>3,430,000</u>	<u>3,430,000</u>
Expenditures and Other Financing Uses				
Purchased prof. and technical services	-	-	-	-
Construction services	-	-	-	3,430,000
Supplies	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,430,000</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 3,430,000</u>	<u>\$ -</u>	<u>\$ 3,430,000</u>	<u>\$ -</u>
Additional project information:				
Project Number	4580-050-18-3000			
Grant Date	7/9/2019			
Bond Authorization Date	12/6/2018			
Bonds Authorized	\$ 12,596,000			
Bonds Issued	12,596,000			
Original Authorized Cost	3,430,000			
Additional Authorized Cost	-			
Revised Authorized Cost	3,430,000			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	0.00%			
Original target completion date	2022			
Revised target completion date	2022			

G. Proprietary Funds
See B-4 through B-6

H. Fiduciary Funds

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Combining Schedule of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

	Agency		Trust		Total
	Student Activity	Payroll Agency	Scholarship Fund	Unemployment Compensation Trust	
ASSETS					
Cash and cash equivalents	\$ 408,279	\$ 8,133	\$ 481,517	\$ 253,559	\$ 1,151,488
Total assets	408,279	8,133	481,517	253,559	1,151,488
LIABILITIES					
Payroll deductions and withholdings	-	7,982	-	-	7,982
Payable to student groups	408,279	-	-	-	408,279
Interfund payable	-	151	-	-	151
Total liabilities	408,279	8,133	-	-	416,412
Net Position					
Designated for future payment	-	-	481,517	253,559	735,076
Total net position	-	-	481,517	253,559	735,076
Total liabilities and net position	\$ 408,279	\$ 8,133	\$ 481,517	\$ 253,559	\$ 1,151,488

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Combining Schedule of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2020

	Scholarship Funds	Unemployment Compensation Trust	Total
ADDITIONS			
Contributions:			
Board	\$ -	\$ 16,711	\$ 16,711
Other	7,615	-	7,615
Total contributions	<u>7,615</u>	<u>16,711</u>	<u>24,326</u>
Investment earnings:			
Net increase (decrease) in fair value of investments	-	-	-
Interest	-	-	-
Dividends	-	-	-
Less investment expense	-	-	-
Net investment earnings	<u>-</u>	<u>-</u>	<u>-</u>
Total additions	<u>7,615</u>	<u>16,711</u>	<u>24,326</u>
DEDUCTIONS			
Quarterly contribution reports	-	-	-
Unemployment claims	-	2,420	2,420
Scholarships awarded	21,700	-	21,700
Refunds of contributions	-	-	-
Administrative expenses	-	-	-
Total deductions	<u>21,700</u>	<u>2,420</u>	<u>24,120</u>
Change in net position	(14,085)	14,291	206
Net position—beginning of the year	<u>495,602</u>	<u>239,268</u>	<u>734,870</u>
Net position—end of the year	<u>\$ 481,517</u>	<u>\$ 253,559</u>	<u>\$ 735,076</u>

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Year Ended June 30, 2020

	<u>Balance</u> <u>July 1, 2019</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2020</u>
Student Activities Funds	<u>\$ 326,517</u>	<u>\$ 560,312</u>	<u>\$ 478,550</u>	<u>\$ 408,279</u>

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Year Ended June 30, 2020

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>
ASSETS:				
Cash and cash equivalents	\$ 8,162	\$ -	\$ 29	\$ 8,133
Due from other governments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 8,162</u>	<u>-</u>	<u>29</u>	<u>8,133</u>
LIABILITIES:				
Payroll deductions and withholdings	\$ 8,011	-	29	\$ 7,982
Accrued salaries and wages	-	-	-	-
Intrafund payable	-	-	-	-
Interfund payable	151	-	-	151
Other current liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>\$ 8,162</u>	<u>-</u>	<u>29</u>	<u>8,133</u>

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Private Purpose Scholarship Fund
Schedule of Receipts and Disbursements
For the Year Ended June 30, 2020

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>
ASSETS:				
Cash and cash equivalents:				
Kaleen Pezzuti Memorial Fund	\$ 8,884	\$ 12	\$ 1,500	\$ 7,396
Frank W. Baigent Scholarship Fund	354,124	3,358	3,000	354,482
General Scholarships	<u>132,594</u>	<u>4,245</u>	<u>17,200</u>	<u>119,639</u>
	<u>\$ 495,602</u>	<u>\$ 7,615</u>	<u>\$ 21,700</u>	<u>\$ 481,517</u>

I. Long-Term Debt

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Long-Term Debt
Schedule of Serial Bonds
June 30, 2020

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount Of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance July 1, 2019</u>	<u>Issued</u>	<u>Retired</u>	<u>Refinanced</u>	<u>Balance June 30, 2020</u>
2018 Bonds-Renovations, Site Improvements & Auditorium	12/06/2018	12,596,000				12,596,000	-	(401,000)		12,195,000
			2/1/2021	475,000						
			2/1/2022	485,000						
			2/1/2023	500,000						
			2/1/2024	520,000						
			2/1/2025	535,000						
			2/1/2026	550,000						
			2/1/2027	570,000						
			2/1/2028	590,000						
			2/1/2029	610,000						
			2/1/2030	635,000						
			2/1/2031	660,000						
			2/1/2032	685,000						
			2/1/2033	710,000						
			2/1/2034	740,000						
			2/1/2035	770,000						
			2/1/2036	790,000						
2/1/2037	790,000									
2/1/2038	790,000									
2/1/2039	790,000									
						\$ 12,596,000	\$ -	\$ (401,000)	\$ -	\$ 12,195,000

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Year Ended June 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 713,444	\$ -	\$ 713,444	\$ 713,444	\$ -
Miscellaneous	-	-	-	-	-
State Sources:					
Debt Service Aid Type II	184,881	-	184,881	184,881	-
Debt Service Aid Type I	-	-	-	-	-
Total - State Sources	184,881	-	184,881	184,881	-
Total Revenues	898,325	-	898,325	898,325	-
EXPENDITURES:					
Regular Debt Service:					
Interest	497,324	-	497,324	497,324	-
Redemption of Principal	401,000	-	401,000	401,000	-
Total Regular Debt Service	898,324	-	898,324	898,324	-
Total Expenditures	898,324	-	898,324	898,324	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	1	-	1	1	-
Other Financing Sources:					
Issue new bonds	-	-	-	-	-
Operating Transfers In:	-	-	-	-	-
Transfer to Capital Projects Fund	-	-	-	-	-
	1	-	1	1	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	1	-	1	1	-
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	\$ 1	\$ -	\$ 1	\$ 1	\$ -
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	\$ 1	\$ -	\$ 1	\$ 1	\$ -

STATISTICAL SECTION

**Rumson-Fair Haven Regional High School District
Statistical Section**

<u>Contents</u>	<u>Page</u>
<p>Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.</p>	113-118
<p>Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.</p>	119-123
<p>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.</p>	124-128
<p>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.</p>	129-130
<p>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.</p>	131-135

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

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Net Positions by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Net investment in capital assets	\$ 12,333,157	\$ 12,567,547	\$ 12,405,448	\$ 13,671,872	\$ 13,433,987	\$ 13,571,244	\$ 13,944,675	\$ 14,103,763	\$ 2,599,081	\$ 2,378,372
Restricted	3,065,359	3,426,122	4,354,038	3,120,494	3,920,795	4,218,768	4,471,177	4,871,725	16,204,125	14,866,042
Unrestricted	164,724	95,981	91,208	260,550	(3,059,557)	(3,183,736)	(3,250,477)	(3,387,242)	(3,015,708)	(3,284,794)
Total governmental activities net position	<u>15,563,240</u>	<u>16,089,650</u>	<u>16,850,694</u>	<u>17,052,916</u>	<u>14,295,225</u>	<u>14,606,276</u>	<u>15,165,375</u>	<u>15,588,246</u>	<u>15,787,498</u>	<u>13,959,620</u>
Business-type activities										
Net investment in capital assets	53,074	46,441	39,809	33,177	80,549	69,596	63,585	52,279	47,283	42,526
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	66,684	71,255	101,493	116,482	66,328	116,752	155,463	192,594	256,052	296,618
Total business-type activities net position	<u>119,758</u>	<u>117,696</u>	<u>141,302</u>	<u>149,659</u>	<u>146,877</u>	<u>186,348</u>	<u>219,048</u>	<u>244,873</u>	<u>303,335</u>	<u>339,144</u>
District-wide										
Net investment in capital assets	12,386,230	12,613,988	12,445,257	13,705,049	13,514,536	13,640,840	14,008,260	14,156,042	2,646,364	2,420,898
Restricted	3,065,359	3,426,122	4,354,038	3,120,494	3,920,795	4,218,768	4,471,177	4,871,725	16,204,125	14,866,042
Unrestricted	231,408	167,236	192,701	377,032	(2,993,229)	(3,066,984)	(3,095,014)	(3,194,648)	(2,759,656)	(2,988,176)
Total district net position	<u>15,682,997</u>	<u>16,207,346</u>	<u>16,991,996</u>	<u>17,202,575</u>	<u>14,442,102</u>	<u>14,792,624</u>	<u>15,384,423</u>	<u>15,833,119</u>	<u>16,090,833</u>	<u>14,298,764</u>

Source: CAFR Schedule A-1 and District records.

GASB No. 54 was implemented in the 2011 fiscal year, which required a change in the presentation of fund balance. This required presentation did not impact any of the balances from prior years.

GASB No. 63 was implemented in the 2013 fiscal year, which required a change in language from net assets to net position for full accrual funds. This required presentation did not impact any of the balances from prior years.

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities										
Instruction										
Regular	(7,279,519)	(7,863,183)	6,085,044	6,259,316	6,432,317	6,525,479	6,710,905	7,044,047	6,953,505	7,309,321
Special education	(1,359,452)	(1,406,388)	888,195	891,548	923,779	1,029,550	969,025	1,012,617	1,476,981	1,506,598
Other special education	(21,131)	(42,037)	762,375	1,004,506	929,316	996,000	1,100,373	1,165,183	1,202,600	1,155,022
Vocational										
Other instruction	(704,743)	(692,131)								
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Tuition	(443,372)	(401,696)								
Student & Instruction Related Services	(2,460,706)	(2,589,474)								
Instruction			660,165	904,891	872,928	1,115,237	1,349,959	1,439,480	1,049,838	1,106,999
Attendance and social work			28,658	25,777	37,453	41,022	30,438	29,784	33,308	29,608
Health services			115,405	122,207	125,354	130,684	127,484	139,388	111,060	95,021
Improvement of instr. services			668,126	705,261	697,897	737,805	708,618	734,214	754,446	695,469
Educational media services			112,002	121,723	115,501	110,525	116,669	120,400	121,341	125,787
Instruction staff training			22,909	12,903	14,122	15,796	9,820	7,454	13,002	15,932
School Administrative services	(521,245)	(512,846)	411,527	381,896	506,821	501,264	547,923	504,624	547,557	498,080
General administration	(544,187)	(513,620)	483,699	580,060	682,986	609,826	549,808	645,739	656,563	659,983
Central Services	(330,909)	(353,117)	286,751	294,232	306,106	313,160	317,281	316,571	324,437	332,824
Plant operations and maintenance	(2,116,988)	(2,115,164)	1,272,625	1,283,543	1,371,271	1,459,079	1,528,123	1,380,961	1,934,555	4,342,433
Administrative information technology	(9,815)	(55,563)	18,668	26,377	17,128	13,284	19,776	24,231	21,138	21,315
Pupil transportation	(857,834)	(721,643)	645,679	817,813	839,528	941,875	1,046,606	1,260,874	1,409,657	949,964
Other support services			1,080,940	1,152,704	1,146,549	1,226,087	1,249,978	1,287,019	1,524,443	1,834,439
Business and other support services			-	-	-	-	-	-	-	-
Non-budgeted expenditures			1,550,045	1,389,860	1,204,680	1,304,489	1,296,324	1,331,709	1,335,385	1,252,343
Special Schools			-	-	-	-	-	-	-	-
Interest on long-term debt	(205,313)	(188,083)	260,228	83,510	61,390	59,700	20,980	18,490	13,757	497,324
Unallocated employee benefits			2,399,028	2,469,119	2,431,198	2,403,607	2,427,806	2,492,897	2,688,471	2,701,949
Total governmental activities expenses	(16,855,214)	(17,454,945)	17,752,069	18,527,246	18,716,324	19,534,469	20,127,896	20,955,682	22,172,044	25,130,411
Business-type activities:										
Food service	(568,075)	(557,909)	550,041	570,097	591,641	727,283	811,128	912,619	1,016,896	758,648
Child Care			71,356	26,255	32,472	16,793	28,193	30,056	28,168	24,026
Total business-type activities expense	(568,075)	(557,909)	621,397	596,352	624,113	744,076	839,321	942,675	1,045,064	782,674
Total district expenses	(17,423,289)	(18,012,854)	18,373,466	19,123,598	19,340,437	20,278,545	20,967,217	21,898,357	23,217,108	25,913,085

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	133,350	190,605	-	-	-	-	-	-	-	295,816
Pupil transportation	187,818	71,964	-	-	-	-	-	-	-	-
Central and other support services	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	7,722	10,119	1,550,045	1,389,860	1,204,680	1,304,489	1,296,324	1,331,709	1,335,385	1,252,343
Capital grants and contributions	158,125	110,071	-	-	-	-	-	-	-	-
Total governmental activities program revenues	<u>487,015</u>	<u>382,759</u>	<u>1,550,045</u>	<u>1,389,860</u>	<u>1,204,680</u>	<u>1,304,489</u>	<u>1,296,324</u>	<u>1,331,709</u>	<u>1,335,385</u>	<u>1,548,159</u>
Business-type activities:										
Charges for services:										
Food service	567,167	544,502	534,453	571,075	584,690	754,868	842,574	966,954	1,079,646	797,306
Child Care	-	-	65,810	33,634	36,641	28,679	29,447	1,546	23,880	21,177
Operating grants and contributions	11,486	11,345	12,903	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	<u>578,653</u>	<u>555,847</u>	<u>613,166</u>	<u>604,709</u>	<u>621,331</u>	<u>783,547</u>	<u>872,021</u>	<u>968,500</u>	<u>1,103,526</u>	<u>818,483</u>
Total district program revenues	<u>1,065,668</u>	<u>938,606</u>	<u>2,163,211</u>	<u>1,994,569</u>	<u>1,826,011</u>	<u>2,088,036</u>	<u>2,168,345</u>	<u>2,300,209</u>	<u>2,438,911</u>	<u>2,366,642</u>
Net (Expense)/Revenue										
Governmental activities	(16,368,199)	(17,072,186)	(17,752,069)	(18,527,246)	(18,716,324)	(19,534,469)	(20,127,896)	(20,955,682)	(22,172,044)	(25,130,411)
Business-type activities	10,577	(2,061)	(621,397)	(596,352)	(624,113)	(744,076)	(839,321)	(942,675)	(1,045,064)	(782,674)
Total district-wide net expense	<u>(16,357,622)</u>	<u>(17,074,247)</u>	<u>(18,373,466)</u>	<u>(19,123,598)</u>	<u>(19,340,437)</u>	<u>(20,278,545)</u>	<u>(20,967,217)</u>	<u>(21,898,357)</u>	<u>(23,217,108)</u>	<u>(25,913,085)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	14,891,537	15,056,632	15,310,626	15,616,839	16,316,506	16,851,880	17,450,703	17,973,117	18,686,649	19,318,269
Taxes levied for debt service	760,608	769,143	775,605	760,698	768,600	774,700	780,400	769,072	790,500	713,444
Unrestricted grants and contributions	1,485,614	1,728,955	541,275	694,769	657,962	721,880	816,176	869,817	1,035,306	1,381,350
Federal and State Aid Restricted	-	-	-	-	-	-	-	-	-	-
Tuition Received	-	-	-	-	-	-	-	-	-	-
Investment earnings	1,117	370	-	-	-	-	-	-	-	214,753
Miscellaneous income	53,672	43,496	335,562	267,302	230,177	192,571	343,392	434,838	523,456	126,558
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>17,192,548</u>	<u>17,598,596</u>	<u>16,963,068</u>	<u>17,339,608</u>	<u>17,973,245</u>	<u>18,541,031</u>	<u>19,390,671</u>	<u>20,046,844</u>	<u>21,035,911</u>	<u>21,754,374</u>
Change in Net Position										
Governmental activities	824,353	526,409	761,044	202,222	461,601	311,051	559,099	422,871	199,252	(1,827,878)
Business-type activities	10,577	(2,061)	(8,231)	8,357	(2,782)	39,471	32,700	25,825	58,462	35,809
Total district	<u>834,930</u>	<u>524,348</u>	<u>752,813</u>	<u>210,579</u>	<u>458,819</u>	<u>350,522</u>	<u>591,799</u>	<u>448,696</u>	<u>257,714</u>	<u>(1,792,069)</u>

Source: CAFR Schedule A-2 and District records.

GASB No. 63 was implemented in the 2013 fiscal year, which required a change in language from net assets to net position for full accrual funds. This required presentation did not impact any of the balances from prior years.

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Restricted	2,126,422	2,677,727					\$ 3,636,909	\$ 4,289,509	\$ 3,417,202	\$ 2,098,223
Committed	114,100	-					-	-	-	-
Assigned	709,482	615,945					702,492	578,047	1,055,633	3,211,200
Unassigned	321,379	307,911					458,159	464,548	462,869	667,383
Reserved	\$ -	\$ -	\$ 4,141,418	\$ 2,907,896	\$ 3,759,321	\$ 4,084,085	-	-	-	-
Unreserved	-	-	240,503	387,179	335,284	366,965	-	-	-	-
Total general fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,381,921</u>	<u>\$ 3,295,075</u>	<u>\$ 4,094,605</u>	<u>\$ 4,451,050</u>	<u>\$ 4,797,560</u>	<u>\$ 5,332,104</u>	<u>\$ 4,935,704</u>	<u>\$ 5,976,806</u>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted										
Debt service fund	191	22	21,650	21,628	21,628	21,628	21,628	-	-	1
Capital projects fund	179,936	190,970	190,970	190,970	139,846	113,055	110,148	38,481	12,236,923	9,556,618
Total all other governmental funds	<u>\$ 180,127</u>	<u>\$ 190,992</u>	<u>\$ 212,620</u>	<u>\$ 212,598</u>	<u>\$ 161,474</u>	<u>\$ 134,683</u>	<u>\$ 131,776</u>	<u>\$ 38,481</u>	<u>\$ 12,236,923</u>	<u>\$ 9,556,619</u>

Source: CAFR Schedule B-1 and District records.

GASB No. 54 was implemented in the 2011 fiscal year, which required a change in the presentation of fund balance. This required presentation did not impact any of the balances from prior years.

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Tax levy	15,652,145	15,825,775	16,086,231	16,377,537	17,085,106	17,626,580	18,231,103	18,742,189	19,477,149	20,031,713
Tuition charges	133,350	190,605	-	195,073	170,701	143,020	241,657	264,123	257,211	295,816
Interest earnings	1,117	370	621	311	-	-	13,128	39,466	48,958	214,753
Miscellaneous	241,492	115,461	305,703	71,918	59,476	49,551	88,607	131,249	217,287	126,558
Transportation fees	-	-	10,878	-	-	-	-	-	-	-
State sources	1,288,971	1,667,231	1,966,020	1,885,002	1,698,452	1,805,007	1,882,435	1,966,641	2,133,531	2,545,982
Federal sources	362,490	181,913	125,300	199,627	164,190	221,362	230,065	234,885	237,160	87,711
Other financing sources	-	-	-	-	-	-	-	-	-	-
Total revenue	17,679,565	17,981,355	18,494,753	18,729,468	19,177,925	19,845,520	20,686,995	21,378,553	22,371,296	23,302,533
Expenditures										
Instruction	6,101,047	6,486,661								
Regular instruction	1,173,332	1,212,789	5,360,437	5,430,297	5,612,482	5,679,164	5,868,462	6,146,414	6,056,015	6,348,075
Special education instruction	21,131	42,037	862,621	862,289	894,844	999,680	939,292	980,936	1,445,305	1,472,672
School Sponsored/Other special instruction	665,968	634,340	758,113	999,629	924,493	991,022	1,095,417	1,159,903	1,197,321	1,149,368
Undistributed:	-	-	-	-	-	-	-	-	-	-
Support Services:										
Instruction	443,372	401,696	587,704	821,989	790,944	1,030,605	1,265,715	1,349,717	960,089	1,010,875
Support Services Students	1,529,578	1,564,924	-	-	-	-	-	-	-	-
Attendance and social work	-	-	28,658	25,777	37,453	41,022	30,438	29,784	33,308	29,608
Health services	-	-	115,405	122,207	125,354	130,684	127,484	139,388	111,060	95,021
Other support services	-	-	1,080,940	1,152,704	1,146,549	1,226,087	1,249,978	1,287,019	1,524,443	1,834,439
Improvement of instruction	-	-	668,126	705,261	697,897	737,805	708,618	734,214	754,446	695,469
Educational media services	-	-	112,002	121,723	110,525	116,669	120,400	121,341	125,787	125,787
Instruction staff training	722,845	816,627	22,909	12,903	14,122	15,796	9,820	7,454	13,002	15,932
General administrative services	524,663	476,949	483,699	580,060	682,986	609,826	549,808	645,739	656,563	659,983
School administrative services	484,971	494,290	448,588	375,303	435,627	443,486	460,376	449,532	467,738	496,613
School central services	308,713	332,183	286,751	294,232	306,106	313,160	317,281	316,571	324,437	332,824
School admin info technology	9,815	55,563	18,668	26,377	17,128	13,284	19,776	24,231	21,138	21,315
Allowed maintenance for school facilities	-	-	207,280	123,617	184,924	224,161	814,499	365,881	696,285	606,059
Other operation & maintenance of plant	1,396,805	1,358,978	992,394	1,059,585	1,131,736	1,184,682	1,257,914	1,206,738	1,183,529	1,357,526
Student transportation services	857,834	721,643	645,679	817,813	839,528	941,875	1,046,606	1,260,874	1,409,657	949,964
Business and other support services	-	-	-	-	-	-	-	-	-	-
Unallocated employee benefits	328,588	323,790	2,399,028	2,469,119	2,424,537	2,275,655	2,327,685	2,338,842	2,638,506	2,701,523
Non-budgeted expenditures	-	-	1,550,045	1,389,860	1,204,680	1,304,489	1,296,324	1,331,709	1,335,385	1,252,343
Other	-	-	-	-	-	-	-	-	-	-
On-Behalf TPAF Post Retirement Contributions	484,632	465,894	-	-	-	-	-	-	-	-
On-Behalf TPAF Pension Contributions	22,817	231,758	-	-	-	-	-	-	-	-
Reimbursed TPAF Social Security	521,944	534,375	-	-	-	-	-	-	-	-
Special Schools	-	-	-	-	-	-	-	-	-	-
Charter Schools	-	-	-	-	-	-	-	-	-	-
Capital outlay	78,659	211,830	309,763	1,664,871	74,028	468,158	60,830	251,258	1,425,186	2,888,015
Special Revenue	396,251	193,929	-	-	-	-	-	-	-	-
Debt service:										
Principal	550,000	575,000	615,000	665,000	695,000	715,000	735,000	760,000	775,000	401,000
Interest and other charges	210,813	194,313	138,977	95,720	73,600	59,700	45,400	30,700	15,500	497,324
Total expenditures	16,834,778	17,329,570	17,692,787	19,816,336	18,429,519	19,515,866	20,343,392	20,937,304	23,165,254	24,941,735
Excess (Deficiency) of revenues over (under) expenditures	844,786	651,785	801,966	(1,086,868)	748,406	329,654	343,603	441,249	(793,958)	(1,639,202)
Other Financing sources (uses)										
Proceeds from borrowing	-	-	-	-	-	-	-	-	-	-
Capital leases (non-budgeted)	-	-	-	-	-	-	-	-	-	-
Proceeds from refunding	-	-	-	-	-	-	-	-	-	-
Payments to escrow agent	-	-	-	-	-	-	-	-	-	-
Transfers in	20	211,683	-	-	-	-	-	-	-	-
Transfers out	(20)	(211,683)	(18,360)	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	(18,360)	-	-	-	-	-	-	-
Net change in fund balances	844,786	651,785	783,606	(1,086,868)	748,406	329,654	343,603	441,249	(793,958)	(1,639,202)
Debt service as a percentage of noncapital expenditures	4.54%	4.49%	4.34%	4.19%	4.19%	4.07%	3.85%	3.82%	3.64%	4.07%

Source: CAFR Schedule B-2 and District records.

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.

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
General Fund - Other Local Revenue by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year Ending June 30,	Sale of Capital Assets	Interest on Investments	Event Receipts	Rentals	Prior Year Refunds	Transportation Fees	Miscellaneous	Annual Totals
2011	-	-	-	-	-	-	339,917	339,917
2012	-	-	-	-	-	-	280,080	280,080
2013	-	621	-	-	-	10,878	-	11,499
2014	-	311	-	-	-	-	34,766	35,077
2015	-	-	-	-	-	-	32,067	32,067
2016	-	-	-	-	-	-	15,909	15,909
2017	-	-	-	-	-	-	71,499	71,499
2018	-	-	-	-	-	-	92,752	92,752
2019	-	-	-	-	-	-	195,615	195,615
2020	-	-	-	-	-	-	9,520	9,520

Source: District records

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

Rumson Borough

Calendar Year Ended Dec 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less : Tax Exempt Property	Public Utilities ^a	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^b	Total Direct Regional Tax Rate
2011	38,412,300	2,807,299,400	6,307,600	32,000	102,610,100	-	628,700	2,955,290,100	-	1,405,766	2,956,695,866	3,482,171,902	0.468	0.379
2012	41,969,100	2,809,034,000	-	30,200	103,446,700	-	628,700	2,955,108,700	-	1,363,484	3,248,954,038	3,441,790,050	0.480	0.389
2013	54,489,000	2,757,376,100	-	26,800	99,895,900	-	628,700	2,912,416,500	-	1,277,630	2,913,694,130	3,318,993,162	0.496	0.407
2014	54,489,000	2,757,376,100	-	26,800	99,895,900	-	628,700	3,284,290,800	-	1,277,630	2,913,694,130	3,338,372,433	0.446	0.374
2015	47,011,900	3,192,319,600	7,361,700	25,000	80,679,000	-	31,338,400	3,377,312,100	-	1,124,732	3,359,860,332	3,336,275,906	0.446	0.372
2016	38,095,200	3,290,090,400	6,891,700	25,000	111,691,600	-	488,900	3,453,598,600	-	1,126,150	3,448,408,950	3,427,549,226	0.448	0.368
2017	35,813,400	3,286,000,000	6,898,900	29,400	110,281,900	-	1,024,700	3,445,573,900	-	1,124,274	3,441,172,574	3,602,272,765	0.467	0.378
2018	51,604,600	3,404,746,900	7,043,700	25,000	110,367,200	-	1,195,200	3,574,982,600	-	1,121,447	3,576,104,047	3,576,104,047	0.473	0.378
2019	45,869,300	3,516,366,900	19,209,000	35,600	111,628,900	-	1,224,700	3,694,334,400	-	1,137,771	3,677,902,471	3,676,440,250	0.472	0.378
2020	46,192,200	3,499,294,400	19,209,000	35,600	110,973,500	-	1,060,000	3,676,764,700	-	1,154,480	3,934,890,180	3,852,766,411	0.472	0.378

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 the County Board of Taxation requests Treasury to order a reassessment

* Revaluation effective 2004

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

^b Tax rates are per \$100

N/A At the time of CAFR completion, this data was not yet available

**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years**

Fair-Haven Borough

Calendar Year Ended Dec 31,	Vacant Land	Residential	Farm Reg.	Ofarm	Commercial	Industrial	Apartment	Total Assessed Value	Less : Tax Exempt Property	Public Utilities ^a	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^b	Total Direct Regional Tax Rate
2011	8,336,600	1,112,471,500	-	-	38,126,700	-	-	1,158,934,800	-	456,964	1,159,391,764	1,547,381,557	1.102	0.387
2012	11,706,700	1,112,721,000	-	-	38,126,700	-	-	1,162,554,400	-	-	1,162,554,400	1,505,176,258	1.120	0.396
2013	10,626,900	1,115,672,700	-	-	37,727,500	-	-	1,164,027,100	-	488,358	1,164,515,458	1,457,584,648	1.137	0.391
2014	10,626,900	1,115,672,700	-	-	37,727,500	-	-	1,456,398,200	-	448,358	1,164,475,458	1,515,976,059	0.932	0.320
2015	9,108,000	1,470,013,900	-	-	50,248,000	-	-	1,532,121,800	-	441,313	1,532,563,113	1,599,793,046	0.914	0.326
2016	11,427,100	1,510,231,800	-	-	51,014,900	-	-	1,576,422,900	-	443,518	1,573,117,318	1,623,838,999	0.909	0.340
2017	15,738,400	1,570,109,300	-	-	52,250,800	-	-	1,641,063,400	-	450,247	1,638,548,747	1,677,464,377	0.878	0.345
2018	15,418,300	1,651,642,500	-	-	53,548,500	-	-	1,720,609,300	-	450,480	1,721,059,780	1,721,059,780	0.853	0.340
2019	15,872,100	1,723,174,400	-	-	54,075,700	-	-	1,793,122,200	-	460,111	1,790,478,311	1,774,823,276	0.831	0.337
2020	15,988,900	1,720,005,600	-	-	54,023,700	-	-	1,790,018,200	-	501,515	1,834,586,915	1,785,658,276	0.831	0.337

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 the County Board of Taxation requests Treasury to order a reassessment

^a Revaluation effective 2004

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

^b Tax rates are per \$100

N/A At the time of CAFR completion, this data was not yet available

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed value)

Fiscal Year Ended June 30,	Rumson-Fair Haven Regional High School District Direct Rate							Overlapping Rates						
	Basic Rate ^a		General Obligation Debt Service ^b		(From J-6) Total Direct School Tax Rate		Total Regional High School Tax Rate		Municipal		Monmouth County		Total Direct and Overlapping Tax Rate	
	Rumson Borough	Fair-Haven Borough	Rumson Borough	Fair-Haven Borough	Rumson Borough	Fair-Haven Borough	Rumson Borough	Fair-Haven Borough	Rumson Borough	Fair-Haven Borough	Rumson Borough	Fair-Haven Borough	Rumson Borough	Fair- Haven Borough
2011	-	-	0.017	0.019	0.468	1.102	0.379	0.387	0.332	0.457	0.329	0.375	1.525	2.340
2012	0.017	0.020	0.017	0.020	0.480	1.120	0.389	0.396	0.342	0.456	0.301	0.338	1.546	2.350
2013	0.369	0.377	0.019	0.019	0.496	1.137	0.407	0.391	0.359	0.457	0.346	0.383	1.608	2.368
2014	0.388	0.373	0.019	0.019	0.446	0.932	0.374	0.320	0.322	0.404	0.315	0.312	1.457	1.968
2015	0.355	0.304	0.016	0.015	0.446	0.914	0.372	0.326	0.329	0.399	0.306	0.305	1.453	1.944
2016	0.329	0.399	0.016	0.015	0.448	0.909	0.368	0.340	0.327	0.405	0.290	0.301	1.433	1.955
2017	0.335	0.389	-	0.000	0.467	0.878	0.378	0.345	0.335	0.389	0.289	0.288	1.469	1.900
2018	0.252	0.248	0.018	0.018	0.473	0.853	0.378	0.340	0.333	0.377	0.252	0.248	1.706	2.084
2019	0.241	0.240	-	0.000	0.472	0.831	0.378	0.337	0.333	0.372	0.017	0.017	1.469	1.825
2020	0.241	0.240	-	0.000	0.472	0.831	0.378	0.337	0.333	0.372	0.017	0.017	1.469	1.825

Source: Municipal Tax Collector

Note:

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

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

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

* Information used for 2008-09 budget.

**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Principal Property Taxpayers
Current Year and Nine Years Ago**

Rumson Borough

	2020				2011		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value		Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Taxpayer 1	0	0		Taxpayer 1	0	0	
Taxpayer 2	0	0		Taxpayer 2	0	0	
Taxpayer 3	0	0		Taxpayer 3	0	0	
Taxpayer 4	0	0		Taxpayer 4	0	0	
Taxpayer 5	0	0		Taxpayer 5	0	0	
Taxpayer 6	0	0		Taxpayer 6	0	0	
Taxpayer 7	0	0		Taxpayer 7	0	0	
Taxpayer 8	0	0		Taxpayer 8	0	0	
Taxpayer 9	0	0		Taxpayer 9	0	0	
Taxpayer 10	0	0		Taxpayer 10	0	0	
Total	\$ -			Total	\$ -		

Fair-Haven Borough

	2020				2011		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value		Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Taxpayer 1	0	0		Taxpayer 1	0	0	
Taxpayer 2	0	0		Taxpayer 2	0	0	
Taxpayer 3	0	0		Taxpayer 3	0	0	
Taxpayer 4	0	0		Taxpayer 4	0	0	
Taxpayer 5	0	0		Taxpayer 5	0	0	
Taxpayer 6	0	0		Taxpayer 6	0	0	
Taxpayer 7	0	0		Taxpayer 7	0	0	
Taxpayer 8	0	0		Taxpayer 8	0	0	
Taxpayer 9	0	0		Taxpayer 9	0	0	
Taxpayer 10	0	0		Taxpayer 10	0	0	
Total	\$ -			Total	\$ -		

Source: Municipal Tax Assessor

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2011	15,652,145	15,652,145	100.00%	-
2012	15,825,775	15,825,775	100.00%	-
2013	16,086,231	16,086,231	100.00%	-
2014	16,377,537	16,377,537	100.00%	-
2015	17,085,107	17,085,107	100.00%	-
2016	17,626,580	17,626,580	100.00%	-
2017	18,231,103	18,231,103	100.00%	-
2018	18,742,189	18,742,189	100.00%	-
2019	19,477,149	19,477,149	100.00%	-
2020	20,031,713	20,031,713	100.00%	-

Source: Municipal Chief Financial Officer

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

RUMSON BOROUGH

Year Ended June 30,	Governmental Activities				Anticipation Notes (BANs)	Business-Type Activities	Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases	Capital Leases					
2011	3,908,174.000	-	-	-	-	3,908,174	N/A	548.75	
2012	3,512,054.703	-	-	-	-	3,512,055	N/A	492.57	
2013	2,966,766.000	-	-	-	-	2,966,766	N/A	N/A	
2014	2,576,000.000	-	-	-	-	2,576,000	N/A	N/A	
2015	2,252,165.000	-	-	-	-	2,252,165	N/A	N/A	
2016	2,113,259.896	-	-	-	-	2,113,260	N/A	N/A	
2017	1,579,052,177	-	-	-	-	1,579,052	N/A	N/A	
2018	549,305	-	-	-	-	549,305	N/A	N/A	
2019	-	-	-	-	-	-	N/A	N/A	
2020	8,536,500	-	-	-	-	8,536,500	N/A	N/A	

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

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

b Includes Early Retirement Incentive Plan (ERIP) refunding

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

FAIR HAVEN

Fiscal Year Ended June 30,	Governmental Activities			Bond Anticipa- tion Notes (BANs)	Business- Type Activities	Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds ^b	Certificates of Participation	Capital Leases		Capital Leases			
2011	1,509,826.000	-	-	-	-	1,509,826	N/A	246.66
2012	1,447,945.297	-	-	-	-	1,447,945	N/A	236.28
2013	1,378,234.000	-	-	-	-	1,378,234	N/A	N/A
2014	1,104,000.000	-	-	-	-	1,104,000	N/A	N/A
2015	884,375.000	-	-	-	-	884,375	N/A	N/A
2016	871,740.104	-	-	-	-	871,740	N/A	N/A
2017	690,947,823	-	-	-	-	690,948	N/A	N/A
2018	241,195	-	-	-	-	241,195	N/A	N/A
2019	-	-	-	-	-	-	N/A	N/A
2020	3,658,500	-	-	-	-	3,658,500	N/A	N/A

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

- a** See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- b** Includes Early Retirement Incentive Plan (ERIP) refunding

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

General Bonded Debt Outstanding

RUMSON BOROUGH

Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
2011	None	-	3,908,175	0.13%	548.75
2012	None	-	3,512,055	0.13%	492.57
2013	None	-	2,966,766	N/A	N/A
2014	None	-	2,576,000	N/A	N/A
2015	None	-	2,252,165	N/A	N/A
2016	None	-	2,113,260	N/A	N/A
2017	None	-	1,579,052	N/A	N/A
2018	None	-	790,500	N/A	N/A
2019	None	-	-	N/A	N/A
2020	None	-	8,536,500	0.00%	-

FAIR HAVEN BOROUGH

Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
2011	None	-	1,509,825	0.13%	246.66
2012	None	-	1,447,945	0.12%	236.28
2013	None	-	1,378,234	0.00%	-
2014	None	-	1,104,000	0.00%	-
2015	None	-	884,375	0.00%	-
2016	None	-	871,740	0.00%	-
2017	None	-	690,948	0.00%	-
2018	None	-	-	0.00%	-
2019	None	-	-	0.00%	-
2020	None	-	3,658,500	0.00%	-

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

a Use Estimated County equalized value from J-6

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

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
June 30, 2020

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Rumson Borough	\$ 8,536,500		
Fair Haven Borough	3,658,500	0.00%	\$ 12,195,000
Monmouth County General Obligation Debt:			
Rumson Borough	-	0.00%	\$ -
Fair Haven Borough	-	0.00%	-
Subtotal, overlapping debt			12,195,000
Rumson-Fair Haven Regional High School District Direct Debt			-
Total direct and overlapping debt			<u><u>\$ 12,195,000</u></u>

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

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 Rumson Borough and Fair Haven Borough. 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.

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Legal Debt Margin Information
Last Ten Fiscal Years

Equalized valuation basis													
	Total	Rumson Borough	Fair Haven Borough										
2020	5,466,782,900	3,676,764,700	1,790,018,200										
2019	5,487,456,600	3,694,334,400	1,793,122,200										
2018	5,295,591,900	3,574,982,600	1,720,609,300										
[A]	\$ 16,249,831,400	10,946,081,700	5,303,749,700										
Average equalized valuation of taxabl	[A/3]	\$ 5,416,610,467											
Debt limit (3 % of average equalizatio	[B]	162,498,314 ^a											
	[C]	\$ 12,195,000											
	[B-C]	\$ 150,303,314											
			Fiscal Year										
			2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
Debt limit			155,171,363	151,653,264	147,548,236	145,035,739	130,409,927	139,845,057	141,745,470	153,936,953	158,611,953	162,498,314	
Total net debt applicable to limit			5,418,000	4,960,000	4,345,000	3,680,000	2,985,000	2,270,000	1,535,000	775,000	12,596,000	12,195,000	
Legal debt margin			\$ 149,753,363	\$ 146,693,264	\$ 143,203,236	\$ 141,355,739	\$ 127,424,927	\$ 137,575,057	\$ 140,210,470	\$ 153,161,953	\$ 146,015,953	\$ 150,303,314	
Total net debt applicable to the limit as a percentage of debt limit			3.49%	3.27%	2.94%	2.54%	2.29%	1.62%	1.08%	0.50%	7.94%	7.50%	

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

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population ^a	Personal Income Per Capita ^b	Personal Income ^c	Unemployment Rate ^d
RUMSON BOROUGH				
2011	7,122	N/A	71,253	N/A
2012	7,130	N/A	79,388	N/A
2013	7,044	N/A	N/A	N/A
2014	7,066	N/A	N/A	N/A
2015	7,104	N/A	N/A	N/A
2016	7,006	N/A	N/A	N/A
2017	6,824	N/A	N/A	N/A
2018	6,864	N/A	N/A	N/A
2019	6,864	N/A	N/A	N/A
2020	6,776	N/A	N/A	N/A
FAIR HAVEN BOROUGH				
2011	6,121	N/A	50,215	N/A
2012	6,128	N/A	54,244	N/A
2013	6,108	N/A	N/A	N/A
2014	6,081	N/A	N/A	N/A
2015	5,995	N/A	N/A	N/A
2016	6,081	N/A	N/A	N/A
2017	5,976	N/A	N/A	N/A
2018	5,950	N/A	N/A	N/A
2019	5,950	N/A	N/A	N/A
2020	5,820	N/A	N/A	N/A

Source:

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

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

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

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Principal Employers
Current Year and Ten Years Ago

Employer	2020			2011		
	Employees	Rank [Optional]	Percentage of Total Municipal Employment	Employees	Rank [Optional]	Percentage of Total Municipal Employment
	-		0%	-		0.00%
	-		0%	-		0.00%
	-		0%	-		0.00%
	-		0%	-		0.00%
	-		0%	-		0.00%
	-		0.00%	-		0.00%

Source: Municipal Tax Collector

Municipality didn't have the information available at time of publication of this report.

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Full-time Equivalent District Employees by Function/Program
Last Ten Fiscal Years

<u>Function/Program</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Instruction										
Regular	79.0	75.8	75.8	75.8	75.8	76.8	76.8	76.8	76.8	76.8
Special education	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0
Other special education	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Vocational	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other instruction	5.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Nonpublic school programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adult/continuing education programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Support Services:										
Student & instruction related services	21.0	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5
General administration	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
School administrative services	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Other administrative services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Central services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Administrative Information Technology	0.0	0.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Plant operations and maintenance	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Pupil transportation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other support services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Special Schools	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Food Service	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Child Care										
Total	<u>136.0</u>	<u>132.3</u>	<u>133.3</u>	<u>133.3</u>	<u>133.3</u>	<u>134.3</u>	<u>134.3</u>	<u>134.3</u>	<u>134.3</u>	<u>134.3</u>

Source: District Personnel Records

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						High School					
2011	965.0	15,986,090	16,566	-0.32%	79.0	12.2:1		952.4	898.0	-2.63%	94.29%
2012	934.0	16,389,411	17,548	5.93%	75.8	12.3:1		908.9	856.7	-4.57%	94.26%
2013	897.0	14,889,330	16,599	-5.41%	75.8	11.8:1		895.0	845.3	-1.53%	94.45%
2014	929.0	16,892,299	18,183	9.54%	75.8	12.3:1		917.0	867.0	2.46%	94.55%
2015	942.0	17,592,721	18,676	2.71%	75.8	11.22:1		935.7	889.2	2.04%	95.03%
2016	998.0	18,033,086	18,069	-3.25%	76.8	12.99:1		986.5	941.7	5.43%	95.46%
2017	1,001.0	18,594,026	18,575	-0.54%	76.8	13.03:1		985.5	937.2	5.32%	95.10%
2018	999.0	20,292,132	20,312	8.76%	76.8	13:01		983.01	928.7	5.06%	94.48%
2019	999.0	20,949,568	21,021	3.49%	76.8	13:01		987.36	932.7	43.00%	93.36%
2020	988.0	22,047,654	22,315	6.16%	76.8	12.83:1		985.31	942.3	-0.21%	95.38%

Sources: District records

Note: Enrollment based on annual October district count ASSA 10/13/19 count for FYE 2020.

- a Operating expenditures equal total expenditures less debt service, on behalf and capital outlay per schedule c -1
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS). From Gvancardo

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<u>District Building</u>										
<u>High School</u>										
Rumson-Fair Haven Regional High School (1935,1957,1963,1971 sections)										
Square Feet	148,000	148,000	148,000	148,000	148,000	148,000	148,000	148,000	148,000	148,000
Capacity (students)	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Enrollment	965.0	934.0	895	929.0	942.0	998.0	1,001	999	984	985

Number of Schools at June 30, 2020
 Senior High School = 1

Note: Rumson-Fair Haven Regional High School is a one district school. The buildings are 148,000 square feet. Capacity is 1,200 students.

Source: District Facilities Office

**RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Schedule of Required Maintenance
Last Ten Fiscal Years**

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

* School Facilities Project # (s)	Rumson-Fair Haven Regional High School	Total
2011	235,509	919,057
2012	264,654	264,654
2013	225,640	225,640
2014	271,400	271,400
2015	256,400	256,400
2016	224,161	224,161
2017	814,499	814,499
2018	504,089	504,089
2019	696,285	696,285
2020	293,200	293,200
Total School Facilities	\$ 3,785,837	\$ 3,785,837

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

Source: District records

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Insurance Schedule
June 30, 2020

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - MOCSSIF/NJSBAIG		
Blanket Buildings and Contents (Special		
Form Coverage/Replacement Cost)	450,000,000.00	5,000.00
Extra Expense	50,000.00	
Comprehensive General Liability	16,000,000.00	1,000.00
Money and Securities	50,000.00	500.00
Data Processing Equipment	600,000.00	1,000.00
Automobile Policy - MOCSSIF/NJSBAIG	16,000,000.00	1,000.00
Workers Compensation - MOCSSIF/NJSBAIG	6,000,000.00	-
School Board Legal Liability - New Jersey	16,000.00	1,000.00
School Boards Association Insurance Group		
Student Accident and Athletic Account - Bollinger	Variable	1,500.00
Fidelity Bond Insurance:	-	-
Selective Insurance Company:		
Board Secretary	225,000.00	1,000.00
Treasurer of School Moneys	225,000.00	1,000.00
Crime - Employee Dishonesty - NJSBAIG	500,000.00	1,000.00
Excess Workers Compensation - Life	-	-
Insurance Co. of NA		

Source: District records

SINGLE AUDIT SECTION

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable President and
Members of the Board of Education
Rumson-Fair Haven Regional High School District
County of Monmouth
Rumson, New Jersey 07760

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Board of Education of the Rumson-Fair Haven Regional High School District in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Board of Education of the Rumson-Fair Haven Regional High School District basic financial statements, and have issued our report thereon dated November 5, 2020.

Internal Control Over Financial Reporting

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

Our consideration of 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.

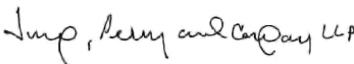
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board of Education of Rumson-Fair Haven Regional High School District financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

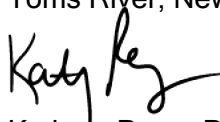
Purpose of this Report

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 School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,



Jump, Perry and Company, LLP
Toms River, New Jersey



Kathryn Perry, Partner
Licensed Public School Accountant
No. CS 20CS00226400

November 5, 2020

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE
AND NEW JERSEY OMB CIRCULAR 15-08**

Honorable President and
Members of the Board of Education
Rumson-Fair Haven Regional High School District
County of Monmouth
Rumson, New Jersey 07760

Report on Compliance for Each Major Federal and State Program

We have audited Rumson-Fair Haven Regional High School District's compliance with the types of compliance requirements described in the OMB Compliance Supplement and the New Jersey OMB Circular 15-08 that could have a direct and material effect on each of Rumson-Fair Haven Regional High School District's major federal programs for the year ended June 30, 2020. Rumson-Fair Haven Regional High School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Rumson-Fair Haven Regional High School District's major federal and 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 the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, the Uniform Guidance and the New Jersey 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 federal and state program occurred. An audit includes examining, on a test basis, evidence about Rumson-Fair Haven Regional High School District'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 federal and state program. However, our audit does not provide a legal determination of Rumson-Fair Haven Regional High School District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, Rumson-Fair Haven Regional High School District 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 federal and state programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

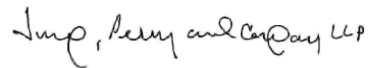
Management of Rumson-Fair Haven Regional High School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Rumson-Fair Haven Regional High School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the New Jersey OMB 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 Rumson-Fair Haven Regional High School District'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 federal and 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 federal and state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and 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.

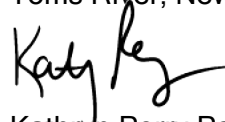
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any 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 the Uniform Guidance and New Jersey State OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



Jump, Perry and Company, L.L.P.
Toms River, New Jersey



Kathryn Perry, Partner
Licensed Public School Accountant
No. CS 20CS00226400

November 5, 2020

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Schedule A
For the Year Ended June 30, 2020

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Balance at June 30, 2019</u>	<u>Adjustments</u>	<u>Cash Received</u>	<u>Budgetary Expenditures</u>	<u>Repayment of Prior years' Balances</u>	<u>Deferred Revenue at June 30, 2020</u>	<u>Accounts Receivable at June 30, 2020</u>	<u>Due to Grantor at June 30, 2020</u>
U.S. Department of Education											
Passed-through State Department of Education:											
Title I, Basic Allocation	84.010	7/1/19-6/30/20	48,936	-	-	23,142	(23,142)	-	-	-	-
Title II - Part A	84.367	7/1/19-6/30/20	12,540	-	-	5,500	(5,500)	-	-	-	-
Title IV - Part A	84.424	7/1/19-6/30/20	10,000	-	-	-	-	-	-	-	-
I.D.E.A. Part B Basic	84.027	7/1/19-6/30/20	166,326	-	-	166,326	(166,326)	-	-	-	-
Total Special Revenue Fund				-	-	194,968	(194,968)	-	-	-	-
Total Expenditures of Federal Awards				-	-	194,968	(194,968)	-	-	-	-

See accompanying notes to schedules of expenditures.

RUMSON-FAIR HAVEN REGIONAL HIGH SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance, Schedule B
 For the Year Ended June 30, 2020

State Grantor/ Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2019	Adjustments	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Deferred Revenue at June 30, 2019	(Accounts Receivable) at June 30, 2020	Due to Grantor at June 30, 2020	MEMO										
												Budgetary Receivable	Cumulative Total Expenditures									
New Jersey Department of Education																						
General Fund:																						
Extraordinary Aid	19-100-034-5120-044	7/1/18-6/30/19	114,147	(114,147)	-	-	-	-	-	-	-	-	-	-								
Extraordinary Aid	20-100-034-5120-044	7/1/19-6/30/20	320,888	-	-	-	(320,888)	-	-	(320,888)	-	-	-	(320,888)								
Special Education Categorical Aid	20-495-034-5120-089	7/1/19-6/30/20	494,140	-	-	426,917	(494,140)	-	-	-	-	(67,223)	-	(494,140)								
Categorical Transportation Aid	20-495-034-5120-084	7/1/19-6/30/20	266,811	-	-	266,811	(266,811)	-	-	-	-	-	-	(266,811)								
Nonpublic Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	15,598	-	-	-	(15,598)	-	-	(15,598)	-	-	-	(15,598)								
Categorical Security Aid	19-495-034-5120-084	7/1/18-6/30/19	4,965	(4,965)	-	-	-	-	-	-	-	-	-	-								
On-Behalf TPAF Pension Contribution	20-100-034-5095-002	7/1/19-6/30/20	1,695,177	-	-	1,695,177	(1,695,177)	-	-	-	-	-	-	(1,695,177)								
On-Behalf TPAF Post-Retirement Medical	20-100-034-5095-001	7/1/19-6/30/20	628,880	-	-	628,880	(628,880)	-	-	-	-	-	-	(628,880)								
On-Behalf TPAF Long-Term Disability Insurance	20-100-034-5095-004	7/1/19-6/30/20	1,333	-	-	1,333	(1,333)	-	-	-	-	-	-	(1,333)								
Reimbursed TPAF Social Security Tax Contribution	19-495-034-5094-003	7/1/18-6/30/19	608,326	(29,555)	-	29,555	-	-	-	-	-	-	-	-								
Reimbursed TPAF Social Security Tax Contribution	20-495-034-5094-003	7/1/19-6/30/20	622,130	-	-	591,601	(622,130)	-	-	(30,529)	-	-	-	(622,130)								
Total General Fund				<u>(148,667)</u>	<u>-</u>	<u>3,660,302</u>	<u>(4,060,020)</u>	<u>-</u>	<u>-</u>	<u>(367,015)</u>	<u>-</u>	<u>(67,223)</u>	<u>-</u>	<u>(4,060,020)</u>								
Debt Service Fund:																						
Debt Service State Support	08-495-034-5120-125	7/1/19-6/30/20	184,881	-	-	(184,881)	(184,881)	-	-	-	-	-	-	-								
Total Expenditures of State Awards													<u>(148,667)</u>	<u>-</u>	<u>3,475,421</u>	<u>(4,244,901)</u>	<u>-</u>	<u>-</u>	<u>(367,015)</u>	<u>-</u>	<u>(67,223)</u>	<u>(4,060,020)</u>
State Financial Assistance Not Subject to Single Audit Determination																						
General Fund:																						
On-Behalf TPAF Pension Contribution	20-100-034-5095-002	7/1/19-6/30/20	1,695,177	-	-	1,695,177	(1,695,177)	-	-	-	-	-	-	(1,695,177)								
On-Behalf TPAF Post-Retirement Medical	20-100-034-5095-001	7/1/19-6/30/20	628,880	-	-	628,880	(628,880)	-	-	-	-	-	-	(628,880)								
On-Behalf TPAF Long-Term Disability Insurance	20-100-034-5095-004	7/1/19-6/30/20	1,333	-	-	1,333	(1,333)	-	-	-	-	-	-	(1,333)								
Total State Financial Assistance Not Subject to Single Audit Determination				<u>-</u>	<u>-</u>	<u>2,325,390</u>	<u>(2,325,390)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,325,390)</u>								
Total for State Financial Assistance - Major Program Determination													<u>(148,667)</u>	<u>-</u>	<u>1,150,031</u>	<u>(1,919,511)</u>	<u>-</u>	<u>-</u>	<u>(367,015)</u>	<u>-</u>	<u>(67,223)</u>	<u>(1,734,630)</u>

See accompanying notes to schedules of expenditures.

Rumson-Fair Haven Regional High School District

Notes to Schedules of Awards and Financial Assistance

June 30, 2020

1. General

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

2. Basis of Accounting

The accompanying schedules of expenditures of federal and state awards 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 Note 1 to the Board's basic financial statements.

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 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 last state aid payment in the current budget year, which is mandated pursuant to P.L. 2003, c.97.(A3521). 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.

Rumson-Fair Haven Regional High School District

Notes to Schedules of Awards and Financial Assistance (continued)

June 30, 2020

3. Relationship to Basic Financial Statements (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$1,698,919) for the general fund and \$107,257 for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue fund. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 2,361,101	\$ 2,361,101
Special Revenue Fund	87,711	-	87,711
Capital Projects Fund	-	-	-
Debt Service Fund	-	184,881	184,881
Food Service Fund	<u>-</u>	<u>-</u>	<u>-</u>
Total awards and financial assistance	<u>\$ 87,711</u>	<u>\$ 2,545,982</u>	<u>\$ 2,633,693</u>

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.

5. Other

TPAF Social Security and Post Retirement/Medical Benefits Contributions represent the amounts reimbursed by the State for the employer's share of social security contributions and Post Retirement/Medical Benefits for TPAF members for the year ended June 30, 2020.

The TPAF post retirement/medical benefits expenditures are not subject to New Jersey OMB Circular 15-08.

6. Indirect Costs

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

Rumson-Fair Haven Regional High School District

Schedule of Findings and Questioned Costs

June 30, 2020

Section I - Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued: Unmodified opinion

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 general-purpose
financial statements noted? _____ yes X no

Federal Awards Section - N/A

Internal Control over major programs: N/A

- 1) Material weakness(es) identified? _____ yes ___no
- 2) Significant deficiencies identified
that are not considered to be
material weaknesses? _____ yes ___none reported

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

Any audit findings disclosed that are
required to be reported in accordance with
2 CFR section .516(a) of the Uniform Guidance? _____ yes ___no

Identification of major programs:

CFDA Number(s)
N/A

Name of Federal Program or Cluster

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

Auditee qualified as low-risk auditee? ___yes _____ no

Rumson-Fair Haven Regional High School District
 Schedule of Findings and Questioned Costs (continued)

June 30, 2020

Section I - Summary of Auditor's Results (continued)

State Awards Section

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? X yes ___ none reported

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

Internal Control over major programs:

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

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

Any audit findings disclosed that are required
 to be reported in accordance with NJ OMB
 Circular 15-08? ___ yes X no

Identification of major programs:

GMIS Number(s)	Name of State Program
495-034-5094-003	Reimbursed TPAF Social Security Contributions

Rumson-Fair Haven Regional High School District
Schedule of Findings and Questioned Costs (continued)
June 30, 2020

Section II - Financial Statement Findings - N/A

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

Rumson-Fair Haven Regional High School District

Summary Schedule of Prior Audit Findings

June 30, 2020

Summary Schedule of Prior Year Audit Findings - N/A