

**RAHWAY SCHOOL DISTRICT**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Rahway, New Jersey**

**COMPREHENSIVE ANNUAL**

**FINANCIAL REPORT**

**of the**

**Rahway School District**

**Rahway, New Jersey**

**For The Fiscal Year Ended June 30, 2021**

**Prepared by**

**Business Office**

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## **INTRODUCTORY SECTION**

Stephen Fried  
*Business Administrator/Board Secretary*  
(732) 396-1010  
Email: [sfried@rahway.net](mailto:sfried@rahway.net)

March 2, 2022

Honorable President and  
Members of the Board of Education  
City of Rahway Public Schools  
County of Union, New Jersey

The comprehensive annual financial report of the Rahway School District ("District") for the fiscal year ended June 30, 2021 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Rahway Board of Education ("Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operation of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organizational chart, a roster of principal officials, and a list of consultants and advisors. The financial section includes the district wide and fund financial statements and schedules, as well as the auditor's report and the Management's Discussion and Analysis. The statistical section includes selected financial statements and schedules as well as information generally presented on a multiyear basis.

The District is required to undergo an annual single audit in conformity with the provision of the Single Audit Act of 1984, the U.S. Office of Management and Budget ("OMB") and Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and the State Treasury OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid Payments. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations, and findings and recommendations, are included in the single audit section of this report.

Respectfully submitted,



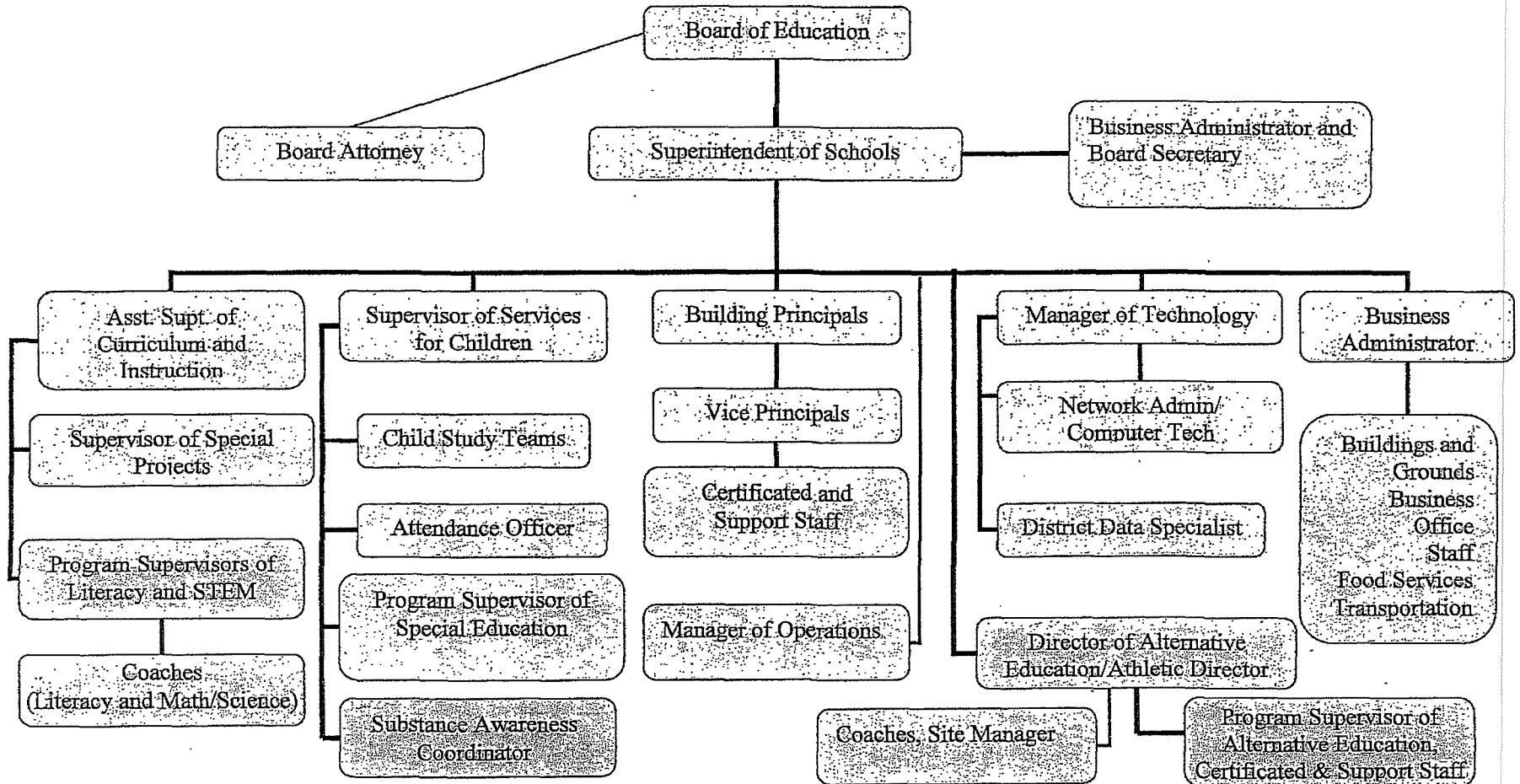
Dr. Patricia Camp, Superintendent



RAHWAY PUBLIC SCHOOLS  
ORGANIZATIONAL CHART

File Code: 2120

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**RAHWAY BOARD OF EDUCATION  
RAHWAY, NEW JERSEY 07065**

**ROSTER OF OFFICIALS**

**JUNE 30, 2021**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Brittany Hale, President	2022
Lori Kennedy, Vice-President	2021
Carlos Garay	2023
Laura Giacobbe	2022
Ray Lopez	2021
Joanna Macaluso	2022
Eric Miles	2021
Jennifer Moteiro	2023
Sean White	2023

Other Officials

Dr. Patricia Camp, Superintendent of Schools

Patricia Wilson, Business Administrator/Board Secretary

Margaret Miller, Board Attorney (General Counsel)

Mark A Tabakin, Esq., Attorney (Labor Relations/Personnel)

**FINANCIAL SECTION**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
JULIUS B. CONSONI, CPA, PSA  
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
RALPH M. PICONE, III, CPA, RMA, PSA  
DEBRA GOLLE, CPA  
MARK SACO, CPA  
ROBERT LERCH, CPA  
CHRISTOPHER M. VINCI, CPA, PSA  
CHRISTINA CUIFFO, CPA

## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Education  
Rahway School District  
Rahway, New Jersey

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Rahway School District, as of and for the fiscal year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the Board of Education'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 the 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Rahway School District as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal 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, budgetary comparison information, pension information and other postemployment benefits information 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 Rahway School District's basic financial statements. The introductory section, financial schedules, statistical section, schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Rahway School District.

The schedule of expenditures of federal awards and schedule of expenditures of state financial assistance 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 schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

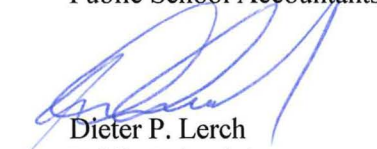
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with Government Auditing Standards, we have also issued our report dated March 2, 2022 on our consideration of the Rahway School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the Rahway School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Rahway School District's internal control over financial reporting and compliance.



LERCH, VINCI & HIGGINS, LLP  
Certified Public Accountants  
Public School Accountants



Dieter P. Lerch  
Public School Accountant  
PSA Number CS000756

Fair Lawn, New Jersey  
March 2, 2022

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**RAHWAY SCHOOL DISTRICT  
RAHWAY, NEW JERSEY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

The Management's Discussion and Analysis of the Rahway School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance. Certain comparative information between the current year (2020-2021) and the prior year (2019-2020) is required to be presented in the MD&A.

**Financial Highlights**

Key financial highlights for 2021 are as follows

- In total, net position increased \$6,778,779. Net Position of Governmental Activities increased \$6,673,219 which represents a 34% increase from the prior year. Net Position of the Business-Type activity, which represents the food service program, increased \$105,560 or 16% from the prior year.
- General Revenues accounted for \$67,891,233 or 65% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$37,075,228 or 35% of total revenues of \$104,966,461.
- The School District had \$97,210,734 in expenses for governmental activities: only \$35,992,720 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$67,891,233 were adequate to provide for these programs.

**Using the Basic Financial Statements**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Rahway School District as a financial whole, or as an entire reporting entity.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The District considers all of its governmental funds and its sole enterprise fund to be major funds. For the Rahway School District, the General Fund is the most significant fund.



**RAHWAY SCHOOL DISTRICT  
RAHWAY, NEW JERSEY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Reporting the School District as a Whole**

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

While this report contains the large number of funds used by the School District to provide programs and activities, the view of the School district as a whole looks at all financial transactions-and ask the question, "How did we do financially during fiscal year 2021?" The Statement of Net Position and the Statement of Activities answer this question. 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 system used by most private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash was received or paid.

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

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

- **Governmental Activities-** All of the School District's programs and services are reported here including 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 expenses of the goods or services provided. The Food Service enterprise fund is reported as a business-type activity.

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

**Fund Financial Statements**

Fund financial reports provide detailed information about the School District's funds. The School District uses many funds to account for a multitude of financial transactions. The School District's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund. Each of these funds is more fully described in the Notes to the Financial Statements.

**Governmental Funds**

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

**RAHWAY SCHOOL DISTRICT  
RAHWAY, NEW JERSEY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Enterprise Fund**

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

**The School District as a Whole**

The Statement of Net Position provides the perspective of the District as a whole. The table below provides a summary of the District's net position as of June 30, 2021 and 2020. The table on the following page provides an analysis of the changes in net position from 2020 to 2021.

**Statement of Net Position  
as of June 30, 2021 and 2020**

	<b>Governmental</b>		<b>Business-Type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>			
	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
		(Restated)		(Restated)		(Restated)
Assets						
Current and Other Assets	\$ 16,338,449	\$ 10,958,779	\$ 618,661	\$ 504,720	\$ 16,957,110	\$ 11,463,499
Capital Assets, Net	<u>43,900,542</u>	<u>45,313,354</u>	<u>264,596</u>	<u>245,196</u>	<u>44,165,138</u>	<u>45,558,550</u>
Total Assets	<u>60,238,991</u>	<u>56,272,133</u>	<u>883,257</u>	<u>749,916</u>	<u>61,122,248</u>	<u>57,022,049</u>
Deferred Outflows of Resources	<u>1,543,977</u>	<u>2,366,903</u>	<u>-</u>	<u>-</u>	<u>1,543,977</u>	<u>2,366,903</u>
Liabilities:						
Long-Term Liabilities	25,994,418	29,406,372			25,994,418	29,406,372
Other Liabilities	<u>3,916,836</u>	<u>4,460,481</u>	<u>106,509</u>	<u>75,343</u>	<u>4,023,345</u>	<u>4,535,824</u>
Total Liabilities	<u>29,911,254</u>	<u>33,866,853</u>	<u>106,509</u>	<u>75,343</u>	<u>30,017,763</u>	<u>33,942,196</u>
Deferred Inflows of Resources	<u>5,496,843</u>	<u>5,070,531</u>	<u>2,210</u>	<u>5,595</u>	<u>5,499,053</u>	<u>5,076,126</u>
Net Position:						
Net Investment in Capital Assets	30,968,536	30,766,084	264,596	245,196	31,233,132	31,011,280
Restricted for:						
Debt Service	158,763	7,287			158,763	7,287
Maintenance	875,668	256,816			875,668	256,816
Capital Projects	6,952,287	2,755,517			6,952,287	2,755,517
Other	766,187	872,010			766,187	872,010
Unrestricted	<u>(13,346,570)</u>	<u>(14,956,062)</u>	<u>509,942</u>	<u>423,782</u>	<u>(12,836,628)</u>	<u>(14,532,280)</u>
Total Net Position	<u>\$ 26,374,871</u>	<u>\$ 19,701,652</u>	<u>\$ 774,538</u>	<u>\$ 668,978</u>	<u>\$ 27,149,409</u>	<u>\$ 20,370,630</u>

**RAHWAY SCHOOL DISTRICT  
RAHWAY, NEW JERSEY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Changes in Net Position  
For the Fiscal Years Ended June 30, 2021 and 2020**

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 236,949	\$ 31,015	\$ 7,705	\$ 570,014	\$ 244,654	\$ 601,029
Operating Grants and Contributions	35,638,337	26,793,693	1,074,803	1,168,404	36,713,140	27,962,097
Capital Grants and Contributions	117,434	630,770			117,434	630,770
General Revenues						
Property Taxes	46,623,173	45,315,135			46,623,173	45,315,135
Grants and Entitlements	20,877,132	20,041,655			20,877,132	20,041,655
Other	390,928	285,341	-	-	390,928	285,341
<b>Total Revenues</b>	<u>103,883,953</u>	<u>93,097,609</u>	<u>1,082,508</u>	<u>1,738,418</u>	<u>104,966,461</u>	<u>94,836,027</u>
<b>Program Expenses</b>						
Instruction						
Regular	38,750,801	34,208,910			38,750,801	34,208,910
Special Education	18,219,928	16,757,803			18,219,928	16,757,803
Other Instruction	4,754,837	6,501,603			4,754,837	6,501,603
School Sponsored Activities	1,354,162	1,361,485			1,354,162	1,361,485
Support Services						
Student and Instruction Related Services	13,698,085	14,422,099			13,698,085	14,422,099
School Administration Services	5,578,488	3,892,595			5,578,488	3,892,595
General & Central Administration Services	3,542,863	2,689,815			3,542,863	2,689,815
Plant Operations and Maintenance	5,630,763	5,537,396			5,630,763	5,537,396
Pupil Transportation	3,152,555	3,164,305			3,152,555	3,164,305
Interest on Long-Term Debt	404,319	482,402			404,319	482,402
Unallocated Depreciation	2,123,933	2,072,590			2,123,933	2,072,590
Food Service	-	-	976,948	1,634,566	976,948	1,634,566
<b>Total Expenses</b>	<u>97,210,734</u>	<u>91,091,003</u>	<u>976,948</u>	<u>1,634,566</u>	<u>98,187,682</u>	<u>92,725,569</u>
Change in Net Position	<u>\$ 6,673,219</u>	<u>\$ 2,006,606</u>	<u>\$ 105,560</u>	<u>\$ 103,852</u>	<u>\$ 6,778,779</u>	<u>\$ 2,110,458</u>

**RAHWAY SCHOOL DISTRICT  
RAHWAY, NEW JERSEY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Governmental Activities**

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

**Total and Net Cost of Governmental Activities  
For the Fiscal Years Ended June 30, 2021 and 2020**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Program Expenses</b>				
Instruction				
Regular	\$ 38,750,801	\$ 34,208,910	\$ 23,224,723	\$ 23,297,960
Special Education	18,219,928	16,757,803	9,646,294	10,116,103
Other Instruction	4,754,837	6,501,603	3,234,124	4,559,121
School Sponsored Activities	1,354,162	1,361,485	1,101,595	1,350,330
Support Services				
Student and Instruction Related Services	13,698,085	14,422,099	8,144,700	9,554,522
School Administrative Services	5,578,488	3,892,595	3,963,639	3,094,183
General and Central Administrative Services	3,542,863	2,689,815	3,099,892	2,476,266
Plant Operations and Maintenance	5,630,763	5,537,396	4,105,987	4,463,042
Pupil Transportation	3,152,555	3,164,305	2,182,971	2,223,923
Interest on Long-Term Debt	404,319	482,402	390,156	427,485
Unallocated Depreciation	<u>2,123,933</u>	<u>2,072,590</u>	<u>2,123,933</u>	<u>2,072,590</u>
<b>Total Governmental Activities</b>	<u>\$ 97,210,734</u>	<u>\$ 91,091,003</u>	<u>\$ 61,218,014</u>	<u>\$ 63,635,525</u>

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

Pupil Support expenses include the activities involved with assisting staff with the content and process of teaching to students, including curriculum, staff development and guidance.

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

Plant operations and maintenance involve keeping the school grounds, buildings, and equipment in good working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school activities.

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

**RAHWAY SCHOOL DISTRICT  
RAHWAY, NEW JERSEY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Governmental Activities (Continued)**

Unallocated depreciation relates to capital assets which are shared by many departments of the District and therefore cannot easily be allocated to various functional areas.

The District's total revenues for governmental activities were \$103,883,953 for the year ended June 30, 2021. Property taxes made up 45% of revenues for governmental activities for the Rahway School District for fiscal year 2021. Federal, State, and local grants accounted for another 55% of revenue.

**Business - Type Activities**

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

- Food Service revenues exceeded expenditures by \$105,560.
- Federal and state reimbursements for meals, including payments for free lunches, and donated commodities amounted to \$1,074,803 or 99% of revenue.

**School District's Funds**

Information about the School District's major funds follows this report. These funds are accounted for using the modified accrual basis of accounting. Governmental funds had total revenues of \$94,584,430 and expenditures of \$88,683,778.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal years ended June 30, 2021 and 2020:

**RAHWAY SCHOOL DISTRICT  
RAHWAY, NEW JERSEY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**School District's Funds (Continued)**

**Summary of Governmental Fund Revenues  
For the Fiscal Years Ended June 30, 2021 and 2020**

	Fiscal		Amount of Increase (Decrease)	Percent Change
	<u>Year Ended June 30,</u>			
	<u>2021</u>	<u>2020</u>		
<b>Revenues</b>				
Local Sources				
Tax Levy	\$ 46,623,173	\$ 45,315,135	\$ 1,308,038	2.9%
Other	647,916	573,429	74,487	13.0%
State Sources	43,909,210	40,708,971	3,200,239	7.9%
Federal Sources	<u>3,404,131</u>	<u>1,959,963</u>	<u>1,444,168</u>	73.7%
<b>Total Revenues</b>	<u>\$ 94,584,430</u>	<u>\$ 88,557,498</u>	<u>\$ 6,026,932</u>	6.8%

Total Governmental Funds revenues increased by \$6,026,932 or 6.8% from the prior year.

The following schedule presents a summary of governmental fund expenditures for the fiscal years ended June 30, 2021 and 2020:

**Summary of Governmental Fund Expenditures  
For the Fiscal Years Ended June 30, 2021 and 2020**

	Fiscal		Amount of Increase (Decrease)	Percent Change
	<u>Year Ended June 30,</u>			
	<u>2021</u>	<u>2020</u>		
<b>Expenditures</b>				
Instruction	\$ 56,459,898	\$ 55,352,205	\$ 1,107,693	2.0%
Support Services	29,193,002	28,863,770	329,232	1.1%
Capital Outlay	920,420	917,622	2,798	0.3%
Debt Service	<u>2,110,458</u>	<u>2,688,970</u>	<u>(578,512)</u>	-21.5%
<b>Total Expenditures</b>	<u>\$ 88,683,778</u>	<u>\$ 87,822,567</u>	<u>\$ 861,211</u>	1.0%

The Governmental Funds expenditures increased by 1% from the previous year.

**RAHWAY SCHOOL DISTRICT  
RAHWAY, NEW JERSEY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**General Fund Budgeting Highlights**

The School District'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 District revised the annual operating budget several times. Revisions in the budget were made to appropriate additional grants and to prevent over-expenditures in specific line item accounts.

**Capital Assets**

At the end of fiscal year 2021, the School District had \$43,900,542 and \$45,313,354, net of accumulated depreciation, invested in Land, Construction in Progress, Buildings and Building Improvements, Land Improvements and Machinery and Equipment for Governmental Activities and Business Type Activities.

**Governmental Activities Capital Assets  
At June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u> (Restated)
Land	\$ 1,546,445	\$ 1,546,445
Construction in Progress	290,968	
Buildings and Building Improvements	71,590,157	71,051,123
Machinery and Equipment	<u>5,433,375</u>	<u>5,342,957</u>
	78,860,945	77,940,525
Less: Accumulated Depreciation	<u>(34,960,403)</u>	<u>(32,627,171)</u>
Capital Assets, Net	<u>\$ 43,900,542</u>	<u>\$ 45,313,354</u>

Overall, capital assets, net of depreciation decreased \$1,412,812 from fiscal year 2020 to fiscal year 2021 in governmental activities.

**Business Type Activities Capital Assets  
At June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u> (Restated)
Machinery and Equipment	\$ 607,468	\$ 554,816
Less: Accumulated Depreciation	<u>(342,872)</u>	<u>(309,620)</u>
Capital Assets, Net	<u>\$ 264,596</u>	<u>\$ 245,196</u>

Overall, capital assets, net of depreciation increased \$19,400 from fiscal year 2020 to fiscal year 2021 in business-type activities.

Additional information on the School District's capital assets is included in the Notes to the Financial Statements.

**RAHWAY SCHOOL DISTRICT  
RAHWAY, NEW JERSEY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Debt Administration**

At June 30, 2021, the School District had \$25,994,418 in long-term liabilities. Below is the breakdown of outstanding long-term liabilities.

**Long-Term Debt  
Outstanding Long-Term Liabilities  
as of June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
Serial Bonds Payable (Including Unamortized Premium)	\$ 13,050,106	\$ 14,594,221
Obligations Under Lease Purchase Agreements	228,539	448,309
Net Pension Liability	11,101,727	12,807,482
Compensated Absences	<u>1,614,046</u>	<u>1,556,360</u>
Total	<u>\$ 25,994,418</u>	<u>\$ 29,406,372</u>

At June 30, 2021, the School District's remaining legal debt margin (borrowing capacity) was \$103,579,589.

Additional information on the School District's debt is included in the Notes to the Financial Statements.

**For the Future**

Like most public schools in the State of New Jersey, the Rahway Public Schools' financial future is plagued with uncertainty due in part to the State Aid Funding Formula, which leaves Rahway underfunded.

Although the District has been able to exist within the State's 2% cap mandate, national inflation and cost of living increases do not allow purchasing power comparable to the prior year.

The District continues to have a large special education population, which places a significant financial burden as the District attempts to educate our children in the least restrictive environment. Additionally, the District ELL population continues to grow at a fast pace and this too places more of a significant burden on the budget. Rahway has also become a district which features a high level of student mobility and transiency. These students are needier.

Although the District has completed a recent building referendum, the age of our infrastructure still requires constant attention. Understanding that, the residents of Rahway continue to bear a significant financial burden. Future decisions are made balancing need and available resources. Every effort is made to provide the students of Rahway a solid, positive educational experience within the framework of a bearable burden to the citizens.



**RAHWAY SCHOOL DISTRICT  
RAHWAY, NEW JERSEY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to reflect the School District's accountability for the money it receives. Questions about this report or additional financial information needs should be directed to Patricia Wilson, Business Administrator, Rahway Board of Education, Rahway Middle School, Kline Place, Rahway, New Jersey 07065.

**BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS**

**RAHWAY SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2021**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 15,527,495	\$ 500,021	\$ 16,027,516
Intergovernmental Receivables	810,954	93,006	903,960
Receivables, net		7,511	7,511
Inventory		18,123	18,123
Capital Assets Not Being Depreciated	1,837,413		1,837,413
Capital Assets, Being Depreciated, net	<u>42,063,129</u>	<u>264,596</u>	<u>42,327,725</u>
Total Assets	<u>60,238,991</u>	<u>883,257</u>	<u>61,122,248</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amount on Refunding of Debt	346,639		346,639
Deferred Amount on Net Pension Liability	<u>1,197,338</u>	<u>-</u>	<u>1,197,338</u>
Total Deferred Outflows of Resources	<u>1,543,977</u>	<u>-</u>	<u>1,543,977</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	2,720,034	83,779	2,803,813
Accrued Interest	208,534		208,534
Payable to Other Governments	136,678		136,678
Unearned Revenue	851,590	22,730	874,320
Noncurrent Liabilities			
Due Within One Year	1,788,539		1,788,539
Due Beyond One Year	<u>24,205,879</u>	<u>-</u>	<u>24,205,879</u>
Total Liabilities	<u>29,911,254</u>	<u>106,509</u>	<u>30,017,763</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Commodities Revenue		2,210	2,210
Deferred Amount on Net Pension Liability	<u>5,496,843</u>	<u>-</u>	<u>5,496,843</u>
Total Deferred Inflows of Resources	<u>5,496,843</u>	<u>2,210</u>	<u>5,499,053</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	30,968,536	264,596	31,233,132
Restricted for:			
Debt Service	158,763		158,763
Maintenance	875,668		875,668
Capital Projects	6,952,287		6,952,287
Other Purposes	766,187		766,187
Unrestricted	<u>(13,346,570)</u>	<u>509,942</u>	<u>(12,836,628)</u>
Total Net Position	<u>\$ 26,374,871</u>	<u>\$ 774,538</u>	<u>\$ 27,149,409</u>

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

**RAHWAY SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Functions/Programs:	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities</b>							
Instruction							
Regular	\$ 38,750,801		\$ 15,526,078		(23,224,723)		\$ (23,224,723)
Special Education	18,219,928	\$ 71,173	8,502,461		(9,646,294)		(9,646,294)
Other Instruction	4,754,837		1,520,713		(3,234,124)		(3,234,124)
School Sponsored Activities	1,354,162	165,776	86,791		(1,101,595)		(1,101,595)
Support Services							
Student and Instruction Related Svcs.	13,698,085		5,553,385		(8,144,700)		(8,144,700)
General Administration	1,406,086		61,197		(1,344,889)		(1,344,889)
School Administration	5,578,488		1,614,849		(3,963,639)		(3,963,639)
Central Services	2,136,777		381,774		(1,755,003)		(1,755,003)
Plant Operations and Maintenance	5,630,763		1,407,342	\$ 117,434	(4,105,987)		(4,105,987)
Pupil Transportation	3,152,555		969,584		(2,182,971)		(2,182,971)
Interest on Long-Term Debt	404,319		14,163		(390,156)		(390,156)
Unallocated Depreciation	2,123,933	-	-	-	(2,123,933)	-	(2,123,933)
Total Governmental Activities	97,210,734	236,949	35,638,337	117,434	(61,218,014)	-	(61,218,014)
<b>Business-Type Activities</b>							
Food Service	976,948	7,705	1,074,803	-	-	\$ 105,560	105,560
Total business-type activities	976,948	7,705	1,074,803	-	-	105,560	105,560
Total Primary Government	\$ 98,187,682	\$ 244,654	\$ 36,713,140	\$ 117,434	(61,218,014)	105,560	(61,112,454)
<b>General Revenues:</b>							
Property Taxes Levied for:							
General Purposes					44,796,679		44,796,679
Debt Service					1,826,494		1,826,494
State Aid - Unrestricted					20,844,989		20,844,989
State Aid Restricted for Debt Service					32,143		32,143
Interest on Deposits					35,679		35,679
Miscellaneous Income					355,249	-	355,249
Total General Revenues					67,891,233	-	67,891,233
Change in Net Position					6,673,219	105,560	6,778,779
Net Position, Beginning of Year (Restated)					19,701,652	668,978	20,370,630
Net Position, End of Year					\$ 26,374,871	\$ 774,538	\$ 27,149,409

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

**FUND FINANCIAL STATEMENTS**

**RAHWAY SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
AS JUNE 30, 2021**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 8,518,756	\$ 757,733	\$ 6,251,005	\$ 1	\$ 15,527,495
Due from Other Funds	4,139,753			158,762	4,298,515
Receivables From Other Governments	<u>44,660</u>	<u>553,962</u>	<u>212,332</u>	<u>-</u>	<u>810,954</u>
Total Assets	<u>\$ 12,703,169</u>	<u>\$ 1,311,695</u>	<u>\$ 6,463,337</u>	<u>158,763</u>	<u>\$ 20,636,964</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts Payable	\$ 482,365	\$ 142,092			\$ 624,457
Deposits Payable	1,860,594				1,860,594
Due to Other Funds	-		\$ 4,298,515		4,298,515
Payable to State Government	135,415	1,263			136,678
Payroll Deductions Payable	234,983				234,983
Unearned Revenue	<u>-</u>	<u>735,495</u>	<u>116,095</u>	<u>-</u>	<u>851,590</u>
Total Liabilities	<u>2,713,357</u>	<u>878,850</u>	<u>4,414,610</u>	<u>-</u>	<u>8,006,817</u>
Fund Balances					
Restricted					
Capital Reserve	4,903,560				4,903,560
Maintenance Reserve	875,668				875,668
Unemployment Compensation Reserve	333,342				333,342
Student Activities and Athletics		263,855			263,855
Scholarship Awards		168,990			168,990
Capital Projects			2,048,727		2,048,727
Debt Service				\$ 158,763	158,763
Excess Surplus	1,800,000				1,800,000
Excess Surplus, Designated for Subsequent Year's Expenditures	1,910,141				1,910,141
Assigned					
Year End Encumbrances	375,879				375,879
FFCRA/SEMI	15,099				15,099
Unassigned (Deficit)	<u>(223,877)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(223,877)</u>
Total Fund Balances	<u>9,989,812</u>	<u>432,845</u>	<u>2,048,727</u>	<u>158,763</u>	<u>12,630,147</u>
Total Liabilities and Fund Balances	<u>\$ 12,703,169</u>	<u>\$ 1,311,695</u>	<u>\$ 6,463,337</u>	<u>\$ 158,763</u>	

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

**RAHWAY SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
AS JUNE 30, 2021**

Total Fund Balances (Exhibit B-1) \$ 12,630,147

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$78,860,945 and the accumulated depreciation is \$34,960,403.

43,900,542

Accrued interest on long-term liabilities are not reported as liabilities in the fund.

(208,534)

Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over the life of the debt.

346,639

Certain amounts resulting from the measurement of the net pension liability are reported as either deferred inflows of resources or deferred outflows of resources on the statement of net position and deferred over future years.

Deferred Outflows of Resources

\$ 1,197,338

Deferred Inflows of Resources

(5,496,843)

(4,299,505)

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.

Bonds Payable

(13,050,106)

Obligations Under Lease Purchase

(228,539)

Compensated Absences

(1,614,046)

Net Pension Liability

(11,101,727)

(25,994,418)

**Net Position of Governmental Activities**

**\$ 26,374,871**



**RAHWAY SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 44,796,679			\$ 1,826,494	\$ 46,623,173
Tuition	71,173				71,173
Interest on Deposits	21,646		\$ 14,033		35,679
Miscellaneous	355,249	\$ 185,815	-	-	541,064
Total - Local Sources	45,244,747	185,815	14,033	1,826,494	47,271,089
State Sources	39,600,237	4,145,233	117,434	46,306	43,909,210
Federal Sources	221,646	3,182,485	-	-	3,404,131
Total Revenues	85,066,630	7,513,533	131,467	1,872,800	94,584,430
<b>EXPENDITURES</b>					
Current					
Instruction					
Regular Instruction	30,495,133	3,794,671	7,497		34,297,301
Special Education Instruction	15,491,493	1,215,381			16,706,874
Other Instruction	4,145,779	11,872			4,157,651
School Sponsored Co-Curricular Activities	1,127,501	170,571			1,298,072
Support Services					
Student and Instruction Related Services	10,145,432	2,324,265			12,469,697
General Administration Services	1,301,851				1,301,851
School Administration Services	4,934,847				4,934,847
Business/Central Services	1,891,345				1,891,345
Plant Operations and Maintenance	5,449,102	1,887			5,450,989
Pupil Transportation	3,144,273				3,144,273
Debt Service					
Principal	219,770			1,300,000	1,519,770
Interest and Other Charges	17,888			572,800	590,688
Capital Outlay	90,418	-	830,002	-	920,420
Total Expenditures	78,454,832	7,518,647	837,499	1,872,800	88,683,778
Excess (Deficiency) of Revenues Over (Under) Expenditure	6,611,798	(5,114)	(706,032)	-	5,900,652
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	123,452		2,859,647	158,762	3,141,861
Transfers Out	(2,859,647)	-	(282,214)	-	(3,141,861)
Total Other Financing Sources and Uses	(2,736,195)	-	2,577,433	158,762	-
Net Change in Fund Balances	3,875,603	(5,114)	1,871,401	158,762	5,900,652
Fund Balance, Beginning of Year (Restated)	6,114,209	437,959	177,326	1	6,729,495
Fund Balance, End of Year	\$ 9,989,812	\$ 432,845	\$ 2,048,727	\$ 158,763	\$ 12,630,147

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

**RAHWAY SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
WITH THE DISTRICT-WIDE STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2)** \$ 5,900,652

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are allocated over their estimated useful lives as annual depreciation expense. This is the amount by which depreciation exceeds capital outlays in the current period.

Capital Outlays	\$ 920,420	
Depreciation Expense	<u>(2,333,232)</u>	(1,412,812)

The issuance of long term debt provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Principal Repayments:		
Lease Purchase Principal	219,770	
Bond Principal	<u>1,300,000</u>	1,519,770

Deferred amounts on refundings are reported in the governmental funds as expenditures in the year the bonds are issued. However, on the Statement of Activities, the costs are amortized over the life of the bonds. These costs are an addition in the reconciliation in the year issued and a deduction for the amortization in the reconciliation.

Current Year Amortization:		
Deferred Amount on Refunding		(80,409)

In the statement of activities certain expenses are measured by the amounts earned or accrued during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (paid):

Decrease in Accrued Interest	22,663	
Amortization of Original Issue Premium	244,115	
Decrease in Pension Expenses	536,926	
Increase in Compensated Absences	<u>(57,686)</u>	<u>746,018</u>

**Change in Net Position of Governmental Activities (Exhibit A-2)** **\$ 6,673,219**

**RAHWAY SCHOOL DISTRICT  
PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2021**

		<b>Business-Type Activities Enterprise Fund <u>Food Service</u></b>
<b>ASSETS</b>		
Current Assets		
Cash and Cash Equivalents	\$	500,021
Accounts Receivable		
Intergovernmental		93,006
Accounts		7,511
Inventory		<u>18,123</u>
Total Current Assets		<u>618,661</u>
Capital Assets		
Furniture, Machinery and Equipment		607,468
Less: Accumulated Depreciation		<u>(342,872)</u>
Total Capital Assets, Net of Accumulated Depreciation		<u>264,596</u>
Total Assets		<u>883,257</u>
<b>LIABILITIES</b>		
Current Liabilities		
Accounts Payable		83,779
Unearned Revenue		<u>22,730</u>
Total Current Liabilities		<u>106,509</u>
Total Liabilities		<u>106,509</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Commodities Revenue		<u>2,210</u>
Total Deferred Inflows of Resources		<u>2,210</u>
<b>NET POSITION</b>		
Investment in Capital Assets		264,596
Unrestricted		<u>509,942</u>
Total Net Position	\$	<u><u>774,538</u></u>

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

**RAHWAY SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES,  
 AND CHANGES IN FUND NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<b>Business-Type            Activities            Enterprise Fund  <u>Food Service</u></b>
<b>OPERATING REVENUES</b>	
Charges for Services	
Daily Sales - Reimbursable Programs	\$ 313
Daily Sales - Non-Reimbursable Programs	2,589
Other Sales	<u>4,803</u>
 Total Operating Revenues	 <u>7,705</u>
<b>OPERATING EXPENSES</b>	
Cost of Sales	
Reimbursable Programs	278,506
Non-Reimbursable Programs	770
USDA Commodities	115,910
Salaries and Wages	294,652
Employee Benefits	42,754
Management Fee	36,538
Other Purchased Services	10,536
Supplies and Materials	49,114
Equipment	15,585
Repairs and Maintenance	57,417
Insurance	30,061
Laundry/Uniforms	3,956
Other Expenses	7,897
Depreciation	<u>33,252</u>
 Total Operating Expenses	 <u>976,948</u>
 Operating Loss	 <u>(969,243)</u>
<b>NONOPERATING REVENUES</b>	
State Sources	
State School Lunch Program	5,549
Federal Sources	
National School Lunch Program	
Non-Cash Assistance	115,910
Summer Food Service Program for Children	927,334
Equipment Assistance Grant	<u>26,010</u>
 Total Nonoperating Revenues	 <u>1,074,803</u>
 Change in Net Position	 105,560
Net Position, Beginning of Year (Restated)	<u>668,978</u>
Net Position, End of Year	<u><u>\$ 774,538</u></u>

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

**RAHWAY SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<b>Business-Type Activities Enterprise Fund <u>Food Service</u></b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from Customers	\$ 3,975
Payments for Employees Salaries and Benefits	(337,406)
Payments to Suppliers	<u>(441,742)</u>
Net Cash Used for Operating Activities	<u>(775,173)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>	
Receipts from State and Federal Subsidies	<u>952,011</u>
Net Cash Provided By Non-Capital Financing Activities	<u>952,011</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition of Capital Assets	<u>(52,652)</u>
Net Cash Used for Capital and Related Financing Activities	<u>(52,652)</u>
Net Increase in Cash and Cash Equivalents	124,186
Cash and Cash Equivalents—Beginning of Year	<u>375,835</u>
Cash and Cash Equivalents—End of Year	<u>\$ 500,021</u>
<b>Reconciliation of Operating Loss to Net Cash Used for Operating Activities:</b>	
Operating Loss	<u>\$ (969,243)</u>
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities	
Depreciation	33,252
Food Distribution (USDA Commodities) National School Lunch Program	115,910
Changes in Assets, Liabilities and Deferred Inflows of Resources	
Decrease in Accounts Receivable, Net	1,542
Decrease in Inventory	15,585
Decrease in Deferred Inflows of Resources	(3,385)
Decrease in Unearned Revenue	(1,887)
Increase in Accounts Payable	<u>33,053</u>
Total Adjustments	<u>194,070</u>
Net Cash Used For Operating Activities	<u>\$ (775,173)</u>
<b>Non Cash Financing Activities</b>	
Fair Value of Food Distribution Program	<u>\$ 112,525</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**

**RAHWAY SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Rahway School District (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of nine 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. A Business Administrator/Board Secretary is also appointed by the Board and oversees the business functions of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property. The Board currently operates a Pre-Kindergarten through grade twelve (12) school district.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls. The Superintendent is the Chief Administrative Officer of the District who is responsible for general supervision of all schools, planning and operational functions of the District. The Business Administrator/Board Secretary is the Chief Financial Officer and is responsible for budgeting, financial accounting and reporting and reports through the Superintendent to the Board.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Rahway School District this includes general operations, food service and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization’s governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization’s resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity as a component unit.

**B. New Accounting Standards**

During fiscal year 2021, the District adopted the following GASB statement:

- GASB No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

**RAHWAY SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. New Accounting Standards (Continued)**

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

- GASB No. 87, *Leases*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.
- GASB No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022. The objectives of this Statement is to improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities.
- GASB No. 92, *Omnibus 2020*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022 except requirements related to GASB No. 87 and Implementation Guide No. 2019-3 are effective upon issuance. The objective of this Statement is to enhance comparability in the application of accounting and financial reporting requirements and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics.
- GASB No. 96, *Subscription – Based Information Technology Arrangements*, will be effective beginning with the fiscal year ending June 30, 2023. The objective of this Statement will be to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.
- GASB No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No.84, and a Supersession of GASB Statement No. 32*, the section that maybe applicable to the District will be effective beginning with the fiscal year ending June 30, 2022. The objective of this Statement is to provide more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.

**C. Basis of Presentation - Financial Statements**

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the District's enterprise funds. Fiduciary funds are excluded from the district-wide financial statements. Currently the District has no fiduciary funds.



**RAHWAY SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation - Financial Statements (Continued)**

**District-Wide Financial Statements**

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Board of Education. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. In the statement of net position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) reflect on a full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or other governmental entities, including other school districts, who purchase, use, or directly benefit from goods or services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes, unrestricted state aid and other items not properly included among program revenues are reported instead as general revenues.

As a general rule the effect of interfund activity has been eliminated from the district-wide financial statements.

**Fund Financial Statements**

Separate fund financial statements are provided for governmental and proprietary activities. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. The District considers all of its governmental and enterprise funds to be major funds.

The District reports the following major governmental funds:

The *general fund* is the School District's primary operating fund. It accounts for all financial resources of the District, except those to be accounted for in another fund.

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal, state and local financial programs, with the exception of grants for major capital projects and the child nutrition programs student activity funds derived from athletic events or other activities of pupil organizations and private donations for scholarship awards.

The *capital projects fund* accounts for the proceeds from the sale of bonds, lease purchases and other revenues used for the acquisition or construction of capital facilities and other capital assets, other than those financed by the proprietary funds.

The *debt service fund* accounts for the accumulation of resources that are restricted, committed or assigned for the payment of principal and interest on long-term general obligation debt of governmental funds.

The District reports the following major proprietary fund which is organized to be self-supporting through user charges:

The *food service fund* accounts for the activities of the school cafeteria, which provides food service to students as well as a la carte and catering services for administrators, teachers and special events.

**RAHWAY SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation - Financial Statements (Continued)**

**Fund Financial Statements (Continued)**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the district-wide financial statements as “internal balances”.

**Reclassifications**

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year’s presentation.

**D. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e. when they are both measurable and available). Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Board considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when a liability is incurred, as under accrual basis of accounting, with the exception of debt service expenditures as well as expenditures related to compensated absences and claims and judgments which are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, tuition, unrestricted state aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements (formula-type grants and aid) are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure-driven grants and similar awards (reimbursement-type grants and awards) are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements imposed by the grantor or provider have been met, and the amount is received during the period or within the availability period for this revenue source. All other revenue items are considered to be measurable and available only when cash is received by the District.

When both restricted and unrestricted resources are available for use, it is the Board’s policy to use restricted resources first, then unrestricted resources as they are needed.

**RAHWAY SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

***1. Cash, Cash Equivalents and Investments***

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value and are limited by N.J.S.A. 18A:20-37.

***2. Receivables***

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

***3. Inventories***

The cost of inventories of the governmental fund types are recorded as expenditures at the time individual inventory items are purchased.

Food Service Fund inventories, exclusive of the federal commodities, are valued at cost, using the first-in first-out (FIFO) method and consist of food and expendable supplies. The cost of such inventories is recorded as expenses when consumed rather than when purchased. The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by the USDA. It is valued at estimated market prices by the USDA. The amount of unused commodities inventory at year-end is reported as deferred inflows of resources.

***4. Capital Assets***

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Land and construction in progress are not depreciated. The other property, plant, and equipment of the District is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land Improvements	20
Buildings	40
Building Improvements	20-40
Improvements Other than Buildings	20
Heavy Equipment	10-15
Office Equipment and Furniture	10
Computer Equipment	5

**RAHWAY SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

***5. Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has two items which arise only under the accrual basis of accounting that qualify for reporting in this category. One item is the deferred amount on refunding of debt which results from a debt refunding reported in the district-wide statement of net position. Deferred amounts on debt refunding result from the difference on the transaction when the debt's reacquisition price is greater than the carrying value of the refunded debt. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Board has two types of items, which arise only under the accrual basis of accounting that qualify for reporting in this category. One item that qualifies for reporting in this category are the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years. The other item that qualifies for reporting in this category is the deferred commodities revenue, reported in both the district-wide and the proprietary funds statements of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities inventory at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed.

***6. Compensated Absences***

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused sick leave benefits. A long-term liability of accumulated sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. Proprietary Funds accrue accumulated sick leave and salary related payments in the period that they are earned. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

***7. Pensions***

In the district-wide financial statements and proprietary fund types in the fund financial statements, 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 retirement systems sponsored and administered by the State of New Jersey and additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they are reported by the retirement systems. 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.

In the governmental fund financial statements, net pension liabilities represent amounts normally expected to be liquidated with expendable available financial resources for required pension contributions that are due and payable at year end. Pension expenditures are recognized based on contractual pension contributions that are required to be made to the pension plan during the fiscal year.

**RAHWAY SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

**8. Long-Term Obligations**

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Differences resulting from debt refundings are classified as deferred inflows of resources or as deferred outflows of resources. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Differences resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported with the unamortized bond premium or discount. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**9. Net Position/Fund Balance**

**District-Wide Statements**

In the district-wide statements, there are three classes of net position:

- **Net Investment in Capital Assets** – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction or improvement of those assets or related debt also should be included.
- **Restricted Net Position** – reports net position when constraints placed on the residual amount of noncapital assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** – any portion of net position not already classified as either net investment in capital assets or net position – restricted is classified as net position – unrestricted.

**Governmental Fund Statements**

Fund balance categories are designed to make the nature and extent of the constraints placed on the District's fund balance more transparent. These categories are comprised of a hierarchy based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

**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.

*Capital Reserve* – This restriction was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures (See Note 2).

*Maintenance Reserve* – This restriction was created by the Board in accordance with NJAC 6A:23A-14.2 to accumulate funds for the required maintenance of school facilities in accordance with the EFCA (NJSA 18A:7G-9) for a thorough and efficient education. (See Note 2).

**RAHWAY SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

Unemployment Compensation Reserve – This restriction was created in accordance with R.S. 43:21-7.3 to reserve funds for unemployment compensation claims reimbursable to the State under the District’s election for payment in lieu of contributions (benefit reimbursement method). (See Note 4A).

Student Activities – This restriction was created in accordance with NJAC 6A:23A-16.12 to represent the accumulation of funds derived from athletic events and other student organizations reserved for the payment of student group activities.

Scholarship Awards – This restriction was created to represent the accumulation of donor restricted funds specifically earmarked for student scholarship awards.

Capital Projects – Represents fund balance restricted specifically for capital acquisitions and improvements in the Capital Projects Fund.

Debt Service – Represents fund balance restricted specifically for the repayment of long-term debt principal and interest in the Debt Service Fund.

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2021 audited excess surplus that is required to be appropriated in the 2022/2023 original budget certified for taxes.

Excess Surplus – Designated for Subsequent Year’s Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2020 audited excess surplus that was appropriated in the 2021/2022 original budget certified for taxes.

Assigned Fund Balance – Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Year-End Encumbrances – Represent outstanding purchase orders for goods or services approved by management for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

FFCRA/SEMI – Represents fund balance assigned specifically for the Family First Coronavirus Response Act in the General Fund that was not appropriated in the 2020/2021 school year. These funds are available for appropriation in subsequent year’s budgets.

Unassigned Fund Balance – Represents fund balance that has not been restricted, committed or assigned to specific purposes within the governmental funds.

In the general operating fund and other governmental funds (special revenue, capital projects and debt service fund types), it is the District’s policy to consider restricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted (i.e., committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

**RAHWAY SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)**

**10. *Fund Balance Policies***

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the government that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. The District has no committed fund balances at year end.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Board has authorized the School Business Administrator/Board Secretary to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

**F. Revenues and Expenditures/Expenses**

**1. *Program Revenues***

Amounts reported as program revenues in the district-wide statement of activities include 1) charges to customers or applicants for goods or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, unrestricted state aid, investment earnings and miscellaneous revenues.

**2. *Property Taxes***

Property taxes are levied pursuant to law and are collected by the municipality and are transferred to the District as requested. Property tax revenues are recognized in the year they are levied and become available. Property taxes collected in advance of the year-end for which they are levied and transferred to the District are reported as deferred inflows of resources. The tax bills are mailed annually in June by the municipal tax collector and are levied and due in four quarterly installments on August 1, November 1, February 1 and May 1 of the fiscal year. When unpaid, taxes or any other municipal lien, or part thereof, on real property, remains in arrears on April 1<sup>st</sup> in the year following the calendar year levy when the same became in arrears, the tax collector of the municipality shall, subject to the provisions of New Jersey Statute, enforce the lien by placing the property on a tax sale. The municipality may institute annual "in rem" tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property.

**3. *Tuition Revenues and Expenditures***

Tuition Revenues - Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs are determined and certified by the State Department of Education.

Tuition Expenditures - Tuition charges for the fiscal years 2019-2020 and 2020-2021 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

**RAHWAY SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Revenues and Expenditures/Expenses (Continued)**

**4. *Proprietary Funds, Operating and Nonoperating Revenues and Expenses***

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the food service enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

In accordance with the requirements of the New Jersey Department of Education ("the Department"), the District annually prepares its operating budget for the forthcoming year. The budget, except for the general fund and special revenue fund, which is more fully explained below and in the notes to the required supplementary information, is prepared in accordance with accounting principles generally accepted in the United States of America and serves as a formal plan for expenditures and the proposed means for financing them. Capital lease transactions are accounted for on the GAAP basis.

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Districts that have their school board members elected in November are not required to submit their budgets that meet levy cap requirements for voter approval. Only a school board decision to exceed the tax levy cap would require voter approval. The Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2020/2021. Also, during 2020/2021 the Board increased the original budget by \$2,794,709. The increase was funded by the appropriation of maintenance reserve funds, additional grant awards and the reappropriation of prior year general fund encumbrances. The Board also decreased the original budget by \$1,802,819 as a result of a decrease in funding from the State of New Jersey.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described in the Notes to Required Supplementary Information (RSI). Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

Encumbrance accounting is employed in the governmental funds. 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 committed and/or assigned 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 which are reappropriated and honored during the subsequent fiscal year.



**RAHWAY SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**C. Deficit Fund Equity**

The District has an unassigned fund deficit of \$223,877 in the General Fund as of June 30, 2021 as reported in the fund financial statements (modified accrual basis). NJSA 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record these delayed state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions", requires that intergovernmental transactions (revenue, expenditure, asset, liability) should be recognized in symmetry (i.e., if one government recognizes an asset, the other government recognizes a liability). Since the State of New Jersey is recording certain 2020/2021 budgeted state aid payments in the subsequent fiscal year, the school district cannot recognize such payments on the GAAP (fund) financial statements until the year the State records the payable. Due to the timing difference of recording these delayed state aid payments, the General Fund deficits does not alone indicate that the District is facing financial difficulties; however, unless the State of New Jersey budgets the delayed payments in future years, the District may also report fund deficits in the future.

Pursuant to NJSA 18A:22-44.2, any negative unreserved, undesignated (i.e., unassigned) general fund balance that is reported as a direct result of a delay in the payment of state aid until the following fiscal year, is not considered as a violation of New Jersey Statute or regulation and is not considered an item in need of corrective action. The District deficit in the GAAP (fund) financial statements of \$223,877 in the General Fund is less than the delayed state aid payments at June 30, 2021.

**D. Capital Reserve**

A capital reserve account was established by the District. The accumulation of funds will be used for capital outlay expenditures in subsequent fiscal years. The capital reserve is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the reserve 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 fiscal year ended June 30, 2021 is as follows:

Balance, July 1, 2020	\$ 2,653,689
Increased by:	
Interest Earnings	\$ 100
Unexpended Withdrawals Restored	109,418
Deposits by Board Resolution	<u>5,000,000</u>
	<u>5,109,518</u>
	7,763,207
Decreased by:	
Withdrawals	<u>2,859,647</u>
Balance, June 30, 2021	<u>\$ 4,903,560</u>

The withdrawals from the capital reserve were not approved by the Board.

**RAHWAY SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**E. Maintenance Reserve**

A maintenance reserve account was established by the District. The accumulation of funds will be used for required maintenance of school facilities expenditures in subsequent fiscal years. The maintenance reserve is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the maintenance reserve are restricted to required maintenance activities for a school facility as reported in the comprehensive maintenance plan. A District may appropriate funds into the maintenance reserve 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. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the reserve cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

The activity of the maintenance reserve for the fiscal year ended June 30, 2021 is as follows:

Balance, July 1, 2020		\$	256,816
Increased by			
Interest Earnings	\$		100
Unexpended Withdrawals Restored			108,193
Deposits by Board Resolution			<u>660,559</u>
			<u>768,852</u>
			1,025,668
Decreased by:			
Withdrawal Approved by Board Resolution			<u>150,000</u>
Balance, June 30, 2021		\$	<u>875,668</u>

**F. Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 4% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2021 is \$3,710,141. Of this amount, \$1,910,141 was designated and appropriated in the 2021/2022 original budget certified for taxes and the remaining amount of \$1,800,000 is required to be appropriated in the 2022/2023 original budget certified for taxes.

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Cash Deposits and Investments**

**Cash Deposits**

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC and NCUSIF.

**RAHWAY SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Cash Deposits and Investments (Continued)**

**Cash Deposits (Continued)**

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2021, the book value of the Board's deposits were \$16,027,516 and bank and brokerage firm balances of the Board's deposits amounted to \$16,670,510. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

**Depository Account**

Insured	\$ <u>16,670,510</u>
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Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2021 none of the Board's bank balances were exposed to custodial credit risk.

**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; any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; 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; Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by school districts; Local Government investment pools; deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2021, the Board had no outstanding investments.

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

**RAHWAY SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**B. Receivables**

Receivables as of June 30, 2021 for the district’s individual major funds, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Food Service</u>	<u>Total</u>
Receivables:					
Accounts				\$ 7,511	\$ 7,511
Intergovernmental-					
Federal		\$ 553,962		93,006	646,968
State	\$ 44,660	-	\$ 212,332	-	256,992
Gross Receivables	<u>44,660</u>	<u>553,962</u>	<u>212,332</u>	<u>100,517</u>	<u>911,471</u>
Less: Allowance for Uncollectibles	-	-	-	-	-
Net Total Receivables	<u>\$ 44,660</u>	<u>\$ 553,962</u>	<u>\$ 212,332</u>	<u>\$ 100,517</u>	<u>\$ 911,471</u>

**C. Unearned Revenue**

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

	<u>Total</u>
Special Revenue Fund	
Unencumbered Grant Draw Downs	\$ 663,588
Grant Draw Downs Reserved for Encumbrances	71,907
Capital Projects Fund	
Unrealized School Security Grant	<u>116,095</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 851,590</u>

**RAHWAY SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2021 was as follows:

	Balance, <u>June 30, 2020</u> (Restated)	<u>Increases</u>	Adjustments/ <u>Decreases</u>	Balance, <u>June 30, 2021</u>
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,546,445			\$ 1,546,445
Construction in Progress	<u>-</u>	\$ 290,968	\$ -	<u>290,968</u>
Total Capital Assets, Not Being Depreciated	<u>1,546,445</u>	<u>290,968</u>	<u>-</u>	<u>1,837,413</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	71,051,123	539,034		71,590,157
Machinery and Equipment	<u>5,342,957</u>	<u>90,418</u>	<u>-</u>	<u>5,433,375</u>
Total Capital Assets Being Depreciated	<u>76,394,080</u>	<u>629,452</u>	<u>-</u>	<u>77,023,532</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(30,493,478)	(1,991,867)		(32,485,345)
Machinery and Equipment	<u>(2,133,693)</u>	<u>(341,365)</u>	<u>-</u>	<u>(2,475,058)</u>
Total Accumulated Depreciation	<u>(32,627,171)</u>	<u>(2,333,232)</u>	<u>-</u>	<u>(34,960,403)</u>
Total Capital Assets, Being Depreciated, Net	<u>43,766,909</u>	<u>(1,703,780)</u>	<u>-</u>	<u>42,063,129</u>
Governmental Activities Capital Assets, Net	<u>\$ 45,313,354</u>	<u>\$ (1,412,812)</u>	<u>\$ -</u>	<u>\$ 43,900,542</u>
	Balance, <u>June 30, 2020</u> (Restated)	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2021</u>
<b>Business-Type Activities:</b>				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 554,816	\$ 52,652	-	\$ 607,468
Total Capital Assets Being Depreciated	<u>554,816</u>	<u>52,652</u>	<u>-</u>	<u>607,468</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	<u>(309,620)</u>	<u>(33,252)</u>	<u>-</u>	<u>(342,872)</u>
Total Accumulated Depreciation	<u>(309,620)</u>	<u>(33,252)</u>	<u>-</u>	<u>(342,872)</u>
Business-Type Activities Capital Assets, Net	<u>\$ 245,196</u>	<u>\$ 19,400</u>	<u>\$ -</u>	<u>\$ 264,596</u>

**RAHWAY SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets (Continued)**

Depreciation expense was charged to functions/programs of the District as follows:

**Governmental Activities:**

Instruction		
Regular	\$	33,616
Special Education		7,119
Other		21,626
School Sponsored Co-Curricular		11,253
Total Instruction		<u>73,614</u>
Support Services		
Support Services - Students		8,937
General Administration		72,320
School Administration		3,436
Transportation		4,250
Operations and Maintenance of Plant		46,742
Total Support Services		<u>135,685</u>
Unallocated		<u>2,123,933</u>
Total Depreciation Expense - Governmental Activities	\$	<u>2,333,232</u>

**Business-Type Activities:**

Food Service Fund	\$	<u>33,252</u>
Total Depreciation Expense-Business-Type Activities	\$	<u>33,252</u>

**Construction and Other Significant Commitments**

The District has the following active construction projects as of June 30, 2021:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Roosevelt School Roof	\$ 194,131	\$ 743,327
Security Improvements	96,237	116,095
Roosevelt Masonry and Front Entrance	<u>-</u>	<u>1,279,000</u>
	<u>\$ 290,368</u>	<u>\$ 2,138,422</u>

**RAHWAY SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**E. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2021, is as follows:

**Due To/From Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 4,139,753
Debt Service Fund	Capital Projects Fund	<u>158,762</u>
Total		<u>\$ 4,298,515</u>

The above balances are the result of revenues earned or other financing sources received in one fund which are due to another fund and/or expenditures paid by one fund on behalf of another fund.

The District expects all interfund balances to be liquidated within one year.

**Interfund transfers**

	<u>Transfer In:</u>			<u>Total</u>
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	
<b><u>Transfer Out:</u></b>				
General Fund		\$ 2,859,647		\$ 2,859,647
Capital Projects Fund	\$ 123,452	-	\$ 158,762	<u>282,214</u>
	<u>\$ 123,452</u>	<u>\$ 2,859,647</u>	<u>\$ 158,762</u>	<u>\$ 3,141,861</u>

The above transfers are the result of revenues earned and/or other financing sources received in one fund to finance expenditures in another fund.

**F. Leases**

**Lease Purchase Agreements**

The District has entered into a lease-purchase agreement for the acquisition of technology supplies. The lease is for a term of three (3) years.

The maturity schedule of the remaining lease payments for principal and interest is as follows:

**RAHWAY SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**F. Leases (Continued)**

**Governmental Activities:**

Fiscal Year Ending <u>June 30,</u>	<u>Lease Purchase</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2022	\$ 228,539	\$ 9,119	\$ 237,658
	<u>\$ 228,539</u>	<u>\$ 9,119</u>	<u>\$ 237,658</u>

**G. Long-Term Debt**

**General Obligation Bonds**

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets and other purposes permitted by statute. The full faith and credit of the Board are irrevocably pledged for the payment of the principal of the bonds and the interest thereon.

Bonds payable at June 30, 2021 are comprised of the following issues:

\$14,270,000, 2017 Refunding School Bonds, due in annual installments of \$1,310,000 to \$1,365,000 through February 15, 2030, interest at 3% to 5%	<u>\$12,015,000</u>
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The Board's schedule of principal and interest for long-term debt issued and outstanding is as follows:

**Governmental Activities:**

Fiscal Year Ending <u>June 30,</u>	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2022	\$ 1,310,000	\$ 533,800	\$ 1,843,800
2023	1,330,000	481,400	1,811,400
2024	1,325,000	428,200	1,753,200
2025	1,320,000	375,200	1,695,200
2026	1,330,000	309,200	1,639,200
2027-2030	<u>5,400,000</u>	<u>568,300</u>	<u>5,968,300</u>
	<u>\$ 12,015,000</u>	<u>\$ 2,696,100</u>	<u>\$ 14,711,100</u>



**RAHWAY SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**G. Long-Term Debt (Continued)**

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2020 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 115,594,589
Less: Net Debt Issued	<u>12,015,000</u>
Remaining Borrowing Power	<u>\$ 103,579,589</u>

**H. Other Long-Term Liabilities**

**Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2021, was as follows:

	<u>Balance</u> <u>July 1, 2020</u>	<u>Increased</u>	<u>Retired</u>	<u>Balance</u> <u>June 30, 2021</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable	\$ 13,315,000		\$ (1,300,000)	\$ 12,015,000	\$ 1,310,000
Unamortized Premium on Bonds	<u>1,279,221</u>	-	<u>(244,115)</u>	<u>1,035,106</u>	-
Bonds Payable, Net	14,594,221	-	(1,544,115)	13,050,106	1,310,000
Obligations Under Lease Purchases	448,309		(219,770)	228,539	228,539
Net Pension Liability	12,807,482		(1,705,755)	11,101,727	
Compensated Absences Payable	<u>1,556,360</u>	<u>\$ 319,079</u>	<u>(261,393)</u>	<u>1,614,046</u>	<u>250,000</u>
Long-Term Liabilities	<u>\$ 29,406,372</u>	<u>\$ 319,079</u>	<u>\$ (3,731,033)</u>	<u>\$ 25,994,418</u>	<u>\$ 1,788,539</u>

For governmental activities, the liabilities for compensated absences and net pension liability are generally liquidated by the general fund.

**I. Short-Term Debt**

The Board's short-term activity for the fiscal year ended June 30, 2021 was as follows:

**Loans Payable**

The Board issues loans to temporarily finance the delayed state aid payment received subsequent to the fiscal year end. The Board's short-term debt activity for the fiscal year ended June 30, 2021 was as follows:

<u>Purpose</u>	<u>Rate</u> <u>%</u>	<u>Maturity</u> <u>Date</u>	<u>Balance,</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance,</u> <u>June 30, 2021</u>
Delayed State Aid	4.50%	7/10/2020	<u>2,681,246</u>	<u>\$ -</u>	<u>\$ 2,861,246</u>	<u>\$ -</u>

**RAHWAY SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION**

**A. Risk Management**

The District is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; student accident; termination of employees and natural disasters. The Board has obtained commercial insurance coverage to guard against these events to minimize the exposure to the District should they occur. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report.

The District is a member of the New Jersey Schools Insurance Group (NJSIG or Group). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims.

The relationship between the Board and the Group is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Board is contractually obligated to make all annual and supplementary contributions to the Group, to report claims on a timely basis, cooperate with the management of the Group, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the Group. Members have a contractual obligation to fund any deficit of the Group attributable to a membership year during which they were a member.

NJSIG provides its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the Group is on file with the School's Business Administrator.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage's in any of the prior three years.

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

<u>Fiscal Year</u> <u>Ended</u> <u>June 30,</u>	<u>District</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2021	None	\$ 61,127	\$ 162,510	\$ 333,342
2020	None	65,906	45,154	434,051
2019	None	63,862	16,781	412,624

**B. Contingent Liabilities**

The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

**Federal and State Awards** – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2021, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

**RAHWAY SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

**C. Federal Arbitrage Regulations**

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2021, the District has not estimated its arbitrage earnings due to the IRS, if any.

**D. Employee Retirement Systems and Pension Plans**

**Plan Descriptions and Benefits Provided**

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all Board employees who are eligible for pension coverage:

**Public Employees' Retirement System (PERS)** – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees. PERS is a cost sharing multiple employer defined benefit pension plan. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division's) Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

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:

Tier	Definition
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 1/55<sup>th</sup> of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reached age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members 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 ten years of service credit and have not reached the service retirement age for the respective tier.

**Teachers' Pension and Annuity Fund (TPAF)** – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees. TPAF is a cost sharing multiple- employer defined benefit pension plan with a special funding situation, which the State is responsible to fund 100% of local employer contributions, excluding any local employer early retirement incentive (ERI) contributions. For additional information about TPAF, please refer to the State Division of Pension and Benefits (Division's) Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**RAHWAY SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Teachers' Pension and Annuity Fund (TPAF) (Continued)**

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are 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.

The following represent the membership tiers for TPAF:

Tier	Definition
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 1/55<sup>th</sup> of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> 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 tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members 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 retirement for his/her respective tier. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Board employees who are eligible for pension coverage.

**Defined Contribution Retirement Program (DCRP)** – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS or TPAF on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS or TPAF on or after November 2, 2008 and do not earn the minimum salary required or do not work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

**Other Pension Funds**

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local government employers do not appropriate funds to SACT.

The cost of living increase for PERS and TPAF, are funded directly by each of the respective systems but are currently suspended as a result of reform legislation.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits (“Division”), issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**RAHWAY SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Plan Amendments**

The authority to amend the provisions of the above plans rests with new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for TPAF and PERS, once a Target Funded Ratio (TFR) is met. The Pension Plan Design Committees will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation of final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committees will also have the authority to reactivate the cost of living adjustment (COLA) on pensions. However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a 30-year projection period.

**Measurement Focus and Basis of Accounting**

The financial statements of the retirement systems are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the pension trust funds. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

**Investment Valuation**

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Prudential retirement is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date. The net increase or decrease in the fair value of investments includes the net realized and unrealized gains or losses on investments.

The State of New Jersey, Department of the Treasury, Division of Investment issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial reports may be obtained in writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290 or at [www.state.nj.us/treasury/doinvest](http://www.state.nj.us/treasury/doinvest).

**RAHWAY SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Collective Net Pension Liability**

The collective net pension liability of the participating employers for local PERS at June 30, 2020 is \$16.4 billion and the plan fiduciary net position as a percentage of the total pension liability is 58.32%. The collective net pension liability of the State funded TPAF at June 30, 2020 is \$66.0 billion and the plan fiduciary net position as a percentage of total pension liability is 24.60%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2019 which were rolled forward to June 30, 2020.

**Actuarial Methods and Assumptions**

In the July 1, 2019 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee's annual compensation for fiscal year 2021.

PERS employers' and TPAF State's nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2021 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State's annual pension contribution was less than the actuarial determined amount. For local PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2021, 2020 and 2019 were equal to the required contributions.

**RAHWAY SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Employer and Employee Pension Contributions (Continued)**

During the fiscal years ended June 30, 2021, 2020 and 2019 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, was required to contribute for TPAF, respectively for normal cost pension and unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended June 30,	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2021	\$ 744,738	\$ 8,604,266	\$ 71,549
2020	691,399	6,317,473	73,667
2019	725,853	5,638,841	30,576

In addition, for fiscal years 2021, 2020 and 2019 the District contributed \$-0-, \$2,683 and \$2,900, respectively for PERS and the State contributed \$4,816, \$4,757 and \$4,746, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB Statement No. 85, *Omnibus 2017* (GASB No. 85). The DCRP contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure, as well as, the district-wide financial statements (accrual basis) as an expense.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$2,321,068 during the fiscal year ended June 30, 2021 for the employer’s share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

**Public Employees Retirement System (PERS)**

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2019 through June 30, 2020. Employer allocation percentages have been rounded for presentation purposes.

Although the NJ Division of Pensions and Benefits (“Division”) administers one cost-sharing multiple employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense are determined separately for each individual employer of the State and local groups of the plan.

**RAHWAY SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Public Employees Retirement System (PERS) (Continued)**

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2020 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2020.

At June 30, 2021, the District reported in the statement of net position (accrual basis) a liability of \$11,101,727 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019. The District's proportionate share of the net pension liability was based on the ratio of the District's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2020. At June 30, 2020, the District's proportionate share was .06807 percent, which was a decrease of .003 percent from its proportionate share measured as of June 30, 2019 of .07107 percent.

For the fiscal year ended June 30, 2021, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$207,812 for PERS. The pension contribution made by the District during the current 2020/2021 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2021 with a measurement date of the prior fiscal year end of June 30, 2020. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2021 for contributions made subsequent to the measurement date. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 202,144	\$ 39,261
Changes of Assumptions	360,153	4,648,398
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	379,466	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>255,575</u>	<u>809,184</u>
Total	<u>\$ 1,197,338</u>	<u>\$ 5,496,843</u>



**RAHWAY SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Public Employees Retirement System (PERS) (Continued)**

At June 30, 2021, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense as follows:

Year Ending <u>June 30,</u>	<u>Total</u>
2022	\$ (1,479,572)
2023	(1,423,095)
2024	(901,206)
2025	(415,181)
2026	(80,451)
Thereafter	-
	<u>\$ (4,299,505)</u>

***Actuarial Assumptions***

The District's total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<b><u>PERS</u></b>
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%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

**RAHWAY SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Public Employees Retirement System (PERS) (Continued)**

***Long-Term Expected Rate of Return***

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2020) 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 actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans 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 the PERS's target asset allocation as of June 30, 2020 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%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
US Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
High Yield	2.00%	5.95%
Real Assets	3.00%	9.73%
Private Credit	8.00%	7.59%
Real Estate	8.00%	9.56%
Private Equity	13.00%	11.42%

***Discount Rate***

The discount rate used to measure the total pension liabilities of the PERS plan was as follows:

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2021	June 30, 2020	7.00%
2020	June 30, 2019	6.28%

**RAHWAY SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Public Employees Retirement System (PERS) (Continued)**

*Discount Rate (Continued)*

There was no crossover period for the PERS defined benefit plan. Therefore the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

*Sensitivity of Net Pension Liability*

The following presents the District's proportionate share of the PERS net pension liability calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	<b>1% Decrease <u>(6.00%)</u></b>	<b>Current Discount Rate <u>(7.00%)</u></b>	<b>1% Increase <u>(8.00%)</u></b>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 13,975,222</u>	<u>\$ 11,101,727</u>	<u>\$ 8,663,488</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability as of the measurement date of June 30, 2020. A sensitivity analysis specific to the District's net pension liability at June 30, 2020 was not provided by the pension system.

*Pension Plan Fiduciary Net Position*

Detailed information about the PERS pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**RAHWAY SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Teachers Pension and Annuity Fund (TPAF)**

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2019 through June 30, 2020. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. 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. For the fiscal year ended June 30, 2020, the State's pension contribution was less than the actuarial determined amount.

In accordance with GASB No. 68, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to TPAF on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 68 is zero percent and the State's proportionate share is 100% of the net pension liability attributable to the District for TPAF. Therefore, in addition, the District does not recognize any portion of the TPAF collective deferred outflows of resources and deferred inflows of resources.

For the fiscal year ended June 30, 2021, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$11,586,224 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2021 the State's proportionate share of the net pension liability attributable to the District is \$186,320,854. The net pension liability was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019. The nonemployee allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2020. At June 30, 2020, the State's share of the net pension liability attributable to the District was .28295 percent, which was an increase of .00213 percent from its proportionate share measured as of June 30, 2019 of .28082 percent.

**RAHWAY SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Teachers Pension and Annuity Fund (TPAF) (Continued)**

**Actuarial Assumptions**

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>TPAF</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55-4.55% Based on Years of Service
Thereafter	2.75%-5.65% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

**RAHWAY SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Teachers Pension and Annuity Fund (TPAF) (Continued)**

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2020) 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 actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans 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 the TPAF's target asset allocation as of June 30, 2020 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%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
US Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
High Yield	2.00%	5.95%
Real Assets	3.00%	9.73%
Private Credit	8.00%	7.59%
Real Estate	8.00%	9.56%
Private Equity	13.00%	11.42%

**RAHWAY SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Teachers Pension and Annuity Fund (TPAF) (Continued)**

***Discount Rate***

The discount rate used to measure the total pension liabilities of the TPAF plan was as follows:

<b>Fiscal Year</b>	<b>Measurement Date</b>	<b>Discount Rate</b>
2021	June 30, 2020	5.40%
2020	June 30, 2019	5.60%

The following table represents the crossover period, if applicable, for the TPAF defined benefit plan:

**Period of Projected Benefit**

Payments for which the Following  
 Rates were Applied:

Long-Term Expected Rate of Return	Through June 30, 2062
Municipal Bond Rate *	From July 1, 2062 and Thereafter

\* The municipal bond return rate used is 2.21% as of the measurement date of June 30, 2020. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

***Sensitivity of Net Pension Liability***

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 5.40%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (4.40 percent) or 1-percentage-point higher (6.40 percent) than the current rate:

	<b>1% Decrease (4.40%)</b>	<b>Current Discount Rate (5.40%)</b>	<b>1% Increase (6.40%)</b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 218,855,664</u>	<u>\$ 186,320,854</u>	<u>\$ 159,306,155</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2020. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2020 was not provided by the pension system.

**RAHWAY SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Teachers Pension and Annuity Fund (TPAF) (Continued)**

***Pension Plan Fiduciary Net Position***

Detailed information about the TPAF pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**E. Post-Retirement Medical Benefits**

The State of New Jersey sponsors and administers the post-retirement health benefit program plan for school districts.

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in an Agency Fund in the New Jersey Comprehensive Annual Financial Report effective for the fiscal year ended June 30, 2020. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a multiple-employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

**Plan Description and Benefits Provided**

The State of New Jersey sponsors and administers the following post-retirement health benefit program plan covering certain local school district employees, including those Board employees and retirees eligible for coverage.

**State Health Benefit Program Fund – Local Education Retired Employees Plan** (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage, prescription drug benefits and Medicare Part B reimbursement to qualified retired education employees and their covered dependents. The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of the PERS and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents.

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 State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above Fund. The financial reports may be accessed via the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).



**RAHWAY SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**Plan Membership**

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2019:

Active Plan Members	216,804
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	149,304
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u>          -</u>
Total	<u>366,108</u>

**Measurement Focus and Basis of Accounting**

The financial statements of the post-employment health benefit plans are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the post-employment health benefit plans. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

**Investment Valuation**

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**Collective Net OPEB Liability**

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2020 is \$67.8 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2019 which were rolled forward to June 30, 2020.

**Actuarial Methods and Assumptions**

In the June 30, 2019 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary’s report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**RAHWAY SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**Post-Retirement Medical Benefits Contributions**

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.18 billion to the OPEB plan in fiscal year 2020.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2021, 2020 and 2019 were \$2,696,443, \$2,343,667 and \$2,557,769, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2019 through June 30, 2020. Nonemployer allocation percentages have been rounded for presentation purposes.

In accordance with GASB No. 75, the District is not required to recognize an OPEB liability for the post-employment health benefit plan. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to the plan on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 75 is zero percent and the State's proportionate share is 100% of the OPEB liability attributable to the District. Therefore, in addition, the District does not recognize any portion of the collective deferred outflows of resources and deferred inflows of resources related to the plan.

For the fiscal year ended June 30, 2021, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$9,014,008. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2021 the State's proportionate share of the OPEB liability attributable to the District is \$169,461,269. The nonemployer allocation percentages are based on the ratio of the State's proportionate share of the OPEB liability attributable to the District at June 30, 2020 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2020. At June 30, 2020, the state's share of the OPEB liability attributable to the District was .24991 percent, which was an increase of .00142 percent from its proportionate share measured as of June 30, 2019 of .24849 percent.

**RAHWAY SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

**Actuarial Assumptions**

The OPEB liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases*	
PERS:	
Initial Fiscal Year Applied Through	2026
Rate	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%
TPAF:	
Initial Fiscal Year Applied Through	2026
Rate	1.55% to 4.45%
Rate Thereafter	1.55% to 4.45%
Mortality:	
PERS	Pre-retirement and Post-retirement based on Pub-2010 Healthy "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.
TPAF	Pre-retirement and Post-retirement based on Pub-2010 Healthy "Teachers" and "General" classifications respectively, headcount-weighted mortality tables with fully generational mortality improvement projections from the central year using Scale MP-2020.

\*Salary increases are based on the defined benefit pension plan that the member is enrolled in and the members years of service.

For the June 30, 2020 measurement date healthcare cost trend rates for pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

**RAHWAY SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

**Actuarial Assumptions (Continued)**

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2015 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

100% of active members are considered to participate in the plan upon retirement.

**Discount Rate**

The discount rate used to measure the total OPEB liabilities of the plan was as follows:

<b><u>Fiscal Year</u></b>	<b><u>Measurement Date</u></b>	<b><u>Discount Rate</u></b>
2021	June 30, 2020	2.21%
2020	June 30, 2019	3.50%

The discount rate 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.

**RAHWAY SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

**Changes in the Total OPEB Liability**

The change in the State’s proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2021 (measurement date June 30, 2020) is as follows:

	Total OPEB Liability <u>(State Share 100%)</u>
Balance, June 30, 2019 Measurement Date	<u>\$ 103,693,563</u>
Changes Recognized for the Fiscal Year:	
Service Cost	4,534,612
Interest on the Total OPEB Liability	3,738,353
Differences Between Expected and Actual Experience	29,400,751
Changes of Assumptions	30,954,751
Gross Benefit Payments	(2,950,181)
Contributions from the Member	89,420
<b>Net Changes</b>	<u>\$ 65,767,706</u>
Balance, June 30, 2020 Measurement Date	<u>\$ 169,461,269</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.50 % percent in 2019 to 2.21% percent in 2020.

The change in the total OPEB liability was based on the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2020.

**RAHWAY SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

**Sensitivity of OPEB Liability**

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the State’s proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 2.21%, as well as what the State’s proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current rate:

	<b>1% Decrease <u>(1.21%)</u></b>	<b>Current Discount Rate <u>(2.21%)</u></b>	<b>1% Increase <u>(3.21%)</u></b>
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 204,294,307</u>	<u>\$ 169,461,269</u>	<u>\$ 142,225,188</u>

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.* The following presents the State’s proportionate share of the OPEB liability attributable to the District calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
Total OPEB Liability (School Retirees)	<u>\$ 136,794,851</u>	<u>\$ 169,461,269</u>	<u>\$ 208,359,712</u>

The sensitivity analyses were based on the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2020. Sensitivity analyses specific to the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2020 were not provided by the pension system.

**F. Tax Abatements**

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 school tax revenue 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.

For Rahway School District, the District’s share of abated taxes resulting from the municipality having entered into a tax abatement agreement is indeterminate.

**RAHWAY SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

**G. Subsequent Events**

**Referendum**

On September 28, 2021 the voters of the Rahway School District approved a \$38,714,000 referendum authorizing the District to issue bonds and/or notes to finance various capital improvements and upgrades to all District schools consisting of critical infrastructure improvements at all six schools including safety and security upgrades. As of the date of the audit, the Board has not sold Bonds or Notes in conjunction with these projects.

**NOTE 5 RESTATEMENT**

On July 1, 2020, the Rahway School District implemented GASB Statement No. 84 "Fiduciary Activities". In addition, the District has obtained an updated appraisal report for capital assets and related depreciation. The Rahway School District has determined that the effect of implementing these changes on the financial statements previously reported as of and for the fiscal year ended June 30, 2020 are as follows:

**Governmental Activities and Business-Type Activities**

The financial statements of the governmental activities and business-type activities as of June 30, 2020 have been restated to reflect the reclassification of certain activities related to unemployment compensation, student activities, scholarships and payroll related activities which were previously reported as fiduciary activities to governmental activities as well as to reflect updated appraisal values of capital assets and related depreciation. The effect of this restatement is to increase net position of governmental activities by \$1,732,056 from \$17,969,596 as previously reported to \$19,701,652 as of June 30, 2020 and to decrease net position of business-type activities by \$135,002 from \$803,980 as previously reported to \$668,978 as of June 30, 2020.

**Governmental Funds**

The financial statements of the governmental funds as of June 30, 2020 have been restated to reflect the reclassification of certain activities related to unemployment compensation, student activities, scholarships and payroll activities previously reported as fiduciary funds to government funds. The effect of this restatement is to increase fund balances of governmental funds by \$872,010 from \$5,857,485 as previously reported to \$6,729,495 as of June 30, 2020. General Fund fund balance increased by \$434,051 from \$5,680,158 as previously reported to \$6,114,209 as of June 30, 2020. Special Revenue Fund fund balance increased \$437,959 from \$-0- as previously reported to \$437,959 as of June 30, 2020.

**Proprietary Funds**

The financial statements of the proprietary funds as of June 30, 2020 have been restated to reflect updated appraisal values of capital assets and related depreciation. The effect of this restatement is to decrease net position of proprietary funds, specifically the Food Service Enterprise Fund by \$135,002 from \$803,980 as previously reported to \$668,978 as of June 30, 2020.

**Fiduciary Funds**

The financial statements of the fiduciary funds as of June 30, 2020 have been restated to reflect the reclassification of certain activities to governmental funds as noted above. The effect of this restatement is to decrease total fiduciary net position by \$603,360 from \$603,360 as previously reported to \$-0- as of June 30, 2020.

**RAHWAY SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 6 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC**

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the “Pandemic”) by the World Health Organization and has been affecting many parts of the world, including the United States and the State of New Jersey. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President’s Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

Governor Phil Murphy (the “Governor”) of the State of New Jersey (the “State”) declared a state of emergency and a public health emergency on March 9, 2020 due to the outbreak of COVID-19, which spread to the State and to all counties within the State. The Governor also instituted mandatory measures via various executive orders to contain the spread of the virus. These measure, which altered the behaviors of businesses and people, had negative impacts on regional, state and local economies. The Governor, pursuant to various executive orders, then implemented a multi-stage approach to restarting New Jersey’s economy. The declaration of the state of emergency and of a public health emergency was terminated by the Governor, by executive order, on June 4, 2021. Also, on June 4, 2021, the Governor signed into law Assembly Bill No. 5820 which terminates most of the governor’s pandemic-related executive orders in early July. The remaining executive orders (dealing with coronavirus testing and vaccinations, moratoriums on evictions and utility shutoffs and various other matters) will terminate on January 1, 2022. In the event of substantial increases in COVID-19 hospitalizations, spot positivity or rates of transmission, the Governor is empowered to impose more restrictive measures than currently in place.

Recently, the United States Congress has passed relief and stimulus legislations including the American Rescue Plan Act signed into law by President Biden on March 12, 2021, comprising of \$1.9 trillion in funding to address the COVID-19 Pandemic. This legislation is intended to address the financial impact of the pandemic on the U.S. economy and alleviate the health effects of the COVID-19 pandemic. The Plan provides funding for state and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the School District. It is too early to predict if the legislation will have its intended affect.

The largest portion of the School District’s revenues is derived from local tax revenues levied by the Borough. In that regard, under applicable State statutes, the Borough annually is required to pay 100% of the amount levied for operations and debt service to the School District regardless of delinquencies in applicable property tax collections. The ability of the Borough to fully collect property taxes on a timely basis may be affected by the economic impact of the Pandemic; however, the District does not anticipate an interruption in the timely collection of property taxes from the Borough.

Because of the evolving nature of the outbreak and federal, state and local responses thereto, the Board cannot predict how the outbreak will impact the financial condition or operations of the School District, or if there will be any impact on the assessed values of property within the School District or deferral of tax payments to municipalities. The Board cannot predict costs associated with this or any other potential infectious disease outbreak, including whether there will be any reduction in State funding or an increase in operational costs incurred to clean, sanitize and maintain it facilities either before or after an outbreak of an infectious disease.



**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

**RAHWAY SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
<b>REVENUES</b>					
<b>Local Sources</b>					
Local Tax Levy	\$ 44,796,679		\$ 44,796,679	44,796,679	
Tuition from Other LEA's within the State				71,173	\$ 71,173
Interest Earned in Capital Reserve Fund	100		100	100	
Interest Earned in Maintenance Reserve Fund	100		100	100	
Interest Earned in Unemployment Compensation Reserve				674	674
Interest on Deposits				20,772	20,772
Unrestricted Miscellaneous Revenues	<u>497,000</u>	<u>-</u>	<u>497,000</u>	<u>355,249</u>	<u>(141,751)</u>
<b>Total Local Sources</b>	<u>45,293,879</u>	<u>-</u>	<u>45,293,879</u>	<u>45,244,747</u>	<u>(49,132)</u>
<b>State Sources</b>					
Special Education Aid	2,263,445		2,263,445	2,263,445	
Equalization Aid	22,715,252	\$ (1,802,819)	20,912,433	20,912,433	
Security Aid	1,032,364		1,032,364	1,032,364	
Transportation Aid	916,421		916,421	916,421	
Extraordinary Aid	500,000		500,000	1,209,777	709,777
Nonpublic Transportation Aid				44,660	44,660
On Behalf TPAF Contributions (Non-Budgeted)					
Pension				8,443,615	8,443,615
NCGI Premium				160,651	160,651
Post-Retirement Medical				2,696,443	2,696,443
Long Term Disability Insurance				4,816	4,816
Reimbursed Social Security	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,321,068</u>	<u>2,321,068</u>
<b>Total State Sources</b>	<u>27,427,482</u>	<u>(1,802,819)</u>	<u>25,624,663</u>	<u>40,005,693</u>	<u>14,381,030</u>
<b>Federal Sources</b>					
Medicaid Reimbursements	<u>170,667</u>	<u>-</u>	<u>170,667</u>	<u>221,646</u>	<u>50,979</u>
<b>Total Federal Sources</b>	<u>170,667</u>	<u>-</u>	<u>170,667</u>	<u>221,646</u>	<u>50,979</u>
<b>Total Revenues</b>	<u>72,892,028</u>	<u>(1,802,819)</u>	<u>71,089,209</u>	<u>85,472,086</u>	<u>14,382,877</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES</b>					
<b>Instruction - Regular Programs</b>					
<b>Salaries of Teachers</b>					
Kindergarten	910,029	108,797	1,018,826	984,443	34,383
Grades 1-5	6,282,591	181,623	6,464,214	6,334,616	129,598
Grades 6-8	4,289,122	(190,000)	4,099,122	3,943,180	155,942
Grades 9-12	5,923,912	(16,268)	5,907,644	5,530,044	377,600
<b>Regular Programs - Home Instruction</b>					
Salaries of Teachers	25,000		25,000	2,816	22,184
Purchased Professional-Educational Services	25,126	(730)	24,396	5,913	18,483
<b>Regular Programs - Undistributed Instruction</b>					
Other Salaries for Instruction	513,578	(92,145)	421,433	288,229	133,204
Purchased Professional-Educational Services	20,000	4,000	24,000	20,665	3,335
Other Purchased Services	374,075		374,075	319,578	54,497
General Supplies	765,721	21,880	787,601	432,367	355,234
Textbooks	165,640	(30,000)	135,640	74,965	60,675
Other Objects	<u>134,896</u>	<u>-</u>	<u>134,896</u>	<u>17,479</u>	<u>117,417</u>
<b>Total Regular Programs</b>	<u>19,429,690</u>	<u>(12,843)</u>	<u>19,416,847</u>	<u>17,954,295</u>	<u>1,462,552</u>

**RAHWAY SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Instruction - Special Education					
Learning /Language Disabilities					
Salaries of Teachers	\$ 142,609	\$ 49,240	\$ 191,849	\$ 191,849	
Other Salaries for Instruction	115,200	7,661	122,861	122,861	
General Supplies	7,000	-	7,000	2,103	\$ 4,897
<b>Total Learning /Language Disabilities</b>	<u>264,809</u>	<u>56,901</u>	<u>321,710</u>	<u>316,813</u>	<u>4,897</u>
Behavioral Disabilities					
Salaries of Teachers	370,239		370,239	363,607	6,632
Other Salaries for Instruction	115,009		115,009	107,997	7,012
General Supplies	6,859	-	6,859	2,787	4,072
<b>Total Behavioral Disabilities</b>	<u>492,107</u>	<u>-</u>	<u>492,107</u>	<u>474,391</u>	<u>17,716</u>
Multiple Disabilities					
Salaries of Teachers	404,004	7,509	411,513	411,513	
Other Salaries for Instruction	258,935	37,555	296,490	276,670	19,820
General Supplies	5,000	2,000	7,000	4,880	2,120
Other Objects	1,313	1,500	2,813	-	2,813
<b>Total Multiple Disabilities</b>	<u>669,252</u>	<u>48,564</u>	<u>717,816</u>	<u>693,063</u>	<u>24,753</u>
Resource Room/Resource Center					
Salaries of Teachers	3,683,510	(7,999)	3,675,511	3,601,590	73,921
Other Salaries for Instruction	458,175	(72,691)	385,484	385,484	
General Supplies	17,600		17,600	10,866	6,734
Textbooks	2,550	(225)	2,325	-	2,325
<b>Total Resource Room/Resource Center</b>	<u>4,161,835</u>	<u>(80,915)</u>	<u>4,080,920</u>	<u>3,997,940</u>	<u>82,980</u>
Autism					
Salaries of Teachers	434,722	(103,847)	330,875	320,546	10,329
Other Salaries for Instruction	76,038	90,542	166,580	163,692	2,888
General Supplies	50,000	(12,800)	37,200	33,208	3,992
<b>Total Autism</b>	<u>560,760</u>	<u>(26,105)</u>	<u>534,655</u>	<u>517,446</u>	<u>17,209</u>
Preschool Disabilities - Full - Time					
Salaries of Teachers	587,397		587,397	519,176	68,221
Other Salaries for Instruction	334,333		334,333	243,506	90,827
General Supplies	7,000	3,000	10,000	6,681	3,319
<b>Total Preschool Disabilities - Full - Time</b>	<u>928,730</u>	<u>3,000</u>	<u>931,730</u>	<u>769,363</u>	<u>162,367</u>

**RAHWAY SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Home Instruction					
Salaries of Teachers	\$ 45,000		\$ 45,000	\$ 6,765	\$ 38,235
Purchased Professional-Educational Services	10,000	-	10,000	-	10,000
<b>Total Home Instruction</b>	<u>55,000</u>	<u>-</u>	<u>55,000</u>	<u>6,765</u>	<u>48,235</u>
<b>Total Special Education</b>	<u>7,132,493</u>	<u>\$ 1,445</u>	<u>7,133,938</u>	<u>6,775,781</u>	<u>358,157</u>
Basic Skills/Remedial					
Salaries of Teachers	1,222,727	(867,898)	354,829	184,678	170,151
General Supplies	3,500	448	3,948	706	3,242
<b>Total Basic Skills/Remedial</b>	<u>1,226,227</u>	<u>(867,450)</u>	<u>358,777</u>	<u>185,384</u>	<u>173,393</u>
Bilingual Education					
Salaries of Teachers	921,170	4,736	925,906	925,906	
Other Salaries for Instruction	174,625	36,432	211,057	201,629	9,428
General Supplies	9,000	(3,500)	5,500	4,514	986
Textbooks	1,200	-	1,200	-	1,200
<b>Total Bilingual Education</b>	<u>1,105,995</u>	<u>37,668</u>	<u>1,143,663</u>	<u>1,132,049</u>	<u>11,614</u>
School Sponsored Co/Extra Curricular Activities					
Salaries	300,148	811	300,959	164,296	136,663
Purchased Services	125,676		125,676	69,754	55,922
Supplies and Materials	77,000		77,000	26,387	50,613
Other Objects	20,000		20,000	1,376	18,624
Transfers to Cover Deficit (Agency Funds)	31,400	-	31,400	1,019	30,381
<b>Total School Sponsored Co/Extra Curricular Activities</b>	<u>554,224</u>	<u>811</u>	<u>555,035</u>	<u>262,832</u>	<u>292,203</u>
School Sponsored Athletics - Instruction					
Salaries	418,525	27,753	446,278	384,112	62,166
Purchased Services	128,702	3,729	132,431	54,721	77,710
Supplies and Materials	183,100		183,100	143,419	39,681
Other Objects	42,000	-	42,000	36,315	5,685
<b>Total School Sponsored Athletics - Instruction</b>	<u>772,327</u>	<u>31,482</u>	<u>803,809</u>	<u>618,567</u>	<u>185,242</u>
Before/After School Programs - Instruction					
Salaries of Teacher Tutors	61,045	-	61,045	16,367	44,678
<b>Total Before/After School Programs - Instruction</b>	<u>61,045</u>	<u>-</u>	<u>61,045</u>	<u>16,367</u>	<u>44,678</u>
Summer School - Instruction					
Salaries of Teachers	28,920	(1,548)	27,372		27,372
Salaries of Reading Specialists		1,548	1,548		1,548
General Supplies	4,450	-	4,450	2,543	1,907
<b>Total Summer School - Support Services</b>	<u>33,370</u>	<u>-</u>	<u>33,370</u>	<u>2,543</u>	<u>30,827</u>

**RAHWAY SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Instructional Alternative Ed Program - Instruction					
Salaries of Teachers	\$ 913,811	\$ (300)	\$ 913,511	\$ 834,457	\$ 79,054
General Supplies	14,000		14,000	5,364	8,636
Textbooks	5,000	-	5,000	-	5,000
<b>Total Instructional Alternative Ed Program - Instruction</b>	<b>932,811</b>	<b>(300)</b>	<b>932,511</b>	<b>839,821</b>	<b>92,690</b>
Instructional Alternative Ed Program - Support Svcs.					
Salaries	419,492	(299,712)	119,780	119,780	
Purchased Services	7,284		7,284	5,496	1,788
Supplies and Materials	4,000		4,000		4,000
Other Objects	2,500	-	2,500	397	2,103
<b>Total Instructional Alternative Ed Program-Support Svcs.</b>	<b>433,276</b>	<b>(299,712)</b>	<b>133,564</b>	<b>125,673</b>	<b>7,891</b>
<b>Total Alternative Education Programs</b>	<b>1,366,087</b>	<b>(300,012)</b>	<b>1,066,075</b>	<b>965,494</b>	<b>100,581</b>
Other Alternative Ed Programs - Instruction					
Salaries of Teachers	141,020	-	141,020	141,020	-
<b>Total Other Alternative Ed Programs - Instruction</b>	<b>141,020</b>	<b>-</b>	<b>141,020</b>	<b>141,020</b>	<b>-</b>
Other Alternative Ed Programs - Support Services					
Salaries	75,588	-	75,588	75,588	-
<b>Total Other Alternative Ed Programs - Support Services</b>	<b>75,588</b>	<b>-</b>	<b>75,588</b>	<b>75,588</b>	<b>-</b>
<b>Total Other Alternative Ed Programs</b>	<b>216,608</b>	<b>-</b>	<b>216,608</b>	<b>216,608</b>	<b>-</b>
<b>Total - Instruction</b>	<b>31,898,066</b>	<b>(1,108,899)</b>	<b>30,789,167</b>	<b>28,129,920</b>	<b>2,659,247</b>
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within State-Regular		15,975	15,975	15,975	
Tuition to Other LEAs Within State-Special	1,212,950	(113,000)	1,099,950	756,444	343,506
Tuition to County Voc. School- Regular	723,500		723,500	694,288	29,212
Tuition to County Voc. School- Special	118,000		118,000	90,000	28,000
Tuition to CSSD and Regional Day Schools		113,000	113,000	112,404	596
Tuition to Private School for Disabled W/I	4,615,293	(463,575)	4,151,718	3,434,905	716,813
Tuition - State Facilities	61,944	-	61,944	61,944	-
<b>Total Undistributed Expenditures - Instruction</b>	<b>6,731,687</b>	<b>(447,600)</b>	<b>6,284,087</b>	<b>5,165,960</b>	<b>1,118,127</b>
Attendance and Social Work					
Salaries	258,090	4,046	262,136	145,510	116,626
Other Purchased Services	500		500		500
Supplies and Materials	7,500	-	7,500	3,561	3,939
<b>Total Attendance and Social Work</b>	<b>266,090</b>	<b>4,046</b>	<b>270,136</b>	<b>149,071</b>	<b>121,065</b>

**RAHWAY SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Health Services					
Salaries	\$ 451,935		\$ 451,935	425,468	\$ 26,467
Purchased Professional and Technical Services	42,300	\$ 11,300	53,600	45,131	8,469
Other Purchased Services	300		300	300	300
Supplies and Materials	12,577	3,513	16,090	14,638	1,452
Other Objects	750	-	750	650	100
<b>Total Health Services</b>	<u>507,862</u>	<u>14,813</u>	<u>522,675</u>	<u>485,887</u>	<u>36,788</u>
Speech, OT, PT & Related Services					
Salaries	593,731	14,960	608,691	584,712	23,979
Purchased Professional - Educational Services	868,513	(14,960)	853,553	669,862	183,691
Supplies and Materials	2,400		2,400	2,304	96
Other Objects	1,350	225	1,575	1,575	-
<b>Total Speech, OT, PT &amp; Related Services</b>	<u>1,465,994</u>	<u>225</u>	<u>1,466,219</u>	<u>1,258,453</u>	<u>207,766</u>
Other Support Services - Students - Extra Svc					
Salaries	472,221		472,221	273,302	198,919
Purchased Professional - Educational Services	1,387,607	(7,285)	1,380,322	634,318	746,004
Other Objects	2,000	-	2,000	-	2,000
<b>Total Other Support Services - Students - Extra Svc.</b>	<u>1,861,828</u>	<u>(7,285)</u>	<u>1,854,543</u>	<u>907,620</u>	<u>946,923</u>
Guidance					
Salaries of Other Professional Staff	665,168	1,924	667,092	665,422	1,670
Salaries of Secretarial and Clerical Assistants	130,800		130,800	130,800	
Other Salaries	71,798	(71,798)			
Purchased Professional - Educational Services	204,313	(2,293)	202,020	124,664	77,356
Other Purchased Professional and Technical Services	9,000		9,000	5,400	3,600
Supplies and Materials	20,183		20,183	9,212	10,971
Other Objects	2,000	-	2,000	640	1,360
<b>Total Undistributed Expenditures - Guidance</b>	<u>1,103,262</u>	<u>(72,167)</u>	<u>1,031,095</u>	<u>936,138</u>	<u>94,957</u>
Child Study Teams					
Salaries of Other Professional Staff	1,597,439	(3,378)	1,594,061	1,592,945	1,116
Salaries of Secretarial and Clerical Assistants	121,906	56,836	178,742	178,742	
Purchased Professional - Educational Services	82,186		82,186	49,686	32,500
Miscellaneous Purchased Services	39,731	3,378	43,109	40,280	2,829
Supplies and Materials	15,900	131	16,031	16,031	-
<b>Total Undistributed Expenditures - Child Study Teams</b>	<u>1,857,162</u>	<u>56,967</u>	<u>1,914,129</u>	<u>1,877,684</u>	<u>36,445</u>
Improvement of Instruction Services					
Salaries of Supervisors of Instruction	1,065,780	(20,603)	1,045,177	614,952	430,225
Salaries of Other Professional Staff	89,818		89,818	61,706	28,112
Salaries of Secretarial and Clerical Assistants	200,192	(144,457)	55,735	43,296	12,439
Salaries of Facilitators, Math & Literacy Coaches	13,936		13,936	13,936	13,936
Unused Vacation Payment to Terminated/Retired		17,056	17,056	17,056	
Other Purchased Services	15,588	1,662	17,250	9,924	7,326
Supplies and Materials	39,795	(2,658)	37,137	35,286	1,851
Other Objects	6,900	-	6,900	3,486	3,414
<b>Total Improvement of Instruction Services/ Other Support Services-Instructional Staff</b>	<u>1,432,009</u>	<u>(149,000)</u>	<u>1,283,009</u>	<u>785,706</u>	<u>497,303</u>

**RAHWAY SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Educational Media Services/School Library					
Salaries	\$ 317,852	\$ 11,828	\$ 329,680	\$ 329,680	
Other Purchased Services	8,500		8,500	8,031	\$ 469
Supplies and Materials	35,105	-	35,105	7,923	27,182
<b>Total Educational Media Services/School Library</b>	<b>361,457</b>	<b>11,828</b>	<b>373,285</b>	<b>345,634</b>	<b>27,651</b>
Instructional Staff Training Serv.					
Salaries of Other Professional Staff	35,000		35,000		35,000
Purchased Professional-Educational Services	25,000		25,000	6,050	18,950
Other Purchased Services	7,000		7,000	378	6,622
Other Objects	1,000	-	1,000	-	1,000
<b>Total Instructional Staff Training Serv.</b>	<b>68,000</b>	<b>-</b>	<b>68,000</b>	<b>6,428</b>	<b>61,572</b>
Support Services General Administration					
Salaries	393,380	732	394,112	373,375	20,737
Legal Services	95,000	20,000	115,000	106,752	8,248
Audit Fees	45,696	206	45,902	45,902	
Architect/Engineering Services	20,000		20,000	2,727	17,273
Other Purchased Professional Services	15,000	60,000	75,000	61,500	13,500
Purchased Technical Services	16,000		16,000	12,584	3,416
Communications/Telephone	120,100	(20,000)	100,100	90,990	9,110
BOE Other Purchased Services	3,000	(488)	2,512		2,512
Miscellaneous Purchased Services	335,869	29,319	365,188	363,687	1,501
General Supplies	30,000	(28,000)	2,000	438	1,562
BOE In-House Training/Meeting Supplies	1,500	(206)	1,294		1,294
Miscellaneous Expenditures	9,000		9,000	7,548	1,452
BOE Member Dues & Fees	25,000	-	25,000	24,223	777
<b>Total Support Services General Administration</b>	<b>1,109,545</b>	<b>61,563</b>	<b>1,171,108</b>	<b>1,089,726</b>	<b>81,382</b>
Support Services School Administration					
Salaries of Principals/Asst. Principals/Program Dir.	1,710,417	582,088	2,292,505	2,191,401	101,104
Salaries of Secretarial and Clerical Assistants	530,905	174,279	705,184	670,987	34,197
Unused Vacation Payment to Terminated/Retired		25,921	25,921	25,921	
Other Purchased Services	148,056	63,187	211,243	205,594	5,649
Supplies and Materials	47,099	1	47,100	15,154	31,946
Other Objects	41,700	541	42,241	24,212	18,029
<b>Total Support Services School Administration</b>	<b>2,478,177</b>	<b>846,017</b>	<b>3,324,194</b>	<b>3,133,269</b>	<b>190,925</b>
Central Services					
Salaries	423,546	3,716	427,262	427,261	1
Miscellaneous Purchased Services	68,546	3,184	71,730	68,776	2,954
Supplies and Materials	13,000	28,689	41,689	37,784	3,905
Miscellaneous Expenditures	6,000	(765)	5,235	5,234	1
<b>Total Central Services</b>	<b>511,092</b>	<b>34,824</b>	<b>545,916</b>	<b>539,055</b>	<b>6,861</b>
Admin. Info. Technology					
Salaries	454,909	84,229	539,138	539,138	
Unused Vacation Payment to Terminated/Retired		521	521	520	1
Other Purchased Services	187,214	3,954	191,168	166,099	25,069
Supplies and Materials	123,325	1,585	124,910	104,597	20,313
Other Objects	2,000	-	2,000	910	1,090
<b>Total Admin. Info. Technology</b>	<b>767,448</b>	<b>90,289</b>	<b>857,737</b>	<b>811,264</b>	<b>46,473</b>



**RAHWAY SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Required Maintenance for School Facilities					
Salaries	\$ 391,645		\$ 391,645	379,454	\$ 12,191
Cleaning, Repair and Maintenance Services	455,790	\$ 156,201	611,991	519,608	92,383
General Supplies	152,000	(7,770)	144,230	102,205	42,025
Other Objects	3,000	-	3,000	2,508	492
<b>Total Required Maint. for School Facilities</b>	<b>1,002,435</b>	<b>148,431</b>	<b>1,150,866</b>	<b>1,003,775</b>	<b>147,091</b>
Custodial Services					
Salaries	1,582,259	(108,944)	1,473,315	1,370,641	102,674
Purchased Professional and Technical Services	41,500	1,500	43,000	14,721	28,279
Cleaning, Repair and Maintenance Services	88,000		88,000	28,569	59,431
Rental of Land & Bldg. Other Than Lease Purchase Agreement	117,399	3,426	120,825	118,386	2,439
Other Purchased Property Services	122,176		122,176	109,605	12,571
Insurance	127,299		127,299	127,299	
General Supplies	227,010	(15,478)	211,532	131,056	80,476
Energy (Natural Gas)	312,330	94,815	407,145	397,006	10,139
Energy (Electricity)	525,000	-	525,000	439,756	85,244
<b>Total Custodial Services</b>	<b>3,142,973</b>	<b>(24,681)</b>	<b>3,118,292</b>	<b>2,737,039</b>	<b>381,253</b>
Care & Upkeep of Grounds					
Cleaning, Repair and Maintenance Services	70,000	72,790	142,790	113,375	29,415
General Supplies	60,000	(29,000)	31,000	11,637	19,363
<b>Total Care &amp; Upkeep of Grounds</b>	<b>130,000</b>	<b>43,790</b>	<b>173,790</b>	<b>125,012</b>	<b>48,778</b>
Security					
Salaries	655,250	12,517	667,767	521,383	146,384
Purchased Professional and Technical Services	11,000	1,872	12,872	4,552	8,320
Supplies and Materials	5,000	1,645	6,645	1,645	5,000
<b>Total Security</b>	<b>671,250</b>	<b>16,034</b>	<b>687,284</b>	<b>527,580</b>	<b>159,704</b>
<b>Total Undist. Expend.-Oper &amp; Main of Plant Serv.</b>	<b>4,946,658</b>	<b>183,574</b>	<b>5,130,232</b>	<b>4,393,406</b>	<b>736,826</b>
Student Transportation Services					
Salaries for Non-Instructional Aides	12,000	2,518	14,518	14,518	
Salaries for Pupil Transportation (Between Home and School) - Special Ed.	21,890	973	22,863	22,862	1
Salaries for Pupil Transportation (Other Than Between Home and School)	15,000		15,000	10,232	4,768
Cleaning, Repair and Maintenance Services	5,000		5,000	1,243	3,757
Rental Payments - School Buses	2,000		2,000	750	1,250
Contracted Services - Aid in Lieu of Payments - Nonpublic Schools	125,000		120,000	46,331	73,669
Contracted Services - Aid in Lieu of Payments - Charter Schools	21,000		21,000	611	20,389
Contracted Services - Aid in Lieu of Payments - Choice Schools	9,000		9,000	3,730	5,270
Contracted Services (Between Home and School) - Vendors	674,571	2	674,573	664,566	10,007
Contracted Services (Other than Between Home and School) - Vendors	183,950		183,950	35,290	148,660
Contracted Services - (Spec. Ed. Students) - Vendors	654,659	(3)	654,656	631,180	23,476
Contracted Services (Regular Students) - ESCs and CTSA's	200,000	32,940	232,940	144,976	87,964
Contracted Services (Spd. Ed. Students) - ECSs & CTSA's	2,070,952	30,414	2,101,366	1,537,141	564,225
Misc. Purchased Services- Transportation	5,000		10,000	6,417	3,583
General Supplies	6,000		6,000	2,148	3,852
Other Objects	1,000	-	1,000	150	850
<b>Total Student Transportation Services</b>	<b>4,007,022</b>	<b>66,844</b>	<b>4,073,866</b>	<b>3,122,145</b>	<b>951,721</b>

**RAHWAY SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
Unallocated Benefits - Employee Benefits					
Social Security Contribution	\$ 793,879	\$ 1	\$ 793,880	\$ 633,276	\$ 160,604
Other Retirement Contributions - PERS	824,264	501	824,765	816,287	8,478
Unemployment Compensation (Non-Budget)				101,383	(101,383)
Workmen's Compensation	540,504	(20,000)	520,504	512,673	7,831
Health Benefits	9,940,239	(1,107,501)	8,832,738	8,194,175	638,563
Tuition Reimbursement	135,000	24,543	159,543	142,891	16,652
Other Employee Benefits	870,500	(242,000)	628,500	599,672	28,828
Unused Sick Payment to Terminated/Retired Staff	-	262,000	262,000	261,393	607
<b>Total Unallocated Benefits - Employee Benefits</b>	<u>13,104,386</u>	<u>(1,082,456)</u>	<u>12,021,930</u>	<u>11,261,750</u>	<u>760,180</u>
On Behalf TPAF Contributions (Non-Budgeted)					
Pension				8,443,615	(8,443,615)
NCGI Premium				160,651	(160,651)
Post-Retirement Medical				2,696,443	(2,696,443)
Long Term Disability Insurance				4,816	(4,816)
Reimbursed Social Security	-	-	-	2,321,068	(2,321,068)
<b>Total On-Behalf TPAF Contributions</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,626,593</u>	<u>(13,626,593)</u>
<b>Total Undistributed Expenditures</b>	<u>42,579,679</u>	<u>(387,518)</u>	<u>42,192,161</u>	<u>49,895,789</u>	<u>(7,703,628)</u>
Interest Earned on Maintenance Reserve	100	-	100	-	100
<b>Total Current Expenditures</b>	<u>74,477,845</u>	<u>(1,496,417)</u>	<u>72,981,428</u>	<u>78,025,709</u>	<u>(5,044,281)</u>
<b>CAPITAL OUTLAY</b>					
Equipment:					
Undistributed Expenditures:					
School-Sponsored and Other Instructional Program	6,000		6,000	5,895	105
Instruction	12,995		12,995	11,030	1,965
Support Service - Students		7,285	7,285	7,285	
Admin Info Tech	42,000	(3,295)	38,705	16,705	22,000
Required Maintenance for School Facilities	21,705	31,620	53,325	49,503	3,822
<b>Total Equipment</b>	<u>82,700</u>	<u>35,610</u>	<u>118,310</u>	<u>90,418</u>	<u>27,892</u>
Facilities Acquisition and Construction Serv.					
Assessment for Debt Service on SDA Funding	38,595	-	38,595	38,595	-
<b>Total Facilities Acquisition and Constr. Services</b>	<u>38,595</u>	<u>-</u>	<u>38,595</u>	<u>38,595</u>	<u>-</u>
Interest Deposit to Capital Reserve	100	-	100	-	100
<b>Total Capital Outlay</b>	<u>121,395</u>	<u>35,610</u>	<u>157,005</u>	<u>129,013</u>	<u>27,992</u>
Transfer Funds to Charter School	310,896	-	310,896	300,110	10,786
<b>Total Expenditures</b>	<u>74,910,136</u>	<u>(1,460,807)</u>	<u>73,449,329</u>	<u>78,454,832</u>	<u>(5,005,503)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,018,108)</u>	<u>(342,012)</u>	<u>(2,360,120)</u>	<u>7,017,254</u>	<u>9,377,374</u>

**RAHWAY SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**EXHIBIT C-1**

	<b>Original Budget</b>	<b>Adjustments</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final Budget To Actual</b>
Other Financing Sources (Uses)					
Operating Transfers In				\$ 123,452	\$ 123,452
Operating Transfers Out	(218,522)		\$ (218,522)		218,522
Capital Reserve Transfer to Capital Projects	-	-	-	(2,859,647)	(2,859,647)
Total Other Financing Sources (Uses)	(218,522)	-	(218,522)	(2,736,195)	(2,517,673)
Excess (Deficiency) of Revenues and Other Financing Sources Over/ (Under) Expenditures and Other Financing (Uses)	\$ (2,236,630)	\$ (342,012)	\$ (2,578,642)	4,281,059	6,859,701
Fund Balances, Beginning of Year (Restated)	9,394,582	-	9,394,582	9,394,582	-
Fund Balances, End of Year	\$ 7,157,952	\$ (342,012)	\$ 6,815,940	\$ 13,675,641	\$ 6,859,701

**Recapitulation of Fund Balance:**

Restricted	
Capital Reserve	\$ 4,903,560
Maintenance Reserve	875,668
Unemployment Compensation Reserve	333,342
Excess Surplus, Designated for Subsequent Year's Expenditures	1,910,141
Excess Surplus	1,800,000
Assigned	
Year End Encumbrances	375,879
FFCRA/SEMI - Designated for Subsequent Year's Expenditures	15,099
Designated for Subsequent Year's Expenditures	-
Unassigned	3,461,952
	13,675,641
Reconciliation to Governmental Funds Statements (GAAP):	
Less: State Aid Not Recognized on GAAP Basis (June 30, 2021)	(3,685,829)
Fund Balance Per Governmental Funds (GAAP)	9,989,812

**RAHWAY SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
<b>REVENUES</b>					
Local Sources		\$ 104,106	\$ 104,106	\$ 207,498	\$ 103,392
State Sources	\$ 4,709,256	3,731	4,712,987	4,145,282	(567,705)
Federal Sources	1,774,175	2,344,860	4,119,035	3,231,587	(887,448)
<b>Total Revenues</b>	<b>6,483,431</b>	<b>2,452,697</b>	<b>8,936,128</b>	<b>7,584,367</b>	<b>(1,351,761)</b>
<b>EXPENDITURES</b>					
<b>Instruction</b>					
Salaries of Teachers	1,651,130	(146,487)	1,504,643	1,414,902	89,741
Other Salaries for Instruction	477,859	41,035	518,894	446,644	72,250
Purchased Professional-Educational Services	110,000	(20,140)	89,860		89,860
Other Purchased Services	90,000	(20,324)	69,676		69,676
Tuition	900,000	304,721	1,204,721	1,204,721	
General Supplies	175,139	1,684,112	1,859,251	1,489,177	370,074
Textbooks	374	726	1,100	1,100	
Other Objects	30,000		30,000		30,000
Student Activity and Athletics (Non-budget)	-	-	-	170,571	(170,571)
<b>Total Instruction</b>	<b>3,434,502</b>	<b>1,843,643</b>	<b>5,278,145</b>	<b>4,727,115</b>	<b>551,030</b>
<b>Support Services</b>					
Salaries of Supervisors of Instruction	399,084	(93,292)	305,792	119,597	186,195
Salaries of Program Directors	93,635		93,635	78,240	15,395
Salaries of Other Professional Staff	106,092	95,672	201,764	97,230	104,534
Salaries of Secretarial and Clerical Asst.	62,305	4,183	66,488	62,491	3,997
Salaries of Master Teachers	157,112		157,112	152,775	4,337
Other Salaries	43,260	39,819	83,079	82,079	1,000
Personal Services - Employee Benefits	601,949	229,971	831,920	653,261	178,659
Purchased Professional-Educational Services	117,399	46,588	163,987	13,162	150,825
Purchased Educational Services - Contracted Pre-K	1,383,750	(92,700)	1,291,050	1,291,050	
Other Purchased Prof. Services	50,000	31,836	81,836	31,221	50,615
Purchased Technical Services	25,000		25,000	1,662	23,338
Rental	75,236	47,230	122,466	41,831	80,635
Contracted Services - Transportation	10,000		10,000		10,000
Other Purchased Services	17,000	103,793	120,793	23,216	97,577
Travel		9,918	9,918		9,918
Supplies and Materials	95,629	171,736	267,365	209,301	58,064
Other Objects	30,000	(5,586)	24,414		24,414
Scholarship Awards (Non-budget)	-	-	-	5,250	(5,250)
<b>Total Support Services</b>	<b>3,267,451</b>	<b>589,168</b>	<b>3,856,619</b>	<b>2,862,366</b>	<b>994,253</b>
<b>Facilities Acquisition and Construction</b>					
Noninstructional Equipment	-	19,886	19,886	-	19,886
<b>Total Facilities Acq. &amp; Construction</b>	<b>-</b>	<b>19,886</b>	<b>19,886</b>	<b>-</b>	<b>19,886</b>
<b>Total Expenditures</b>	<b>6,701,953</b>	<b>2,452,697</b>	<b>9,154,650</b>	<b>7,589,481</b>	<b>1,565,169</b>
<b>Excess (Deficiency) of Revenues</b>					
Over (Under) Expenditures	(218,522)	-	(218,522)	(5,114)	213,408
<b>Other Financing Sources</b>					
Operating Transfers In	218,522	-	218,522	-	(218,522)
<b>Total Other Financing Sources</b>	<b>218,522</b>	<b>-</b>	<b>218,522</b>	<b>-</b>	<b>(218,522)</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over/ (Under) Expenditures</b>					
	-	-	-	(5,114)	(5,114)
<b>Fund Balances, Beginning of Year (Restated)</b>	<b>437,959</b>	<b>-</b>	<b>437,959</b>	<b>437,959</b>	<b>-</b>
<b>Fund Balances, End of Year</b>	<b>\$ 437,959</b>	<b>\$ -</b>	<b>\$ 437,959</b>	<b>\$ 432,845</b>	<b>\$ (5,114)</b>

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**RAHWAY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described below. Encumbrance accounting is also employed as an extension of formal budgetary integration of 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.

The following presents a reconciliation of the General and Special Revenue Funds from the budgetary basis of accounting as presented in the Budgetary Comparison Schedule - General Fund and Special Revenue Fund to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>Sources/Inflows of Resources</b>		
Actual amounts (budgetary basis) revenue from the budgetary comparison schedule	(C-1) \$ 85,472,086	(C-2) \$ 7,584,367
Difference - Budget to GAAP		
Encumbrances for good and services ordered but not received are reported in the year the order is placed for budgetary purposes but in the year the goods and services are received for financial reporting purposes.		
Prior Year Encumbrances		1,073
Current Year Encumbrances		(71,907)
State Aid payments recognized for GAAP Purposes not recognized for Budgetary statements. (June 30, 2021)	(3,685,829)	
State Aid payments recognized for budgetary purposes not recognized for GAAP statements. (June 30, 2020)	<u>3,280,373</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	(B-2) \$ <u>85,066,630</u>	(B-2) \$ <u>7,513,533</u>
<b>Uses/Outflows of Resources</b>		
Actual amounts (budgetary basis) total expenditures from the budgetary comparison schedule	(C-1) \$ 78,454,832	(C-2) \$ 7,589,481
Encumbrances for good and services ordered but not received are reported in the year the order is placed for budgetary purposes but in the year the goods and services are received for financial reporting purposes.		
Prior Year Encumbrances		1,073
Current Year Encumbrances	<u>-</u>	<u>(71,907)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	(B-2) \$ <u>78,454,832</u>	(B-2) \$ <u>7,518,647</u>

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**  
**PENSION AND OTHER POST-EMPLOYMENT BENEFITS INFORMATION**

RAHWAY SCHOOL DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Public Employees Retirement System

Last Eight Fiscal Years\*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.06807%	0.07107%	0.07297%	0.07167%	0.07023%	0.06856%	0.06829%	0.06979%
District's Proportionate Share of the Net Pension Liability (Asset)	<u>\$ 11,101,727</u>	<u>\$ 12,807,482</u>	<u>\$ 14,368,167</u>	<u>\$ 16,685,264</u>	<u>\$ 20,801,102</u>	<u>\$ 15,391,074</u>	<u>\$ 12,786,008</u>	<u>\$ 13,339,666</u>
District's Covered Payroll	<u>\$ 4,856,616</u>	<u>\$ 4,872,923</u>	<u>\$ 5,002,754</u>	<u>\$ 5,050,038</u>	<u>\$ 4,988,875</u>	<u>\$ 4,776,139</u>	<u>\$ 5,999,031</u>	<u>\$ 4,920,450</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	228.59%	262.83%	287.21%	330.40%	416.95%	322.25%	213.13%	271.11%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.32%	56.27%	53.60%	48.10%	40.14%	47.92%	52.08%	48.72%

\* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.



**RAHWAY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT CONTRIBUTIONS**

**Public Employees Retirement System**

**Last Eight Fiscal Years**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 744,738	\$ 691,399	\$ 725,853	\$ 664,011	\$ 623,943	\$ 589,460	\$ 562,984	\$ 522,017
Contributions in Relation to the Contractually Required Contribution	<u>744,738</u>	<u>691,399</u>	<u>725,853</u>	<u>664,011</u>	<u>623,943</u>	<u>589,460</u>	<u>562,984</u>	<u>522,017</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	<u>\$ 5,029,566</u>	<u>\$ 4,856,616</u>	<u>\$ 4,872,923</u>	<u>\$ 5,002,754</u>	<u>\$ 5,050,038</u>	<u>\$ 4,988,875</u>	<u>\$5,999,031</u>	<u>\$ 5,999,031</u>
Contributions as a Percentage of Covered Payroll	14.81%	14.24%	14.90%	13.27%	12.36%	11.82%	9.38%	10.61%

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

RAHWAY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Teachers Pension and Annuity Fund

Last Eight Fiscal Years\*

	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%	0%	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 186,320,854</u>	<u>\$ 172,347,374</u>	<u>\$ 176,319,156</u>	<u>\$ 183,567,827</u>	<u>\$ 222,939,941</u>	<u>\$ 178,289,678</u>	<u>\$ 146,406,723</u>	<u>\$ 135,393,508</u>
Total	<u>\$ 186,320,854</u>	<u>\$ 172,347,374</u>	<u>\$ 176,319,156</u>	<u>\$ 183,567,827</u>	<u>\$ 222,939,941</u>	<u>\$ 178,289,678</u>	<u>\$ 146,406,723</u>	<u>\$ 135,393,508</u>
District's Covered Payroll	<u>\$ 32,375,603</u>	<u>\$ 32,375,052</u>	<u>\$ 31,106,793</u>	<u>\$ 29,260,202</u>	<u>\$ 28,564,832</u>	<u>\$ 28,147,406</u>	<u>\$ 32,555,698</u>	<u>\$ 29,449,382</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	24.60%	26.95%	26.49%	25.41%	22.33%	28.74%	33.64%	33.76%

- \* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**RAHWAY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
AND SCHEDULE OF DISTRICT CONTRIBUTIONS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Change of Benefit Terms:** None.

**Change of Assumptions:** Assumptions used in calculating the net pension liability and statutorily required employer contribution are presented in Note 4D.

**RAHWAY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF  
TOTAL OPEB LIABILITY**

**Postemployment Health Benefit Plan**

Last Four Fiscal Years\*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>				
Service Cost	\$ 4,534,612	\$ 4,300,235	\$ 4,752,737	\$ 5,761,043
Interest on Total OPEB Liability	3,738,353	4,511,166	4,739,743	4,082,447
Differences Between Expected and Actual Experience	29,400,751	(17,372,276)	(8,797,165)	
Changes of Assumptions	30,954,751	1,546,080	(13,058,785)	(17,055,751)
Gross Benefit Payments	(2,950,181)	(3,183,083)	(3,042,894)	(2,714,546)
Contribution from the Member	<u>89,420</u>	<u>94,356</u>	<u>105,168</u>	<u>99,956</u>
<b>Net Change in Total OPEB Liability</b>	65,767,706	(10,103,522)	(15,301,196)	(9,826,851)
<b>Total OPEB Liability - Beginning</b>	<u>103,693,563</u>	<u>113,797,085</u>	<u>129,098,281</u>	<u>138,925,132</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 169,461,269</u>	<u>\$ 103,693,563</u>	<u>\$ 113,797,085</u>	<u>\$ 129,098,281</u>
District's Proportionate Share of OPEB Liability	\$0	\$0	\$0	\$0
State's Proportionate Share of OPEB Liability	<u>169,461,269</u>	<u>103,693,563</u>	<u>113,797,085</u>	<u>129,098,281</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 169,461,269</u>	<u>\$ 103,693,563</u>	<u>\$ 113,797,085</u>	<u>\$ 129,098,281</u>
District's Covered Payroll	<u>\$ 37,232,219</u>	<u>\$ 37,247,975</u>	<u>\$ 36,109,547</u>	<u>\$ 34,310,240</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%

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

\*The amounts presented for each fiscal year were determined as of the previous fiscal year end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 75. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**RAHWAY SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY  
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Changes in Benefit Terms:**

None.

**Changes of Assumptions**

Assumptions used in calculating the OPEB liability are presented in Note 4E.

**OTHER SUPPLEMENTARY INFORMATION**

**SPECIAL REVENUE FUND**

RAHWAY SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Exhibit E-1a Totals	IDEA		Title I	Title I Re-Allocated	Title I SIA	Title II-A	Title III	Title III Immigrant	Title IV	Grand Total
		Basic 2020-21	Preschool 2020-21								
<b>REVENUES</b>											
Intergovernmental											
State	\$ 4,145,282										\$ 4,145,282
Federal	1,359,785	\$ 1,185,183	\$ 30,198	\$ 486,679	\$ 1,841	\$ 62,992	\$ 35,001	\$ 43,310	\$ 1,064	\$ 25,534	\$ 3,231,587
Local	207,498	-	-	-	-	-	-	-	-	-	207,498
<b>Total Revenues</b>	<b>\$ 5,712,565</b>	<b>\$ 1,185,183</b>	<b>\$ 30,198</b>	<b>\$ 486,679</b>	<b>\$ 1,841</b>	<b>\$ 62,992</b>	<b>\$ 35,001</b>	<b>\$ 43,310</b>	<b>\$ 1,064</b>	<b>\$ 25,534</b>	<b>\$ 7,584,367</b>
<b>EXPENDITURES</b>											
Instruction											
Salaries of Teachers	\$ 1,090,761			\$ 265,221		\$ 58,920					1,414,902
Other Salaries for Instruction	406,787							\$ 39,857			446,644
Purchased Prof. and Educational Services	-										-
Other Purchased Services	-										-
Tuition		\$ 1,174,523	\$ 30,198								1,204,721
General Supplies	1,385,705	10,660		65,484	1,841				\$ 117	\$ 25,370	1,489,177
Textbooks	1,100										1,100
Other Objects	170,571										170,571
<b>Total Instruction</b>	<b>3,054,924</b>	<b>1,185,183</b>	<b>30,198</b>	<b>330,705</b>	<b>1,841</b>	<b>58,920</b>	<b>-</b>	<b>39,857</b>	<b>117</b>	<b>25,370</b>	<b>4,727,115</b>
Support Services											
Salaries of Supervisors of Instruction	119,597										119,597
Salaries of Program Directors	78,240										78,240
Salaries of Other Prof. Staff	97,230										97,230
Salaries of Sec. & Clerical Asst.	62,491										62,491
Salaries of Master Teachers	152,775										152,775
Other Salaries	41,555			24,640			\$ 15,004		880		82,079
Unused Sick Payment to Terminated/Retired Staff	-										-
Personal Svcs-Employee Benefits	513,961			130,964		4,072	1,148	3,049	67		653,261
Purchased Professional-Educational Services	1,887						11,275				13,162
Purchased Educational Services - Contracted Pre-K	1,291,050										1,291,050
Other Purchased Prof. Services	31,221										31,221
Purchased Technical Services	1,662										1,662
Rental	41,831										41,831
Contracted Services- Transp.	-										-
Other Purchased Services	18,585			370			3,693	404		\$ 164	23,216
Supplies and Materials	205,420						3,881				209,301
Other Objects	5,250										5,250
<b>Total Support Services</b>	<b>2,662,755</b>	<b>-</b>	<b>-</b>	<b>155,974</b>	<b>-</b>	<b>4,072</b>	<b>35,001</b>	<b>3,453</b>	<b>947</b>	<b>164</b>	<b>2,862,366</b>
Facilities Acquisition and Construction											
Noninstructional Equipment	-										-
<b>Total Facilities Acq. &amp; Construction</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>\$ 5,717,679</b>	<b>\$ 1,185,183</b>	<b>\$ 30,198</b>	<b>\$ 486,679</b>	<b>\$ 1,841</b>	<b>\$ 62,992</b>	<b>\$ 35,001</b>	<b>\$ 43,310</b>	<b>\$ 1,064</b>	<b>\$ 25,534</b>	<b>\$ 7,589,481</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,114)										(5,114)
Other Financing Sources											
Operating Transfers In	-										-
<b>Total Other Financing Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (Deficiency) of Revenues and Other Financing Sources Over/ (Under) Expenditures	(5,114)										(5,114)
Fund Balances, Beginning of Year (Restated)	437,959										437,959
<b>Fund Balances, End of Year</b>	<b>\$ 432,845</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 432,845</b>



RAHWAY SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Preschool Education Aid	NJ Non-Public Aid				Other Local/ Private Grants	Union County CARES Act	CARES Emergency Relief	Digital Divide	Coronavirus Relief Fund	Student Activities	Scholarships	Totals Carried Forward
		Textbook	Nursing	Technology	Security								
<b>REVENUES</b>													
Intergovernmental													
State	\$ 4,140,459	\$ 1,100	\$ 1,836	\$ -	\$ 1,887							\$ 4,145,282	
Federal						\$ 51,706	\$ 409,081	\$ 557,138	\$ 341,860			1,359,785	
Local Sources	-	-	-	-	-	\$ 36,791	-	-	-	\$ 165,776	\$ 4,931	207,498	
<b>Total Revenues</b>	<b>\$ 4,140,459</b>	<b>\$ 1,100</b>	<b>\$ 1,836</b>	<b>\$ -</b>	<b>\$ 1,887</b>	<b>\$ 36,791</b>	<b>\$ 51,706</b>	<b>\$ 409,081</b>	<b>\$ 557,138</b>	<b>\$ 341,860</b>	<b>\$ 165,776</b>	<b>\$ 4,931</b>	<b>\$ 5,712,565</b>
<b>EXPENDITURES</b>													
Instruction													
Salaries of Teachers	1,090,761											1,090,761	
Other Salaries for Instruction	406,787											406,787	
Purchased Prof. and Educational Services												-	
Other Purchased Services												-	
General Supplies	184,138					11,872	\$ 51,706	\$ 352,771	\$ 557,138	\$ 228,080		1,385,705	
Textbooks	-	\$ 1,100	-	-	-	-	-	-	-	-		1,100	
Student Activities and Athletics	-	-	-	-	-	-	-	-	-	-	\$ 170,571	-	170,571
<b>Total Instruction</b>	<b>1,681,686</b>	<b>1,100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,872</b>	<b>51,706</b>	<b>352,771</b>	<b>557,138</b>	<b>228,080</b>	<b>170,571</b>	<b>-</b>	<b>3,054,924</b>
Support Services													
Salaries of Supervisors of Instruction	119,597												119,597
Salaries of Program Directors	78,240												78,240
Salaries of Other Prof. Staff	97,230												97,230
Salaries of Sec. & Clerical Asst.	62,491												62,491
Salaries of Master Teachers	152,775												152,775
Other Salaries	41,555												41,555
Personal Svcs-Employee Benefits	513,961												513,961
Purchased Professional-Educational Services				\$ 1,887									1,887
Purchased Educational Services - Contracted Pr	1,291,050												1,291,050
Other Purchased Prof. Services	7,155		\$ 1,836			22,230							31,221
Purchased Technical Services	1,062					600							1,662
Rental	41,831												41,831
Other Purchased Services	2,275							16,310					18,585
Supplies and Materials	49,551					2,089		40,000		113,780			205,420
Scholarship Awards	-	-	-	-	-	-	-	-	-	-	\$ 5,250	-	5,250
<b>Total Support Services</b>	<b>2,458,773</b>	<b>-</b>	<b>1,836</b>	<b>-</b>	<b>1,887</b>	<b>24,919</b>	<b>-</b>	<b>56,310</b>	<b>-</b>	<b>113,780</b>	<b>-</b>	<b>5,250</b>	<b>2,662,755</b>
Facilities Acquisition and Construction													
Noninstructional Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Facilities Acq. &amp; Construction</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>\$ 4,140,459</b>	<b>\$ 1,100</b>	<b>\$ 1,836</b>	<b>\$ -</b>	<b>\$ 1,887</b>	<b>\$ 36,791</b>	<b>\$ 51,706</b>	<b>\$ 409,081</b>	<b>\$ 557,138</b>	<b>\$ 341,860</b>	<b>\$ 170,571</b>	<b>\$ 5,250</b>	<b>\$ 5,717,679</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-	-	-	(4,795)	(319)	(5,114)
Other Financing Sources													
Operating Transfers In	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (Deficiency) of Revenues and Other Financing Sources Over/ (Under) Expenditures	-	-	-	-	-	-	-	-	-	-	(4,795)	(319)	(5,114)
Fund Balances, Beginning of Year (Restated)	-	-	-	-	-	-	-	-	-	-	268,650	169,309	437,959
<b>Fund Balances, End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 263,855</b>	<b>\$ 168,990</b>	<b>\$ 432,845</b>

**RAHWAY SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
STATEMENT OF PRESCHOOL EDUCATION AID EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Modified Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
<b>Instruction</b>					
Salaries of Teachers	\$ 1,105,823	\$ -	\$ 1,105,823	\$ 1,090,761	\$ 15,062
Other Salaries for Instruction	477,859	(15,388)	462,471	406,787	55,684
Purchased Professional-Educational Services	110,000	(22,892)	87,108		87,108
Other Purchased Services	90,000	(20,334)	69,666		69,666
General Supplies	175,139	44,861	220,000	184,138	35,862
Other Objects	30,000	-	30,000	-	30,000
<b>Total Instruction</b>	<u>1,988,821</u>	<u>(13,753)</u>	<u>1,975,068</u>	<u>1,681,686</u>	<u>293,382</u>
<b>Support Services</b>					
Salaries of Supervisors of Instruction	185,634		185,634	119,597	66,037
Salaries of Program Directors	93,635	-	93,635	78,240	15,395
Salaries of Other Professional Staff	106,092	-	106,092	97,230	8,862
Salaries of Secretarial and Clerical Asst.	62,305	4,183	66,488	62,491	3,997
Other Salaries	43,260	14,819	58,079	41,555	16,524
Salaries of Master Teachers	157,112	-	157,112	152,775	4,337
Personal Services - Employee Benefits	601,949	77,082	679,031	513,961	165,070
Purchased Educational Services - Contracted Pre-K	1,383,750	(92,700)	1,291,050	1,291,050	-
Other Purchased Prof. Services	50,000	30,000	80,000	7,155	72,845
Cleaning, Repair and Maintenance Services	25,000	-	25,000	1,062	23,938
Rentals	75,236	-	75,236	41,831	33,405
Contracted Services- Transp.	10,000	-	10,000		10,000
Travel		5,000	5,000		5,000
Miscellaneous Purchased Services	17,000		17,000	2,275	14,725
Supplies and Materials	95,629	(5,629)	90,000	49,551	40,449
Other Objects	30,000	(19,002)	10,998	-	10,998
<b>Total Support Services</b>	<u>2,936,602</u>	<u>13,753</u>	<u>2,950,355</u>	<u>2,458,773</u>	<u>491,582</u>
<b>Facilities Acquisition and Construction Services</b>					
Instructional Equipment		-			-
Non-Instructional Equipment	-	-	-	-	-
<b>Total Facilities Acquisition and Construction Services</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures</b>	<u>\$ 4,925,423</u>	<u>\$ -</u>	<u>\$ 4,925,423</u>	<u>\$ 4,140,459</u>	<u>\$ 784,964</u>

Calculation of Budget & Carryover

Total Revised 2020-21 Preschool Education Aid Allocation	\$ 4,392,910
Actual Preschool Education Aid Carryover (June 30, 2020)	775,361
General Fund Contribution	-
Total Preschool Education Aid Funds Available for 2020-21 Budget	5,168,271
Less: 2020-21 Budgeted Preschool Education Aid (Including Prior year budgeted carryover)	<u>4,925,423</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2021	242,848
Add: June 30, 2021 Unexpended Preschool Education Aid	784,964
2020-21 Carryover- Preschool Education Aid	<u>\$ 1,027,812</u>
2020-21 Preschool Education Aid Carryover Budgeted for Preschool Programs in 2021-22	<u>\$ 313,991</u>

**RAHWAY SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
SCHEDULE OF STUDENT ACTIVITIES RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<u>School</u>	<u>Balance, July 1, 2020</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2021</u>
ELEMENTARY SCHOOLS				
Madison	\$ 3,181	\$ 3,295	\$ 3,787	\$ 2,689
Grover Cleveland	6,729	219	542	6,406
Roosevelt School	19,423	9,394	5,517	23,300
Franklin	<u>30,469</u>	<u>10,217</u>	<u>13,188</u>	<u>27,498</u>
Total Elementary Schools	<u>59,802</u>	<u>23,125</u>	<u>23,034</u>	<u>59,893</u>
Rahway Middle School	<u>24,945</u>	<u>12,937</u>	<u>24,603</u>	<u>13,279</u>
Rahway High School	179,244	92,038	81,763	189,519
Athletics	<u>4,659</u>	<u>37,676</u>	<u>41,171</u>	<u>1,164</u>
Total High School	<u>183,903</u>	<u>129,714</u>	<u>122,934</u>	<u>190,683</u>
Total All Schools	<u>\$ 268,650</u>	<u>\$ 165,776</u>	<u>\$ 170,571</u>	<u>\$ 263,855</u>

**CAPITAL PROJECTS FUND**

**RAHWAY SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original</u>	<u>Interest on</u>	<u>Transfers</u>		<u>Expenditures to Date</u>		<u>Cancellations</u>		<u>Balance</u>
	<u>Appropriations</u>	<u>Lease Proceeds</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>June 30, 2021</u>
2009 Referendum									
High School Room Renovations	\$ 11,465,395		\$ 974,673		\$ 12,424,557		\$ 15,511		
High School Electrical Service and Distribution Upgrades	299,026		450		298,268				
High School Roof Replacement	1,253,680		-		1,253,680				
High School Window, HVAC and Electrical Upgrades	1,294,684		(45,673)		1,249,011				
Middle School Room Renovations	2,621,177		405,659		2,984,855			41,981	
Middle School Boilers, Fire Alarms and Electrical Panels	4,806,199		21,029		4,796,868			30,360	
Franklin School Fire Alarm System Replacement	203,323		62,161		265,484				
Cleveland School Additions and Renovations	8,707,838		(508,776)		8,133,935			65,127	
Cleveland School Electrical Service Upgrades	206,541		(1)		206,239				
Cleveland School Fire Alarm System Replacement	130,208		62,183		192,391				
Madison School Fire Alarm System Replacement and Installation of Secure Entry Vestibule	256,044		(1)		256,043				
Roosevelt School Fire Alarm System and Security Doors	196,995		88,035		285,030				
High School Photovoltaic Panels	1,385,387		(565,646)		819,741				
Middle School Photovoltaic Panels	1,272,873		(494,093)		778,780				
High School New Emergency Generator	244,000				152,158		\$ 43,430	\$ 48,412	
Cleveland School Boiler Replacement	263,000				168,280		42,111	52,609	
Turf Field	266,570				265,763			807	
Lease Purchase - Apple - Acquisition of Technology Equipment	657,544	\$ 214	(17,909)		639,849				
Lease Purchase - Apple - Acquisition of Technology Equipment (2019-20)	203,490	97	17,909		213,999	\$ 7,497			
Grover Cleveland Roof	595,538					539,034		56,504	
Roosevelt Roof	937,458					194,131		\$ 743,327	
Security Grant (Alyssa's Law)	212,332					96,237		116,095	
Pre-Referendum Costs	27,000					600		26,400	
Roosevelt School Masonry and Front Entrance Improvements	1,279,000							1,279,000	
Unidentified	20,651	-	-	-	-	-	-	20,651	-
	<u>\$ 38,805,953</u>	<u>\$ 311</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,384,931</u>	<u>\$ 837,499</u>	<u>\$ 85,541</u>	<u>\$ 331,962</u>	<u>\$ 2,164,822</u>

Capital Reserve	\$ 109,419
Debt Service	158,762
Unfunded Local Share	69,564
Excess Proceeds	(7,286)
Cancelled SDA Grant Receivable	1,503
	<u>\$ 331,962</u>

<b>Recapitulation:</b>	
Restricted for Capital Projects	
Year End Encumbrances	\$ 2,108,130
Available for Capital Project Expenditures	<u>56,692</u>
Fund Balance (Budgetary Basis)	<u>\$ 2,164,822</u>

**RAHWAY SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**Revenues and Other Financing Sources**

<b>State Sources</b>	
School Security Grant (Alyssa's Law)	\$ 212,332
<b>Local Sources</b>	
Transfer from Capital Reserve	2,859,647
Interest on Deposits	<u>14,033</u>
 Total Revenues and Other Financing Sources	 <u>3,086,012</u>

**Expenditures and Other Financing Uses**

<b>Regular Instruction</b>	
Supplies and Equipment	7,497
<b>Construction Services</b>	
Purchased Professional and Technical Services	251,162
Construction Services	578,840
<b>Other Financing Uses</b>	
Cancellation of SDA Grant Receivables	1,503
Transfer to General Fund - Interest Earnings	14,033
Transfer to General Fund - Unexpended Capital Reserve	109,419
Transfer to Debt Service Fund - Unexpended Bond Proceeds	<u>158,762</u>
 Total Expenditures and Other Financing Uses	 <u>1,121,216</u>

Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	1,964,796
 Fund Balance- Beginning of Year	 <u>200,026</u>
 Fund Balance- Ending of Year	 <u>\$ 2,164,822</u>

**Recapitulation:**

Restricted for Capital Projects	
Year End Encumbrances	\$ 829,130 <sup>^</sup>
Available for Capital Project Expenditures	<u>1,335,692</u>
	2,164,822
 Reconciliation to Governmenta Fund Statements (GAAP):	
Unearned Revenue - Security Grant (Alyssa's Law)	<u>(116,095)</u>
 Fund Balance, GAAP Basis	 <u>\$ 2,048,727</u>

**RAHWAY SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
HIGH SCHOOL ROOM RENOVATIONS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources- SDA Grant	\$ 4,304,169		\$ 4,304,169	\$ 4,304,169
Bond Proceeds	8,135,899	-	8,135,899	8,135,899
	<u>12,440,068</u>	<u>-</u>	<u>12,440,068</u>	<u>12,440,068</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional Services	917,783		917,783	917,783
Supplies and Materials	161,468		161,468	161,468
Construction Services	11,345,306		11,345,306	11,360,817
Transferred to Debt Service Fund	-	\$ 15,511	15,511	-
	<u>12,424,557</u>	<u>15,511</u>	<u>12,440,068</u>	<u>12,440,068</u>
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 15,511</u>	<u>\$ (15,511)</u>	<u>\$ -</u>	<u>\$ -</u>

**Additional project information:**

Project Number	4290-050-09-1013
Grant Date	7/23/2009
Bond Authorization Date	12/15/2009
Bonds Authorized	\$ 8,068,322
Bonds Issued	\$ 8,068,322
Original Authorized Cost	\$ 11,465,395
Additional Authorized Cost	\$ 974,673
Revised Authorized Cost	\$ 12,440,068

Percentage Increase(Decrease) Over Original Authorized Cost	8.5%
Percentage Completion	100.00%
Original Target Completion Date	6/2012
Revised Target Completion Date	6/2015

**RAHWAY SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
HIGH SCHOOL ELECTRICAL SERVICE AND DISTRIBUTION  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources- SDA Grant	\$ 142,815		\$ 142,815	\$ 142,815
Bond Proceeds	<u>156,661</u>	<u>-</u>	<u>156,661</u>	<u>156,661</u>
 Total Revenues and Other Financing Sources	 <u>299,476</u>	 <u>-</u>	 <u>299,476</u>	 <u>299,476</u>
 <b>Expenditures and Other Financing Uses</b>				
Purchased Professional Services	48,468		48,468	48,468
Construction Services	249,800		249,800	249,800
Cancelled	<u>1,208</u>	<u>-</u>	<u>1,208</u>	<u>1,208</u>
 Total Expenditures and Other Financing Uses	 <u>299,476</u>	 <u>-</u>	 <u>299,476</u>	 <u>299,476</u>
 Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>

**Additional project information:**

Project Number	4290-050-09-2001
Grant Date	5/21/2009
Bond Authorization Date	12/15/2009
Bonds Authorized	\$ 156,661
Bonds Issued	\$ 156,661
Original Authorized Cost	\$ 299,026
Additional Authorized Cost	\$ 450
Revised Authorized Cost	\$ 299,476

## Percentage Increase(Decrease) Over Original

Authorized Cost	0.2%
Percentage Completion	100.00%
Original Target Completion Date	6/2012
Revised Target Completion Date	6/2014



**RAHWAY SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
HIGH SCHOOL WINDOW, HVAC AND ELECTRICAL UPGRADES  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources- SDA Grant	\$ 618,341		\$ 618,341	\$ 618,341
Bond Proceeds	<u>630,670</u>	<u>-</u>	<u>630,670</u>	<u>630,670</u>
 Total Revenues and Other Financing Sources	 <u>1,249,011</u>	 <u>-</u>	 <u>1,249,011</u>	 <u>1,249,011</u>
 <b>Expenditures and Other Financing Uses</b>				
Purchased Professional Services	105,205		105,205	105,205
Construction Services	<u>1,143,806</u>	<u>-</u>	<u>1,143,806</u>	<u>1,143,806</u>
 Total Expenditures and Other Financing Uses	 <u>1,249,011</u>	 <u>-</u>	 <u>1,249,011</u>	 <u>1,249,011</u>
 Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>

**Additional project information:**

Project Number	4290-050-09-2003
Grant Date	5/21/2009
Bond Authorization Date	12/15/2009
Bonds Authorized	\$ 630,670
Bonds Issued	\$ 630,670
Original Authorized Cost	\$ 1,294,684
Additional Authorized Cost	\$ (45,673)
Revised Authorized Cost	\$ 1,249,011

Percentage Increase(Decrease) Over Original Authorized Cost	-3.5%
Percentage Completion	100.00%
Original Target Completion Date	6/2012
Revised Target Completion Date	7/2013

**RAHWAY SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
MIDDLE SCHOOL ROOM RENOVATIONS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources- SDA Grant	\$ 1,251,875		\$ 1,251,875	\$ 1,251,875
Bond Proceeds	<u>1,774,961</u>	<u>-</u>	<u>1,774,961</u>	<u>1,774,961</u>
 Total Revenues and Other Financing Sources	 <u>3,026,836</u>	 <u>-</u>	 <u>3,026,836</u>	 <u>3,026,836</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional Services	459,222		459,222	459,222
Supplies and Materials	52,447		52,447	52,447
Construction Services	2,473,186		2,473,186	2,515,167
Transferred to Debt Service Fund	<u>-</u>	<u>\$ 41,981</u>	<u>41,981</u>	<u>-</u>
 Total Expenditures and Other Financing Uses	 <u>2,984,855</u>	 <u>41,981</u>	 <u>3,026,836</u>	 <u>3,026,836</u>
 Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	 <u>\$ 41,981</u>	 <u>\$ (41,981)</u>	 <u>\$ -</u>	 <u>\$ -</u>
 <b>Additional project information:</b>				
Project Number	4250-060-09-2015			
Grant Date	7/7/2009			
Bond Authorization Date	12/15/2009			
Bonds Authorized	\$ 1,842,538			
Bonds Issued	\$ 1,842,538			
Original Authorized Cost	\$ 2,621,177			
Additional Authorized Cost	\$ 405,659			
Revised Authorized Cost	\$ 3,026,836			
 Percentage Increase(Decrease) Over Original Authorized Cost				
	15.5%			
Percentage Completion				
	100.00%			
Original Target Completion Date				
	6/2012			
Revised Target Completion Date				
	7/2013			

**RAHWAY SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
MIDDLE SCHOOL BOILERS, FIRE ALARMS AND ELECTRICAL PANELS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources- SDA Grant	\$ 2,295,442		\$ 2,295,442	\$ 2,295,442
Bond Proceeds	<u>2,531,786</u>	<u>-</u>	<u>2,531,786</u>	<u>2,531,786</u>
 Total Revenues and Other Financing Sources	 <u>4,827,228</u>	 <u>-</u>	 <u>4,827,228</u>	 <u>4,827,228</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional Services	377,344		377,344	377,344
Construction Services	4,419,524		4,419,524	4,449,884
Transferred to Debt Service Fund	<u>-</u>	<u>\$ 30,360</u>	<u>30,360</u>	<u>-</u>
 Total Expenditures and Other Financing Uses	 <u>4,796,868</u>	 <u>30,360</u>	 <u>4,827,228</u>	 <u>4,827,228</u>
 Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	 <u>\$ 30,360</u>	 <u>\$ (30,360)</u>	 <u>\$ -</u>	 <u>\$ -</u>
<b>Additional project information:</b>				
Project Number	4250-060-09-2004			
Grant Date	5/21/2009			
Bond Authorization Date	12/15/2009			
Bonds Authorized	\$ 2,531,786			
Bonds Issued	\$ 2,531,786			
Original Authorized Cost	\$ 4,806,199			
Additional Authorized Cost	\$ 21,029			
Revised Authorized Cost	\$ 4,827,228			
 Percentage Increase(Decrease) Over Original				
Authorized Cost	0.4%			
Percentage Completion	100.00%			
Original Target Completion Date	6/2012			
Revised Target Completion Date	7/2013			

**RAHWAY SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
CLEVELAND SCHOOL ADDITIONS AND RENOVATIONS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources- SDA Grant	\$ 1,620,946		\$ 1,620,946	\$ 1,620,946
Bond Proceeds	<u>6,578,116</u>	<u>-</u>	<u>6,578,116</u>	<u>6,578,116</u>
 Total Revenues and Other Financing Sources	 <u>8,199,062</u>	 <u>-</u>	 <u>8,199,062</u>	 <u>8,199,062</u>
 <b>Expenditures and Other Financing Uses</b>				
Purchased Professional Services	1,199,520		1,199,520	1,199,520
Supplies and Materials	115,640		115,640	115,640
Construction Services	6,818,775		6,818,775	6,883,902
Transferred to Debt Service Fund	<u>-</u>	<u>\$ 65,127</u>	<u>65,127</u>	<u>-</u>
 Total Expenditures and Other Financing Uses	 <u>8,133,935</u>	 <u>65,127</u>	 <u>8,199,062</u>	 <u>8,199,062</u>
 Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	 <u>\$ 65,127</u>	 <u>\$ (65,127)</u>	 <u>\$ -</u>	 <u>\$ -</u>

**Additional project information:**

Project Number	4290-090-09-1014
Grant Date	7/23/2009
Bond Authorization Date	12/15/2009
Bonds Authorized	\$ 6,578,116
Bonds Issued	\$ 6,578,116
Original Authorized Cost	\$ 8,707,838
Additional Authorized Cost	\$ (508,776)
Revised Authorized Cost	\$ 8,199,062

Percentage Increase(Decrease) Over Original Authorized Cost	-5.8%
Percentage Completion	100.00%
Original Target Completion Date	6/2012
Revised Target Completion Date	7/2013

**RAHWAY SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
CLEVELAND SCHOOL ELECTRICAL SERVICE UPGRADES  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources- SDA Grant	\$ 98,644		\$ 98,644	\$ 98,644
Bond Proceeds	<u>107,896</u>	<u>-</u>	<u>107,896</u>	<u>107,896</u>
 Total Revenues and Other Financing Sources	 <u>206,540</u>	 <u>-</u>	 <u>206,540</u>	 <u>206,540</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional Services	51,239		51,239	51,239
Construction Services	155,000		155,000	155,000
Cancelled	<u>301</u>	<u>-</u>	<u>301</u>	<u>301</u>
 Total Expenditures and Other Financing Uses	 <u>206,540</u>	 <u>-</u>	 <u>206,540</u>	 <u>206,540</u>
 Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>

**Additional project information:**

Project Number	4290-090-09-1006
Grant Date	5/29/2009
Bond Authorization Date	12/15/2009
Bonds Authorized	\$ 107,896
Bonds Issued	\$ 107,896
Original Authorized Cost	\$ 206,541
Additional Authorized Cost	\$ (1)
Revised Authorized Cost	\$ 206,540

## Percentage Increase(Decrease) Over Original

Authorized Cost	0.0%
Percentage Completion	100.00%
Original Target Completion Date	6/2012
Revised Target Completion Date	6/2013

**RAHWAY SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
HIGH SCHOOL NEW EMERGENCY GENERATOR  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources- SDA Grant	\$ 68,447		\$ 68,447	\$ 68,447
Transfer from Capital Reserve	<u>132,123</u>	<u>-</u>	<u>132,123</u>	<u>132,123</u>
 Total Revenues and Other Financing Sources	 <u>200,570</u>	 <u>-</u>	 <u>200,570</u>	 <u>200,570</u>
 <b>Expenditures and Other Financing Uses</b>				
Purchased Professional Services				24,000
Construction Services	152,158		152,158	176,570
Transfer to General Fund	<u>-</u>	<u>\$ 48,412</u>	<u>48,412</u>	<u>-</u>
 Total Expenditures and Other Financing Uses	 <u>152,158</u>	 <u>48,412</u>	 <u>200,570</u>	 <u>200,570</u>
 Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	 <u>\$ 48,412</u>	 <u>\$ (48,412)</u>	 <u>\$ -</u>	 <u>\$ -</u>

**Additional project information:**

Project Number	4290-050-14-1002
Grant Date	12/11/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 244,000
Additional Authorized Cost	\$ (43,430)
Revised Authorized Cost	\$ 200,570

## Percentage Increase(Decrease) Over Original

Authorized Cost	-17.8%
Percentage Completion	100.00%
Original Target Completion Date	6/2016
Revised Target Completion Date	6/2017

**RAHWAY SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
CLEVELAND SCHOOL BOILER REPLACEMENT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources- SDA Grant	\$ 78,478		\$ 78,478	\$ 78,478
Transfer from Capital Reserve	142,411	-	142,411	142,411
	<u>220,889</u>	<u>-</u>	<u>220,889</u>	<u>220,889</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional Services	8,380		8,380	20,000
Construction Services	159,900		159,900	200,889
Transfer to General Fund	-	\$ 52,609	52,609	-
	<u>168,280</u>	<u>52,609</u>	<u>220,889</u>	<u>220,889</u>
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 52,609</u>	<u>\$ (52,609)</u>	<u>\$ -</u>	<u>\$ -</u>

**Additional project information:**

Project Number	4290-050-14-1002
Grant Date	12/11/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 263,000
Additional Authorized Cost	\$ (42,111)
Revised Authorized Cost	\$ 220,889

## Percentage Increase(Decrease) Over Original

Authorized Cost	-16.0%
Percentage Completion	100.00%
Original Target Completion Date	6/2016
Revised Target Completion Date	6/2017

**RAHWAY SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
TURF FIELD  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Transfer from Capital Reserve	\$ 251,400		\$ 251,400	\$ 251,400
Transfer from Capital Outlay	15,170	-	15,170	15,170
	<u>266,570</u>	<u>-</u>	<u>266,570</u>	<u>266,570</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional Services	97,593		97,593	97,593
Construction Services	168,170		168,170	168,977
Transfer to General Fund	-	\$ 807	807	-
	<u>265,763</u>	<u>807</u>	<u>266,570</u>	<u>266,570</u>
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 807</u>	<u>\$ (807)</u>	<u>\$ -</u>	<u>\$ -</u>

**Additional project information:**

Project Number	
Grant Date	
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 143,000
Additional Authorized Cost	\$ 123,570
Revised Authorized Cost	\$ 266,570

Percentage Increase(Decrease) Over Original Authorized Cost	86.4%
Percentage Completion	100.00%
Original Target Completion Date	2019/20
Revised Target Completion Date	2019/20



**RAHWAY SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
LEASE PURCHASE - ACQUISITION OF TECHNOLOGY EQUIPMENT (2019-20)  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Lease Purchase Proceeds	\$ 203,490		\$ 203,490	\$ 203,490
Transfer from Previous Lease	17,909		17,909	17,909
Interest on Lease Purchase	97	-	97	97
	<u>221,496</u>	<u>-</u>	<u>221,496</u>	<u>221,496</u>
<b>Expenditures and Other Financing Uses</b>				
<b>Regular Instruction</b>				
Supplies and Equipment	213,999	\$ 7,497	221,496	221,496
	<u>213,999</u>	<u>7,497</u>	<u>221,496</u>	<u>221,496</u>
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 7,497</u>	<u>\$ (7,497)</u>	<u>\$ -</u>	<u>\$ -</u>

**Additional project information:**

Project Number	
Grant Date	
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 203,490
Additional Authorized Cost	\$ 18,006
Revised Authorized Cost	\$ 221,496
Percentage Increase(Decrease) Over Original Authorized Cost	8.8%
Percentage Completion	99.00%
Original Target Completion Date	2019/20
Revised Target Completion Date	2019/20

**RAHWAY SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
GROVER CLEVELAND ROOF  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Transfer from Capital Reserve	-	\$ 595,538	\$ 595,538	\$ 595,538
Total Revenues and Other Financing Sources	-	595,538	595,538	595,538
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional Services		46,672	46,672	48,300
Construction Services		492,362	492,362	547,238
Transferred to General Fund	-	56,504	56,504	-
Total Expenditures and Other Financing Uses	-	595,538	595,538	595,538
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ -	\$ -	\$ -	\$ -

**Additional project information:**

Project Number	
Grant Date	
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 595,538
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 595,538
Percentage Increase(Decrease) Over Original Authorized Cost	0.0%
Percentage Completion	100.00%
Original Target Completion Date	2020/21
Revised Target Completion Date	2020/21

**RAHWAY SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
ROOSEVELT ROOF  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Transfer from Capital Reserve	-	\$ 937,458	\$ 937,458	\$ 937,458
Total Revenues and Other Financing Sources	-	937,458	937,458	937,458
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional Services		157,332	157,332	185,800
Construction Services	-	36,799	36,799	751,658
Total Expenditures and Other Financing Uses	-	194,131	194,131	937,458
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ -	\$ 743,327	\$ 743,327	\$ -

**Additional project information:**

Project Number	
Grant Date	
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 937,458
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 937,458
Percentage Increase(Decrease) Over Original Authorized Cost	0.0%
Percentage Completion	20.71%
Original Target Completion Date	2021/22
Revised Target Completion Date	2021/22

**RAHWAY SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
SECURITY PROJECTS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
SDA Grant - Security Our Children's Future	-	\$ 212,332	\$ 212,332	\$ 212,332
Total Revenues and Other Financing Sources	-	212,332	212,332	212,332
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional Services		46,558	46,558	48,800
Construction Services	-	49,679	49,679	163,532
Total Expenditures and Other Financing Uses	-	96,237	96,237	212,332
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ -	\$ 116,095	\$ 116,095	\$ -

**Additional project information:**

Project Number	
Grant Date	2020/21
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 212,332
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 212,332
Percentage Increase(Decrease) Over Original Authorized Cost	0.0%
Percentage Completion	45.32%
Original Target Completion Date	2021/22
Revised Target Completion Date	2021/22

**RAHWAY SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
PRE-REFERENDUM COSTS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Transfer from Capital Reserve	-	\$ 27,000	\$ 27,000	\$ 27,000
Total Revenues and Other Financing Sources	-	27,000	27,000	27,000
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional Services	-	600	600	27,000
Total Expenditures and Other Financing Uses	-	600	600	27,000
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ -	\$ 26,400	\$ 26,400	\$ -

**Additional project information:**

Project Number	
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 27,000
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 27,000
Percentage Increase(Decrease) Over Original Authorized Cost	0.0%
Percentage Completion	2.22%
Original Target Completion Date	2021/22
Revised Target Completion Date	2021/22

**RAHWAY SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
ROOSEVELT SCHOOL MASONRY AND FRONT ENTRANCE IMPROVEMENTS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Transfer from Capital Reserve	-	\$ 1,279,000	\$ 1,279,000	\$ 1,279,000
Total Revenues and Other Financing Sources	-	1,279,000	1,279,000	1,279,000
<b>Expenditures and Other Financing Uses</b>				
Construction Services	-	-	-	1,279,000
Total Expenditures and Other Financing Uses	-	-	-	1,279,000
Excess (deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ -	\$ 1,279,000	\$ 1,279,000	\$ -

**Additional project information:**

Project Number	
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,279,000
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 1,279,000
Percentage Increase(Decrease) Over Original Authorized Cost	0.0%
Percentage Completion	0.00%
Original Target Completion Date	2021/22
Revised Target Completion Date	2021/22

**ENTERPRISE FUND**

**RAHWAY SCHOOL DISTRICT  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF NET POSITION  
AS OF JUNE 30, 2021**

THIS STATEMENT IS NOT APPLICABLE

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

**ENTERPRISE FUNDS  
COMBINING STATEMENTS OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

THIS STATEMENT IS NOT APPLICABLE

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**ENTERPRISE FUNDS  
COMBINING STATEMENTS OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

THIS STATEMENT IS NOT APPLICABLE

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6



**FIDUCIARY FUNDS**  
**(Not Applicable)**

**LONG-TERM DEBT**

**RAHWAY SCHOOL DISTRICT  
LONG-TERM DEBT GROUP  
SCHEDULE OF PAYABLE BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2020</u>	<u>Retired</u>	<u>Balance, June 30, 2021</u>
			<u>Date</u>	<u>Amount</u>				
2017 Refunding School Bonds	10/12/2017	\$ 14,270,000	2/15/2022	\$ 1,310,000	4.00%	<u>\$ 13,315,000</u>	<u>\$ 1,300,000</u>	<u>\$ 12,015,000</u>
			2/15/2023	1,330,000	4.00%			
			2/15/2024	1,325,000	4.00%			
			2/15/2025	1,320,000	5.00%			
			2/15/2026	1,330,000	5.00%			
			2/15/2027	1,335,000	5.00%			
			2/15/2028	1,345,000	5.00%			
			2/15/2029	1,355,000	5.00%			
			2/15/2030	1,365,000	3.00%			
					<u>\$ 13,315,000</u>	<u>\$ 1,300,000</u>	<u>\$ 12,015,000</u>	
					<u>\$ 13,315,000</u>	<u>\$ 1,300,000</u>	<u>\$ 12,015,000</u>	
						<u>\$ 1,300,000</u>		
							<u>\$ 1,300,000</u>	

Paid by Budget Appropriation \$ 1,300,000

**RAHWAY SCHOOL DISTRICT**  
**LONG-TERM DEBT**  
**SCHEDULE OF OBLIGATIONS UNDER LEASE PURCHASE AGREEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<u>Description</u>	<u>Amount of</u> <u>Original issue</u>	<u>Annual Maturities</u> <u>Date</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Balance,</u> <u>July 1, 2020</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance,</u> <u>June 30, 2021</u>
Acquisition of Technology Equipment	\$ 657,544	7/30/2021	\$ 228,539	3.99%	\$ 448,309	-	\$ 219,770	\$ 228,539
					<u>\$ 448,309</u>	<u>\$ -</u>	<u>\$ 219,770</u>	<u>\$ 228,539</u>

**RAHWAY SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<b>Original Budget</b>	<b>Adjustments</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Final Budget to Actual</b>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 1,826,494		\$ 1,826,494	\$ 1,826,494	
State Sources:					
Debt Service Aid	46,306	-	46,306	46,306	-
<b>Total Revenues</b>	<u>1,872,800</u>	<u>-</u>	<u>1,872,800</u>	<u>1,872,800</u>	<u>-</u>
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Principal Payments - Lease Purchases					
Interest - Lease Purchases					
Interest - Early Retirement Bonds					
Interest on Bonds	572,800		572,800	572,800	
Redemption of Principal	1,300,000	-	1,300,000	1,300,000	-
<b>Total Regular Debt Service</b>	<u>1,872,800</u>	<u>-</u>	<u>1,872,800</u>	<u>1,872,800</u>	<u>-</u>
<b>Total Expenditures</b>	<u>1,872,800</u>	<u>-</u>	<u>1,872,800</u>	<u>1,872,800</u>	<u>-</u>
Excess of Revenues Over Expenditures	-	-	-	-	-
Other Financing Sources					
Operating Transfers In	-	-	-	158,762	-
<b>Excess to Fund Balance</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>158,762</u>	<u>-</u>
Fund Balance, Beginning of Year	1	-	1	1	-
<b>Fund Balance, End of Year</b>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 158,763</u>	<u>\$ -</u>
<b>Recapitulation of Fund Balance:</b>					
Restricted for Debt Service					
Designated for Subsequent Year Expenditures				\$ 1	
Available for Future Debt Service Obligations				158,762	
				<u>\$ 158,763</u>	

## STATISTICAL SECTION

This part of the Rahway School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

### Contents

### Exhibits

#### **Financial Trends**

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

J-1 to J-5

#### **Revenue Capacity**

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

J-6 to J-9

#### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

J-10 to J-13

#### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

J-14 and J-15

#### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

J-16 to J-20

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

**RAHWAY SCHOOL DISTRICT  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(Unaudited)  
(accrual basis of accounting)**

	Fiscal Year Ended June 30,									
	2012	2013	2014 (Restated)	2015	2016	2017	2018 (Restated)	2019	2020 (Restated)	2021
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 25,431,951	\$ 27,654,109	\$ 28,376,683	\$ 30,207,183	\$ 30,063,065	\$ 29,781,907	\$ 31,546,571	\$ 29,646,771	\$ 30,766,084	\$ 30,968,536
Restricted	527,681	669,972	943,686	997,352	794,434	895,635	1,800,789	1,534,928	3,891,630	8,752,905
Unrestricted	<u>1,190,788</u>	<u>28,717</u>	<u>(13,844,069)</u>	<u>(13,893,485)</u>	<u>(13,856,923)</u>	<u>(15,214,668)</u>	<u>(17,021,587)</u>	<u>(15,218,709)</u>	<u>(14,956,062)</u>	<u>(13,346,570)</u>
<b>Total Governmental Activities Net Position</b>	<u>\$ 27,150,420</u>	<u>\$ 28,352,798</u>	<u>\$ 15,476,300</u>	<u>\$ 17,311,050</u>	<u>\$ 17,000,576</u>	<u>\$ 15,462,874</u>	<u>\$ 16,325,773</u>	<u>\$ 15,962,990</u>	<u>\$ 19,701,652</u>	<u>\$ 26,374,871</u>
<b>Business-Type Activities</b>										
Net Investment in Capital Assets	\$ 256,225	\$ 264,677	\$ 233,410	\$ 218,345	\$ 210,704	\$ 237,965	\$ 277,235	\$ 399,064	\$ 245,196	\$ 264,596
Unrestricted	<u>231,009</u>	<u>195,444</u>	<u>228,535</u>	<u>262,250</u>	<u>327,426</u>	<u>378,393</u>	<u>408,276</u>	<u>301,064</u>	<u>423,782</u>	<u>509,942</u>
<b>Total Business-Type Activities Net Position</b>	<u>\$ 487,234</u>	<u>\$ 460,121</u>	<u>\$ 461,945</u>	<u>\$ 480,595</u>	<u>\$ 538,130</u>	<u>\$ 616,358</u>	<u>\$ 685,511</u>	<u>\$ 700,128</u>	<u>\$ 668,978</u>	<u>\$ 774,538</u>
<b>District-Wide</b>										
Net Investment in Capital Assets	\$ 25,688,176	\$ 27,918,786	\$ 28,610,093	\$ 30,425,528	\$ 30,273,769	\$ 30,019,872	\$ 31,823,806	\$ 30,045,835	\$ 31,011,280	\$ 31,233,132
Restricted	527,681	669,972	943,686	997,352	794,434	895,635	1,800,789	1,534,928	3,891,630	8,752,905
Unrestricted	<u>1,421,797</u>	<u>224,161</u>	<u>(13,615,534)</u>	<u>(13,631,235)</u>	<u>(13,529,497)</u>	<u>(14,836,275)</u>	<u>(16,613,311)</u>	<u>(14,917,645)</u>	<u>(14,532,280)</u>	<u>(12,836,628)</u>
<b>Total District Net Position</b>	<u>\$ 27,637,654</u>	<u>\$ 28,812,919</u>	<u>\$ 15,938,245</u>	<u>\$ 17,791,645</u>	<u>\$ 17,538,706</u>	<u>\$ 16,079,232</u>	<u>\$ 17,011,284</u>	<u>\$ 16,663,118</u>	<u>\$ 20,370,630</u>	<u>\$ 27,149,409</u>

Source: District financial statements

Note 1 - Net Position at June 30, 2014 is restated to reflect the implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions".

Note 2 - Net Position at June 30, 2018 is restated to reflect unrecorded capital lease.

Note 3 - Net Position at June 30, 2020 is restated to reflect the implementation of GASB Statement No. 84, "Fiduciary Activities".

RAHWAY SCHOOL DISTRICT  
 CHANGES IN NET POSITION  
 LAST TEN FISCAL YEARS  
 (Unaudited)  
 (accrual basis of accounting)

	2012		2013		2014		2015		Fiscal Year Ended June 30,		2018		2019		2020		2021	
									2016	2017								
<b>Expenses</b>																		
<b>Governmental Activities</b>																		
Instruction																		
Regular	\$	23,888,111	\$	25,821,649	\$	25,260,411	\$	29,461,782	\$	30,435,067	\$	33,754,182	\$	37,077,468	\$	34,208,910	\$	38,750,801
Special Education		11,636,310		12,535,921		12,586,875		13,953,279		15,323,175		16,122,698		16,379,398		16,515,940		16,757,803
Other Instruction		4,108,964		4,692,567		4,860,384		5,910,360		6,366,627		7,273,051		6,688,664		6,551,102		6,501,603
School Sponsored Activities And Athletics		1,074,072		1,177,594		1,249,951		1,864,893		1,509,226		1,710,069		2,833,299		1,466,336		1,361,485
Support Services:																		
Student & Instruction Related Services		8,018,218		8,833,846		8,897,984		10,061,008		10,378,087		11,554,534		11,038,296		12,466,445		14,422,099
School Administrative Services		2,996,306		3,166,528		3,186,233		3,744,723		3,905,494		4,365,967		4,278,755		3,900,152		3,892,595
General and Business Administration		2,689,673		2,244,216		2,322,957		2,410,863		2,611,111		2,912,724		3,006,425		2,525,423		2,689,815
Plant Operations And Maintenance		5,466,038		5,464,098		6,218,664		5,421,145		6,118,554		6,951,651		6,596,710		6,866,975		5,537,396
Pupil Transportation		2,790,171		2,840,044		2,850,016		2,979,789		3,188,226		3,408,215		3,257,858		3,257,638		3,164,305
Interest On Long-Term Debt		1,172,265		1,115,673		1,011,585		1,010,774		964,640		879,093		631,501		519,425		482,402
Unallocated Depreciation		849,755		841,318		854,153		829,339		2,088,171		2,082,760		2,084,193		2,072,590		2,072,590
Total Governmental Activities Expenses		64,689,883		68,733,454		69,299,213		77,647,955		82,888,378		91,014,944		92,915,547		93,219,494		91,091,003
<b>Business-Type Activities:</b>																		
Food Service		1,662,163		1,789,373		1,797,792		1,824,015		1,847,465		1,921,104		1,999,302		2,163,227		1,634,566
Total Business-Type Activities Expense		1,662,163		1,789,373		1,797,792		1,824,015		1,847,465		1,921,104		1,999,302		2,163,227		1,634,566
Total District Expenses	\$	66,352,046	\$	70,522,827	\$	71,097,005	\$	79,471,970	\$	84,735,843	\$	92,936,048	\$	94,914,849	\$	95,382,721	\$	92,725,569
<b>Program Revenues</b>																		
<b>Governmental Activities:</b>																		
Charges For Services:																		
Instruction (Tuition)					\$	134,282	\$	236,132	\$	331,789	\$	350,879	\$	184,918	\$	97,632	\$	31,015
School Sponsored Co-Curricular																		165,776
Operating Grants And Contributions	\$	11,163,717	\$	11,965,006		11,361,400		18,852,052		21,803,690		27,806,766		30,960,984		29,260,113		26,793,693
Capital Grants And Contributions		6,074,067		1,695,651		68,040		762,087		54,915		33,202		193,556		111,105		630,770
Total Governmental Activities Program Revenues		17,237,784		13,660,657		11,563,722		19,850,271		22,190,394		28,190,847		31,339,458		29,468,850		27,455,478
<b>Business-Type Activities:</b>																		
Charges For Services:																		
Food Service	\$	633,039	\$	600,301	\$	619,787	\$	607,632	\$	641,764	\$	692,435	\$	767,537	\$	827,039	\$	570,014
Operating Grants And Contributions		1,066,290		1,161,959		1,179,829		1,235,033		1,263,236		1,306,897		1,300,918		1,350,805		1,168,404
Total Business Type Activities Program Revenues		1,699,329		1,762,260		1,799,616		1,842,665		1,905,000		1,999,332		2,068,455		2,177,844		1,738,418
Total District Program Revenues	\$	18,937,113	\$	15,422,917	\$	13,363,338	\$	21,692,936	\$	24,095,394	\$	30,190,179	\$	33,407,913	\$	31,646,694	\$	29,193,896



**RAHWAY SCHOOL DISTRICT**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
(Unaudited)  
*(accrual basis of accounting)*

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (47,452,099)	\$ (55,072,797)	\$ (57,735,491)	\$ (57,797,684)	\$ (60,697,984)	\$ (62,824,097)	\$ (61,576,089)	\$ (63,750,644)	\$ (63,635,525)	\$ (61,218,014)
Business-Type Activities	37,166	(27,113)	1,824	18,650	57,535	78,228	69,153	14,617	103,852	105,560
<b>Total District-Wide Net Expense</b>	<u>\$ (47,414,933)</u>	<u>\$ (55,099,910)</u>	<u>\$ (57,733,667)</u>	<u>\$ (57,779,034)</u>	<u>\$ (60,640,449)</u>	<u>\$ (62,745,869)</u>	<u>\$ (61,506,936)</u>	<u>\$ (63,736,027)</u>	<u>\$ (63,531,673)</u>	<u>\$ (61,112,454)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes Levied For General Purposes, Net	\$ 35,085,956	\$ 36,104,262	\$ 37,911,982	\$ 39,216,163	\$ 40,000,486	\$ 40,800,496	\$ 41,616,506	\$ 42,229,149	\$ 43,073,732	\$ 44,796,679
Taxes Levied For Debt Service	2,308,913	2,353,966	2,360,104	2,359,901	2,341,924	2,364,271	2,357,438	2,336,278	2,241,403	1,826,494
Federal and State Aid - Unrestricted	16,909,704	17,518,403	17,601,370	17,637,507	17,685,449	17,725,995	18,387,937	18,273,727	19,886,661	20,844,989
State Aid Restricted for Debt Service		122,822	128,002	131,346	136,551	141,947	147,560	153,103	154,994	32,143
Investment Earnings	16,241	540	5,203	5,864	4,958	7,184	43,744	88,982	55,990	35,679
Miscellaneous Income	297,163	243,920	191,998	281,653	218,142	246,502	337,652	306,622	229,351	355,249
<b>Total Governmental Activities</b>	<u>54,617,977</u>	<u>56,343,913</u>	<u>58,198,659</u>	<u>59,632,434</u>	<u>60,387,510</u>	<u>61,286,395</u>	<u>62,890,837</u>	<u>63,387,861</u>	<u>65,642,131</u>	<u>67,891,233</u>
Business-Type Activities:										
Investment Earnings	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
<b>Total Business-Type Activities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total District-Wide</b>	<u>\$ 54,617,977</u>	<u>\$ 56,343,913</u>	<u>\$ 58,198,659</u>	<u>\$ 59,632,434</u>	<u>\$ 60,387,510</u>	<u>\$ 61,286,395</u>	<u>\$ 62,890,837</u>	<u>\$ 63,387,861</u>	<u>\$ 65,642,131</u>	<u>\$ 67,891,233</u>
<b>Change in Net Position</b>										
Governmental Activities	\$ 7,165,878	\$ 1,271,116	\$ 463,168	\$ 1,834,750	\$ (310,474)	\$ (1,537,702)	\$ 1,314,748	\$ (362,783)	\$ 2,006,606	\$ 6,673,219
Business-Type Activities	37,166	(27,113)	1,824	18,650	57,535	78,228	69,153	14,617	103,852	105,560
<b>Total District</b>	<u>\$ 7,203,044</u>	<u>\$ 1,244,003</u>	<u>\$ 464,992</u>	<u>\$ 1,853,400</u>	<u>\$ (252,939)</u>	<u>\$ (1,459,474)</u>	<u>\$ 1,383,901</u>	<u>\$ (348,166)</u>	<u>\$ 2,110,458</u>	<u>\$ 6,778,779</u>

Source: District financial statements

**RAHWAY SCHOOL DISTRICT  
FUND BALANCES - GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(Unaudited)  
(modified accrual basis of accounting)**

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020 (Restated)	2021
General Fund										
Restricted	\$ 4,860,253	\$ 3,711,368	\$ 3,123,665	\$ 3,266,531	\$ 3,242,254	\$ 3,156,217	\$ 5,136,815	\$ 5,163,027	\$ 7,211,000	\$ 9,822,711
Assigned	435,446	953,457	1,182,358	1,561,419	1,313,967	1,633,539	1,364,585	692,591	470,840	390,978
Unassigned	(771,180)	(809,765)	(780,017)	(1,083,300)	(1,032,327)	(1,116,141)	(1,248,642)	(1,279,139)	(1,567,631)	(223,877)
<b>Total General Fund</b>	<b>\$ 4,524,519</b>	<b>\$ 3,855,060</b>	<b>\$ 3,526,006</b>	<b>\$ 3,744,650</b>	<b>\$ 3,523,894</b>	<b>\$ 3,673,615</b>	<b>\$ 5,252,758</b>	<b>\$ 4,576,479</b>	<b>\$ 6,114,209</b>	<b>\$ 9,989,812</b>
All Other Governmental Funds										
Restricted	\$ 3,742,499	\$ 313,986	\$ 235,327	\$ 258,772	\$ 171,370	\$ 170,025	\$ 174,979	\$ 546,075	\$ 615,286	\$ 2,640,335
Unassigned	-	-	-	(8,931)	-	(927)	-	-	-	-
<b>Total All Other Governmental Funds</b>	<b>\$ 3,742,499</b>	<b>\$ 313,986</b>	<b>\$ 235,327</b>	<b>\$ 249,841</b>	<b>\$ 171,370</b>	<b>\$ 169,098</b>	<b>\$ 174,979</b>	<b>\$ 546,075</b>	<b>\$ 615,286</b>	<b>\$ 2,640,335</b>

Sources: District financial statements

Note 3 - Fund Balance at June 30, 2020 is restated to reflect the implementation of GASB Statement No. 84, "Fiduciary Activities".

**RAHWAY SCHOOL DISTRICT**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**  
*(modified accrual basis of accounting)*

	Fiscal Year Ended June 30.									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues</b>										
Tax Levy	\$ 37,394,869	\$ 38,458,228	\$ 40,272,086	\$ 41,576,064	\$ 42,342,410	\$ 43,164,767	\$ 43,973,944	\$ 44,565,427	\$ 45,315,135	\$ 46,623,173
Tuition Charges			134,282	236,132	331,789	350,879	184,918	97,632	31,015	71,173
Interest Earnings	16,241	29,196	5,203	5,864	4,958	7,184	43,744	88,982	55,990	35,679
Miscellaneous	345,290	277,833	229,026	1,015,179	310,280	351,387	362,585	359,755	486,424	541,064
State Sources	31,083,778	29,116,805	27,194,310	28,279,334	29,006,061	29,951,219	33,798,980	38,211,749	40,708,971	43,909,210
Federal Sources	3,015,583	2,122,508	1,921,288	2,017,130	1,965,221	1,963,366	1,974,464	1,930,452	1,959,963	3,404,131
<b>Total Revenue</b>	<b>71,855,761</b>	<b>70,004,570</b>	<b>69,756,195</b>	<b>73,129,703</b>	<b>73,960,719</b>	<b>75,788,802</b>	<b>80,338,635</b>	<b>85,253,997</b>	<b>88,557,498</b>	<b>94,584,430</b>
<b>Expenditures</b>										
Instruction										
Regular Instruction	23,811,083	25,806,138	25,153,720	26,325,219	26,086,026	26,695,428	29,178,860	33,319,376	31,910,455	34,297,301
Special Education Instruction	11,613,104	12,534,009	12,553,276	13,025,789	13,957,864	13,784,205	14,065,015	15,268,374	16,022,703	16,706,874
Other Instruction	5,169,059	5,868,806	6,110,335	6,529,226	6,764,472	7,057,419	8,004,534	7,202,082	7,419,047	5,455,723
Support Services:										
Student and Inst. Related Services	7,921,412	8,832,689	8,887,441	9,409,499	9,142,151	9,517,981	9,077,915	11,408,307	13,727,178	12,469,697
General Administration	1,002,539	1,081,696	1,078,082	1,097,749	1,185,225	1,132,094	1,389,832	1,201,899	1,295,859	1,301,851
School Administrative Services	2,929,842	3,151,345	3,177,700	3,384,777	3,387,118	3,522,731	3,496,204	3,564,583	3,657,430	4,934,847
Central Services	1,174,567	1,240,417	1,187,603	1,263,954	1,308,361	1,372,351	1,352,776	1,375,720	1,527,533	1,891,345
Plant Operations And Maintenance	5,315,600	5,542,099	6,144,933	5,426,941	5,958,799	6,205,672	5,991,319	6,420,522	5,496,400	5,450,989
Pupil Transportation	2,790,171	2,840,044	2,845,722	2,974,809	3,180,317	3,396,606	3,245,247	3,246,602	3,159,370	3,144,273
Capital Outlay	18,658,345	5,131,879	609,538	1,213,129	143,181	42,765	223,255	202,594	917,622	920,420
Debt Service:										
Principal	1,604,500	1,656,000	1,824,339	2,141,601	2,184,163	2,031,201	2,196,185	1,840,000	2,019,235	1,519,770
Refunding Escrow	-	-	-	-	-	-	-	-	-	-
Interest and Other Charges	1,147,165	1,096,236	1,031,219	1,002,525	962,269	882,900	706,084	714,816	669,735	590,688
<b>Total Expenditures</b>	<b>83,137,387</b>	<b>74,781,358</b>	<b>70,603,908</b>	<b>73,795,218</b>	<b>74,259,946</b>	<b>75,641,353</b>	<b>78,927,226</b>	<b>85,764,875</b>	<b>87,822,567</b>	<b>88,683,778</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,281,626)	(4,776,788)	(847,713)	(665,515)	(299,227)	147,449	1,411,409	(510,878)	734,931	5,900,652
<b>Other Financing Sources (Uses)</b>										
Capital Leases (Non-Budgeted)		678,816	440,000	898,673						
Proceeds from Bond Sale							16,176,649			-
Proceeds From Refunding Lease							(16,003,034)	205,695		-
Transfers In	5,176	440	1,549	505,872	1,126	3,246	8,753	386,361	220,505	3,141,861
Transfers Out	(5,176)	(440)	(1,549)	(505,872)	(1,126)	(3,246)	(8,753)	(386,361)	(220,505)	(3,141,861)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>678,816</b>	<b>440,000</b>	<b>898,673</b>	<b>-</b>	<b>-</b>	<b>173,615</b>	<b>205,695</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ (11,281,626)</b>	<b>\$ (4,097,972)</b>	<b>\$ (407,713)</b>	<b>\$ 233,158</b>	<b>\$ (299,227)</b>	<b>\$ 147,449</b>	<b>\$ 1,585,024</b>	<b>\$ (305,183)</b>	<b>\$ 734,931</b>	<b>\$ 5,900,652</b>
Debt Service as a Percentage of Noncapital Expenditures	4.27%	3.95%	4.08%	4.33%	4.25%	3.85%	3.69%	2.99%	3.09%	2.40%

\* Noncapital expenditures are total expenditures less capital outlay.

Source: District financial statements

**RAHWAY SCHOOL DISTRICT  
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
(Unaudited)**

<b>Fiscal Year Ended June 30,</b>	<b>Interest Earned</b>	<b>Tuition</b>	<b>Refunds</b>	<b>Athletic Admissions</b>	<b>BPU Solar Rebates</b>	<b>E-Rate Reimbursement</b>	<b>Stale Dated Checks</b>	<b>Miscellaneous</b>	<b>Total</b>
2012	\$ 11,065		\$ 43,157	\$ 13,967	\$ 112,738	\$ 89,736		\$ 37,565	\$ 308,228
2013	28,656		76,649	8,854		6,240		123,621	244,020
2014	5,203	\$ 134,282	53,130	11,416		23,619		102,284	329,934
2015	4,521	236,132	12,270	10,525	43,730	72,520		142,608	522,306
2016	3,632	331,789	28,725	11,636	36,600	51,066		90,315	553,763
2017	4,940	350,879	37,885	14,634	72,900	4,317		116,766	602,321
2018	34,991	184,918	44,285	13,144	98,800	43,218		138,205	557,561
2019	73,577	97,632	102,178	16,653	28,872	36,756		122,163	477,831
2020	36,945	31,015	18,091	11,757	23,540		\$ 61,195	114,768	297,311
2021	21,646	71,173	231,025	2,142	38,940	30,165		52,977	448,068

Source: District financial statements

**RAHWAY SCHOOL DISTRICT**  
**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN YEARS**  
(Unaudited)

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>a</sup>
2012	\$ 10,294,500	\$ 985,103,000			\$ 128,012,600	\$ 289,782,400	\$ 49,617,000	\$ 1,462,809,500	\$ 3,594,184	\$ 1,466,403,684	\$ 3,168,507,632	\$ 2.587
2013	9,763,100	972,363,760			128,005,200	289,642,900	52,046,200	1,451,821,160	3,378,404	1,455,199,564	2,851,343,672	2.706
2014	11,552,100	969,683,500			125,353,600	288,210,100	51,914,900	1,446,714,200	3,097,847	1,449,812,047	2,719,883,294	2.823
2015	11,693,800	965,379,100			128,395,100	288,458,100	51,824,500	1,445,750,600	3,442,157	1,449,192,757	2,525,811,497	2.896
2016	9,648,500	967,400,100			132,439,900	272,162,800	72,261,000	1,453,912,300	3,542,314	1,457,454,614	2,529,176,515	2.935
2017	9,758,100	966,655,600			130,209,200	272,104,200	72,236,600	1,450,963,700	57	1,450,963,757	2,543,223,255	3.003
2018	13,442,400	968,768,800			128,482,600	249,791,200	67,738,510	1,428,223,510	55	1,428,223,565	2,582,162,059	3.100
2019	12,726,700	971,631,900			129,481,300	249,712,000	67,738,500	1,431,290,400	51	1,431,290,451	2,565,496,417	3.140
2020	14,225,300	975,344,850			127,167,150	250,115,600	68,948,400	1,435,801,300	51	1,435,801,351	2,998,857,784	3.158
2021	13,139,700	981,387,950			125,764,350	250,115,600	70,863,500	1,441,271,100	51	1,441,271,151	2,958,505,052	3.234

Source: County Abstract of Ratables

<sup>a</sup> Tax rates are per \$100

**RAHWAY SCHOOL DISTRICT  
PROPERTY TAX RATES  
PER \$100 OF ASSESSED VALUATION  
LAST TEN YEARS  
(Unaudited)**

<b>Calendar Year</b>	<b><u>Total</u></b>	<b><u>Local School District</u></b>	<b><u>Municipality (1)</u></b>	<b><u>County</u></b>
2012	\$ 5.840	\$ 2.590	\$ 2.280	\$ 0.970
2013	6.047	2.706	2.367	0.974
2014	6.204	2.823	2.399	0.982
2015	6.317	2.896	2.490	0.931
2016	6.389	2.935	2.519	0.935
2017	6.528	3.003	2.581	0.944
2018	6.693	3.100	2.642	0.951
2019	6.837	3.140	2.679	1.018
2020	6.925	3.158	2.716	1.051
2021	6.951	3.234	2.716	1.001

(1) Includes Library

Source: Tax Duplicate, City of Rahway

**RAHWAY SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAXPAYERS,  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)**

2021		
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
Merck Sharp & Dohme Corp.	\$ 193,285,400	13.41%
Nova Park Square LLC	14,505,400	1.01%
Skyview at Rahway, LLC	10,265,400	0.71%
Park Terrace at Rahway, LLC	6,684,500	0.46%
Alard Realty Associates, LLC	5,477,900	0.38%
3101-15 Ave I, LLC	5,362,000	0.37%
Family Hospitality LLC	5,207,000	0.36%
Meridia Brownstones Urban Renewal	4,434,800	0.31%
Woodbridge Avenel LLC	4,025,300	0.28%
HRM 970 New Brunswick LLC	3,665,300	0.25%
	<u>\$ 252,913,000</u>	<u>17.25%</u>

2012		
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
Merck & Co.	\$ 230,082,500	15.69%
80 E Milton Avenue LLC	18,449,600	1.26%
Park Terrace at Rahway, LLC	6,684,500	0.46%
Alard Realty Enterprises	5,477,900	0.37%
3101-15 Ave I LLC	5,362,000	0.37%
New Jersey Bell	4,894,184	0.33%
Woodbridge Plaza, LLC	4,329,500	0.30%
Rahway Industrial Site	4,296,900	0.29%
Ninette Group LP	3,659,600	0.25%
RSI Bank	3,441,400	<u>19.32%</u>

Source: Municipal Tax Assessor

**RAHWAY SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(Unaudited)**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2012	\$ 37,394,869	\$ 37,394,869	100.00%	N/A
2013	38,458,228	38,457,748	99.99%	\$ 480
2014	40,272,086	40,272,086	100.00%	N/A
2015	41,576,064	41,576,064	100.00%	N/A
2016	42,342,410	42,342,410	100.00%	N/A
2017	43,164,767	43,164,767	100.00%	N/A
2018	43,973,944	43,973,944	100.00%	N/A
2019	44,565,427	44,565,427	100.00%	N/A
2020	45,315,135	45,315,135	100.00%	N/A
2021	46,623,173	46,623,173	100.00%	N/A

N/A - Not Applicable

Source: District records.



**RAHWAY SCHOOL DISTRICT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
(Unaudited)**

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Population	Per Capita
	General Obligation Bonds	Certificates of Participation	Capital Leases	Capital Leases	Total District		
2012	\$ 23,035,000	\$ 4,875,000	\$ 176,000		\$ 28,086,000	28,111	\$ 999
2013	22,085,000	4,345,000	678,816		27,108,816	28,254	959
2014	21,100,000	3,795,000	829,477		25,724,477	28,822	893
2015	20,080,000	3,225,000	1,176,549		24,481,549	29,171	839
2016	19,025,000	2,630,000	642,386		22,297,386	29,284	761
2017	17,930,000	2,010,000	326,185		20,266,185	29,628	684
2018	15,600,000	1,365,000			16,965,000	29,806	569
2019	14,430,000	695,000	448,309		15,573,309	29,911	521
2020	13,315,000		448,309		13,763,309	29,832	461
2021	12,015,000	-	228,539		12,243,539	29,832 *	410

Source: District records

\* - Estimated Based on Prior Year, Current Year Information Not Available

**RAHWAY SCHOOL DISTRICT**  
**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions			
2012	\$ 23,035,000		\$ 23,035,000	1.57%	\$ 819
2013	22,085,000		22,085,000	1.52%	782
2014	21,100,000		21,100,000	1.46%	732
2015	20,080,000		20,080,000	1.39%	688
2016	19,025,000		19,025,000	1.31%	650
2017	17,930,000		17,930,000	1.24%	605
2018	15,600,000		15,600,000	1.09%	523
2019	14,430,000		14,430,000	1.01%	482
2020	13,315,000		13,315,000	0.93%	446
2021	12,015,000		12,015,000	0.83%	403

Source: District records

Notes:

a See Exhibit J-6 for property tax data.

b See Exhibit J-14 for population data.

**RAHWAY SCHOOL DISTRICT  
COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(Unaudited)**

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt: (1)			
Rahway School District	\$ 13,315,000	\$ 13,315,000	
City of Rahway	<u>103,571,834</u>	<u>43,667,807</u>	<u>\$ 59,904,027</u>
 Total Direct Debt	 <u>116,886,834</u>	 <u>56,982,807</u>	 <u>59,904,027</u>
 Overlapping Debt Apportioned to the Municipality:			
Union County (2)			26,176,297
Rahway Valley Sewerage Authority (3)			<u>16,994,520</u>
 Total Overlapping Debt			 <u>43,170,817</u>
 Total Direct and Overlapping Debt			 <u>\$ 103,074,844</u>

(1) Rahway's Chief Financial Officer and Annual Debt Statement - December 31, 2020.

(2) Union County Treasurer's Office. The County Debt was apportioned to Rahway City by dividing the City's 2020 equalized value by the total 2020 equalized value for Union County.

(3) Overlapping Debt Based upon the City of Rahway's share of flow to the authority.

\* The source for this computation was the 2020 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.

**RAHWAY SCHOOL DISTRICT  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(Unaudited)**

**Legal Debt Margin Calculation for Fiscal Year 2021**

Equalized Valuation Basis	
2020	\$ 2,922,453,287
2019	2,965,790,303
2018	2,781,350,555
	<u>\$ 8,669,594,145</u>
 Average Equalized Valuation Of Taxable Property	 <u>\$ 2,889,864,715</u>
 Debt Limit (4% of Average Equalization)	 \$ 115,594,589
Total Net Debt Applicable to Limit	<u>12,015,000</u>
Legal Debt Margin	<u>\$ 103,579,589</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>2021</u>
Debt Limit	\$ 136,347,948	\$ 125,797,577	\$ 116,288,356	\$ 107,165,113	\$ 102,499,225	\$ 100,183,911	\$ 101,539,711	\$ 105,440,232	\$ 111,305,338	\$ 115,594,589
Total Net Debt Applicable To Limit	<u>23,035,000</u>	<u>22,085,000</u>	<u>21,100,000</u>	<u>20,080,000</u>	<u>19,025,000</u>	<u>17,930,000</u>	<u>15,600,000</u>	<u>14,430,000</u>	<u>13,315,000</u>	<u>12,015,000</u>
Legal Debt Margin	<u>\$ 113,312,948</u>	<u>\$ 103,712,577</u>	<u>\$ 95,188,356</u>	<u>\$ 87,085,113</u>	<u>\$ 83,474,225</u>	<u>\$ 82,253,911</u>	<u>\$ 85,939,711</u>	<u>\$ 91,010,232</u>	<u>\$ 97,990,338</u>	<u>\$ 103,579,589</u>
 Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	 16.89%	 17.56%	 18.14%	 18.74%	 18.56%	 17.90%	 15.36%	 13.69%	 11.96%	 10.39%

Source: Annual Debt Statements

**RAHWAY SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN YEARS  
(Unaudited)**

<u>Year Ended December 31,</u>	<u>Per Capita Income (A)</u>	<u>Unemployment Rate</u>	<u>School District Population (B)</u>
2012	\$ 55,167	10.6%	28,111
2013	56,150	9.0%	28,254
2014	59,259	7.5%	28,822
2015	61,345	6.6%	29,171
2016	62,697	5.6%	29,284
2017	65,130	5.3%	29,628
2018	68,313	4.5%	29,806
2019	70,865	4.0%	29,911
2020	Not available	10.5%	29,832
2021	Not available	Not available	29,832 (B)

Source: United States Bureau of Census  
School District Records

(A)- Represents County of Union

(B)- Estimated, Bureau of Census

N/A - Not Available as of date of audit

**RAHWAY SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO  
(Unaudited)**

	2021		2012	
Employer	Employees	Percentage of Total Municipal Employment	Employees	Percentage of Total Municipal Employment

Information for this schedule was not available

**RAHWAY SCHOOL DISTRICT**  
**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

<u>Function/Program</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>2021</u>
Instruction										
Regular	243	240	237	237	237	236	252	257	257	254
Special Education	107	101	103	103	103	103	103	107	107	138
Other Special Education	38	42	48	48	48	48	48	48	48	40
Support Services:										
Student and Instruction Related Services	29	27	28	28	28	27	31	32	32	45
General Administration	4	3	3	3	3	3	3	3	3	3
School Administrative Services	26	26	26	26	26	26	26	26	26	33
Central Services	5	5	6	6	6	6	6	6	6	5
Administrative Information Technology	4	4	4	4	4	4	4	4	4	6
Plant Operations And Maintenance	34	34	37	37	37	36	36	36	36	33
Pupil Transportation	1	1	1	1	1	1	1	1	1	1
Other Support Services	53	54	65	65	65	65	65	65	65	47
Total	<u>544</u>	<u>537</u>	<u>558</u>	<u>558</u>	<u>558</u>	<u>555</u>	<u>575</u>	<u>585</u>	<u>585</u>	<u>605</u>

Source: District Personnel Records

**RAHWAY SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
(Unaudited)**

Fiscal Year	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Pupil/Teacher Ratio				Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	Middle School	Senior High School				
2012	3,734	\$ 61,727,377	\$ 16,531	3.42%	297	1:13	1:13	1:12	3,784	3,561	-1.20%	94.11%
2013	3,667	66,897,243	18,243	10.36%	307	1:13	1:13	1:12	3,700	3,479	-2.22%	94.03%
2014	3,674	67,138,812	18,274	0.17%	312	1:13	1:13	1:12	3,715	3,491	0.41%	93.97%
2015	3,674	70,651,092	19,230	5.23%	312	1:13	1:13	1:12	3,749	3,532	0.92%	94.21%
2016	3,794	70,970,333	18,706	-2.73%	315	1:14	1:14	1:13	3,754	3,535	0.13%	94.17%
2017	3,835	72,684,487	18,953	1.32%	315	1:14	1:14	1:13	3,754	3,535	0.00%	94.17%
2018	3,899	75,801,702	19,441	2.58%	319	1:13	1:12	1:11	3,813	3,561	1.57%	93.39%
2019	3,899	83,007,465	21,289	9.51%	319	1:13	1:12	1:11	3,944	3,699	3.44%	93.79%
2020	3,901	84,215,975	21,588	1.40%	319	1:13	1:12	1:11	3,933	3,769	-0.28%	95.83%
2021	3,855	85,652,900	22,219	4.36%	319	1:13	1:12	1:11	4,041	3,667	2.46%	90.74%

Sources: District records

- Note:
- a Enrollment based on annual October district count.
  - b Operating expenditures equal total expenditures less debt service and capital outlay.
  - c Cost per pupil represents operating expenditures divided by enrollment.



**RAHWAY SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
(Unaudited)**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>District Building</b>										
<b>Elementary</b>										
Franklin School										
Square Feet	81,760	81,760	81,760	81,760	81,760	81,760	81,760	81,760	81,760	81,760
Capacity (students)	661	661	661	661	661	661	661	661	661	661
Enrollment	542	542	542	542	644	661	648	719	656	609
Cleveland School										
Square Feet	46,375	46,375	46,375	68,825	68,825	68,825	68,825	68,825	68,825	68,825
Capacity (students)	340	340	340	532	540	540	540	540	540	540
Enrollment	336	336	336	528	538	543	551	544	511	513
Madison School										
Square Feet	54,015	54,015	54,015	54,015	54,015	54,015	54,015	54,015	54,015	54,015
Capacity (students)	322	322	322	322	322	322	322	322	322	322
Enrollment	299	299	299	299	365	355	350	351	354	338
Roosevelt School										
Square Feet	78,810	78,810	78,810	78,810	78,810	78,810	78,810	78,810	78,810	78,810
Capacity (students)	754	754	754	754	754	754	754	754	754	754
Enrollment	666	666	666	666	627	605	612	611	602	579
<b>Middle School</b>										
Square Feet	144,611	144,611	144,611	144,611	144,611	144,611	144,611	144,611	144,611	144,611
Capacity (students)	913	913	913	913	913	913	913	913	913	913
Enrollment	949	949	949	949	557	555	651	694	767	728
<b>High School</b>										
Square Feet	165,833	165,833	165,833	176,133	176,135	176,135	176,135	176,135	176,135	176,135
Capacity (students)	1,084	1,084	1,084	1,084	1,084	1,084	1,084	1,084	1,084	1,084
Enrollment	1,087	1,087	1,087	1,072	1,070	1,116	1,092	1,025	1,041	1,087
<b>Other</b>										
Square Feet-Ace Building-St Mary's	6,893	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Square Feet-Press Box-Vets Field	200	200	200	200	200	200	200	200	200	200
Square Feet-Hoagland Field House	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
Square Feet-Concession Stand-Vets										
Square Feet-Athletic Office/Locker Room	2,930	2,930	2,930	2,930	2,930	2,930	2,930	2,930	2,930	2,930

Number of Schools at June 30, 2021

Elementary = 4

Middle School = 1

Senior High School = 1

Other = 5

Source: District Records

**RAHWAY SCHOOL DISTRICT  
GENERAL FUND  
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
LAST TEN YEARS  
(Unaudited)**

	<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>2021</u>
School Facilities										
Madison	\$ 56,825	\$ 70,710	\$ 113,789	\$ 72,874	\$ 86,606	\$ 113,132	\$ 72,157	\$ 89,540	\$ 67,958	\$ 86,836
Grover Cleveland	115,863	75,279	104,084	105,466	69,824	122,773	83,854	104,054	86,590	110,644
Roosevelt	151,196	114,555	135,447	109,027	105,831	161,912	91,211	113,184	99,153	126,697
Franklin	96,203	89,737	121,072	137,626	140,108	135,041	94,141	116,819	102,864	131,439
Middle School	123,840	113,321	92,311	160,453	192,998	169,430	207,672	257,700	181,938	232,479
High School	<u>196,034</u>	<u>290,801</u>	<u>359,446</u>	<u>262,409</u>	<u>233,268</u>	<u>196,296</u>	<u>278,376</u>	<u>345,436</u>	<u>221,599</u>	<u>283,158</u>
Total School Facilities	739,961	754,403	926,149	847,855	828,635	898,584	827,411	1,026,733	760,102	971,253
Other Facilities	<u>57,878</u>	<u>58,590</u>	<u>23,540</u>	<u>77,088</u>	<u>52,634</u>	<u>82,026</u>	<u>98,476</u>	<u>122,199</u>	<u>25,452</u>	<u>32,522</u>
Grand Total	<u>\$ 797,839</u>	<u>\$ 812,993</u>	<u>\$ 949,689</u>	<u>\$ 924,943</u>	<u>\$ 881,269</u>	<u>\$ 980,610</u>	<u>\$ 925,887</u>	<u>\$ 1,148,932</u>	<u>\$ 785,554</u>	<u>\$ 1,003,775</u>

Source: District records

**RAHWAY SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2021  
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
NJSBAIG		
Property - Blanket Building & Contents	\$ 150,142,661	\$ 5,000
Comprehensive General Liability	11,000,000	
Comprehensive Auto Liability	11,000,000	
Comprehensive Crime Coverage	250,000	5,000
Flood/Earthquake:		
Aggregate Subject to FEMA deductible in Flood Zone "A"; all others at \$10,000 deductible	10,000,000	per occurrence
	10,000,000	aggregate
NJSBAIG		
Boiler and Machinery	100,000,000	1,000
Firemen's Fund		
Excess Liability	50,000,000	
N.J. School Boards Insurance Group:		
Worker's Compensation- Professional and Clerical	35,574,457	
Worker's Compensation- Non-professional and Driver	2,570,700	
Athletic Accident- Zurich Insurance Company:		
All participants- Including Football	25,000	
Student Accident- AIG Life Insurance:		
Voluntary Participation	500,000	
Interscholastic Athletes	5,000,000	
NJSBAIG		
Environmental Liability Each Loss	1,000,000	25,000
Environmental Liability Aggregate	11,000,000	
NJ School Boards		
School Board Legal	11,000,000	10,000

Source: School District's records

**SINGLE AUDIT SECTION**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
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RALPH M. PICONE, III, CPA, RMA, PSA  
DEBRA GOLLE, CPA  
MARK SACO, CPA  
ROBERT LERCH, CPA  
CHRISTOPHER M. VINCI, CPA, PSA  
CHRISTINA CUIFFO, CPA

**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**

**INDEPENDENT AUDITOR’S REPORT**

Honorable President and Members  
of the Board of Education  
Rahway Public School District  
Rahway, New Jersey

We have audited, in accordance with the 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 audit requirements 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 and each major fund of the Rahway School District as of and for the fiscal year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the Rahway School District’s basic financial statements and have issued our report thereon dated March 2, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Rahway School District’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 the Rahway School District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Rahway School District’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a significant deficiency.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Rahway School District’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 an instance of noncompliance or other matter that is required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and which is described in the accompanying schedule of findings and questioned costs as item 2021-001.

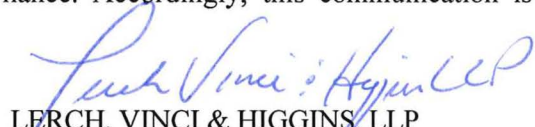
We also noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Rahway School District in a separate report entitled, “Auditor’s Management Report on Administrative Findings – Financial, Compliance and Performance” dated March 2, 2022.

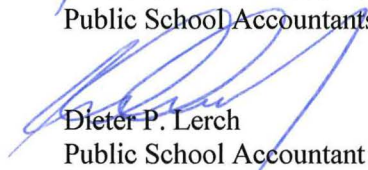
**Rahway School District’s Response to Finding**

The Rahway School District’s response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Rahway School District’s response as not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

**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 Rahway School District’s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Rahway School District’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
LERCH, VINCI & HIGGINS, LLP  
Certified Public Accountants  
Public School Accountants

  
Dieter P. Lerch  
Public School Accountant  
PSA Number CS000756

Fair Lawn, New Jersey  
March 2, 2022



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA  
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GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
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CHRISTINA CUIFFO, CPA

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT  
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE  
U.S. UNIFORM GUIDANCE AND SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE AS  
REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

**INDEPENDENT AUDITOR'S REPORT**

Honorable President and Members  
of the Board of Education  
Rahway School District  
Rahway, New Jersey

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

We have audited the Rahway School District's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Rahway School District's major federal and state programs for the fiscal year ended June 30, 2021. The Rahway School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of federal and state statutes, regulations, and the terms and conditions of its federal awards and state financial assistance applicable to its federal and state programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Rahway 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; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, U.S. Uniform Guidance and New Jersey Circular 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 or state program occurred. An audit includes examining, on a test basis, evidence about the Rahway 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 the Rahway School District's compliance.

### ***Opinion on Each Major Federal and State Program***

In our opinion, the Rahway 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 fiscal year ended June 30, 2021.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with New Jersey OMB Circular 15-08, and which is described in the accompanying schedule of findings and questioned costs as item 2021-002. Our opinion on each major federal and state program is not modified with respect to this matter.

The Rahway School District's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Rahway School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Management of the Rahway 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 the Rahway 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 program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Rahway 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 or 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 or 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 or 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 and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2021-002 that we consider to be a significant deficiency.

The Rahway School District's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Rahway School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.




**Report on Schedule of Expenditures of Federal Awards Required by the U.S. Uniform Guidance and Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08**

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Rahway School District, as of and for the fiscal year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated March 2, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.



LERCH, VINCI & HIGGINS, LLP  
Certified Public Accountants  
Public School Accountants



Dieter P. Lerch  
Public School Accountant  
PSA Number CS000756

Fair Lawn, New Jersey  
March 2, 2022

**RAHWAY SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	FAIN Number	Grant Period	Award Amount	Balance July 1, 2020	Carryover Amount		Cash Received	Budgetary Expenditures	Adjustment	Carryover Funds Released		Balance, June 30, 2021		Due to Grantor at June 30, 2021	MEMO GAAP Receivable
						Unearned Revenue	Accounts Receivable				Unearned Revenue	Accounts Receivable	(Account Receivable)	Unearned Revenue		
<b>U.S. Department of Education</b>																
<b>Passed-through State Department of Education</b>																
<b>Food Distribution Program - National School Lunch Program</b>																
Non-Cash Assistance	10.550	211NJ304N1099	7/1/20-6/30/21	\$ 112,525				\$ 112,525	\$ 110,315					\$ 2,210		
Non-Cash Assistance	10.550	201NJ304N1099	7/1/19-6/30/20	139,568	\$ 5,595				5,595							
Cash Assistance	10.555	201NJ304N1099	7/1/19-6/30/20	816,337	(52,378)			52,378								
National School Breakfast Program	10.553	201NJ304N1099	7/1/19-6/30/20	198,555	(32,923)			32,923								
NSLP Equipment Assistance Grant	10.579	211NJ304N1099	7/1/20-6/30/21	26,010				26,010	26,010							
Summer Food Service Program for Children	10.559	211NJ304N1099	7/1/20-6/30/21	927,334	-	-	-	834,328	927,334	-	-	-	\$ (93,006)	-	-	\$ 93,006
<b>Total U.S. Department of Agriculture - Enterprise Fund</b>					<b>(79,706)</b>	<b>-</b>	<b>-</b>	<b>1,058,164</b>	<b>1,069,254</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(93,006)</b>	<b>2,210</b>	<b>-</b>	<b>93,006</b>
<b>U.S. Department of Health and Human Services</b>																
<b>Passed-through State Department of Education:</b>																
<b>General Fund</b>																
Medicaid Assistance	93.778	2105NJ5MAP	7/1/20-6/30/21	221,646	-	-	-	221,646	221,646	-	-	-	-	-	-	-
<b>Total U.S. Department of Health and Human Services</b>					<b>-</b>	<b>-</b>	<b>-</b>	<b>221,646</b>	<b>221,646</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>U.S. Department of Education</b>																
<b>Passed-through State Department of Education</b>																
<b>Special Revenue Fund</b>																
IDEA Part B - Basic	84.027	HO27A200100	7/1/20-9/30/21	1,083,523	\$ 116,040	\$ (116,040)		1,069,163	1,185,183				(130,400)	14,380		116,020
IDEA Part B - Basic	84.027	HO27A190100	7/1/19-9/30/20	1,037,145	(96,997)	(116,040)	116,040	96,997								
IDEA Part B - Preschool	84.173	H173A200114	7/1/20-9/30/21	30,198	-	-	-	-	30,198	-	-	-	(30,198)	-	-	30,198
<b>Total Special Education Cluster</b>					<b>(96,997)</b>	<b>-</b>	<b>-</b>	<b>1,166,160</b>	<b>1,215,381</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(160,598)</b>	<b>14,380</b>	<b>-</b>	<b>146,218</b>
<b>Title III</b>																
Title III	84.365	S365A200030	7/1/20-9/30/21	62,683		7,474	(7,474)	31,510	43,310				(38,647)	26,847		11,800
Title III	84.365	S365A190030	7/1/19-9/30/20	64,771	(6,341)	(7,474)	7,474	6,341								
Title III - Immigrant	84.365	S365A200030	7/1/20-9/30/21	11,763		9,859	(9,859)	-	1,064				(21,622)	20,558		1,064
Title III - Immigrant	84.365	S365A190030	7/1/19-9/30/20	11,282	(172)	(9,859)	9,859	172								
<b>Total Title III Cluster</b>					<b>(6,513)</b>	<b>-</b>	<b>-</b>	<b>38,023</b>	<b>44,374</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(60,269)</b>	<b>47,405</b>	<b>-</b>	<b>12,864</b>
<b>Title I</b>																
Title I	84.010	S010A200030	7/1/20-9/30/21	562,789		101,684	(101,684)	288,558	486,679				(375,915)	177,794		198,121
Title I	84.010	S010A190030	7/1/19-9/30/20	560,648	(272,528)	(101,684)	101,684	208,617		\$ 63,911						
Title I SIA	84.010	S010A200030	7/1/20-9/30/21	95,600		55,304	(55,304)	8,888	62,992				(142,016)	87,912		54,104
Title I SIA	84.010	S010A190030	7/1/19-9/30/20	49,400	(23,444)	(55,304)	55,304	23,444								
Title I Re-Allocated	84.010	S010A200030	7/1/20-9/30/21	66,797				-	1,841		\$ (8,500)	\$ 8,500	(58,297)	56,456		1,841
Title I Re-Allocated	84.010	S010A180030	7/1/18-6/30/19	63,000	63,000					(63,000)						
Title IA	84.367	S367A200029	7/1/20-9/30/21	101,048		154,914	(154,914)	-	35,001				(255,962)	220,961		35,001
Title IA	84.367	S367A190029	7/1/19-9/30/20	122,556	(2,739)	(154,914)	154,914	10,239		(7,500)						
Title IV	84.424	S424A200029	7/1/20-9/30/21	41,399	-	31,433	(31,433)	2,574	25,534				(70,258)	47,298		22,960
Title IV	84.424	S424A190029	7/1/19-9/30/20	35,027	-	(31,433)	31,433	-								
<b>Coronavirus Relief Fund</b>					<b>-</b>	<b>-</b>	<b>-</b>	<b>372,182</b>	<b>394,326</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(142,976)</b>	<b>120,832</b>	<b>-</b>	<b>29,896</b>
Coronavirus Relief Fund	21.019	S425D200027	7/16/20-10/31/20	349,612				349,612	341,860					7,752		
Union County CARES Grant	21.019	S425D200027	7/1/20/12/31/20	164,786				21,810	51,706				(142,976)	113,080		29,896
Nonpublic Digital Divide	21.019	S425D200027	7/16/20-10/31/20	760				760	760							
<b>Coronavirus Relief Fund Cluster Total</b>					<b>-</b>	<b>-</b>	<b>-</b>	<b>372,182</b>	<b>394,326</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(142,976)</b>	<b>120,832</b>	<b>-</b>	<b>29,896</b>
<b>Elementary and Secondary School Emergency Relief (ESSER)</b>																
<b>Coronavirus Aid, Relief, and Economic Security (CARES) Act</b>																
CARES Emergency Relief Grant	84.425D	S425D200027	3/13/20-9/30/22	477,757				356,124	409,081				(121,633)	68,676		52,957
Digital Divide	84.425D	S377A130031	7/16/20-10/31/20	556,427				556,378	556,378				(49)	49		
<b>Elementary and Secondary School Emergency Relief (ESSER II)</b>																
<b>Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act</b>																
ESSER II	84.425D	S425D210027	3/13/20-9/30/23	1,844,474									(1,844,474)	1,844,474		
Learning Acceleration	84.425D	S425D210027	3/13/20-9/30/23	118,369									(118,369)	118,369		
Mental Health	84.425D	S425D210027	3/13/20-9/30/23	45,000									(45,000)	45,000		
<b>ESSER Cluster Total</b>					<b>-</b>	<b>-</b>	<b>-</b>	<b>912,502</b>	<b>965,459</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,129,525)</b>	<b>2,076,568</b>	<b>-</b>	<b>52,957</b>
<b>Total U.S. Department of Education - Special Revenue Fund</b>					<b>(339,221)</b>	<b>-</b>	<b>-</b>	<b>3,051,187</b>	<b>3,231,587</b>	<b>(6,589)</b>	<b>(8,500)</b>	<b>8,500</b>	<b>(3,395,816)</b>	<b>2,849,606</b>	<b>-</b>	<b>553,962</b>
<b>Total Federal Awards</b>					<b>\$ (418,927)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,310,997</b>	<b>\$ 4,522,487</b>	<b>\$ (6,589)</b>	<b>\$ (8,500)</b>	<b>\$ 8,500</b>	<b>\$ (3,488,822)</b>	<b>\$ 2,851,816</b>	<b>\$ -</b>	<b>\$ 646,968</b>

See accompanying Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance

RAHWAY SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

State Grantor/Program Title	Grant or State Project Number	Award Amount	Grant Period From	Balance, July 1, 2020		Carryover Amount	Cash Received	Budgetary Expenditures	Transfers/ Adjustment	Refund Prior Years' Balances	(Accounts Receivable)	June 30, 2021		MEMO	
				Unearned Revenue/ (Accts Rec.)	Due to Grantor							Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
<b>General Fund:</b>															
<b>State Department of Education:</b>															
Equalization Aid	21-495-034-5120-078	\$ 20,912,433	7/1/20-6/30/21				\$ 18,851,499	\$ 20,912,433			\$ (2,060,934)				\$ 20,912,433
Equalization Aid	20-495-034-5120-078	20,072,650	7/1/19-6/30/20	\$ (1,993,490)			1,993,490								
Security Aid	21-495-034-5120-084	1,032,364	7/1/20-6/30/21				930,624	1,032,364			(101,740)				1,032,364
Security Aid	20-495-034-5120-084	1,032,364	7/1/19-6/30/20	(102,528)			102,528								
Special Education Aid	21-495-034-5120-089	2,263,445	7/1/20-6/30/21				2,040,381	2,263,445			(223,064)				2,263,445
Special Education Aid	20-495-034-5120-089	2,263,445	7/1/19-6/30/20	(224,791)	-	-	224,791	-	-	-	-	-	-	-	-
Total State Aid Public Cluster				(2,320,809)	-	-	24,143,313	24,208,242	-	-	(2,385,738)	-	-	-	24,208,242
Transportation Aid	21-495-034-5120-014	916,421	7/1/20-6/30/21				826,107	916,421			(90,314)				916,421
Transportation Aid	20-495-034-5120-014	916,421	7/1/19-6/30/20	(91,013)			91,013								
Nonpublic Transportation	not available	44,660	7/1/20-6/30/21					44,660			(44,660)			\$ 44,660	44,660
Nonpublic Transportation	not available	23,214	7/1/19-6/30/20	(23,214)	-	-	23,214	-	-	-	-	-	-	-	-
Total Transportation Aid Cluster				(114,227)	-	-	940,334	961,081	-	-	(134,974)	-	-	44,660	961,081
Extraordinary Aid	21-100-034-5120-044	1,209,777	7/1/20-6/30/21					1,209,777			(1,209,777)				1,209,777
Extraordinary Aid	20-100-034-5120-044	868,551	7/1/19-6/30/20	(868,551)			868,551								
Reimbursed TPAF Social Security Contributions	21-495-034-5094-003	2,321,068	7/1/20-6/30/21				2,321,068	2,321,068							2,321,068
Reimbursed TPAF Social Security Contributions	20-495-034-5094-003	2,325,059	7/1/19-6/30/20	(114,326)			114,326								
On-Behalf TPAF Pension Contribution	21-495-034-5094-006	8,443,615	7/1/20-6/30/21				8,443,615	8,443,615							8,443,615
On-Behalf TPAF Non-Contributory Group Insurance	21-495-034-5094-007	160,651	7/1/20-6/30/21				160,651	160,651							160,651
On-Behalf TPAF Long Term Disability Insurance	21-495-034-5094-007	4,816	7/1/20-6/30/21				4,816	4,816							4,816
On-Behalf TPAF Post Retirement Medical Benefits	21-495-034-5094-001	2,696,443	7/1/20-6/30/21	-	-	-	2,696,443	2,696,443	-	-	-	-	-	-	2,696,443
Total General Fund				(3,417,913)	-	-	39,693,117	40,005,693	-	-	(3,730,489)	-	-	44,660	40,005,693
<b>Special Revenue Fund:</b>															
<b>State Department of Education:</b>															
<b>N.J. Nonpublic Aid:</b>															
Textbook Aid	21-100-034-5120-064	1,100	7/1/20-6/30/21				1,100	1,100							1,100
Textbook Aid	20-100-034-5120-064	422	7/1/19-6/30/20	\$ 54						\$ 54					
Nursing Services	21-100-034-5120-070	1,836	7/1/20-6/30/21				1,836	1,836							1,836
Technology Initiative	20-100-034-5120-373	288	7/1/19-6/30/20		16					16					
Security Aid	21-100-034-5120-509	3,150	7/1/20-6/30/21				3,150	1,887					1,263		1,887
Preschool Education Aid	21-495-034-5120-086	4,392,910	7/1/20-6/30/21			\$ 775,361	3,953,619	4,140,459			(439,291)	\$ 1,027,812			4,140,459
Preschool Education Aid	20-495-034-5120-086	4,494,237	7/1/19-6/30/20	325,937	-	(775,361)	449,424	-	-	-	-	-	-	-	-
Total Special Revenue Fund				325,937	70	-	4,409,129	4,145,282	-	70	(439,291)	1,027,812	1,263	-	4,145,282

RAHWAY SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

State Grantor/Program Title	Grant or State Project Number	Award Amount	Grant Period From	Balance, July 1, 2020			Cash Received	Budgetary Expenditures	Adjustment	Refund Prior Years' Balances	Balance, June 30, 2021			MEMO	
				Unearned Revenue/ (Accts Rec.)	Due to Grantor	Carryover Amount					(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
<b>Debt Service Fund:</b>															
Debt Service Aid - Type II	21-495-034-5120-075	\$ 46,306	7/1/20-6/30/21	-	-	-	\$ 46,306	\$ 46,306	-	-	-	-	-	-	\$ 46,306
Total Debt Service Fund				-	-	-	46,306	46,306	-	-	-	-	-	-	46,306
<b>Enterprise Fund:</b>															
School Lunch Program	21-100-010-3350-023	5,549	7/1/20-6/30/21				5,549	5,549							5,549
School Lunch Program	20-100-010-3350-023	17,394	7/1/19-6/30/20	\$ (823)	-	-	823	-	-	-	-	-	-	-	-
Total Enterprise Fund				(823)	-	-	6,372	5,549	-	-	-	-	-	-	5,549
<b>Capital Projects Fund:</b>															
State Economic Development Authority Educational Facilities Construction & Financing Act (Schools Development Authority); 2009 Referendum															
High School Room Renovations	4290-050-09-00AY	4,304,169		(855,466)			860,833	5,367							4,304,169
High School Window, HVAC and Electrical Upgrades	4290-050-09-0ZBK	618,341		(1,115)					\$ 1,115						617,226
Middle School Boilers, Fire Alarms and Electrical Panels	4290-060-09-0ZBL	2,295,442		4,069				4,457	388						2,295,054
Cleveland School Additions and Renovations	4290-090-09-00BA	1,620,946		(311,314)			324,190	12,876							1,620,946
Securing Our Children's Future (Alyssa's Grant)		212,332		-	-	-	-	96,237	-	-	\$ (212,332)	\$ 116,095	-	\$ 212,332	96,237
Total Capital Projects Fund				(1,163,826)	-	-	1,185,023	118,937	1,503	-	(212,332)	116,095	-	212,332	10,426,966
Total State Financial Assistance Subject to Single Audit Determination				\$ (4,256,625)	\$ 70	\$ -	\$ 45,339,947	\$ 44,321,767	\$ 1,503	\$ 70	\$ (4,382,112)	\$ 1,143,907	\$ 1,263	\$ 256,992	\$ 54,629,796
Less:															
State Assistance Not Subject to Single Audit:															
TPAF Pension								(8,443,615)							
TPAF NCGI Contribution								(160,651)							
TPAF LTDI Contribution								(4,816)							
TPAF Post-Retirement Medical Contribution								(2,696,443)							
State Assistance Subject to Major Program Determination								\$ 33,016,242							

**RAHWAY SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 1 GENERAL**

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

**NOTE 2 BASIS OF ACCOUNTING**

The accompanying schedules are prepared and presented using 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 basis of accounting are described in Notes 1(C) to the Board's financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (U.S. Uniform Guidance) and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements.

**NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS**

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

The general fund is presented in the accompanying schedules on a modified accrual basis with the exception of the revenue recognition of the delayed state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, those payments are not recognized until the subsequent year due to the state deferral and recording of certain state aid payments 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, which may include the delayed state aid payments, whereas the GAAP basis does not. The special revenue fund also recognizes the delayed state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$405,456 for the general fund and a decrease of \$70,834 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 221,646	\$ 39,600,237	\$ 39,821,883
Special Revenue Fund	3,182,485	4,145,233	7,327,718
Capital Projects Fund		117,434	117,434
Debt Service Fund		46,306	46,306
Food Service Fund	1,069,254	5,549	1,074,803
	<u>          </u>	<u>          </u>	<u>          </u>
Total Financial Assistance	\$ 4,473,385	\$ 43,914,759	\$ 48,388,144

**RAHWAY SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the District's fiscal year and grant program years.

**NOTE 5 OTHER INFORMATION**

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$2,321,068 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2021. The amount reported as TPAF Pension System Contributions in the amount of \$8,604,266, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$2,696,443 and TPAF Long-Term Disability Insurance in the amount of \$4,816 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2021.

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

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

**NOTE 7 DE MINIMIS INDIRECT COST RATE**

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

**RAHWAY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

*Part I – Summary of Auditor’s Results*

**Financial Statement Section**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

2) Were significant deficiency(ies) identified that were not considered to be material weaknesses?   X   yes            none reported

Noncompliance material to the basic financial statements noted?   X   yes            no

**Federal Awards Section**

Internal Control over compliance:

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

2) Were significant deficiency(ies) identified that were not considered to be material weaknesses?            yes   X   none reported

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

Any audit findings disclosed that are required to be reported in accordance with U.S. Uniform Guidance            yes   X   none

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027	H027A200100	IDEA Part B Basic
84.173	H173A200114	IDEA Part B Preschool
21.019	S425D200027	Coronavirus Relief Fund
84.425D	S425D200027	CARES Emergency Relief Grant
84.425D	S377A130031	Digital Divide

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

Auditee qualified as low-risk auditee?            yes   X   no

**RAHWAY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

*Part I – Summary of Auditor’s Results*

**State Awards Section**

Internal Control over compliance:

- 1) Material weakness(es) identified? \_\_\_\_\_ yes  X  no
- 2) Were significant deficiency(ies) identified that were not considered to be material weaknesses?  X  yes \_\_\_\_\_ none reported

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

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08, as amended?  X  yes \_\_\_\_\_ none

Identification of major programs:

<u>State Grant/Project Numbers</u>	<u>Name of State Program</u>
<u>21-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>21-495-034-5120-089</u>	<u>Special Education Aid</u>
<u>21-495-034-5120-084</u>	<u>Security Aid</u>
<u>21-100-034-5120-044</u>	<u>Extraordinary Aid</u>
<u>21-495-034-5094-003</u>	<u>Reimbursed TPAF Social Security Contributions</u>
<u>21-495-034-5120-086</u>	<u>Preschool Education Aid</u>

Dollar threshold used to distinguish between Type A and Type B Programs \$  990,487

Auditee qualified as low-risk auditee?  X  yes \_\_\_\_\_ no



**RAHWAY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

*Part 2 – Schedule of Financial Statement Findings*

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements in accordance with Government Auditing Standards.

**Finding 2021-001**

Our audit indicated that appropriation transfers were made to the School Administration line items which exceeded the statutory 10% maximum. In addition, a transfer was made from capital reserve to the capital projects fund for the cost of various improvement projects. A withdrawal from capital reserve was not approved by the Board or the County for this transfer. Furthermore, a contract was awarded for an additional project for which no transfer was made. Such transfer was not properly reflected in the District's accounting records.

**Criteria or specific requirement**

NJAC 6A:23A-8.4; NJAC 6A:23a-14.1

**Condition**

County approval was not sought for appropriation transfers exceeding the statutory maximum. Capital reserve funds were utilized without acquiring required approvals and were not properly reported in the District's accounting records.

**Context**

Appropriation transfers of \$839,706 were made to the School Administration budgetary line items. The maximum allowed transfer amount was \$248,459.

The District transferred \$1,580,647 from the capital reserve to the capital projects fund for the various improvement projects. Board and County approval was not sought for a withdrawal from the capital reserve for these purposes.

The transfer was not reflected as an appropriation and transfer in the general fund budget report.

A contract was awarded with the intent to utilize capital reserve funds. However, no Board or County approval was sought for the withdrawal of capital reserve funds. An appropriation was not created for such contract and was not encumbered upon award.

**Effect**

The District was not in compliance with regulations regarding budget appropriation transfers and the utilization of capital reserve funds.

**Cause**

Unknown.

**Recommendation**

Required approvals be sought for all appropriation transfers exceeding the statutory maximum and prior to the commitment and transfer of capital reserve funds. In addition, such capital reserve transfers be properly reflected in the District's general fund budgetary reporting system upon approval.

**View of Responsible Officials and Planned Corrective Action**

Management has reviewed this finding and has indicated that corrective action will be taken.

RAHWAY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

*Part 3 – Schedule of Federal and State Award Findings and Questioned Costs*

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

**CURRENT YEAR FEDERAL AWARDS**

There are none.

**RAHWAY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

*Part 3 – Schedule of Federal and State Award Findings and Questioned Costs*

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

**CURRENT YEAR STATE AWARDS**

**Finding 2021-002**

Our audit indicated that appropriation transfers were made to the School Administration line items which exceeded the statutory 10% maximum. In addition, a transfer was made from capital reserve to the capital projects fund for the cost of various improvement projects. A withdrawal from capital reserve was not approved by the Board or the County for this transfer. Furthermore, a contract was awarded for an additional project for which no transfer was made. Such transfer was not properly reflected in the District's accounting records.

**State program information:**

21-495-034-5120-078	Equalization Aid
21-495-034-5120-084	Security Aid
21-495-034-5120-089	Special Education Aid

**Criteria or specific requirement:**

State Aid Public – Grant Compliance Supplement

**Condition:**

County approval was not sought for appropriation transfers exceeding the statutory maximum. Capital reserve funds were utilized without acquiring required approvals and were not properly reported in the District's accounting records.

**Questioned Costs:**

None.

**Context:**

Appropriation transfers of \$839,706 were made to the School Administration budgetary line items. The maximum allowed transfer amount was \$248,459.

The District transferred \$1,580,647 from the capital reserve to the capital projects fund for the various improvement projects. Board and County approval was not sought for a withdrawal from the capital reserve for these purposes. This transfer was not reflected as an appropriation and transfer in the general fund budget report.

A contract was awarded with the intent to utilize capital reserve funds. However, no Board or County approval was sought for the withdrawal of capital reserve funds. An appropriation was not created for such contract and was not encumbered upon award.

**Effect:**

The District is not in compliance with State Aid – Public program requirements.

**Cause:**

Unknown.

**Recommendation:**

Required approvals be sought for all appropriation transfers exceeding the statutory maximum and prior to the commitment and transfer of capital reserve funds. In addition, such capital reserve transfers be properly reflected in the District's general fund budgetary reporting system upon approval.

**Views of Responsible Officials and Planned Corrective Action Plan:**

Management has reviewed this finding and has indicated it will review and revise its procedures to ensure corrective action is taken.

**RAHWAY SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

**STATUS OF PRIOR YEAR FINDINGS**

**Finding 2020-001**

Individual student costs claimed on the District's Extraordinary Aid application were not in agreement with the respective tuition contract amount.

**Current Status**

Corrective action was taken.