

**BOARD OF EDUCATION
OF THE
BOROUGH OF RUTHERFORD
SCHOOL DISTRICT
RUTHERFORD, NEW JERSEY**



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

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INTRODUCTORY SECTION

March 10, 2022

Honorable President and
Members of the Board of Education
Rutherford School District
County of Bergen, New Jersey

Dear Board Members:

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

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the School District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The School District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the New Jersey State Treasury Circular 15-08-OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and questioned costs, are included in the single audit section of this report.

1 REPORTING ENTITY AND ITS SERVICES:

The Rutherford School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by GASB Statement No. 14 as amended. All funds of the School District are included in this report. The Rutherford Board of Education and all its schools constitute the School District's reporting entity.

The School District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular, vocational and special education for students so classified. The School District completed the 2020-2021 fiscal year with an average daily enrollment of 2,513 students, which is 94 students less than the previous year's enrollment.

1 REPORTING ENTITY AND ITS SERVICES (CONT'D):

The following details the changes in the student enrollment of the School District over the last ten years:

Average Daily Enrollment

Fiscal Year	Student Enrollment	Percent Change
2020-2021	2,513.0	(3.6%)
2019-2020	2,607.0	0.2%
2018-2019	2,602.0	0.1%
2017-2018	2,599.0	3.4%
2016-2017	2,513.0	1.9%
2015-2016	2,466.0	(1.4%)
2014-2015	2,501.0	0.4%
2013-2014	2,491.0	0.0%
2012-2013	2,490.0	0.2%
2011-2012	2,485.0	2.1%

2. ECONOMIC CONDITION AND OUTLOOK:

The Borough of Rutherford is a mature community that has little space for future development in its core area. The recycling of existing homes has had some upward impact on pupil enrollment.

3. MAJOR INITIATIVES:

The Rutherford School District continues to offer a comprehensive educational program to its students. Major initiatives in place to support and enhance the academic and extracurricular programs already in place include the implementation of the STEM (Science, Technology, Engineering and Mathematics) program in the high school to better prepare students for the demands of the workplace in the 21st Century, investment in technology to participate in advanced standardized testing programs to measure student achievement, upgraded curriculum throughout the School District, and the implementation of a summer head-start program for kindergartners. In 2016-2017, the School District reconfigured the School District to provide a true middle school to students, including STEM programs, and other electives. Resulting program enhancements are expected to positively impact programs at all grade levels. Also in 2016-2017, the School District introduced a part-time preschool program and several full time special education programs to better prepare eligible students for ongoing placement in their home environments. In 2017-2018, the School District initiated a Life Skills program for students aged 18-21, which is housed in the Rutherford Public Library. The program helps older students to adapt to life outside of a school environment. In addition, the Board and School District administration continue to evaluate facilities needs within the School District and work to upgrade and improve the schools as needed, within budgetary constraints. In September 2019, the Rutherford community approved a \$45.3 million bond referendum which will fund renovation and new construction at five of the School District's schools, and will provide improved instructional spaces and relief from overcrowding. Of the seven projects of the referendum, three are complete as of January 2022, and all of the remaining projects are expected to be completed before the end of calendar year 2022.

4. INTERNAL ACCOUNTING CONTROLS:

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

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

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

5. BUDGETARY CONTROLS:

In addition to internal accounting controls, the School District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual budget. Annual appropriation budgets are adopted for the general, special revenue and debt service funds. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as assignments of fund balance at June 30, 2021.

6. ACCOUNTING SYSTEM AND REPORTS:

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

7. CASH MANAGEMENT:

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

8. DEBT ADMINISTRATION:

At June 30, 2021, the District's outstanding debt issues included \$7,425,000 of Series 2016 school district refunding bonds and \$45,330,000 of Series 2019 school district bonds.

9. RISK MANAGEMENT:

The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. The South Bergen Workers' Compensation Pool provides coverage for workers' compensation claims.

10. OTHER INFORMATION:

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman & Company LLP was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200 and the New Jersey State Treasury Circular 15-08-OMB. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.


11. ACKNOWLEDGEMENTS:

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

Respectfully submitted,

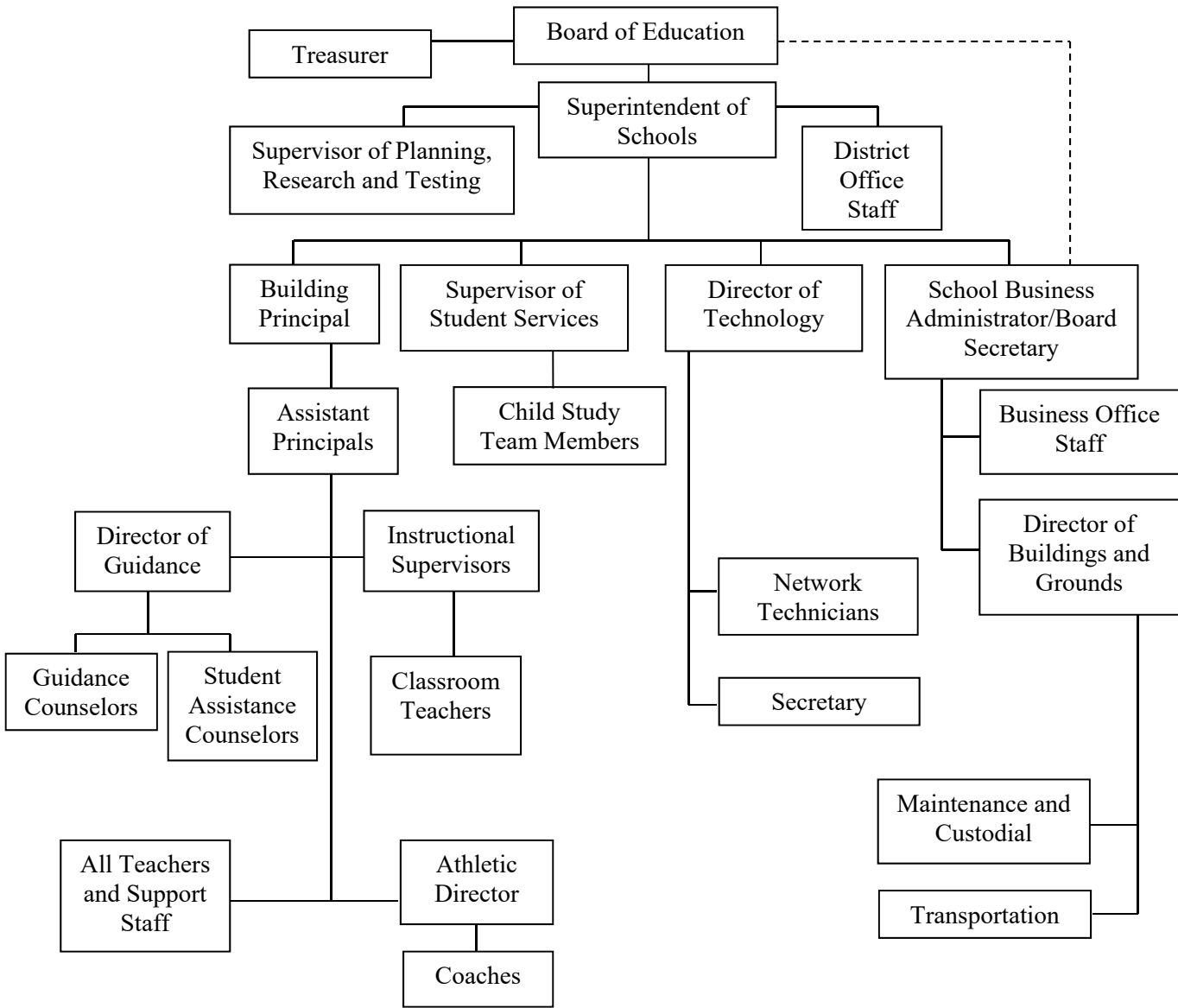


John J. Hurley
Superintendent of Schools



Joseph P. Kelly
Business Administrator/Board Secretary

ORGANIZATIONAL CHART



RUTHERFORD SCHOOL DISTRICT

ROSTER OF OFFICIALS

JUNE 30, 2021

<u>Members of the Board of Education</u>	<u>Term Expires December 31</u>
Dr. Sergio Alati, President	2021
Dennis Mazone, Vice President	2022
Christopher Conti	2022
James Bogosian	2023
Shelly Ahmed	2021
Diane Jones	2023
Greg Recine	2021
Dennis Healey	2023
James Sprayberry	2022

Other Officials

John J. Hurley, Superintendent

Joseph P. Kelly, CPA, Business Administrator / Board Secretary

RUTHERFORD SCHOOL DISTRICT

BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

2021

ARCHITECT

Parette Somjen Architects LLC
439 Route 46 East
Rockaway, NJ 07866

AUDIT FIRM

Bowman & Company LLP
601 White Horse Road
Voorhees, New Jersey 08043

ATTORNEY

Fogarty and Hara
Counselors at Law
1600 Route 208 South
Fair Lawn, NJ 07410

OFFICIAL DEPOSITORIES

BCB Community Bank
591-595 Avenue C
Bayonne, NJ 07002

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Borough of Rutherford School District
Rutherford, New Jersey 07070

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 Borough of Rutherford School District, in the County of Bergen, State of New Jersey, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with 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 Borough of Rutherford School District, in the County of Bergen, State of New Jersey, 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.

Emphasis of Matter

Adoption of New Accounting Principle

As discussed in note 1 to the financial statements, during the fiscal year ended June 30, 2021, the School District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Consistency of Financial Statements

Because of the implementation of GASB Statement No. 84, several funds of the School District that were reported as fiduciary fund types in the prior fiscal year are now reported in governmental activities and governmental fund types. Our opinion is not modified with respect to this matter.

Prior Period Restatement

In addition, because of the implementation of GASB Statement No. 84, net position and fund balance as of July 1, 2020 on the statement of activities and statement of revenues, expenditures, and changes in fund balances have been restated, as discussed in note 19 to the financial statements. Our opinion is not modified with respect to this matter.

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, schedule of the School District's proportionate share of the net pension liability, schedule of the School District's pension contributions, and schedule of changes in the School District's total OPEB liability and related ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Rutherford School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Office of School Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, 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 State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

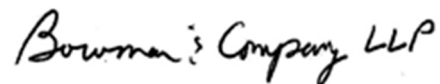
The accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records 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 accompanying combining statements and related major fund supporting statements and schedules and 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 and statistical section listed in the table of contents 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 it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2022 on our consideration of the Borough of Rutherford 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 Borough of Rutherford 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 Borough of Rutherford School District's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Robert S. Marrone
Certified Public Accountant
Public School Accountant No. CS 01113

Voorhees, New Jersey
March 10, 2022

Exhibit K-1

**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

The Honorable President and
Members of the Board of Education
Borough of Rutherford School District
Rutherford, New Jersey 07070

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities and each major fund of the Borough of Rutherford School District, in the County of Bergen, State of New Jersey, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated March 10, 2022. Our report on the financial statements included an emphasis of matter paragraph describing the adoption of a new accounting principle, and additional paragraphs on the consistency of financial statements and prior period restatement resulting from the new accounting principle.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Borough of Rutherford 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 School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Rutherford 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

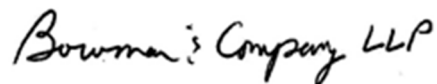
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Rutherford 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 no instances of noncompliance or other matters that are 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.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Robert S. Marrone
Certified Public Accountant
Public School Accountant No. CS 01113

Voorhees, New Jersey
March 10, 2022

REQUIRED SUPPLEMENTARY INFORMATION
PART I

**Rutherford School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021**

As management of the Board of Education of the Borough of Rutherford, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The total assets and deferred outflows of resources of the School District exceeded its total liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$20,536,643 (net position).
- The School District's total net position increased by \$2,392,907 from the prior fiscal year.
- As of the close of the current fiscal year, the School District's governmental funds reported combined ending fund balances of \$35,859,866, a decrease of \$12,719,069 in comparison with the prior year, due to significant expenditures related to the capital projects fund.

Overview of the Basic Financial Statements

This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the School District:

- The first two statements are *government-wide financial statements* that provide both *short-term* and *long-term* information about the School District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the School District, reporting the School District's operations *in more detail* than the government-wide statements.
- *Governmental funds* statements tell how basic services like regular and special education were financed in the *short term* as well as what remains for future spending.
- *Proprietary funds* statements offer *short* and *long-term* financial information about the activities the School District operates *like businesses*, such as food services, the adult school program and the summer music program.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements and notes are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the School District's budget for the year.

Government-Wide Financial Statements

The government-wide statements report information about the School District as a whole using accounting methods similar to those used by the private-sector companies. The statement of net position includes all of the School District's assets, liabilities and deferred outflows and inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

Government-Wide Financial Statements (Cont'd)

The two government-wide statements report the School District's net position and how it has changed. Net position – the difference between the School District's assets and deferred outflows of resources and liabilities and deferred inflows of resources – is one way to measure the School District's financial health or position.

- Increase or decrease in the School District's net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health or position of the School District, you need to consider additional nonfinancial factors such as changes in the School District's property tax base and the condition of school buildings and other facilities.

In the government-wide financial statements, the School District's activities are divided in two categories:

- *Governmental activities* – The basic services, such as instruction for regular and special education, maintenance and operations, transportation and administration are included as government activities. Property taxes, state aid and fund balance appropriated finance most of these activities.
- *Business-type activities* – The School District charges fees to cover the costs of certain services such as the summer music program, adult school program, and food services.

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with finance-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. All of the funds of the School District are divided into two categories: *governmental funds* and *proprietary funds*.

Governmental funds account for essentially the same information reported in the governmental activities of the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financing requirements in the near term.

Since the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Because the focus of each differs, a reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The School District maintains four individual governmental funds. The major funds are the General Fund, the Special Revenue Fund, the Capital Projects Fund and the Debt Service Fund. They are presented separately in the fund financial statements.

The School District adopts an annual appropriated budget for the General Fund, Special Revenue Fund and the Debt Service Fund. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with budgetary requirements.

Proprietary funds are used to present the same functions as the business-type activities presented in the government-wide financial statements. The School District's four enterprise funds (Food Service Fund, Summer Music Program, Before and After Care Program and the Community Education Fund) are listed individually and are considered to be a major fund. The Community Education Fund dissolved operating during the fiscal year 2020-2021. The fund financial statements of the enterprise fund provides the same information as the government-wide financial statements, only in more detail.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains other supplementary information and schedules required by the New Jersey Audit Program, issued by the New Jersey Department of Education.

Government-Wide Financial Analysis

The assets of the School District are classified as current assets and capital assets. Cash, investments, receivables, inventories and prepaid expenses are current assets. These assets are available to provide resources for the near-term operations of the School District. The majority of the current assets are the results of the tax levy and state aid collection process.

Capital assets are used in the operations of the School District. These assets are land, land improvements, buildings and improvements, equipment and vehicles. Capital assets are discussed in greater detail in the section titled, Capital Assets and Debt Administration, elsewhere in this discussion and analysis.

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2021. Long-term liabilities such as long-term debt obligations and compensated absences payable will be liquidated from resources that will become available after fiscal year 2021.

Governmental Activities

The assets and deferred outflows of the government activities exceeded liabilities and deferred inflows by \$20,532,704 with an unrestricted deficit of (\$7,140,061). The unrestricted net position deficit balance was decreased due to the effect of pension related items, the accounting treatment for capital leases, accrued interest payable, the accounting treatment of the June state aid payments received in the subsequent fiscal year and state statutes that prohibit school districts from maintaining more than 4% of its general fund expenditures, with adjustments, as unassigned fund balance.

Business-Type Activities

The assets of the business-type activities exceeded the liabilities by \$3,939 with an unrestricted net position of \$3,939. The unrestricted net position deficit of (\$35,631) as of July 1, 2020 decreased by \$39,570, which included contributions from the Governmental Activities of \$111,397.

Government-Wide Financial Analysis (Cont'd)

Table 1 provides a comparative schedule of the School District's net position for fiscal years ended June 30, 2021 and 2020.

TABLE 1						
NET POSITION						
	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2021</u>	(Restated) <u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	(Restated) <u>2020</u>
Current and Other Assets	\$ 37,991,315	\$ 48,986,900	\$ 258,031	\$ 75,924	\$ 38,249,346	\$ 49,062,823
Capital Assets	49,108,445	35,505,964		1,653	49,108,445	35,507,617
Total Assets	87,099,760	84,492,864	258,031	77,577	87,357,791	84,570,440
Deferred Outflow of Resources:						
Related to Pension	1,736,466	1,706,045			1,736,466	1,706,045
Deferred Loss on Refunding	85,598	97,075			85,598	97,075
Total Deferred Outflows of Resources	1,822,064	1,803,120	-	-	1,822,064	1,803,120
Long-term Liabilities Outstanding	62,344,626	63,789,211			62,344,626	63,789,211
Other Liabilities	2,816,255	1,141,563	254,092	113,207	3,070,347	1,254,770
Total Liabilities	65,160,881	64,930,774	254,092	113,207	65,414,973	65,043,982
Deferred Inflow of Resources - Related to Pensions	3,228,240	3,185,844	-	-	3,228,240	3,185,844
Net Position:						
Net Investment in Capital Assets	22,511,720	22,029,183		1,653	22,511,720	22,030,836
Restricted	5,161,044	4,735,551			5,161,044	4,735,551
Unrestricted (Deficit)	(7,140,061)	(8,585,368)	3,939	(37,284)	(7,136,122)	(8,622,652)
Total Net Position	\$ 20,532,703	\$ 18,179,366	\$ 3,939	\$ (35,631)	\$ 20,536,642	\$ 18,143,735

In the Statement of Net Position, the School District's net investment in capital assets for its governmental and business-type activities as of June 30, 2021, totaled \$22,511,720 (net of related debt and accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, equipment and vehicles. The total increase in the District's capital assets for the current fiscal year was \$13,600,828, or a 38.30% increase. See Table 3, herein.

Government-Wide Financial Analysis (Cont'd)

Table 2 reflects the comparative schedule of changes in net position for fiscal years ended June 30, 2021 and 2020.

TABLE 2						
CHANGES IN NET POSITION						
	Governmental		Business-Type		Total	
	Activities		Activities			
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenues:						
Program Revenues:						
Charges for Services	\$ 415,712	\$ 416,286	\$ 213,252	\$ 96,422	\$ 628,964	\$ 512,708
Operating Grants and Contributions	15,847,006	11,129,418			15,847,006	11,129,418
Capital Grants and Contributions	30,257	16,760			30,257	16,760
General Revenues:						
Property Taxes	46,144,384	43,821,107			46,144,384	43,821,107
Grants and Contributions Restricted and not Restricted to Programs	4,215,387	3,463,376			4,215,387	3,463,376
Other	396,472	446,144	697	317	397,169	446,461
Total Revenues	67,049,218	59,293,091	213,949	96,739	67,263,167	59,389,830
Expenses:						
Instruction	20,727,398	20,691,498			20,727,398	20,691,498
Support Services	41,837,323	36,883,631			41,837,323	36,883,631
Interest on Debt and Related Costs	2,019,763	668,894			2,019,763	668,894
Community Education			12,458	108,306	12,458	108,306
Summer Music				12,000		12,000
Before and After Care			206,924		206,924	
Food Services			66,394	74,156	66,394	74,156
Total Expenses	64,584,484	58,244,023	285,776	194,462	64,870,260	58,438,485
Increase in Net Position before Transfers	2,464,734	1,049,068	(71,827)	(97,723)	2,392,907	951,345
Transfers	(111,397)	(25,000)	111,397	25,000		
Change in Net Position	2,353,337	1,024,068	39,570	(72,723)	2,392,907	951,345
Net Position July 1	18,179,366	16,618,264	(35,631)	37,092	18,143,735	16,655,356
Net Position, June 30, Restatement	20,532,703	17,642,332	3,939	(35,631)	20,536,642	17,606,701
		537,034				537,034
Net Position, June 30 (Restated)	\$ 20,532,703	\$ 18,179,366	\$ 3,939	\$ (35,631)	\$ 20,536,642	\$ 18,143,735

Financial Analysis of the Governmental Funds

As noted earlier, the School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the School District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Financial Analysis of the Governmental Funds (Cont'd)

As of the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$35,859,866, a decrease of \$12,719,069 from the prior year. This decrease is a result of significant capital outlay expenditures related to the District's ongoing capital projects.

The unassigned fund balance for the School District at the end of the fiscal year is \$2,452,672. The assigned fund balance for the School District at the end of the fiscal year consists of \$928,416 assigned for encumbrances. The remainder of the fund balance is restricted to indicate that it is not available for new spending because it has already been committed as follows: 1) appropriated as a revenue source in subsequent years' budgets of \$500,000 and \$532,000 respectively; 2) restricted for capital reserve account \$3,619,198; 3) restricted for debt service \$0.52 and 4) restricted for capital projects \$27,318,212.

The general fund is the chief operating fund of the School District. As discussed earlier, the balance in the unassigned fund balance differs from the budgetary unassigned fund balance due, primarily, to the accounting treatment of the June state aid payments, and state statutes that prohibit New Jersey school districts from maintaining more than 4% of its adopted budget as unassigned fund balance.

General Fund Budgetary Highlights

During the fiscal year 2021, the School District amended its general fund budget as needed. The net change in the total budget modification primarily resulted from appropriation of unbudgeted extraordinary aid and SEMI revenues, and state aid reductions.

At the end of the current fiscal year, unassigned fund balance (budgetary basis) of the general fund was \$2,688,573 while total fund balance (budgetary basis) was \$8,200,699. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance (budgetary basis) and total fund balance (budgetary basis) to total general fund expenditures. Actual (budgetary basis) expenditures of the General Fund including other financing uses amounted to \$54,880,728. Unassigned fund balance (budgetary basis) represents 4.90% of expenditures while total fund balance (budgetary basis) represents 14.94% of that same amount.

Capital Projects Fund

Following a successful public referendum in September 2019, to support building renovations and construction at five of its six school buildings, the Rutherford Board of Education bonded for the entire approved amount of \$45,330,000. These funds have been deposited into a dedicated bank account, and are used solely for the building renovations and construction, currently underway and expect to be completed by October 2022.

Capital Asset and Debt Administration

Table 3 reflects the capital assets net of related depreciation without any debt recognition. Additional information on the School District's capital assets can be found in the notes to the basic financial statements (Note 6) of this report.

TABLE 3		
Capital Assets		
	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Capital Assets (Net of Depreciation):		
Land	\$ 7,502,700	\$ 7,502,700
Construction in Progress	18,007,592	3,438,797
Land Improvements	92,848	105,931
Building and Improvements	22,360,698	23,319,822
Motor Vehicles	326,408	192,852
Furniture, Fixtures and Equipment	818,199	947,515
Net Capital Assets	<u>\$ 49,108,445</u>	<u>\$ 35,507,617</u>

Capital Asset and Debt Administration (Cont'd)

During the fiscal year ended June 30, 2021, the School District had \$52,755,000 in serial bonds payable, which included \$45,330,000 for the aforementioned approved referendum. In addition, the School District had \$1,182,198 in compensated absences payable, as well as \$40,246 of pension deferral related to a previously approved deferral program of the Public Employee Retirement System and \$7,004,419 of net pension liability for the Public Employees Retirement System. This net pension liability occurred as a result of the implementation of GASB No. 68.

All reductions in long-term debt were made according to the payment schedules.

State statutes limit the amount of general obligation debt that the District may issue. At the end of the current fiscal year, the legal debt limit was \$122,302,139 and the legal debt margin was \$69,547,139.

Additional information on the School District's long-term obligations can be found in the notes to the basic financial statements (Note 7) of this report.

Economic Factors and Next Year's Budgets and Rates

The following factors were considered and incorporated into the preparation of the School District's budget for the 2021-2022 fiscal year:

- In preparing the 2021-22 budget, the administration evaluates all planned expenditures annually to determine ongoing need. Salaries are budgeted in accordance with contract terms in effect for the budget year; benefits, utilities and other costs are estimated based on recent experience and other external factors; and capital projects are budgeted based on prioritized need and the best estimate available of project costs.
- For the general operating budget, the School District had a 2% tax levy increase for the 2021-22 budget year. The increase was primarily due to increases in special education costs, including costs to send students to out-of-district facilities, when appropriate services are not available in-district. Other cost drivers contributing to the increase were contracted salary increases, estimated increases to health benefits costs and utilities. In addition, in recognition of the district's aging facilities, amounts were budgeted for building repairs and certain capital projects. These expenditures are to be paid for by the mandated 2.0% cap on tax levy increases as well as certain allowable adjustments to the tax levy. In the future, any such allowable adjustments may not be available to the district for future needs.
- The Rutherford School District has committed itself to strong financial controls. The School District spends a lot of time monitoring its budget, scrutinizing spending requests, and has been implementing even stronger internal controls. The School District commits itself to constantly reviewing the ways in which it conducts business, and making improvements whenever possible, in order to meet future challenges and maximize instructional spending.

Requests for Information

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Rutherford School District Business Administrator, 176 Park Avenue, Rutherford, New Jersey, 07070 (201-438-7675).

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

RUTHERFORD SCHOOL DISTRICT
Statement of Net Position
June 30, 2021

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 4,982,704.59	\$ 248,132.41	\$ 5,230,837.00
Receivables, net	2,881,623.74	9,899.10	2,891,522.84
Restricted Cash and Cash Equivalents	30,126,986.77		30,126,986.77
Capital Assets, net (Note 6)	49,108,445.36		49,108,445.36
Total Assets	87,099,760.46	258,031.51	87,357,791.97
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	1,736,466.00		1,736,466.00
Deferred Loss on Refunding	85,598.34		85,598.34
Total Deferred Outflows	1,822,064.34	-	1,822,064.34
LIABILITIES:			
Accounts Payable:			
Related to Pensions	488,965.00		488,965.00
Other	1,533,172.25	12,493.06	1,545,665.31
Payroll Deductions and Withholdings	48,956.28		48,956.28
Unemployment Compensation Claims Payable	42,482.56		42,482.56
Payable to State Government	55,354.00		55,354.00
Internal Balances	(183,399.40)	183,399.40	
Accrued Interest Payable	195,841.37		195,841.37
Unearned Revenue	634,883.27	58,200.00	693,083.27
Noncurrent Liabilities (Note 7):			
Due within One Year	2,320,558.53		2,320,558.53
Due beyond One Year	60,024,067.37		60,024,067.37
Total Liabilities	65,160,881.23	254,092.46	65,414,973.69
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	3,228,240.00		3,228,240.00
NET POSITION:			
Net Investment in Capital Assets	22,511,720.24		22,511,720.24
Restricted for:			
Debt Service	0.52		0.52
Capital Projects	3,619,675.74		3,619,675.74
Other Purposes	1,541,367.59		1,541,367.59
Unrestricted (Deficit)	(7,140,060.52)	3,939.05	(7,136,121.47)
Total Net Position	\$ 20,532,703.57	\$ 3,939.05	\$ 20,536,642.62

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

RUTHERFORD SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2021

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 16,482,572.69	\$ 208,440.22	\$ 59,827.20		\$ (16,214,305.27)		\$ (16,214,305.27)
Special Education	2,240,673.50		848,628.37	\$ 30,257.00	(1,361,788.13)		(1,361,788.13)
School Sponsored Activities	824,983.91				(824,983.91)		(824,983.91)
Other Instruction	1,179,167.78				(1,179,167.78)		(1,179,167.78)
Support Services:							
Tuition	4,366,901.21				(4,366,901.21)		(4,366,901.21)
Student and Instruction Related Services	5,167,679.41	207,271.32	360,810.54		(4,599,597.55)		(4,599,597.55)
School Administrative Services	2,841,967.64				(2,841,967.64)		(2,841,967.64)
Business Administrative Services	666,366.94				(666,366.94)		(666,366.94)
Central Services	801,711.08				(801,711.08)		(801,711.08)
Administrative Information Technology	314,362.48				(314,362.48)		(314,362.48)
Plant Operations and Maintenance	3,995,355.29				(3,995,355.29)		(3,995,355.29)
Pupil Transportation	1,585,350.07				(1,585,350.07)		(1,585,350.07)
Unallocated Benefits	20,729,820.06		14,577,740.28		(6,152,079.78)		(6,152,079.78)
Transfer to Charter School	12,240.00				(12,240.00)		(12,240.00)
Interest on Long-Term Debt	2,019,763.14				(2,019,763.14)		(2,019,763.14)
Unallocated Depreciation	1,355,569.49				(1,355,569.49)		(1,355,569.49)
Total Governmental Activities	64,584,484.69	415,711.54	15,847,006.39	30,257.00	(48,291,509.76)	-	(48,291,509.76)
Business-Type Activities:							
Food Service	66,393.96	37,192.05				\$ (29,201.91)	(29,201.91)
Before and After Care	206,924.18	175,190.40				(31,733.78)	(31,733.78)
Community Education	12,457.93	869.30				(11,588.63)	(11,588.63)
Total Business-Type Activities	285,776.07	213,251.75	-	-	-	(72,524.32)	(72,524.32)
Total Government	\$ 64,870,260.76	\$ 628,963.29	\$ 15,847,006.39	\$ 30,257.00	(48,291,509.76)	(72,524.32)	(48,364,034.08)
General Revenues and Transfers:							
Taxes:							
Property Taxes, Levied for General Purposes, net					43,340,827.00		43,340,827.00
Taxes Levied for Debt Service					2,803,557.00		2,803,557.00
Federal and State Aid not Restricted					4,215,387.44		4,215,387.44
Transfers					(111,396.81)	111,396.81	
Miscellaneous Income					396,472.08	697.21	397,169.29
Total General Revenues and Transfers					50,644,846.71	112,094.02	50,756,940.73
Change in Net Position					2,353,336.95	39,569.70	2,392,906.65
Net Position - July 1 (Deficit)					17,642,332.34	(35,630.65)	17,606,701.69
Prior Period Adjustment					537,034.28		537,034.28
Net Position - July 1 (Deficit), Restated					18,179,366.62	(35,630.65)	18,143,735.97
Net Position - June 30					\$ 20,532,703.57	\$ 3,939.05	\$ 20,536,642.62

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

FUND FINANCIAL STATEMENTS

RUTHERFORD SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 5,221,182.61	\$ 354,746.76	\$ 29,533,761.47	\$ 0.52	\$ 35,109,691.36
Receivables from Other Governments	1,181,336.14	700,201.69	977,320.69		2,858,858.52
Other Receivables	22,765.22				22,765.22
Interfund Receivables	2,463,784.44				2,463,784.44
Total Assets	\$ 8,889,068.41	\$ 1,054,948.45	\$ 30,511,082.16	\$ 0.52	\$ 40,455,099.54
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 540,330.55	\$ 56,832.22	\$ 936,009.48		\$ 1,533,172.25
Interfunds Payable	23,524.78		2,256,860.26		2,280,385.04
Payroll Deductions and Withholdings	48,956.28				48,956.28
Unemployment Compensation Claims Payable	42,482.56				42,482.56
Payable to State Government		55,354.00			55,354.00
Unearned Revenue	33,075.00	601,808.27			634,883.27
Total Liabilities	688,369.17	713,994.49	3,192,869.74	-	4,595,233.40
Fund Balances:					
Restricted:					
Capital Reserve	3,619,197.74				3,619,197.74
Unemployment Compensation	168,413.63				168,413.63
Excess Surplus - Current Year	500,000.00				500,000.00
Excess Surplus - Designated for Subsequent Year's Expenditures	532,000.00				532,000.00
Capital Projects			27,318,212.42		27,318,212.42
Debt Service				\$ 0.52	0.52
Student Activities		242,494.30			242,494.30
Scholarships		98,459.66			98,459.66
Assigned:					
Other Purposes	928,416.31				928,416.31
Unassigned	2,452,671.56				2,452,671.56
Total Fund Balances	8,200,699.24	340,953.96	27,318,212.42	0.52	35,859,866.14
Total Liabilities and Fund Balances	\$ 8,889,068.41	\$ 1,054,948.45	\$ 30,511,082.16	\$ 0.52	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$96,239,937.17 and the accumulated depreciation is \$47,131,491.81.	49,108,445.36
Interest on long-term debt in the statement of activities is accrued, regardless of when due.	(195,841.37)
Deferred loss on refundings are not financial resources and therefore are not reported in the funds.	85,598.34
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.	(55,340,206.90)
Net Pension Liability	(7,004,419.00)
Accounts Payable related to the April 1, 2022 Required PERS pension contribution that is not to be liquidated with current financial resources.	(488,965.00)
Deferred Outflows of Resources - Related to Pensions	1,736,466.00
Deferred Inflows of Resources - Related to Pensions	(3,228,240.00)
Net Position of Governmental Activities	\$ 20,532,703.57

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

RUTHERFORD SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Tax Levy	\$ 43,340,827.00			\$ 2,803,557.00	\$ 46,144,384.00
Tuition Charges	208,440.22				208,440.22
Miscellaneous	396,472.08				396,472.08
Local Sources		\$ 272,948.52			272,948.52
State Sources	12,543,803.28	136,051.80		365,238.00	13,045,093.08
Federal Sources	37,152.26	1,082,740.29			1,119,892.55
Total Revenues	56,526,694.84	1,491,740.61	-	3,168,795.00	61,187,230.45
EXPENDITURES:					
Regular Instruction	16,492,859.33	44,411.07			16,537,270.40
Special Education Instruction	1,394,075.62	848,628.37			2,242,703.99
School Sponsored Activities	825,731.51				825,731.51
Other Instruction	1,180,236.34				1,180,236.34
Support Services and Undistributed Costs:					
Tuition	4,370,858.48				4,370,858.48
Student and Instruction Related Services	4,588,610.85	583,751.49			5,172,362.34
General Administration	725,940.42				725,940.42
School Administrative Services	2,825,872.06				2,825,872.06
Central Services	802,437.59				802,437.59
Administrative Information Technology	314,647.35				314,647.35
Plant Operations and Maintenance	3,913,906.78				3,913,906.78
Pupil Transportation	1,515,053.87				1,515,053.87
Unallocated Benefits	6,445,424.97				6,445,424.97
Reimbursed TPAF Pension and Social Security	8,715,752.28				8,715,752.28
Transfer of Funds to Charter Schools	12,240.00				12,240.00
Debt Service:					
Principal				995,000.00	995,000.00
Interest				2,173,794.48	2,173,794.48
Capital Outlay	644,383.80	30,257.00	\$ 14,573,468.79		15,248,109.59
Total Expenditures	54,768,031.25	1,507,047.93	14,573,468.79	3,168,794.48	74,017,342.45
Excess (Deficiency) of Revenues over (under) Expenditures	1,758,663.59	(15,307.32)	(14,573,468.79)	0.52	(12,830,112.00)
OTHER FINANCING SOURCES (USES):					
Operating Transfers Out	(112,697.06)				(112,697.06)
Assets Acquired under Capital Lease	223,740.00				223,740.00
Total Other Financing Sources and Uses	111,042.94	-	-	-	111,042.94
Net Change in Fund Balances	1,869,706.53	(15,307.32)	(14,573,468.79)	0.52	(12,719,069.06)
Fund Balance - July 1	6,150,219.71		41,891,681.21		48,041,900.92
Prior Period Adjustments	180,773.00	356,261.28			537,034.28
Fund Balance - July 1 (Restated)	6,330,992.71	356,261.28	41,891,681.21	-	48,578,935.20
Fund Balance - June 30	\$ 8,200,699.24	\$ 340,953.96	\$ 27,318,212.42	\$ 0.52	\$ 35,859,866.14

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

RUTHERFORD SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Fiscal Year Ended June 30, 2021

Total Net Change in Fund Balances - Governmental Funds		\$ (12,719,069.06)
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.		
Depreciation Expense	\$ (1,646,928.34)	
Capital Outlays	<u>15,248,109.59</u>	
		13,601,181.25
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		
		995,000.00
Governmental funds report the effect of premiums, discounts and similar items when long-term debt (bonds) are first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of the amortized premium and the deferral of pension in the treatment of long-term debt and related items.		
Pension Deferral	8,049.20	
Amortization of Loss on Refunding Bonds	(11,476.88)	
Amortization of Bond Premiums	<u>97,287.84</u>	
		93,860.16
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. (+)		
		67,876.97
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
		36,601.61
Asset acquired under capital leases do not affect the Statement of Net Position, however, are reported as a financing source in the governmental funds.		
		(223,740.00)
Repayment of capital leases is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of Net Position and is not reported in the Statement of Activities.		
		215,029.77
Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceed the School District's pension contributions in the current period.		
		<u>285,296.00</u>
Change in Net Position of Governmental Activities		<u>\$ 2,352,036.70</u>

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

RUTHERFORD SCHOOL DISTRICT
Proprietary Funds
Statement of Net Position
June 30, 2021

	Business Type Activities - Enterprise Funds			<u>Total</u>
	<u>Food Service</u>	<u>Before and After Care</u>	<u>Summer Music Program</u>	
ASSETS:				
Current Assets:				
Cash and Cash Equivalents	\$ 20,285.88	\$ 223,877.87	\$ 3,968.66	\$ 248,132.41
Accounts Receivable:				
Other		9,899.10		9,899.10
Interfunds Accounts Receivable:				
Due General Fund			23,524.78	23,524.78
Total Assets	<u>20,285.88</u>	<u>233,776.97</u>	<u>27,493.44</u>	<u>281,556.29</u>
LIABILITIES:				
Current Liabilities:				
Accounts Payable	12,493.06			12,493.06
Interfunds Accounts Payable:				
Due General Fund		206,924.18		206,924.18
Unearned Revenue		58,200.00		58,200.00
Total Liabilities	<u>12,493.06</u>	<u>265,124.18</u>	<u>-</u>	<u>277,617.24</u>
NET POSITION:				
Unrestricted (Deficit)	<u>7,792.82</u>	<u>(31,347.21)</u>	<u>27,493.44</u>	<u>3,939.05</u>
Total Net Position (Deficit)	<u>\$ 7,792.82</u>	<u>\$ (31,347.21)</u>	<u>\$ 27,493.44</u>	<u>\$ 3,939.05</u>

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

RUTHERFORD SCHOOL DISTRICT
Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended June 30, 2021

	Business Type Activities - Enterprise Funds				Total
	Food Service	Community Education	Before and After Care	Summer Music Program	
OPERATING REVENUES:					
Charges for Services:					
Daily Sales - Non-Reimbursable Programs:					
School Lunch Program	\$ 37,192.05				\$ 37,192.05
Miscellaneous		\$ 869.30			869.30
Community Service Activities			\$ 175,190.40		175,190.40
Total Operating Revenues	37,192.05	869.30	175,190.40	-	213,251.75
OPERATING EXPENSES:					
Salaries		9,900.00	186,645.87		196,545.87
Employee Benefits			14,278.41		14,278.41
Other Purchased Services		2,205.00			2,205.00
Supplies and Materials	5,465.00		5,999.90		11,464.90
Depreciation		352.93			352.93
Miscellaneous	237.96				237.96
Cost of Sales - Non-Reimbursable Programs	60,691.00				60,691.00
Total Operating Expenses	66,393.96	12,457.93	206,924.18	-	285,776.07
Operating Income (Loss)	(29,201.91)	(11,588.63)	(31,733.78)	-	(72,524.32)
NONOPERATING REVENUES (EXPENSES):					
Interest Revenue	58.57	252.07	386.57		697.21
Net Income (Loss) Before Contributions and Transfers	(29,143.34)	(11,336.56)	(31,347.21)	-	(71,827.11)
CONTRIBUTIONS AND TRANSFERS:					
Operating Transfers Out - Governmental Activities		(1,300.25)			(1,300.25)
Operating Transfers In - General Fund	25,000.00	87,697.06			112,697.06
Total Contributions and Transfers	25,000.00	86,396.81	-	-	111,396.81
Change in Net Position	(4,143.34)	75,060.25	(31,347.21)	-	39,569.70
Net Position (Deficit) - July 1	11,936.16	(75,060.25)		\$ 27,493.44	(35,630.65)
Net Position (Deficit) - June 30	\$ 7,792.82	\$ -	\$ (31,347.21)	\$ 27,493.44	\$ 3,939.05

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

RUTHERFORD SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2021

	Business Type Activities - Enterprise Funds				Total
	Food Service	Community Education	Before and After Care	Summer Music Program	
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from Customers	\$ 37,192.05	\$ 524.30	\$ 223,491.30		\$ 261,207.65
Payments to Employees			(186,645.87)		(186,645.87)
Payments for Employee Benefits			(14,278.41)		(14,278.41)
Payments to Suppliers and Other Operating Payments	(73,376.40)	(705.00)	(5,999.90)		(80,081.30)
Net Cash Provided by (Used for) Operating Activities	(36,184.35)	(180.70)	16,567.12	-	(19,797.93)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:					
Subsidies and Transfers to (from) Other Funds	50,000.00	(65,614.60)	206,924.18		191,309.58
Net Cash Provided by (Used for) Non-Capital Financing Activities	50,000.00	(65,614.60)	206,924.18	-	191,309.58
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest and Dividends	58.57	252.07	386.57		697.21
Net Cash Provided by (Used for) Investing Activities	58.57	252.07	386.57	-	697.21
Net Increase (Decrease) in Cash and Cash Equivalents	13,874.22	(65,543.23)	223,877.87	-	172,208.86
Cash and Cash Equivalents - July 1	6,411.66	65,543.23	-	\$ 3,968.66	75,923.55
Cash and Cash Equivalents - June 30	<u>\$ 20,285.88</u>	<u>\$ -</u>	<u>\$ 223,877.87</u>	<u>\$ 3,968.66</u>	<u>\$ 248,132.41</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Operating Income (Loss)	\$ (29,201.91)	\$ (11,588.63)	\$ (31,733.78)	-	\$ (72,524.32)
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used for) Operating Activities:					
Depreciation and Net Amortization		352.93			352.93
(Increase) Decrease in Accounts Receivable, net			(9,899.10)		(9,899.10)
Increase (Decrease) in Accounts Payable	(6,982.44)				(6,982.44)
Increase (Decrease) in Interfund Accounts Payable		12,385.00			12,385.00
Increase (Decrease) in Unearned Revenue		(1,330.00)	58,200.00		56,870.00
Total Adjustments	(6,982.44)	11,407.93	48,300.90	-	52,726.39
Net Cash Provided by (Used for) Operating Activities	<u>\$ (36,184.35)</u>	<u>\$ (180.70)</u>	<u>\$ 16,567.12</u>	<u>\$ -</u>	<u>\$ (19,797.93)</u>

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

RUTHERFORD SCHOOL DISTRICT
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2021

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Rutherford School District (the "School District") have been prepared to conform with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant of these policies.

Description of the Financial Reporting Entity

The School District is a Type II district located in the County of Bergen, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades pre-K through 12 at its five schools. The School District has an approximate enrollment at June 30, 2021 of 2,512.

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board *Codification of Governmental Accounting and Financial Reporting Standards*, is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The financial statements include all funds of the School District over which the Board exercises operating control.

Component Units

In evaluating how to define the School District for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statement No. 14, *The Financial Reporting Entity*, as amended. Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and / or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Component Units (Cont'd)**

Based upon the application of these criteria, the School District has determined that the following organization is considered a component unit, and is not significant.

Rutherford Education Foundation
P.O. Box 246
Rutherford, New Jersey 07070

Complete financial statements of the individual component units can be obtained from their administrative offices.

Government-wide and Fund Financial Statements

The School District's basic financial statements consist of government-wide statements, and fund financial statements which provide a more detailed level of financial information.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the government. 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.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. It is the policy of the School District to not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges 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 and other items not properly included among program revenues are reported instead as general revenues.

In regards to the fund financial statements, the School District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Fund financial statements report detailed information about the School District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a single column.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Property taxes are recognized as revenues in the year for which they are levied. The Bergen County Board of Taxation is responsible for the assessment of properties, and the respective municipal tax collector is responsible for the collection of property taxes. Assessments are certified and property taxes are levied on January 1. Property tax payments are due February 1, May 1, August 1 and November 1. Unpaid property taxes are considered delinquent the following January 1 and are then subject to municipal lien. In accordance with New Jersey State Statute, the School District is entitled to receive moneys under an established payment schedule, and any unpaid amount is considered as an accounts receivable. The governing body of each municipality is required to pay over to the School District, within forty (40) days after the beginning of the school year, twenty percent (20%) of the moneys from school tax due.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

Thereafter, but prior to the last day of the school year, the municipality must pay the balance of moneys from school tax due for school purposes in such amounts as requested, with certain limitations, from time to time by the School District, within thirty days after each request.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are deemed both available and measurable. Available means when revenues are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal year. Measurable means that the amount of revenue can be determined. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, tuition, reimbursable-type grants, and interest associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the School District.

The School District reports the following major governmental funds:

General Fund - The general fund is the primary operating fund of the School District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment classified in the capital outlay sub-fund.

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, ad valorem tax revenues, and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to, or remodeling of buildings, and the purchase of built-in equipment.

Special Revenue Fund - The special revenue fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Capital Projects Fund - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes, serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, or from the general fund by way of transfers from capital outlay or the capital reserve account.

Debt Service Fund - The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

Proprietary funds are used to account for the School District's ongoing organizations and activities, which are operated and financed in a manner similar to those found in the private sector. The measurement focus is upon the determination of net income. 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. All items not meeting this definition are reported as nonoperating revenues and expenses.

The School District reports the following major proprietary funds:

Enterprise Funds

Food Service Fund - This fund accounts for the financial transactions related to the food service operations of the School District.

Summer Music Program Fund - This fund accounts for the financial activity related to providing summer music lessons to students.

Community Education Fund - This fund accounts for the financial activity related to providing adult school activities within the School District. The Community Education Fund ceased operations during the fiscal year ended June 30, 2021.

Before and After Care Fund - This fund accounts for the financial activity related to providing day care services for School District students before and after school.

As a rule, the effect of internal/interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges 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.

Budgets / Budgetary Control

Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds, and are submitted to the county office of education. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012, to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2(f)1. Transfers of appropriations may be made by school board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only, and the special revenue fund. N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Budgets / Budgetary Control (Cont'd)**

Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

The accounting records of the special revenue fund are maintained on the budgetary basis. The budgetary basis differs from GAAP in that the 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 budget, as detailed on exhibit C-1, exhibit C-2, and exhibit I-3, includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting, as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule, to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances - governmental funds. Note that the School District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows the modified accrual basis of accounting, with the exception of the aforementioned revenue recognition policy for the one or more June state aid payments.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to assign a portion of the applicable appropriation, is utilized for budgetary control purposes. Encumbrances are a component of fund balance at fiscal year-end as they do not constitute expenditures or liabilities, but rather commitments related to unperformed contracts for goods and services. Open encumbrances in the governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, are reflected on the balance sheet as unearned revenues at fiscal year-end.

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

Cash, Cash Equivalents and Investments

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Cash, Cash Equivalents and Investments (Cont'd)**

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

Inventories

Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out method.

The cost of inventories in the governmental fund financial statements is recorded as expenditures when purchased rather than when consumed.

Inventories recorded on the government-wide financial statements and in the proprietary fund types are recorded as expenses when consumed rather than when purchased.

Tuition Receivable

Tuition charges were established by the School District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

Prepaid Expenses

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2021. The School District had no prepaid expenses for the fiscal year ended June 30, 2021.

In the governmental fund financial statements, however, payments for prepaid items are fully recognized as expenditures in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required (*non-allocation method*). This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

Short-Term Interfund Receivables / Payables

Short-term interfund receivables / payables (internal balances) represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund within the School District, and that are due within one year. Such balances are eliminated in the statement of net position to minimize the grossing up of internal balances, thus leaving a net amount due between the governmental and business-type activities that are eliminated in the total government column.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Capital Assets**

Capital assets represent the cumulative amount of capital assets owned by the School District. Purchased capital assets are recorded as expenditures in the governmental fund financial statements and are capitalized at cost on the government-wide statement of net position and proprietary fund statement of net position. In the case of gifts or contributions, such capital assets are recorded at acquisition value at the time received.

The School District's capitalization threshold is \$2,000.00. Other costs incurred for repairs and maintenance is expensed as incurred. All reported capital assets, except land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Furniture, Fixtures and Equipment	5 - 20 Years
Motor Vehicles	4 - 10 Years
Buildings and Improvements	10 - 50 Years
Land Improvements	10 - 20 Years

The School District does not possess any infrastructure assets.

Deferred Outflows of Resources and Deferred Inflows of Resources

The statement of net position reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources, reported after total assets, represents a reduction of net position that applies to a future period(s) and will be recognized as an outflow of resources (expense) at that time. Deferred inflows of resources, reported after total liabilities, represents an acquisition of net position that applies to a future period(s) and will be recognized as an inflow of resources (revenue) at that time.

Transactions are classified as deferred outflows of resources and deferred inflows of resources only when specifically prescribed by the Governmental Accounting Standards Board (GASB) standards. The School District is required to report the following as deferred outflows of resources and deferred inflows of resources: loss on refunding of debt, defined benefit pension plans, and postemployment benefit plans.

Tuition Payable

Tuition charges for the fiscal years ended June 30, 2021 and 2020 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measurable and the School District is eligible to realize the revenue.

Accrued Salaries and Wages

Certain School District employees who provide services to the School District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Compensated Absences**

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

The School District uses the vesting method to calculate the compensated absences amount. The entire compensated absence liability, including the employer's share of applicable taxes, is reported on the government-wide financial statements. The portion related to employees in the proprietary funds is recorded at the fund level. The current portion is the amount estimated to be used in the following fiscal year. Expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of employee resignations and retirements. Compensated absences not recorded at the fund level represent a reconciling item between the fund level and government-wide presentations.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner, and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the governmental fund financial statements when due.

Bond Discounts / Premiums

Bond discounts / premiums arising from the issuance of long-term debt (bonds) are amortized over the life of the bonds, in systematic and rational method, as a component of interest expense. Bond discounts / premiums are presented as an adjustment of the face amount of the bonds on the government-wide statement of net position and on the proprietary fund statement of net position.

Net Position

Net position represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified into the following three components:

Net Investment in Capital Assets - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

Restricted - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Unrestricted - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Fund Balance**

The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

Restricted - The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

Assigned - The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. Such authority of the business administrator is established by way of a formal job description for the position and standard operating procedures, approved by the Board of Education.

Unassigned - The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the School District to spend restricted fund balances first. Moreover, when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures / expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources / uses in governmental funds and after non-operating revenues / expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures / expenses to the funds that initially paid for them are not presented on the financial statements.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Accounting Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Impact of Recently Issued Accounting Principles**Recently Issued and Adopted Accounting Pronouncements**

The School District implemented the following GASB Statement for the fiscal year ended June 30, 2021:

Statement No. 84, *Fiduciary Activities*. The primary 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 establishes 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.

Because of the implementation of Statement No. 84, the School District has determined that certain activities that were previously reported in the fiduciary fund now meet the criteria for reporting as governmental activities. As a result, net position and certain fund balances reported as of July 1, 2020 have been restated (note 19).

Recently Issued Accounting Pronouncements

The GASB has issued the following Statement that will become effective for the School District for fiscal years ending after June 30, 2021:

Statement No. 87, *Leases*. 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. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Statement will become effective for the School District in the fiscal year ending June 30, 2022. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the School District.

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds, salary withholdings, and student activity funds, or funds that may pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of June 30, 2021, the School District's bank balances of \$37,817,556.55 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 37,426,489.02
Uninsured and Uncollateralized	<u>391,067.53</u>
Total	<u><u>\$ 37,817,556.55</u></u>

Note 3: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District by inclusion of \$170,000.00 on October 2, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan ("LRFP"). Upon submission of the LRFP to the Department, a school 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 fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A school district may also appropriate additional amounts when the express approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Note 3: CAPITAL RESERVE ACCOUNT (CONT'D)

The activity of the capital reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance, July 1, 2020		\$ 3,093,939.89
Increased by:		
Interest Earnings	\$ 16,062.71	
Deposits:		
Board Resolution (June 28, 2021)	909,899.29	
Transfer from Capital Outlay	<u>401,681.85</u>	
		<u>1,327,643.85</u>
		4,421,583.74
Decreased by:		
Withdrawals:		
Budgeted Transfer to Capital Outlay		<u>802,386.00</u>
Ending Balance, June 30, 2021		<u><u>\$ 3,619,197.74</u></u>

The June 30, 2021 LRFP balance of local support costs of uncompleted projects at June 30, 2021 is \$22,895,892.00. The withdrawals from the capital reserve were for use in a Department of Education approved facilities projects, consistent with the School District's LRFP.

Note 4: TRANSFERS FROM CAPITAL RESERVE TO CAPITAL OUTLAY

During the fiscal year ended June 30, 2021, the School District transferred \$802,386.00 to the capital outlay accounts. The transfer was made from the capital reserve account to supplement a capital project previously approved by the voters in the budget certified for taxes pursuant to N.J.A.C. 6A:23A-8.4.

Note 5: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2021 consisted of accounts (fees for services) and intergovernmental awards / grants. All receivables are considered collectible in full due to the stable condition of federal and state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey.

Note 5: ACCOUNTS RECEIVABLE (CONT'D)

Accounts receivable as of fiscal year end for the School District's individual major funds, in the aggregate, are as follows:

<u>Description</u>	<u>Governmental Funds</u>			<u>Total Governmental Activities</u>	<u>Business Type Activities - Proprietary Fund</u>	<u>Total</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>		<u>Before and After Care Fund</u>	
Federal Awards		\$697,424.69		\$ 697,424.69		\$ 697,424.69
State Awards	\$ 1,181,336.14	2,777.00	\$977,320.69	2,161,433.83		2,161,433.83
Tuition Charges	22,765.22			22,765.22		22,765.22
Provided Services					\$ 9,899.10	9,899.10
Total	\$ 1,204,101.36	\$ 700,201.69	\$ 977,320.69	\$ 2,881,623.74	\$ 9,899.10	\$ 2,891,522.84

Note 6: CAPITAL ASSETS

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

	<u>Balance July 1, 2020</u>	<u>Increases</u>	<u>Transfers and Adjustments</u>	<u>Balance June 30, 2021</u>
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 7,502,700.00			\$ 7,502,700.00
Construction in Progress	3,438,796.79	\$ 14,568,794.79		18,007,591.58
Total Capital Assets, not being Depreciated	10,941,496.79	14,568,794.79	-	25,510,291.58
Capital Assets, being Depreciated:				
Land Improvements	960,112.50			960,112.50
Buildings and Improvements	64,089,412.22	338,747.80		64,428,160.02
Furniture, Fixtures and Equipment	4,315,198.40	135,343.00	\$ 2,229.00	4,452,770.40
Motor Vehicles	683,378.67	205,224.00		888,602.67
Total Capital Assets, being Depreciated	70,048,101.79	679,314.80	2,229.00	70,729,645.59
Total Capital Assets, Cost	80,989,598.58	15,248,109.59	2,229.00	96,239,937.17
Less Accumulated Depreciation for:				
Land Improvements	(854,181.19)	(13,083.21)		(867,264.40)
Buildings and Improvements	(40,769,590.74)	(1,297,870.99)		(42,067,461.73)
Furniture, Fixtures and Equipment	(3,369,336.43)	(264,306.25)	(928.75)	(3,634,571.43)
Motor Vehicles	(490,526.36)	(71,667.89)		(562,194.25)
Total Accumulated Depreciation	(45,483,634.72)	(1,646,928.34)	(928.75)	(47,131,491.81)
Total Capital Assets, being Depreciated, Net	24,564,467.07	(967,613.54)	1,300.25	23,598,153.78
Governmental Activities Capital Assets, Net	\$ 35,505,963.86	\$ 13,601,181.25	1,300.25	\$ 49,108,445.36

Note 6: CAPITAL ASSETS (CONT'D)

Capital asset activity for the fiscal year ended June 30, 2021 is as follows (cont'd):

	<u>Balance</u> <u>July 1, 2020</u>	<u>Increases</u>	<u>Transfers</u> <u>and</u> <u>Adjustments</u>	<u>Balance</u> <u>June 30, 2021</u>
Business-Type Activities:				
Capital Assets, being Depreciated:				
Furniture, Fixtures and Equipment	\$ 2,229.00		\$ (2,229.00)	
Less Accumulated Depreciation for:				
Furniture, Fixtures and Equipment	(575.82)	\$ (352.93)	928.75	
Business-Type Activities Capital Assets, Net	<u>\$ 1,653.18</u>	<u>\$ (352.93)</u>	<u>\$ (1,300.25)</u>	<u>\$ -</u>

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

Governmental Activities:	
Regular Instruction	\$ 116,044.85
Other Administrative Services	18,654.05
Plant Operations and Maintenance	84,992.06
Pupil Transportation	71,667.89
Unallocated	<u>1,355,569.49</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,646,928.34</u>
Business-Type Activities:	
Community Education	<u>\$ 352.93</u>

Note 7: LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2021, the following changes occurred in long-term obligations for governmental activities:

	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2021</u>	<u>Due within</u> <u>One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 53,750,000.00		\$ (995,000.00)	\$ 52,755,000.00	\$ 2,130,000.00
Add Amounts:					
Issuance Premiums	1,002,535.14		(97,287.84)	905,247.30	
Total Bonds Payable	<u>54,752,535.14</u>	<u>-</u>	<u>(1,092,287.84)</u>	<u>53,660,247.30</u>	<u>2,130,000.00</u>
Other Liabilities:					
Obligations under Capital Lease	448,805.62	\$ 223,740.00	(215,029.77)	457,515.85	152,706.43
Compensated Absences	1,218,799.36	3,663.49	(40,265.10)	1,182,197.75	29,802.90
Pension (PERS) Payment Deferral	48,295.20		(8,049.20)	40,246.00	8,049.20
Net Pension Liability	7,320,776.00	4,617,927.00	(4,934,284.00)	7,004,419.00	
Total Other Liabilities	<u>9,036,676.18</u>	<u>4,845,330.49</u>	<u>(5,197,628.07)</u>	<u>8,684,378.60</u>	<u>190,558.53</u>
Governmental Activities Long-Term Liabilities	<u>\$ 63,789,211.32</u>	<u>\$ 4,845,330.49</u>	<u>\$ (6,289,915.91)</u>	<u>\$ 62,344,625.90</u>	<u>\$ 2,320,558.53</u>

Note 7: LONG-TERM LIABILITIES (CONT'D)

The bonds payable are generally liquidated by the debt service fund, while the obligations under capital lease, compensated absences, pension deferral and net pension liability are liquidated by the general fund.

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

On November 22, 2016, the School District issued \$11,115,000.00 of refunding bonds at interest rates varying from 4.00% to 5.00% to refund the callable bonds of the 2006 and 2007 issues. The final maturity of these bonds is January 15, 2028. The bonds will be paid from property taxes.

On December 19, 2019, the School District issued \$45,330,000.00 of school bonds at interest rates varying from 2.50% to 3.00% for various construction and renovation projects. The final maturity of these bonds is December 15, 2044. The bonds will be paid from property taxes and state aid.

Principal and interest due on bonds outstanding is as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 2,130,000.00	\$ 1,520,500.00	\$ 3,650,500.00
2023	2,175,000.00	1,451,800.00	3,626,800.00
2024	2,180,000.00	1,381,300.00	3,561,300.00
2025	2,215,000.00	1,309,975.00	3,524,975.00
2026	2,215,000.00	1,238,625.00	3,453,625.00
2027-2031	11,040,000.00	5,100,650.00	16,140,650.00
2032-2036	11,000,000.00	3,627,250.00	14,627,250.00
2037-2041	11,000,000.00	2,134,000.00	13,134,000.00
2042-2045	8,800,000.00	528,000.00	9,328,000.00
Total	<u>\$ 52,755,000.00</u>	<u>\$ 18,292,100.00</u>	<u>\$ 71,047,100.00</u>

Bonds Authorized but not Issued - As of June 30, 2021, the School District had no authorizations to issue additional bonded debt.

Obligations under Capital Lease - The School District is leasing copiers and computer equipment with a total cost of \$1,078,302.27 under capital leases. All capital leases are for terms of four to six years. Capital leases are depreciated in a manner consistent with the School District's depreciation policy for owned assets.

Note 7: LONG-TERM LIABILITIES (CONT'D)

Obligations under Capital Lease (Cont'd) - The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2021.

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 152,706.43	\$ 9,737.95	\$ 162,444.38
2023	135,736.58	6,075.80	141,812.38
2024	112,888.63	3,142.75	116,031.38
2025	56,184.21	729.24	56,913.45
Total	<u>\$ 457,515.85</u>	<u>\$ 19,685.74</u>	<u>\$ 477,201.59</u>

Compensated Absences - As previously stated, compensated absences will be paid from the fund from which the employees' salaries are paid. Refer to note 13 for a description of the School District's policy.

Public Employees' Retirement System (PERS) Payment Deferral - On March 17, 2009, P.L. 2009, c.19 (S-21) was signed into legislation and provided regular and vocational school districts the option of deferring fifty percent (50%) of the school district's 2008-09 regular PERS pension liability. School districts that elected to defer the pension liability were required to begin repaying the deferred amount over fifteen (15) years, starting in April of 2012. The amount to be paid will fluctuate based on the pension system investment earnings on the unfunded liability. At any time, however, upon requesting a payoff amount from the Division of Pensions and Benefits, a school district may pay off the deferred amount. The deferral of the aforementioned PERS payment was only an option for 2008-09 fiscal year. Commencing in fiscal year June 30, 2010, and beyond, the full annual PERS pension liability is required to be budgeted and paid.

On April 13, 2009, the School District adopted a resolution electing to defer fifty percent (50%) of the April 2009 payment, equaling a total deferral of \$120,738.00. The following is a schedule for the payment of the PERS deferral, based on an interest rate of 8.25%. N.J.S.A 43:15A-24b requires the use of "regular interest" when the actuary calculates the amortization of the unfunded accrued liability of the pension system, which is set by the State Treasurer (N.J.S.A. 43:15A-6n) and currently is 8.25%.

Principal and interest due on the outstanding pension deferral is as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Deferral</u> <u>Payment</u>	<u>Interest</u>	<u>Total</u> <u>Projected</u> <u>Payment</u>
2022	\$ 8,049.20	\$ 3,320.30	\$ 11,369.50
2023	8,049.20	2,656.24	10,705.44
2024	8,049.20	1,992.18	10,041.38
2025	8,049.20	1,328.12	9,377.32
2026	8,049.20	664.06	8,713.26
Total	<u>\$ 40,246.00</u>	<u>\$ 9,960.90</u>	<u>\$ 50,206.90</u>

Net Pension Liability - For details on the net pension liability, refer to note 8. The School District's annual required contribution to the Public Employees' Retirement System is budgeted and paid from the general fund on an annual basis.

Note 8: PENSION PLANS

A substantial number of the School District's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), which are administered by the New Jersey Division of Pensions and Benefits (the "Division"). In addition, several School District employees participate in the Defined Contribution Retirement Program, which is a defined contribution pension plan. The DCRP is administered by Prudential Financial for the Division.

Each of the aforementioned plans have a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements, required supplementary information, and detailed information about the PERS and TPAF plans' fiduciary net position that can be obtained by writing to or at the following website:

State of New Jersey, Department of the Treasury
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<https://www.state.nj.us/treasury/pensions/financial-reports.shtml>

General Information about the Pension Plans**Plan Descriptions**

Teachers' Pension and Annuity Fund - The Teachers' Pension and Annuity Fund is a cost-sharing multiple-employer defined benefit pension plan, with a special funding situation, which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The State of New Jersey ("State") is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF's designated purpose is to provide retirement benefits, death, disability and medical benefits to certain qualified members. Membership in the TPAF is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, who have titles that are unclassified, professional and certified. The TPAF Board of Trustees is primarily responsible for the administration of the Plan.

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan that was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS' designated purpose is to provide retirement, death, disability, and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the School District, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS' Board of Trustees is primarily responsible for the administration of the PERS.

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions**

Teachers' Pension and Annuity Fund - 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 represents 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 21, 2010
- 4 Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 before age 65 with 30 years or more of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier.

Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Public Employees' Retirement System - 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 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

The membership tiers for PERS are the same as previously noted for TPAF.

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

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

Defined Contribution Retirement Program - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and nonforfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and nonforfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Contributions

Teachers' Pension and Annuity Fund - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2020. The State's contribution is based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the School District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, *Accounting and Financial Reporting for Pensions*.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2021 was 19.33% of the School District's covered payroll, of which 0.00% of payroll was required from the School District and 100.00% of payroll was required from the State of New Jersey. The School District was not required to contribute to the pension plan during the fiscal year ended June 30, 2021 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2020, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2021 was \$4,119,413.00, and was paid by April 1, 2021. School District employee contributions to the Plan during the fiscal year ended June 30, 2021 were \$1,604,107.11.

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2020. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2021 was 15.60% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2020, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2021 was \$469,878.00, and was paid by April 1, 2021. School District employee contributions to the Plan during the fiscal year ended June 30, 2021 were \$235,119.82.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with P.L. 2007, C. 92, and P.L. 2007, C. 103, Plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District contributes 3% of the employees' base salary, for each pay period, to Prudential Financial no later than the fifth business day after the date on which the employee is paid for that pay period.

For the fiscal year ended June 30, 2021, employee contributions totaled \$80,180.46, and the School District recognized pension expense, which equaled the required contributions, of \$59,041.75. There were no forfeitures during the fiscal year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**Teachers' Pension and Annuity Fund**

Pension Liability - At June 30, 2021, the School District was not required to report a liability for its proportionate share of the net pension liability for TPAF because of the 100% special funding situation by the State of New Jersey.

The State's proportionate share of net pension liability, however, attributable to the School District is as follows:

School District's Proportionate Share of Net Pension Liability	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	119,706,526.00
	<u>\$ 119,706,526.00</u>

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. For the June 30, 2020 measurement date, the School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At the June 30, 2020 measurement date, the School District proportion was 0.00% due to the 100% special funding situation with the State of New Jersey; however, the State's proportionate share of the TPAF net pension liability associated with the School District was 0.1817899968%, which was a decrease of 0.0011589697% from its proportion measured as of June 30, 2019.

Pension Expense - For the fiscal year ended June 30, 2021, the School District recognized \$7,443,862.00 in pension expense and revenue, in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plan's June 30, 2020 measurement date.

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Public Employees' Retirement System**

Pension Liability - At June 30, 2021, the School District reported a liability of \$7,004,419.00 for its proportionate share of the net pension liability for PERS. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2020 measurement date, the School District's proportion was 0.0429524373%, which was an increase of 0.0023231794% from its proportion measured as of June 30, 2019.

Pension Expense - For the fiscal year ended June 30, 2021, the School District recognized pension expense of \$184,582.00, in the government-wide financial statements. This pension expense was based on the pension plan's June 30, 2020 measurement date.

Deferred Outflows and Inflows of Resources - At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 127,539.00	\$ 24,771.00
Changes of Assumptions	227,231.00	2,932,817.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	239,417.00	-
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	653,314.00	270,652.00
School District Contributions Subsequent to the Measurement Date	488,965.00	-
	<u>\$ 1,736,466.00</u>	<u>\$ 3,228,240.00</u>

Note 8: PENSION PLANS (CONT'D)
Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)
Public Employees' Retirement System (Cont'd)

Deferred Outflows and Inflows of Resources (Cont'd) - Deferred outflows of resources in the amount of \$488,965.00 will be included as a reduction of the net pension liability in the subsequent fiscal year, June 30, 2022. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year	
<u>Ending June 30,</u>	
2022	\$ (851,478.00)
2023	(703,197.00)
2024	(687,396.00)
2025	285,164.00
2026	(23,832.00)
	<hr/>
	\$ (1,980,739.00)
	<hr/> <hr/>

Note 8: **PENSION PLANS (CONT'D)**

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Public Employees' Retirement System (Cont'd)

Deferred Outflows and Inflows of Resources (Cont'd) - The other deferred outflows of resources and deferred inflows of resources related to pensions will be amortized over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	5.21	-
June 30, 2020	5.16	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions**

The net pension liabilities were measured as of June 30, 2020 and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation as of July 1, 2019. The total pension liabilities were calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2020. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>TPAF</u>	<u>PERS</u>
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases: ⁽¹⁾		
Through 2026	1.55% - 4.45%	2.00% - 6.00%
Thereafter	2.75% - 5.65%	3.00% - 7.00%
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2015 - June 30, 2018	July 1, 2014 - June 30, 2018

⁽¹⁾ based on years of service

For TPAF, pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

For PERS, pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

For TPAF and PERS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at the June 30, 2020 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

Best estimates of arithmetic rates of return for each major asset class included in TPAF's and PERS' target asset allocation as of the June 30, 2020 measurement date are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	100.00%	

Discount Rate -

Teachers' Pension and Annuity Fund - The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.21% as of the June 30, 2020 measurement date based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers would be based on 78% of the actuarially determined contributions for the State. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on Plan investments was applied to projected benefit payments through 2062 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Public Employees' Retirement System - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.21% as of the June 30, 2020 measurement date based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers would be based on 78% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

Note 8: PENSION PLANS (CONT'D)**Sensitivity of School District's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

Teachers' Pension and Annuity Fund (TPAF) - As previously mentioned TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2020, the Plan's measurement date, attributable to the School District is \$0.00. The following, however, presents the net pension liability of the State as of June 30, 2020 (Plan's measurement date), attributable to the School District, calculated using the discount rate of 5.40% as well as what the State's net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	TPAF		
	1% Decrease (4.40%)	Current Discount Rate (5.40%)	1% Increase (6.40%)
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	140,609,334.00	119,706,526.00	102,350,252.00
	<u>\$ 140,609,334.00</u>	<u>\$ 119,706,526.00</u>	<u>\$ 102,350,252.00</u>

Public Employees' Retirement System (PERS) - The following presents the School District's proportionate share of the net pension liability at June 30, 2020, the Plan's measurement date, calculated using a discount rate of 7.00%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	PERS		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's Proportionate Share of the Net Pension Liability	\$ 8,886,730.00	\$ 7,004,419.00	\$ 5,509,041.00

Pension Plan Fiduciary Net Position

For purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions, and pension expense, information about the respective fiduciary net position of the TPAF and PERS and additions to/deductions from TPAF and PERS' respective fiduciary net position have been determined on the same basis as they are reported by TPAF and PERS. Accordingly, 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.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN****General Information about the OPEB Plan**

Plan Description and Benefits Provided - The State Health Benefit Local Education Retired Employees Plan (the "OPEB Plan") is a multiple-employer defined benefit OPEB plan, with a special funding situation, that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75 - *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*. The OPEB Plan is administered by the State of New Jersey Division of Pensions and Benefits (the "Division") and is part of the New Jersey State Health Benefits Program (SHBP). The Division issues a publicly available financial report that includes financial statements and required supplementary information which can be obtained by writing to or at the following website:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<https://www.nj.gov/treasury/pensions/financial-reports.shtml>

The OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

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

Employees Covered by Benefit Terms - At June 30, 2020, the OPEB Plan's measurement date, the entire State Health Benefit Local Education Retired Employees OPEB Plan consisted of the following members.

Active Plan Members	216,804
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	149,304
Inactive Plan Members Entitled to but Not Yet Receiving Benefit Payments	-
	<hr/>
	<u>366,108</u>

Total Non-Employer OPEB Liability

The State of New Jersey, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to the OPEB Plan for qualified retired TPAF, PERS, PFRS and ABP pension participants. The School District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the statement of net position.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Total Non-Employer OPEB Liability (Cont'd)**

The State's proportionate share of the net OPEB liability associated with the School District as of June 30, 2021 was \$104,695,561.00. Since the OPEB liability associated with the School District is 100% attributable to the State, the OPEB liability will be referred to as the total non-employer OPEB liability.

The total non-employer OPEB liability was measured as of June 30, 2020, and was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. For the June 30, 2020 measurement date, the State's proportionate share of the non-employer OPEB liability associated with the School District was 0.1543955445%, which was an increase of 0.0009516359% from its proportion measured as of June 30, 2019.

Actuarial Assumptions and Other Inputs - The actuarial assumptions and other inputs vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation at June 30, 2019 used the following actuarial assumptions, applied to all periods in the measurement:

Salary Increases -

	<u>TPAF/ABP</u> *	<u>PERS</u> *	<u>PFRS</u>
Salary Increases:			
Through 2026	1.55 - 4.45%	2.00 - 6.00%	3.25 - 15.25% *
Thereafter	1.55 - 4.45%	3.00 - 7.00%	Applied to all Future Years

* based on service years

Inflation Rate - 2.50%.

Mortality Rates - Current and future retiree healthy mortality rates were based on the PUB-2010 Healthy classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

Disabled mortality was based on the PUB-2010 headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

Experience Studies - The actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018, July 1, 2014 - June 30, 2018, and July 1, 2013 - June 30, 2018 for TPAF, PERS, and PFRS, respectively.

Health Care Trend Assumptions - For pre-Medicare medical benefits, the trend rate 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 through 2022 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%.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Total Non-Employer OPEB Liability (Cont'd)**

Discount Rate - The discount rate for June 30, 2020 measurement date was 2.21%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the Total Non-Employer OPEB Liability

The below table summarizes the State's proportionate share of the change in the total non-employer OPEB liability associated with the School District:

Balance at June 30, 2020		\$ 64,030,733.00
Changes for the Year:		
Service Cost	\$ 2,880,505.00	
Interest Cost	2,311,229.00	
Difference between Expected and Actual Experience	18,116,232.00	
Changes in Assumptions	19,124,281.00	
Member Contributions	55,245.00	
Gross Benefit Payments	<u>(1,822,664.00)</u>	
Net Changes		<u>40,664,828.00</u>
Balance at June 30, 2021		<u>\$ 104,695,561.00</u>

There were no changes in benefit terms between the June 30, 2019 measurement date and the June 30, 2020 measurement date.

Differences between expected and actual experience reflect an increase in liability from June 30, 2019 to June 30, 2020 due to changes in the census, claims, and premiums experience.

Changes in assumptions reflect an increase in the liability from June 30, 2019 to June 30, 2020 is due to the combined effect of the decrease in the assumed discount rate from 3.50% as of June 30, 2019 to 2.21% as of June 30, 2020; and changes in the trend, repeal of the excise tax, and updated mortality improvement assumptions.

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2020, associated with the School District, using a discount rate of 2.21%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used is as follows:

	1% Decrease <u>(1.21%)</u>	Current Discount Rate <u>(2.21%)</u>	1% Increase <u>(3.21%)</u>
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 126,215,903.00</u>	<u>\$ 104,695,561.00</u>	<u>\$ 87,868,726.00</u>

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Changes in the Total Non-Employer OPEB Liability (Cont'd)**

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Healthcare Cost Trend Rates - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2020, associated with the School District, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used is as follows:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District	\$ 84,513,787.00	\$ 104,695,561.00	\$ 128,727,568.00

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Total Non-Employer OPEB Liability

OPEB Expense - For the fiscal year ended June 30, 2021, the School District recognized \$5,612,130.00 in OPEB expense and revenue, in the government-wide financial statements, for the State's proportionate share of the OPEB Plan's OPEB expense, associated with the School District. This expense and revenue was based on the OPEB Plan's June 30, 2020 measurement date.

Deferred Outflows and Inflows of Resources - In accordance with GASBS No. 75, the School District's proportionate share of the OPEB liability is zero. As such, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources by the School District; however, at June 30, 2021, the State's proportionate share of the total non-employer OPEB liability's deferred outflows of resources and deferred inflows of resources, associated with School District, from the following sources are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between Expected and Actual Experience	\$ 15,895,513.00	\$ 14,159,158.00
Changes of Assumptions	17,808,370.00	11,946,357.00
Changes in Proportion	<u>2,373,765.00</u>	<u>-</u>
	<u>\$ 36,077,648.00</u>	<u>\$ 26,105,515.00</u>

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Total Non-Employer OPEB Liability (Cont'd)**

Deferred Outflows and Inflows of Resources (Cont'd) - Amounts reported as deferred outflows of resources and deferred inflows of resources related to the State's proportionate share of the total non-employer OPEB liability, associated with the School District, will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	
2022	\$ 410,910.00
2023	410,910.00
2024	410,910.00
2025	410,910.00
2026	410,910.00
Thereafter	<u>7,917,583.00</u>
	<u>\$ 9,972,133.00</u>

Note 10: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2021, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance were \$5,375,185.00, \$102,270.00, \$1,716,549.00, and \$2,972.00, respectively.

Note 11: RISK MANAGEMENT

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

New Jersey Unemployment Compensation Insurance - The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the School 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 School District is billed quarterly for amounts due to the State.

Note 11: RISK MANAGEMENT (CONT'D)

New Jersey Unemployment Compensation Insurance (Cont'd) - The following is a summary of the activity of the School District's unemployment claims for the current and previous two fiscal years:

Fiscal Year Ended June 30,	Employee Contributions	Interest Income	Claims Incurred	Ending Balance	
				Claims Payable	Restricted Fund Balance
2021	\$ 42,482.56			\$ 42,482.56	\$ 168,413.63
2020	41,760.07	\$ 554.42	\$ 45,575.60		168,413.63
2019	39,582.18	123.26	20,235.93		171,674.74

Joint Insurance Fund - The School District is a member of the School Alliance Insurance Fund. The Fund provides its members with the following coverage:

General and Auto Liability
Property and Audit Physical Damage
Boiler and Machinery
Comprehensive Crime Coverage
Environmental Impairment Liability
Excess Liability
School Leaders Professional Liability

For more information regarding claims, coverages and deductibles, the Fund publishes its own financial report that can be obtained from:

School Alliance Insurance Fund
51 Everett Drive, Suite B-40
West Windsor, New Jersey 08550

Note 12: DEFERRED COMPENSATION

The School District offers its employees a choice of several deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457. The plans permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. The plan administrators are as follows:

Lincoln National
Lincoln Investment Planning
American United Life
Met Life
Vanguard Group
AXA Equitable
Security Benefits

Note 13: COMPENSATED ABSENCES

The School District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16, *Accounting for Compensated Absences*. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

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

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2021 the liability for compensated absences reported on the government-wide statement of net position was \$1,182,197.75.

Note 14: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 2,463,784.44	\$ 23,524.78
Capital Projects		2,256,860.26
Summer Music	23,524.78	
Before and After Care		206,924.18
Totals	<u>\$ 2,487,309.22</u>	<u>\$ 2,487,309.22</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2022 the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 14: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONT'D)

Transfers - During the fiscal year ended June 30, 2021, the general fund transferred \$25,000.00 to the food service fund to assist in the funding of the school food service program. The general fund also transferred \$87,697.06 to fund the deficit of the dissolved community education fund. The community education fund transferred \$1,300.25 of capital assets (net) to district-wide governmental activities upon dissolution.

	<u>Transfer In:</u>		
	<u>Governmental Activities</u>	<u>Food Service Fund</u>	<u>Community Education Fund</u>
<u>Transfer Out:</u>			
General Fund		\$ 25,000.00	\$ 87,697.06
Community Education Fund	\$ 1,300.25		
Total Transfers	<u>\$ 1,300.25</u>	<u>\$ 25,000.00</u>	<u>\$ 87,697.06</u>

Note 15: CONTINGENCIES

Grantor Agencies - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the School District expects such amount, if any, to be immaterial.

Litigation - The School District is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the School District, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 16: CONCENTRATIONS

The School District depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the School District is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

Note 17: COMMITMENTS

The School District had multiple construction projects ongoing as of the fiscal year ended June 30, 2021 that are to continue into the subsequent fiscal year(s). These projects, which are related to the capital projects fund, are as follows:

<u>Contract</u>	<u>Commitment Date</u>	<u>Amount Outstanding</u>
Pierrepont Addition and Renovations	07-13-20	\$ 7,581,433.27
PA System Upgrades	05-26-21	78,567.68
LES Classroom Addition	03-18-20	36,727.08
RMS Mortimer Wing Replacement	02-01-21	5,358,937.94
UMS Additions and Renovations	01-08-21	5,027,251.52
Kindergarten Center Renovations	05-26-20	86,950.31
Sewer Line Replacement	05-17-21	57,553.23
Total		<u>\$ 18,227,421.03</u>

Note 18: FUND BALANCES**NONSPENDABLE**

As stated in note 1, the nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The School District does not have any non-spendable fund balances as of June 30, 2021.

RESTRICTED

As stated in note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District's fund balance are summarized as follows:

General Fund

For Excess Surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation. New Jersey school districts are required to restrict general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2021 is \$500,000.00. Additionally, \$532,000.00 of excess fund balance generated during 2019-2020 has been restricted and designated for utilization in the 2021-2022 budget.

For Capital Reserve Account - As of June 30, 2021, the balance in the capital reserve account is \$3,619,197.74. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

For Unemployment Compensation - Pursuant to N.J.S.A. 43:21-7.3(g), the School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method" (see note 11). As a result, there exists at June 30, 2021 a restricted fund balance from employer contributions in the amount of \$168,413.63 for future unemployment claims.

Note 18: FUND BALANCE (CONT'D)**RESTRICTED (CONT'D)****Special Revenue Fund**

For Scholarships - The School District reports fund balance resulting from the receipt of an endowment to be used for scholarships for future teachers. These funds are required to be used as restricted by the donor. The balance of these funds as of June 30, 2021 is \$98,459.66.

For Student Activities - In accordance with N.J.A.C. 6A:23A-16.12(c), each school district shall ensure through adoption of a formal board policy that all financial and bookkeeping controls are adequate to ensure appropriate fiscal accountability and sound business practices for funds collected for student activities. As such, borrowing from student activity funds is prohibited. The balance of these funds as of June 30, 2021 is \$242,494.30.

Capital Projects Fund - As of June 30, 2021, the balance in the capital projects fund is \$27,318,212.42, which is restricted for approved projects.

Debt Service Fund - In accordance with N.J.A.C. 6A:23A-8.6, a district board of education shall appropriate annually all debt service fund balances in the budget certified for taxes unless expressly authorized and documented by the voters in a bond referendum. The School District has \$0.52 of debt service fund balance at June 30, 2021.

COMMITTED

As stated in note 1, the committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which is the Board of Education. The School District did not authorize any specific commitments of the School District's fund balance.

ASSIGNED

As stated in note 1, the assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. Specific assignments of the School District's fund balance are summarized as follows:

General Fund

Other Purposes - As of June 30, 2021, the School District had \$928,416.31 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

UNASSIGNED

As stated in note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned fund balance is summarized as follows:

General Fund - As of June 30, 2021, \$2,452,671.56 of general fund balance was unassigned.

Note 19: RESTATEMENT OF PRIOR PERIOD NET POSITION AND FUND BALANCE

For the fiscal year ended June 30, 2021, the School District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. As a result, the following net positions and fund balances as of July 1, 2020 have been restated. The following tables illustrate the restatements:

	<u>Governmental Activities</u>
Beginning Net Position as Previously Reported at July 1, 2020	\$ 17,642,332.34
Prior Period Adjustments:	
Reclassification of Net Position from Fiduciary Fund:	
Unemployment Compensation Trust	\$ 168,413.63
Flexible Benefit Trust	33,580.44
Payroll Deductions and Withholdings Included in Flexible Benefit Trust	(21,221.07)
Scholarship Fund	98,097.35
Reclassification of Student Activity Payable to Student Groups Balance from Fiduciary Fund	<u>258,163.93</u>
Total Prior Period Adjustments	<u>537,034.28</u>
Net Position as Restated, July 1, 2020	<u><u>\$ 18,179,366.62</u></u>

	<u>General Fund</u>
Beginning Fund Balance as Previously Reported at July 1, 2020	\$ 6,150,219.71
Prior Period Adjustments:	
Reclassification of Net Position from Fiduciary Fund:	
Flexible Benefit Trust	\$ 33,580.44
Payroll Deductions and Withholdings Included in Flexible Benefit Trust	(21,221.07)
Unemployment Compensation Trust	<u>168,413.63</u>
Total Prior Period Adjustments	<u>180,773.00</u>
Fund Balance as Restated, July 1, 2020	<u><u>\$ 6,330,992.71</u></u>

	<u>Special Revenue Fund</u>
Beginning Fund Balance as Previously Reported at July 1, 2020	\$ -
Prior Period Adjustments:	
Reclassification of Scholarship Fund Net Position from Fiduciary Fund	\$ 98,097.35
Reclassification of Student Activity Payable to Student Groups Balance from Fiduciary Fund	<u>258,163.93</u>
Total Prior Period Adjustments	<u>356,261.28</u>
Fund Balance as Restated, July 1, 2020	<u><u>\$ 356,261.28</u></u>

Note 20: SUBSEQUENT EVENTS

COVID-19 - On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the School District’s financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the School District is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2022.

REQUIRED SUPPLEMENTARY INFORMATION
PART II

BUDGETARY COMPARISON SCHEDULES

RUTHERFORD SCHOOL DISTRICT
 General Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 43,340,827.00		\$ 43,340,827.00	\$ 43,340,827.00	
Tuition	1,065,050.00		1,065,050.00	208,440.22	\$ (856,609.78)
Transportation	78,000.00		78,000.00		(78,000.00)
Interest Earned on Capital Reserve Funds	1,000.00		1,000.00	16,062.71	15,062.71
Unrestricted Miscellaneous Revenues	60,000.00		60,000.00	380,409.37	320,409.37
Total - Local Sources	44,544,877.00	-	44,544,877.00	43,945,739.30	(599,137.70)
State Sources:					
Categorical Special Education Aid	1,613,005.00	\$ (46,171.00)	1,566,834.00	1,566,834.00	
Equalization Aid	815,410.00		815,410.00	815,410.00	
Categorical Security Aid	133,835.00		133,835.00	133,835.00	
Categorical Transportation Aid	209,359.00		209,359.00	209,359.00	
Extraordinary Aid	250,000.00		250,000.00	1,105,431.00	855,431.00
On-Behalf TPAF Pension Contributions (non-budgeted):					
Post Retirement Medical				1,716,549.00	1,716,549.00
Teacher's Pension and Annuity Fund				5,375,185.00	5,375,185.00
TPAF Non-Contributory Insurance				102,270.00	102,270.00
Long-Term Disability Insurance				2,972.00	2,972.00
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,518,776.28	1,518,776.28
Total - State Sources	3,021,609.00	(46,171.00)	2,975,438.00	12,546,621.28	9,571,183.28
Federal Sources:					
Special Education Medicaid Initiative	32,321.00		32,321.00	37,152.26	4,831.26
Total - Federal Sources	32,321.00	-	32,321.00	37,152.26	4,831.26
Total Revenues	47,598,807.00	(46,171.00)	47,552,636.00	56,529,512.84	8,976,876.84

(Continued)

RUTHERFORD SCHOOL DISTRICT
 General Fund
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 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool	\$ 124,477.00	\$ 2,012.80	\$ 126,489.80	\$ 126,489.80	
Kindergarten	611,720.00	21,649.39	633,369.39	633,119.39	\$ 250.00
Grades 1-5	5,009,289.00	(53,373.82)	4,955,915.18	4,943,035.18	12,880.00
Grades 6-8	4,071,190.00	60,993.99	4,132,183.99	4,130,933.99	1,250.00
Grades 9-12	5,258,326.00	36,478.81	5,294,804.81	5,277,249.81	17,555.00
Regular Programs - Home Instruction:					
Salaries of Teachers	50,000.00	(27,923.90)	22,076.10	22,076.10	
Purchased Professional - Educational Services	20,000.00		20,000.00	2,836.70	17,163.30
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	288,825.00	(18,159.07)	270,665.93	270,665.93	
Purchased Professional - Educational Services	28,027.00	(28,027.00)			
Other Purchased Services	370,472.14	(15,909.54)	354,562.60	258,239.81	96,322.79
General Supplies	806,071.59	124,018.17	930,089.76	547,612.78	382,476.98
Textbooks	69,565.00	7,155.00	76,720.00	58,632.07	18,087.93
Other Objects		5,000.00	5,000.00	2,688.77	2,311.23
Total Regular Programs	16,707,962.73	113,914.83	16,821,877.56	16,273,580.33	548,297.23
Special Education - Instruction:					
Learning and / or Language Disabilities:					
Salaries of Teachers	303,656.00	1,204.98	304,860.98	304,860.98	
Other Salaries for Instruction	205,263.00	(46,420.56)	158,842.44	158,842.44	
Purchased Professional - Educational Services	412,877.00	30,847.47	443,724.47	431,658.97	12,065.50
General Supplies	4,295.35	(300.00)	3,995.35	2,584.46	1,410.89
Textbooks	1,000.00		1,000.00		1,000.00
Total Learning and / or Language Disabilities	927,091.35	(14,668.11)	912,423.24	897,946.85	14,476.39
Multiple Disabilities:					
Salaries of Teachers	243,597.00	7,380.40	250,977.40	250,977.40	
Other Salaries for Instruction	168,344.00	(71,190.79)	97,153.21	96,903.21	250.00
General Supplies	12,500.00	(5,676.27)	6,823.73	3,579.50	3,244.23
Textbooks	4,000.00		4,000.00		4,000.00
Total Multiple Disabilities	428,441.00	(69,486.66)	358,954.34	351,460.11	7,494.23

(Continued)

RUTHERFORD SCHOOL DISTRICT
 General Fund
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 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Resource Room / Resource Center:					
General Supplies	\$ 270.04	\$ 4,976.46	\$ 5,246.50	\$ 4,909.49	\$ 337.01
Total Resource Room / Resource Center	270.04	4,976.46	5,246.50	4,909.49	337.01
Preschool Disabilities - Full-Time:					
Salaries of Teachers	56,694.00	4,539.63	61,233.63	61,233.63	
Other Salaries for Instruction	78,695.00	(770.60)	77,924.40	77,924.40	
General Supplies	26.78	699.81	726.59	601.14	125.45
Total Preschool Disabilities - Full-Time	135,415.78	4,468.84	139,884.62	139,759.17	125.45
Total Special Education - Instruction	1,491,218.17	(74,709.47)	1,416,508.70	1,394,075.62	22,433.08
Basic Skills/Remedial - Instruction					
Salaries of Teachers	874,166.00	(13,256.12)	860,909.88	860,659.88	250.00
Total Basic Skills - Instruction	874,166.00	(13,256.12)	860,909.88	860,659.88	250.00
Bilingual Education - Instruction:					
Salaries of Teachers	141,376.00	1,732.56	143,108.56	143,108.56	
Total Bilingual Education - Instruction	141,376.00	1,732.56	143,108.56	143,108.56	-
School Sponsored Cocurricular Activities - Instruction:					
Salaries	120,000.00	17,293.47	137,293.47	137,293.47	
Transfer to Cover Deficit (Agency Funds)	58,000.00		58,000.00	49,469.99	8,530.01
Total School Sponsored Cocurricular Activities - Instruction	178,000.00	17,293.47	195,293.47	186,763.46	8,530.01

(Continued)

RUTHERFORD SCHOOL DISTRICT
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 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
School Sponsored Athletics - Instruction:					
Salaries	\$ 574,627.00	\$ (140,518.00)	\$ 434,109.00	\$ 433,859.00	\$ 250.00
Purchased Services	117,712.00		117,712.00	117,356.00	356.00
Supplies and Materials	115,822.75	(997.00)	114,825.75	87,753.05	27,072.70
Total School Sponsored Athletics - Instruction	808,161.75	(141,515.00)	666,646.75	638,968.05	27,678.70
Before/After School Programs - Instruction					
Other Salaries of Instruction	256,000.00		256,000.00		256,000.00
Supplies & Materials	45,800.00		45,800.00		45,800.00
Salaries	148,200.00	(45,078.56)	103,121.44		103,121.44
Total Before/After School Programs - Instruction	450,000.00	(45,078.56)	404,921.44	-	404,921.44
Summer School - Instruction:					
Other Salaries of Instruction	75,000.00		75,000.00	32,490.00	42,510.00
Other Instructional Alternative Education Program - Instruction:					
Salaries	77,944.00	5,302.20	83,246.20	83,246.20	
Other Salaries of Instruction	94,927.00		94,927.00	58,279.15	36,647.85
General Supplies	5,106.46		5,106.46	2,452.55	2,653.91
Total Other Instructional Alternative Education Program - Instruction	177,977.46	5,302.20	183,279.66	143,977.90	39,301.76
Total Other Instruction	2,704,681.21	(175,521.45)	2,529,159.76	2,005,967.85	523,191.91
Total Instruction	20,903,862.11	(136,316.09)	20,767,546.02	19,673,623.80	1,093,922.22
Undistributed Expenditures - Instruction:					
Tuition to Other LEA's Within State - Special	1,406,374.00	(348,660.65)	1,057,713.35	864,657.88	193,055.47
Tuition to County Voc. School Dist. - Regular	593,600.30		593,600.30	556,031.20	37,569.10
Tuition to County Voc. School Dist. - Special	21,347.00		21,347.00	14,132.00	7,215.00
Tuition to CSSD and Regional Day Schools	291,400.00		291,400.00	291,400.00	
Tuition to Private Schools for the Disabled - Within State	2,676,742.00	148,000.00	2,824,742.00	2,643,997.06	180,744.94
Tuition - Other	575.00	582,807.12	583,382.12	640.34	582,741.78
Total Undistributed Expenditures - Instruction	4,990,038.30	382,146.47	5,372,184.77	4,370,858.48	1,001,326.29

(Continued)

RUTHERFORD SCHOOL DISTRICT
 General Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Attendance and Social Work:					
Salaries	\$ 72,369.00	\$ 4,809.98	\$ 77,178.98	\$ 77,178.98	
Purchased Professional and Technical Services					
Total Undistributed Expenditures - Attendance and Social Work	<u>72,369.00</u>	<u>4,809.98</u>	<u>77,178.98</u>	<u>77,178.98</u>	<u>-</u>
Undistributed Expenditures - Health Services:					
Salaries	530,719.00	(19,996.62)	510,722.38	510,722.38	
Supplies and Materials	12,499.22	2,794.80	15,294.02	9,438.67	\$ 5,855.35
Total Undistributed Expenditures - Health Services	<u>543,218.22</u>	<u>(17,201.82)</u>	<u>526,016.40</u>	<u>520,161.05</u>	<u>5,855.35</u>
Undistributed Expenditures - Speech, OT, PT & Related Services:					
Salaries	349,595.00	6,903.40	356,498.40	356,498.40	
Purchased Professional - Educational Services	2,209.35		2,209.35	207.50	2,001.85
Supplies and Materials	5,445.56		5,445.56	4,169.16	1,276.40
Total Undistributed Expenditures - Speech, OT, PT & Related Services	<u>357,249.91</u>	<u>6,903.40</u>	<u>364,153.31</u>	<u>360,875.06</u>	<u>3,278.25</u>
Undistributed Expenditures - Other Support Services - Students - Extraordinary Services:					
Salaries	767,559.00	(148,216.95)	619,342.05	618,842.05	500.00
Purchased Professional - Educational Services	890,011.00		890,011.00	454,361.43	435,649.57
Total Undistributed Expenditures - Other Support Services -Students	<u>1,657,570.00</u>	<u>(148,216.95)</u>	<u>1,509,353.05</u>	<u>1,073,203.48</u>	<u>436,149.57</u>
Undistributed Expenditures - Guidance:					
Salaries of Other Professional Staff	804,716.00	(9,791.49)	794,924.51	794,924.51	
Salaries of Secretarial and Clerical Assistants	106,697.00	1,659.28	108,356.28	108,356.28	
Supplies and Materials	1,500.42		1,500.42	425.42	1,075.00
Other Objects	40,420.00		40,420.00	29,661.20	10,758.80
Total Undistributed Expenditures - Guidance	<u>953,333.42</u>	<u>(8,132.21)</u>	<u>945,201.21</u>	<u>933,367.41</u>	<u>11,833.80</u>

(Continued)

RUTHERFORD SCHOOL DISTRICT
 General Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Child Study Teams:					
Salaries of Other Professional Staff	\$ 844,202.00	\$ 22,929.33	\$ 867,131.33	\$ 867,131.33	
Salaries of Secretarial and Clerical Assistants	55,690.00	939.58	56,629.58	56,629.58	
Other Purchased Services (400-500 Series)	3,515.61		3,515.61	15.61	\$ 3,500.00
Supplies and Materials	18,700.00		18,700.00	11,191.11	7,508.89
	<u>922,107.61</u>	<u>23,868.91</u>	<u>945,976.52</u>	<u>934,967.63</u>	<u>11,008.89</u>
Total Undistributed Expenditures - Child Study Teams					
Undistributed Expenditures - Improvement of Instructional Services:					
Purchased Professional Services	2,000.00		2,000.00		2,000.00
Other Purchased Services	8,370.00		8,370.00	1,266.74	7,103.26
Supplies and Materials	2,000.00		2,000.00		2,000.00
	<u>12,370.00</u>	<u>-</u>	<u>12,370.00</u>	<u>1,266.74</u>	<u>11,103.26</u>
Total Undistributed Expenditures - Improvement of Instructional Services					
Undistributed Expenditures - Educational Media Services / School Library:					
Salaries	475,499.00	(4,471.64)	471,027.36	470,527.36	500.00
Salaries of Technology Coordinators	164,256.00	40.46	164,296.46	164,296.46	
Supplies and Materials	50,316.53	(1,251.00)	49,065.53	34,341.46	14,724.07
Other Objects	17,349.41	1,200.00	18,549.41	18,425.22	124.19
	<u>707,420.94</u>	<u>(4,482.18)</u>	<u>702,938.76</u>	<u>687,590.50</u>	<u>15,348.26</u>
Total Undistributed Expenditures - Educational Media Services / School Library					
Undistributed Expenditures - Instructional Staff Training Services:					
Purchased Professional - Educational Services	2,000.00	(2,000.00)			
Other Objects	2,000.00	2,000.00	4,000.00		4,000.00
	<u>4,000.00</u>	<u>-</u>	<u>4,000.00</u>	<u>-</u>	<u>4,000.00</u>
Total Undistributed Expenditures - Instructional Staff Training Services					

(Continued)

RUTHERFORD SCHOOL DISTRICT
 General Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Support Services - General Administration:					
Salaries	\$ 260,606.00	\$ 15,101.12	\$ 275,707.12	\$ 269,410.12	\$ 6,297.00
Legal Services	42,959.50	15,000.00	57,959.50	57,098.73	860.77
Audit Fees	35,000.00		35,000.00	33,500.00	1,500.00
Architectural / Engineering Services	20,000.00	(10,000.00)	10,000.00	4,350.00	5,650.00
Other Purchased Professional Services	171,375.00	(18,198.62)	153,176.38	144,457.50	8,718.88
Communications / Telephone	115,100.00	(14,471.50)	100,628.50	99,652.52	975.98
Board of Education Other Purchased Services	2,000.00		2,000.00		2,000.00
Miscellaneous Purchased Services	5,000.00		5,000.00	2,804.51	2,195.49
General Supplies	26,503.02	(437.66)	26,065.36	19,427.44	6,637.92
Board of Education Member Dues/Fees	19,000.00		19,000.00	18,734.45	265.55
	<u>697,543.52</u>	<u>(13,006.66)</u>	<u>684,536.86</u>	<u>649,435.27</u>	<u>35,101.59</u>
Total Undistributed Expenditures - Support Services - General Administration					
Undistributed Expenditures - Support Services - School Administration:					
Salaries of Principals / Assistant Principals / Prog Dir	1,240,270.00	2,835.95	1,243,105.95	1,243,105.95	
Salaries of Other Professional Staff	872,289.00	911.12	873,200.12	873,200.12	
Salaries of Secretarial and Clerical Assistants	580,632.00	5,357.94	585,989.94	585,989.94	
Other Purchased Services (400-500 Series)	51,000.00	11,000.00	62,000.00	46,560.72	15,439.28
Supplies and Materials	62,916.84	12,860.00	75,776.84	33,072.20	42,704.64
Other Objects	93,854.68	(13,030.00)	80,824.68	43,943.13	36,881.55
	<u>2,900,962.52</u>	<u>19,935.01</u>	<u>2,920,897.53</u>	<u>2,825,872.06</u>	<u>95,025.47</u>
Total Undistributed Expenditures - Support Services - School Administration					
Undistributed Expenditures - Central Services:					
Salaries	671,636.00	28,523.99	700,159.99	690,271.99	9,888.00
Purchased Technical Services	97,211.00	11,761.40	108,972.40	102,649.71	6,322.69
Miscellaneous Purchased Services	3,500.00	(1,000.00)	2,500.00	1,838.07	661.93
Supplies and Materials	12,018.40	(4,888.00)	7,130.40	4,940.82	2,189.58
Miscellaneous Expenditures	2,386.26	829.00	3,215.26	2,737.00	478.26
	<u>786,751.66</u>	<u>35,226.39</u>	<u>821,978.05</u>	<u>802,437.59</u>	<u>19,540.46</u>
Total Undistributed Expenditures - Central Services					

(Continued)

RUTHERFORD SCHOOL DISTRICT
 General Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Administrative Information Technology:					
Salaries	\$ 245,200.00	\$ 2,996.34	\$ 248,196.34	\$ 248,196.34	
Purchased Technical Services	15,530.00		15,530.00	9,439.00	\$ 6,091.00
Other Purchased Services (400-500 Series)	2,200.00		2,200.00	331.45	1,868.55
Other Objects	79,335.51	(5,619.35)	73,716.16	56,680.56	17,035.60
	<u>342,265.51</u>	<u>(2,623.01)</u>	<u>339,642.50</u>	<u>314,647.35</u>	<u>24,995.15</u>
Total Undistributed Expenditures - Administrative Information Technology					
Undistributed Expenditures - Required Maintenance for School Facilities:					
Salaries	412,040.00	7,106.48	419,146.48	418,646.48	500.00
Cleaning, Repair and Maintenance Services	478,010.88	154,344.30	632,355.18	492,607.02	139,748.16
General Supplies	147,416.41		147,416.41	117,240.45	30,175.96
Other Objects	7,500.00		7,500.00	4,056.00	3,444.00
	<u>1,044,967.29</u>	<u>161,450.78</u>	<u>1,206,418.07</u>	<u>1,032,549.95</u>	<u>173,868.12</u>
Total Undistributed Expenditures - Required Maintenance for School Facilities					
Undistributed Expenditures - Custodial Services:					
Salaries	770,041.00	(17,463.94)	752,577.06	751,577.06	1,000.00
Salaries of Non Instructional Aides	175,000.00	(63,316.67)	111,683.33	111,683.33	
Cleaning, Repair and Maintenance Services	856,978.00		856,978.00	856,575.36	402.64
Other Purchased Property Services	60,700.00		60,700.00	45,687.90	15,012.10
Insurance	155,000.00	33,168.00	188,168.00	188,168.00	
General Supplies	167,439.50	37,531.97	204,971.47	183,860.88	21,110.59
Energy (Natural Gas)	198,000.00	13,000.00	211,000.00	164,528.47	46,471.53
Energy (Electricity)	637,413.77	(20,941.50)	616,472.27	530,751.59	85,720.68
	<u>3,020,572.27</u>	<u>(18,022.14)</u>	<u>3,002,550.13</u>	<u>2,832,832.59</u>	<u>169,717.54</u>
Total Undistributed Expenditures - Custodial Services					
Undistributed Expenditures - Care and Upkeep of Grounds:					
Cleaning, Repair and Maintenance Services	65,135.14	260.00	65,395.14	57,504.00	7,891.14
	<u>65,135.14</u>	<u>260.00</u>	<u>65,395.14</u>	<u>57,504.00</u>	<u>7,891.14</u>
Total Undistributed Expenditures - Care and Upkeep of Grounds					

(Continued)

RUTHERFORD SCHOOL DISTRICT
 General Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Security:					
General Supplies	\$ 4,000.00		\$ 4,000.00		\$ 4,000.00
Undistributed Expenditures - Student Transportation Services:					
Salaries of Transportation Assistants		\$ 54,856.16	54,856.16	\$ 54,606.16	250.00
Salaries of Non-Instructional Aides	53,817.00	1,995.18	55,812.18	55,812.18	
Salaries for Pupil Transportation (Between Home and School) - Regular	93,651.00	(93,651.00)			
Salaries for Pupil Transportation (Between Home and School)-Special Ed	231,470.00	3,084.76	234,554.76	234,054.76	500.00
Salaries for Pupil Transportation (Other than Bet. Home and School)	50,000.00	(50,000.00)			
Cleaning, Repair, & Maintenance Services	65,000.00		65,000.00	41,752.02	23,247.98
Lease Purchases - School Buses	46,000.00	(46,000.00)			
Contracted Services (Special Education Students) - Vendors	954,529.71	202,062.68	1,156,592.39	1,111,064.38	45,528.01
General Supplies	45,391.05		45,391.05	17,764.37	27,626.68
Total Undistributed Expenditures - Student Transportation Services	1,539,858.76	72,347.78	1,612,206.54	1,515,053.87	97,152.67
Unallocated Benefits:					
Social Security Contributions	504,154.77	(3,663.00)	500,491.77	487,011.64	13,480.13
Other Retirement Contributions - PERS	435,750.00	53,415.00	489,165.00	489,165.00	
Other Retirement Contributions - DCRP	20,000.00	(20,000.00)			
Other Retirement Contributions - Regular	60,000.00		60,000.00	59,503.65	496.35
Workers' Compensation	165,000.00	3,663.00	168,663.00	155,185.00	13,478.00
Health Benefits	5,650,680.00		5,650,680.00	5,044,815.78	605,864.22
Tuition Reimbursement	35,500.00		35,500.00	25,494.20	10,005.80
Other Employee Benefits	230,000.00		230,000.00	184,249.70	45,750.30
Total Unallocated Benefits	7,101,084.77	33,415.00	7,134,499.77	6,445,424.97	689,074.80
On-Behalf TPAF Pension Contributions (non-budgeted):					
Post Retirement Medical (non-budgeted)				1,716,549.00	(1,716,549.00)
Teacher's Pension and Annuity Fund (non-budgeted)				5,375,185.00	(5,375,185.00)
TPAF Non-Contributory Insurance (non-budgeted)				102,270.00	(102,270.00)
Long-Term Disability Insurance				2,972.00	(2,972.00)
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,518,776.28	(1,518,776.28)
Total On-Behalf Contributions	-	-	-	8,715,752.28	(8,715,752.28)

(Continued)

RUTHERFORD SCHOOL DISTRICT
 General Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Total Undistributed Expenditures	\$ 27,722,818.84	\$ 528,678.75	\$ 28,251,497.59	\$ 34,150,979.26	\$ (5,899,481.67)
Total Current Expense	48,626,680.95	392,362.66	49,019,043.61	53,824,603.06	(4,805,559.45)
Capital Outlay:					
Equipment:					
Regular Program Grades 1-5		26,204.25	26,204.25		26,204.25
Regular Program Grades 9-12		27,100.09	27,100.09	3,229.00	23,871.09
Undistributed Expenditures:					
Operation and Maintenance of Plant		16,378.00	16,378.00		16,378.00
Security	15,702.24	6,082.80	21,785.04	21,785.04	
Student Transportation	205,224.00		205,224.00	205,224.00	
Total Equipment	220,926.24	75,765.14	296,691.38	230,238.04	66,453.34
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	3,077.01		3,077.01	1,380.00	1,697.01
Construction Services	727,260.00		727,260.00	400,704.15	326,555.85
Assessment for Debt Service on SDA Funding	75,126.00		75,126.00	75,126.00	
Total Facilities Acquisition and Construction Services	805,463.01	-	805,463.01	477,210.15	328,252.86
Assets Acquired Under Capital Leases (Non-Budgeted):					
Undistributed Expenditures - Equipment				223,740.00	(223,740.00)
Interest Deposit to Capital Reserve	1,000.00		1,000.00		1,000.00
Total Capital Outlay	1,027,389.25	75,765.14	1,103,154.39	931,188.19	171,966.20
Transfer of Funds to Charter Schools	12,240.00		12,240.00	12,240.00	
Total Expenditures	49,666,310.20	468,127.80	50,134,438.00	54,768,031.25	(4,633,593.25)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,067,503.20)	(514,298.80)	(2,581,802.00)	1,761,481.59	4,343,283.59

(Continued)

RUTHERFORD SCHOOL DISTRICT
 General Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2021

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
OTHER FINANCING SOURCES (USES):					
Transfer to Food Service Fund - Board Contribution		\$ (50,000.00)	\$ (50,000.00)	\$ (25,000.00)	\$ (25,000.00)
Transfer to Community Education Fund				(87,697.06)	87,697.06
Assets Acquired Under Capital Lease				223,740.00	(223,740.00)
Total Other Financing Sources (Uses)	-	(50,000.00)	(50,000.00)	111,042.94	(161,042.94)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ (2,067,503.20)	(464,298.80)	(2,531,802.00)	1,872,524.53	4,404,326.53
Fund Balances, July 1	2,067,503.20		2,067,503.20	6,383,302.71	4,315,799.51
Prior Period Adjustments				180,773.00	180,773.00
Fund Balances, July 1 (Restated)	2,067,503.20		2,067,503.20	6,564,075.71	4,496,572.51
Fund Balances, June 30	\$ -	\$ (464,298.80)	\$ (464,298.80)	\$ 8,436,600.24	\$ 8,900,899.04
Restricted:					
Capital Reserve				\$ 3,619,197.74	
Excess Surplus - Current Year				500,000.00	
Excess Surplus - Designated for Subsequent Year's Expenditures				532,000.00	
Unemployment Compensation				168,413.63	
Assigned:					
Encumbrances				928,416.31	
Unassigned				2,688,572.56	
				8,436,600.24	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				(235,901.00)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 8,200,699.24</u>	

RUTHERFORD SCHOOL DISTRICT
Special Revenue Fund
Required Supplementary Information
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Local Sources		\$ 631,900.76	\$ 631,900.76	\$ 257,532.39	\$ (374,368.37)
State Sources:					
Nonpublic Aid	\$ 250,000.00	(14,384.00)	235,616.00	165,689.00	(69,927.00)
Federal Sources:					
Title I Part A		280,226.00	280,226.00	120,195.68	(160,030.32)
Title I Part SI A		31,502.00	31,502.00	31,478.43	(23.57)
Title II Part A	200,000.00	(143,670.00)	56,330.00	39,136.14	(17,193.86)
Title III		12,619.00	12,619.00	4,488.03	(8,130.97)
Title IV		14,989.00	14,989.00	13,788.00	(1,201.00)
IDEA Part B	440,000.00	258,835.00	698,835.00	612,379.00	(86,456.00)
IDEA Preschool		23,038.00	23,038.00	21,626.00	(1,412.00)
Coronavirus Response and Relief Supplemental Appropriations Act (C.R.R.S.A.)		763,783.00	763,783.00	515,220.35	(248,562.65)
Coronavirus Aid, Relief, and Economic Security Act (C.A.R.E.S.)		296,065.50	296,065.50	267,336.53	(28,728.97)
Total Federal Sources	640,000.00	1,537,387.50	2,177,387.50	1,625,648.16	(551,739.34)
Total Revenues	\$ 890,000.00	\$ 2,154,904.26	\$ 3,044,904.26	\$ 2,048,869.55	\$ (996,034.71)

(Continued)

RUTHERFORD SCHOOL DISTRICT
Special Revenue Fund
Required Supplementary Information
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers		\$ 124,000.00	\$ 124,000.00	\$ 44,220.00	\$ 79,780.00
Purchased Professional and Technical Services	\$ 103,573.80	349,870.20	453,444.00	293,330.20	160,113.80
Other Purchased Services	409,070.82	214,691.18	623,762.00	599,873.00	23,889.00
Supplies and Materials	34,610.39	602,241.77	636,852.16	468,168.40	168,683.76
Other Objects		656.00	656.00		656.00
Total Instruction	547,255.01	1,291,459.15	1,838,714.16	1,405,591.60	433,122.56
Support Services:					
Salaries of Other Professional Staff	12,684.36	4,315.64	17,000.00	1,300.00	15,700.00
Purchased Professional and Technical Services	142,744.99	87,090.01	229,835.00	181,271.00	48,564.00
Other Purchased Services	187,315.64	(82,192.64)	105,123.00	40,143.64	64,979.36
Supplies and Materials		273,098.50	273,098.50	195,690.99	77,407.51
Scholarships Awarded		103,947.35	103,947.35	5,487.69	98,459.66
Student Activities		465,435.25	465,435.25	222,940.95	242,494.30
Total Support Services	342,744.99	851,694.11	1,194,439.10	646,834.27	547,604.83
Facilities Acquisition and Construction Services:					
Noninstructional Equipment		11,751.00	11,751.00	11,751.00	
Total Facilities Acquisition and Construction Services	-	11,751.00	11,751.00	11,751.00	-
Total Expenditures	890,000.00	2,154,904.26	3,044,904.26	2,064,176.87	980,727.39

(Continued)

RUTHERFORD SCHOOL DISTRICT
Special Revenue Fund
Required Supplementary Information
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	\$ (15,307.32)	\$ (15,307.32)
Fund Balance, July 1 Prior Period Adjustment				356,261.28	356,261.28
Fund Balance, July 1 (Restated)				356,261.28	356,261.28
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ 340,953.96	\$ 340,953.96
Recapitulation: Restricted:					
Scholarships				\$ 98,459.66	
Student Activities				242,494.30	
Total Fund Balance				\$ 340,953.96	

RUTHERFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Note to RSI
 For the Fiscal Year Ended June 30, 2021

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 56,529,512.84	\$ 2,048,869.55
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(557,128.94)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	233,083.00	
State aid payment is recognized as revenue for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(235,901.00)</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 56,526,694.84</u>	<u>\$ 1,491,740.61</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 54,768,031.25	\$ 2,064,176.87
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		<u>(557,128.94)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 54,768,031.25</u>	<u>\$ 1,507,047.93</u>

REQUIRED SUPPLEMENTARY INFORMATION
PART III

RUTHERFORD SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of the School District's Proportionate Share of the Net Pension Liability
 Public Employees' Retirement System (PERS)
 Last Eight Plan Years

	Measurement Date Ending June 30,							
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.0429524373%	0.0406292579%	0.0390003018%	0.0408840436%	0.0408109893%	0.0443618578%	0.0415390576%	0.0433912226%
School District's Proportionate Share of the Net Pension Liability	\$7,004,419.00	\$7,320,776.00	\$7,678,965.00	\$9,517,152.00	\$12,087,044.00	\$9,958,348.00	\$7,777,248.00	\$8,292,925.00
School District's Covered Payroll (Plan Measurement Period)	\$3,124,524.00	\$3,010,068.00	\$2,841,376.00	\$2,890,152.00	\$2,907,516.00	\$3,246,116.00	\$3,004,876.00	\$3,161,352.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	224.18%	243.21%	270.26%	329.30%	415.72%	306.78%	258.82%	262.32%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

RUTHERFORD SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of the School District's Contributions
 Public Employees' Retirement System (PERS)
 Last Eight Fiscal Years

	Fiscal Year Ended June 30,							
	<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	\$ 488,965.00	\$ 469,879.00	\$ 395,205.00	\$ 387,927.00	\$ 378,747.00	\$ 362,559.00	\$ 381,393.00	\$ 342,442.00
Contributions in Relation to the Contractually Required Contribution	<u>(488,965.00)</u>	<u>(469,879.00)</u>	<u>(395,205.00)</u>	<u>(387,927.00)</u>	<u>(378,747.00)</u>	<u>(362,559.00)</u>	<u>(381,393.00)</u>	<u>(342,442.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll (Fiscal Year)	\$ 3,134,922.00	\$ 2,931,487.00	\$ 2,899,308.00	\$ 2,825,854.00	\$ 2,686,744.00	\$ 2,727,403.00	\$ 2,712,947.00	\$ 2,922,617.00
Contributions as a Percentage of School District's Covered Payroll	15.60%	16.03%	13.63%	13.73%	14.10%	13.29%	14.06%	11.72%

Note: This schedule is presented to illustrate the requirement to show information for 10 years.
 However, until a full 10-year trend is compiled, this presentation will only include information
 for those years for which information is available.

RUTHERFORD SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of the School District's Proportionate Share of the Net Pension Liability
 Teachers' Pension and Annuity Fund (TPAF)
 Last Eight Plan Years

	Measurement Date Ending June 30,			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability Associated with the School District	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the School District	<u>119,706,526.00</u>	<u>112,277,508.00</u>	<u>119,124,311.00</u>	<u>121,683,972.00</u>
	<u><u>\$ 119,706,526.00</u></u>	<u><u>\$ 112,277,508.00</u></u>	<u><u>\$ 119,124,311.00</u></u>	<u><u>\$ 121,683,972.00</u></u>
School District's Covered Payroll (Plan Measurement Period)	\$23,694,116.00	\$23,083,788.00	\$22,592,288.00	\$22,720,348.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	505.22%	486.39%	527.28%	535.57%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	24.60%	26.95%	26.49%	25.41%

	Measurement Date Ending June 30,			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability Associated with the School District	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the School District	<u>142,648,960.00</u>	<u>117,584,718.00</u>	<u>97,461,006.00</u>	<u>90,336,392.00</u>
	<u><u>\$ 142,648,960.00</u></u>	<u><u>\$ 117,584,718.00</u></u>	<u><u>\$ 97,461,006.00</u></u>	<u><u>\$ 90,336,392.00</u></u>
School District's Covered Payroll (Plan Measurement Period)	\$21,656,256.00	\$21,525,380.00	\$21,731,800.00	\$20,880,568.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	658.70%	546.26%	448.47%	432.63%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	22.33%	28.71%	33.64%	33.76%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

RUTHERFORD SCHOOL DISTRICT
Required Supplementary Information
Schedule of School District's Contributions
Teachers' Pension and Annuity Fund (TPAF)
Last Ten Fiscal Years

This schedule is not applicable.

The School District is not required to make any contributions towards TPAF.

There is a special funding situation where the State of New Jersey pays 100% of the required contributions.

RUTHERFORD SCHOOL DISTRICT
 Notes to Required Supplementary Information - Part III
 For the Fiscal Year Ended June 30, 2021

Teachers' Pension and Annuity Fund (TPAF)

Changes in Benefit Terms

The June 30, 2020 measurement date included one change to the plan provisions. The Division of Pension and Benefits (DPB) adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions.

Changes in Assumptions

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	5.40%	2016	3.22%
2019	5.60%	2015	4.13%
2018	4.86%	2014	4.68%
2017	4.25%		

The long-term expected rate of return used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	7.65%
2019	7.00%	2015	7.90%
2018	7.00%	2014	7.90%
2017	7.00%		

The mortality assumption was updated upon direction from the DPB.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms

The June 30, 2020 measurement date included two changes to the plan provisions. Chapter 157, P.L. 2019 expanded the definition of regular or assigned duties for purposes of accidental disability. The Division of Pension and Benefits (DPB) also adopted a new policy regarding the crediting of interest on member contributions for the purpose of refund of accumulated deductions.

Changes in Assumptions

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	3.98%
2019	6.28%	2015	4.90%
2018	5.66%	2014	5.39%
2017	5.00%		

The long-term expected rate of return used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	7.00%	2016	7.65%
2019	7.00%	2015	7.90%
2018	7.00%	2014	7.90%
2017	7.00%		

The mortality assumption was updated upon direction from the DPB.

REQUIRED SUPPLEMENTARY INFORMATION
PART IV

RUTHERFORD SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of Changes in the School District's Total OPEB Liability and Related Ratios
 Last Four Plan Years

	Measurement Date Ending June 30,			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total Non-Employer OPEB Liability - State's Proportionate Share of the Total OPEB Liability Associated with the School District				
Changes for the Year:				
Service Cost	\$ 2,880,505.00	\$ 2,677,766.00	\$ 2,990,540.00	\$ 3,618,763.00
Interest Cost	2,311,229.00	2,793,623.00	2,938,194.00	2,533,581.00
Difference Between Expected and Actual Experience	18,116,232.00	(10,941,541.00)	(5,554,903.00)	
Changes in Assumptions	19,124,281.00	954,703.00	(8,084,888.00)	(10,549,402.00)
Gross Benefit Payments	(1,822,664.00)	(1,965,553.00)	(1,883,901.00)	(1,852,583.00)
Member Contributions	<u>55,245.00</u>	<u>58,264.00</u>	<u>65,111.00</u>	<u>68,217.00</u>
Net Change in Total Non-Employer OPEB Liability	40,664,828.00	(6,422,738.00)	(9,529,847.00)	(6,181,424.00)
Total Non-Employer OPEB Liability - Beginning of Fiscal Year	<u>64,030,733.00</u>	<u>70,453,471.00</u>	<u>79,983,318.00</u>	<u>86,164,742.00</u>
Total Non-Employer OPEB Liability - End of Fiscal Year	<u>\$ 104,695,561.00</u>	<u>\$ 64,030,733.00</u>	<u>\$ 70,453,471.00</u>	<u>\$ 79,983,318.00</u>
School District's Covered Payroll (Plan Measurement Period)	<u>\$ 23,978,980.00</u>	<u>\$ 23,012,319.00</u>	<u>\$ 22,394,329.00</u>	<u>\$ 21,860,509.00</u>
State's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District as a Percentage of Covered Payroll	436.61%	278.25%	314.60%	365.88%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

RUTHERFORD SCHOOL DISTRICT
Notes to Required Supplementary Information - Part IV
For the Fiscal Year Ended June 30, 2021

Changes in Benefit Terms:

There were no changes in benefit terms from the previous valuations.

Changes in Assumptions:

The discount rate used as of June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2020	2.21%	2018	3.87%
2019	3.50%	2017	3.58%

The mortality assumption was updated upon the direction from the Division of Pension and Benefits (DPB).

The health care trend assumption is used to project the growth of the expected claims over the lifetime of the health care recipients. Medical and prescription drug trend rates are determined by utilizing experience data, industry experience which includes surveys and Aon trend guidance. These rates are adjusted further to be appropriate with respect to the plan provisions. The ultimate trend for medical and prescription drug benefits was lowered from 5.0% to 4.5%. Recent plan experience along with national trend studies indicate a reduction on the expectations of future long-term medical and prescription drug experience. 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 rates for Plan Years 2019 through 2022 are reflected. For Plan Year 2023, the Medicare Advantage trend rate includes an assumed increase in the premiums based on recent experience and discussions with the Medicare Advantage vendor. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% decreasing to a 4.5% long-term trend rate after seven years.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

RUTHERFORD SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2021

	E.S.E.A.						Total Brought Forward
	Total	Title I - A	Title I SIA - Part A	Title II - A	Title III	Title IV - A	
REVENUES:							
Local Sources	\$ 257,532.39						\$ 257,532.39
State Sources	165,689.00						165,689.00
Federal Sources	1,625,648.16	\$ 120,195.68	\$ 31,478.43	\$ 39,136.14	\$ 4,488.03	\$ 13,788.00	1,416,561.88
Total Revenues	2,048,869.55	120,195.68	31,478.43	39,136.14	4,488.03	13,788.00	1,839,783.27
EXPENDITURES:							
Instruction:							
Salaries of Teachers	44,220.00	44,220.00					
Purchased Professional and Technical Services	293,330.20						293,330.20
Other Purchased Services	599,873.00					13,788.00	586,085.00
Supplies and Materials	468,168.40	55,130.68	27,251.43		4,488.03		381,298.26
Instructional Equipment							
Total Instruction	1,405,591.60	99,350.68	27,251.43	-	4,488.03	13,788.00	1,260,713.46
Support Services:							
Salaries of Other Professional Staff	1,300.00			1,300.00			
Purchased Professional and Technical Services	181,271.00	20,845.00					160,426.00
Other Purchased Services	40,143.64			37,836.14			2,307.50
Supplies and Materials	195,690.99		4,227.00				191,463.99
Scholarships Awarded	5,487.69						5,487.69
Student Activities	222,940.95						222,940.95
Total Support Services	646,834.27	20,845.00	4,227.00	39,136.14	-	-	582,626.13
Facilities Acquisition and Construction Services:							
Noninstructional Equipment	11,751.00						11,751.00
Total Facilities Acquisition and Construction Services	11,751.00	-	-	-	-	-	11,751.00
Total Expenditures	2,064,176.87	120,195.68	31,478.43	39,136.14	4,488.03	13,788.00	1,855,090.59
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,307.32)	-	-	-	-	-	(15,307.32)
Fund Balance, July 1		-	-	-	-	-	
Prior Period Adjustments	356,261.28						356,261.28
Fund Balance, July 1 (Restated)	356,261.28						356,261.28
Fund Balance, June 30	\$ 340,953.96	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 340,953.96

(Continued)

RUTHERFORD SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2021

	Total Carried Forward	I.D.E.A., Part B			C.R.R.S.A.		Total Brought Forward
		Basic	Preschool Incentive	ESSER II	Learning Acceleration Grant	Mental Health Grant	
REVENUES:							
Local Sources	\$ 257,532.39						\$ 257,532.39
State Sources	165,689.00						165,689.00
Federal Sources	1,416,561.88	\$ 612,379.00	\$ 21,626.00	\$ 441,778.61	\$ 28,941.74	\$ 44,500.00	267,336.53
Total Revenues	1,839,783.27	612,379.00	21,626.00	441,778.61	28,941.74	44,500.00	690,557.92
EXPENDITURES:							
Instruction:							
Salaries of Teachers							
Purchased Professional and Technical Services	293,330.20			185,500.00		40,500.00	67,330.20
Other Purchased Services	586,085.00	564,459.00	21,626.00				
Supplies and Materials	381,298.26			256,278.61	18,741.74		106,277.91
Instructional Equipment							
Total Instruction	1,260,713.46	564,459.00	21,626.00	441,778.61	18,741.74	40,500.00	173,608.11
Support Services:							
Salaries of Other Professional Staff							
Purchased Professional and Technical Services	160,426.00	47,920.00			10,200.00	4,000.00	98,306.00
Other Purchased Services	2,307.50						2,307.50
Supplies and Materials	191,463.99						191,463.99
Scholarships Awarded	5,487.69						5,487.69
Student Activities	222,940.95						222,940.95
Total Support Services	582,626.13	47,920.00	-	-	10,200.00	4,000.00	520,506.13
Facilities Acquisition and Construction Services:							
Noninstructional Equipment	11,751.00						11,751.00
Total Facilities Acquisition and Construction Services	11,751.00	-	-	-	-	-	11,751.00
Total Expenditures	1,855,090.59	612,379.00	21,626.00	441,778.61	28,941.74	44,500.00	705,865.24
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,307.32)	-	-	-	-	-	(15,307.32)
Fund Balance, July 1		-	-	-	-	-	
Prior Period Adjustments	356,261.28						356,261.28
Fund Balance, July 1 (Restated)	356,261.28						356,261.28
Fund Balance, June 30	\$ 340,953.96	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 340,953.96

(Continued)

RUTHERFORD SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2021

	C.A.R.E.S.						Total Brought Forward
	Total Carried Forward	Education Stabilization Fund	Coronavirus Relief Fund	CARES Bergen County Allocation	Nonpublic Digital Divide	Home Instruction	
REVENUES:							
Local Sources	\$ 257,532.39						\$ 257,532.39
State Sources	165,689.00					\$ 2,777.00	162,912.00
Federal Sources	267,336.53	\$ 134,612.56	\$ 78,912.21	\$ 39,365.24	\$ 14,446.52		
Total Revenues	690,557.92	134,612.56	78,912.21	39,365.24	14,446.52	2,777.00	420,444.39
EXPENDITURES:							
Instruction:							
Salaries of Teachers							
Purchased Professional and Technical Services	67,330.20	16,343.20				2,777.00	48,210.00
Other Purchased Services							
Supplies and Materials	106,277.91	31,024.32			14,446.52		60,807.07
Instructional Equipment							
Total Instruction	173,608.11	47,367.52	-	-	14,446.52	2,777.00	109,017.07
Support Services:							
Salaries of Other Professional Staff							
Purchased Professional and Technical Services	98,306.00						98,306.00
Other Purchased Services	2,307.50	2,307.50					
Supplies and Materials	191,463.99	73,186.54	78,912.21	39,365.24			
Scholarships Awarded	5,487.69						5,487.69
Student Activities	222,940.95						222,940.95
Total Support Services	520,506.13	75,494.04	78,912.21	39,365.24	-	-	326,734.64
Facilities Acquisition and Construction Services:							
Noninstructional Equipment	11,751.00	11,751.00					
Total Facilities Acquisition and Construction Services	11,751.00	11,751.00	-	-	-	-	-
Total Expenditures	705,865.24	134,612.56	78,912.21	39,365.24	14,446.52	2,777.00	435,751.71
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,307.32)	-	-	-	-	-	(15,307.32)
Fund Balance, July 1		-	-	-	-	-	
Prior Period Adjustments	356,261.28						356,261.28
Fund Balance, July 1 (Restated)	356,261.28						356,261.28
Fund Balance, June 30	\$ 340,953.96	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 340,953.96

(Continued)

RUTHERFORD SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2021

	Total Carried Forward	N.J. Nonpublic					Total Brought Forward
		Textbook Aid CH. 194, L. 1979	Security	Nursing	Examination/ Classification	Corrective Speech	
REVENUES:							
Local Sources	\$ 257,532.39						\$ 257,532.39
State Sources	162,912.00	\$ 16,396.00	\$ 58,550.00	\$ 34,170.00	\$ 17,592.00	\$ 5,013.00	31,191.00
Federal Sources							
Total Revenues	420,444.39	16,396.00	58,550.00	34,170.00	17,592.00	5,013.00	288,723.39
EXPENDITURES:							
Instruction:							
Salaries of Teachers							
Purchased Professional and Technical Services	48,210.00				12,006.00	5,013.00	31,191.00
Other Purchased Services							
Supplies and Materials	60,807.07	16,396.00					44,411.07
Instructional Equipment							
Total Instruction	109,017.07	16,396.00	-	-	12,006.00	5,013.00	75,602.07
Support Services:							
Salaries of Other Professional Staff							
Purchased Professional and Technical Services	98,306.00		58,550.00	34,170.00	5,586.00		
Other Purchased Services							
Supplies and Materials							
Scholarships Awarded	5,487.69						5,487.69
Student Activities	222,940.95						222,940.95
Total Support Services	326,734.64	-	58,550.00	34,170.00	5,586.00	-	228,428.64
Facilities Acquisition and Construction Services:							
Noninstructional Equipment							
Total Facilities Acquisition and Construction Services	-	-	-	-	-	-	-
Total Expenditures	435,751.71	16,396.00	58,550.00	34,170.00	17,592.00	5,013.00	304,030.71
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,307.32)	-	-	-	-	-	(15,307.32)
Fund Balance, July 1							
Prior Period Adjustments	356,261.28						356,261.28
Fund Balance, July 1 (Restated)	356,261.28						356,261.28
Fund Balance, June 30	\$ 340,953.96	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 340,953.96

(Continued)

RUTHERFORD SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2021

	Total Carried Forward	N.J. Nonpublic		Rutherford Education Foundation	Student Activity / Athletic Fund	Scholarship Fund
		Supplemental Instruction	Compensatory Education			
REVENUES:						
Local Sources	\$ 257,532.39			\$ 44,411.07	\$ 207,271.32	\$ 5,850.00
State Sources	31,191.00	\$ 25,095.00	\$ 6,096.00			
Federal Sources						
Total Revenues	288,723.39	25,095.00	6,096.00	44,411.07	207,271.32	5,850.00
EXPENDITURES:						
Instruction:						
Salaries of Teachers						
Purchased Professional and Technical Services	31,191.00	25,095.00	6,096.00			
Other Purchased Services						
Supplies and Materials	44,411.07			44,411.07		
Instructional Equipment						
Total Instruction	75,602.07	25,095.00	6,096.00	44,411.07	-	-
Support Services:						
Salaries of Other Professional Staff						
Purchased Professional and Technical Services						
Other Purchased Services						
Supplies and Materials						
Scholarships Awarded	5,487.69					5,487.69
Student Activities	222,940.95				222,940.95	
Total Support Services	228,428.64	-	-	-	222,940.95	5,487.69
Facilities Acquisition and Construction Services:						
Noninstructional Equipment						
Total Facilities Acquisition and Construction Services	-	-	-	-	-	-
Total Expenditures	304,030.71	25,095.00	6,096.00	44,411.07	222,940.95	5,487.69
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,307.32)	-	-	-	(15,669.63)	362.31
Fund Balance, July 1		-	-	-	-	-
Prior Period Adjustments	356,261.28				258,163.93	98,097.35
Fund Balance, July 1 (Restated)	356,261.28				258,163.93	98,097.35
Fund Balance, June 30	\$ 340,953.96	\$ -	\$ -	\$ -	\$ 242,494.30	\$ 98,459.66

CAPITAL PROJECTS FUND

RUTHERFORD SCHOOL DISTRICT
 Capital Projects Fund
 Summary Schedule of Project Expenditures
 For the Fiscal Year Ended June 30, 2021

<u>Project Title / Issue</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditures To Date</u>		<u>Unexpended Balance June 30, 2021</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Rutherford High School Renovations	06-10-19	\$ 14,935,205.00	\$ 925,677.17	\$ 3,185,741.18	\$ 10,823,786.65
Lincoln School Addition	06-10-19	1,595,135.00	242,699.63	695,126.00	657,309.37
Pierrepont Addition and Renovation	06-10-19	15,915,503.00	1,378,676.22	5,341,305.51	9,195,521.27
Kindergarten Center Renovation	06-10-19	2,199,935.00	228,134.33	1,917,200.50	54,600.17
Union School Addition and Renovation	06-10-19	<u>10,684,700.00</u>	<u>663,609.44</u>	<u>3,434,095.60</u>	<u>6,586,994.96</u>
Total		<u>\$ 45,330,478.00</u>	<u>\$ 3,438,796.79</u>	<u>\$ 14,573,468.79</u>	<u>\$ 27,318,212.42</u>

RUTHERFORD SCHOOL DISTRICT

Capital Projects Fund

Summary Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2021**Expenditures and Other Financing Uses:**

Purchased Professional and Technical Services	\$ 2,074,688.29	
Construction Services	12,398,548.38	
Equipment	<u>100,232.12</u>	
Total Expenditures		<u>\$ 14,573,468.79</u>
Net Change in Fund Balance		(14,573,468.79)
Fund Balance - July 1		<u>41,891,681.21</u>
Fund Balance - June 30		<u><u>\$ 27,318,212.42</u></u>

RUTHERFORD SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 Rutherford High School Renovations
 For the Fiscal Year Ended June 30, 2021

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Bond Proceeds and Transfers	\$ 14,935,047.00		\$ 14,935,047.00	\$ 14,935,047.00
Transfer from Capital Reserve	158.00		158.00	158.00
Total Revenues	<u>14,935,205.00</u>	<u>-</u>	<u>14,935,205.00</u>	<u>14,935,205.00</u>
Expenditures and Other Financing Uses:				
Legal Services	25,984.30		25,984.30	32,928.72
Purchased Professional and Technical Services	701,887.49	\$ 911,216.25	1,613,103.74	1,664,001.07
Construction Services	197,805.38	2,190,613.89	2,388,419.27	13,017,350.96
Equipment		83,911.04	83,911.04	100,000.00
Other Objects				120,924.25
Total Expenditures	<u>925,677.17</u>	<u>3,185,741.18</u>	<u>4,111,418.35</u>	<u>14,935,205.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 14,009,527.83</u>	<u>\$ (3,185,741.18)</u>	<u>\$ 10,823,786.65</u>	<u>\$ -</u>
Designated for Subsequent Years' Expenditures Encumbered			\$ 5,025,607.95 <u>5,798,178.70</u>	
			<u>\$ 10,823,786.65</u>	
Additional Project Information:				
Project Number	4600-050-19-1000			
Grant Date	N/A			
Bond Authorization Date	09/24/19			
Bonds Authorized	\$ 14,935,047.00			
Bonds Issued	14,935,047.00			
Original Authorized Cost	14,935,205.00			
Additional Authorized Costs	-			
Revised Authorized Cost	14,935,205.00			
Percentage Increase over Original Authorized Cost	N/A			
Percentage Completion	28%			
Original Target Completion Date	09/01/22			
Revised Target Completion Date	09/01/22			

RUTHERFORD SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 Lincoln School Addition
 For the Fiscal Year Ended June 30, 2021

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Bond Proceeds and Transfers	\$ 1,595,118.00		\$ 1,595,118.00	\$ 1,595,118.00
Transfer from Capital Reserve	17.00		17.00	17.00
	1,595,135.00		1,595,135.00	1,595,135.00
Total Revenues	1,595,135.00	-	1,595,135.00	1,595,135.00
Expenditures and Other Financing Uses:				
Legal Services	12,182.54		12,182.54	15,438.37
Purchased Professional and Technical Services	165,202.76	\$ 9,800.30	175,003.06	175,741.95
Construction Services	65,314.33	669,004.62	734,318.95	787,910.00
Equipment		16,321.08	16,321.08	16,800.00
Other Objects				599,244.68
	242,699.63	695,126.00	937,825.63	1,595,135.00
Total Expenditures	242,699.63	695,126.00	937,825.63	1,595,135.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,352,435.37</u>	<u>\$ (695,126.00)</u>	<u>\$ 657,309.37</u>	<u>\$ -</u>
Designated for Subsequent Years' Expenditures Encumbered			\$ 611,193.92 46,115.45	
			<u>\$ 657,309.37</u>	
Additional Project Information:				
Project Number	4600-070-19-1000			
Grant Date	N/A			
Bond Authorization Date	09/24/19			
Bonds Authorized	\$ 1,595,118.00			
Bonds Issued	1,595,118.00			
Original Authorized Cost	1,595,135.00			
Additional Authorized Costs	-			
Revised Authorized Cost	1,595,135.00			
Percentage Increase over Original Authorized Cost	N/A			
Percentage Completion	59%			
Original Target Completion Date	12/31/21			
Revised Target Completion Date	12/31/21			

RUTHERFORD SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 Pierrepont Addition and Renovation
 For the Fiscal Year Ended June 30, 2021

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Bond Proceeds and Transfers	\$ 15,915,335.00		\$ 15,915,335.00	\$ 15,915,335.00
Transfer from Capital Reserve	168.00		168.00	168.00
Total Revenues	15,915,503.00	-	15,915,503.00	15,915,503.00
Expenditures and Other Financing Uses:				
Legal Services	27,728.30		27,728.30	35,138.80
Purchased Professional and Technical Services	1,345,107.82	\$ 424,738.78	1,769,846.60	1,814,721.70
Construction Services	5,840.10	4,916,566.73	4,922,406.83	13,225,642.50
Equipment				840,000.00
Total Expenditures	1,378,676.22	5,341,305.51	6,719,981.73	15,915,503.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 14,536,826.78</u>	<u>\$ (5,341,305.51)</u>	<u>\$ 9,195,521.27</u>	<u>\$ -</u>
Designated for Subsequent Years' Expenditures Encumbered			\$ 1,220,919.18 <u>7,974,602.09</u>	
			<u>\$ 9,195,521.27</u>	
Additional Project Information:				
Project Number	4600-080-19-1000			
Grant Date	N/A			
Bond Authorization Date	09/24/19			
Bonds Authorized	\$ 15,915,335.00			
Bonds Issued	15,915,335.00			
Original Authorized Cost	15,915,503.00			
Additional Authorized Costs	-			
Revised Authorized Cost	15,915,503.00			
Percentage Increase over Original Authorized Cost	N/A			
Percentage Completion	42%			
Original Target Completion Date	09/30/22			
Revised Target Completion Date	09/30/22			

RUTHERFORD SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 Kindergarten Center Renovation
 For the Fiscal Year Ended June 30, 2021

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Bond Proceeds and Transfers	\$ 2,199,912.00		\$ 2,199,912.00	\$ 2,199,912.00
Transfer from Capital Reserve	23.00		23.00	23.00
	2,199,935.00	-	2,199,935.00	2,199,935.00
Total Revenues				
Expenditures and Other Financing Uses:				
Legal Services	17,744.37		17,744.37	22,486.63
Purchased Professional and Technical Services	209,582.71	\$ 64,738.81	274,321.52	291,145.62
Construction Services	807.25	1,852,461.69	1,853,268.94	1,886,302.75
	228,134.33	1,917,200.50	2,145,334.83	2,199,935.00
Total Expenditures				
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 1,971,800.67	\$ (1,917,200.50)	\$ 54,600.17	\$ -
Designated for Subsequent Years' Expenditures Encumbered			\$ (121,009.14) 175,609.31	
			\$ 54,600.17	
Additional Project Information:				
Project Number	4600-090-19-1000			
Grant Date	N/A			
Bond Authorization Date	09/24/19			
Bonds Authorized	\$ 2,199,912.00			
Bonds Issued	2,199,912.00			
Original Authorized Cost	2,199,935.00			
Additional Authorized Costs	-			
Revised Authorized Cost	2,199,935.00			
Percentage Increase over Original Authorized Cost	N/A			
Percentage Completion	98%			
Original Target Completion Date	09/30/22			
Revised Target Completion Date	09/30/22			

RUTHERFORD SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 Union School Addition and Renovation
 For the Fiscal Year Ended June 30, 2021

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Bond Proceeds and Transfers	\$ 10,684,588.00		\$ 10,684,588.00	\$ 10,684,588.00
Transfer from Capital Reserve	112.00		112.00	112.00
	10,684,700.00	-	10,684,700.00	10,684,700.00
Expenditures and Other Financing Uses:				
Legal Services	26,887.79		26,887.79	34,073.66
Purchased Professional and Technical Services	543,898.93	\$ 664,194.15	1,208,093.08	1,254,096.66
Construction Services	92,822.72	2,769,901.45	2,862,724.17	8,762,679.35
Equipment				276,412.50
Other Objects				357,437.83
	663,609.44	3,434,095.60	4,097,705.04	10,684,700.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 10,021,090.56</u>	<u>\$ (3,434,095.60)</u>	<u>\$ 6,586,994.96</u>	<u>\$ -</u>
Designated for Subsequent Years' Expenditures Encumbered			\$ 1,329,960.10 5,257,034.86	
			<u>\$ 6,586,994.96</u>	
Additional Project Information:				
Project Number	4600-100-19-1000			
Grant Date	N/A			
Bond Authorization Date	09/24/19			
Bonds Authorized	\$ 10,684,588.00			
Bonds Issued	10,684,588.00			
Original Authorized Cost	10,684,700.00			
Additional Authorized Costs	-			
Revised Authorized Cost	10,684,700.00			
Percentage Increase over Original Authorized Cost	N/A			
Percentage Completion	38%			
Original Target Completion Date	07/31/22			
Revised Target Completion Date	07/31/22			

PROPRIETARY FUNDS

RUTHERFORD SCHOOL DISTRICT
Proprietary Funds
Business-Type Activities - Enterprise Funds
Combining Statement of Net Position
June 30, 2021

	<u>Food Service</u>	<u>Before and After Care</u>	<u>Summer Music Program</u>	<u>Total</u>
ASSETS:				
Current Assets:				
Cash and Cash Equivalents	\$ 20,285.88	\$ 223,877.87	\$ 3,968.66	\$ 248,132.41
Accounts Receivable:				
Other		9,899.10		9,899.10
Interfund Accounts Receivable:				
Due General Fund			23,524.78	23,524.78
Total Assets	<u>20,285.88</u>	<u>233,776.97</u>	<u>27,493.44</u>	<u>281,556.29</u>
LIABILITIES:				
Current Liabilities:				
Accounts Payable	12,493.06			12,493.06
Interfund Accounts Payable:				
Due General Fund		206,924.18		206,924.18
Unearned Revenue		58,200.00		58,200.00
Total Liabilities	<u>12,493.06</u>	<u>265,124.18</u>	<u>-</u>	<u>277,617.24</u>
NET POSITION:				
Unrestricted (Deficit)	<u>7,792.82</u>	<u>(31,347.21)</u>	<u>27,493.44</u>	<u>3,939.05</u>
Total Net Position (Deficit)	<u>\$ 7,792.82</u>	<u>\$ (31,347.21)</u>	<u>\$ 27,493.44</u>	<u>\$ 3,939.05</u>

RUTHERFORD SCHOOL DISTRICT
 Proprietary Funds
 Business-Type Activities - Enterprise Funds
 Combining Statement of Revenues, Expenses and Changes in Fund Net Position
 For the Fiscal Year Ended June 30, 2021

	<u>Food Service</u>	<u>Community Education</u>	<u>Before and After Care</u>	<u>Summer Music Program</u>	<u>Total</u>
OPERATING REVENUES:					
Charges for Services:					
Daily Sales - Non-Reimbursable Programs					
School Lunch Program	\$ 37,192.05				\$ 37,192.05
Miscellaneous		\$ 869.30			869.30
Community Service Activities			\$ 175,190.40		175,190.40
Total Operating Revenues	<u>37,192.05</u>	<u>869.30</u>	<u>175,190.40</u>	<u>-</u>	<u>213,251.75</u>
OPERATING EXPENSES:					
Salaries		9,900.00	186,645.87		196,545.87
Employee Benefits			14,278.41		14,278.41
Other Purchased Services		2,205.00			2,205.00
Supplies and Materials	5,465.00		5,999.90		11,464.90
Depreciation		352.93			352.93
Miscellaneous	237.96				237.96
Cost of Sales - Non-Reimbursable Programs	60,691.00				60,691.00
Total Operating Expenses	<u>66,393.96</u>	<u>12,457.93</u>	<u>206,924.18</u>	<u>-</u>	<u>285,776.07</u>
Operating Income (Loss)	<u>(29,201.91)</u>	<u>(11,588.63)</u>	<u>(31,733.78)</u>	<u>-</u>	<u>(72,524.32)</u>
NONOPERATING REVENUES (EXPENSES):					
Interest Revenue	58.57	252.07	386.57		697.21
Total Nonoperating Revenues (Expenses)	<u>58.57</u>	<u>252.07</u>	<u>386.57</u>	<u>-</u>	<u>697.21</u>
Net Income (Loss) Before Contributions and Transfers	<u>(29,143.34)</u>	<u>(11,336.56)</u>	<u>(31,347.21)</u>	<u>-</u>	<u>(71,827.11)</u>
CONTRIBUTIONS AND TRANSFERS:					
Operating Transfers Out - Governmental Activities		(1,300.25)			(1,300.25)
Operating Transfers In - General Fund	25,000.00	87,697.06			112,697.06
Total Contributions and Transfers	<u>25,000.00</u>	<u>86,396.81</u>	<u>-</u>	<u>-</u>	<u>111,396.81</u>
Change in Net Position	<u>(4,143.34)</u>	<u>75,060.25</u>	<u>(31,347.21)</u>		<u>39,569.70</u>
Net Position (Deficit) - July 1	<u>11,936.16</u>	<u>(75,060.25)</u>		<u>\$ 27,493.44</u>	<u>(35,630.65)</u>
Net Position (Deficit) - June 30	<u>\$ 7,792.82</u>	<u>\$ -</u>	<u>\$ (31,347.21)</u>	<u>\$ 27,493.44</u>	<u>\$ 3,939.05</u>

RUTHERFORD SCHOOL DISTRICT
Proprietary Funds
Business-Type Activities - Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2021

	<u>Food Service</u>	<u>Community Education</u>	<u>Before and After Care</u>	<u>Summer Music Program</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from Customers	\$ 37,192.05	\$ 524.30	\$ 223,491.30		\$ 261,207.65
Payments to Employees			(186,645.87)		(186,645.87)
Payments for Employee Benefits			(14,278.41)		(14,278.41)
Payments to Suppliers and Other Operating Payments	<u>(73,376.40)</u>	<u>(705.00)</u>	<u>(5,999.90)</u>		<u>(80,081.30)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(36,184.35)</u>	<u>(180.70)</u>	<u>16,567.12</u>	<u>-</u>	<u>(19,797.93)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:					
Subsidies and Transfers to (from) Other Funds	<u>50,000.00</u>	<u>(65,614.60)</u>	<u>206,924.18</u>		<u>191,309.58</u>
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>50,000.00</u>	<u>(65,614.60)</u>	<u>206,924.18</u>	<u>-</u>	<u>191,309.58</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest and Dividends	<u>58.57</u>	<u>252.07</u>	<u>386.57</u>		<u>697.21</u>
Net Cash Provided by (Used for) Investing Activities	<u>58.57</u>	<u>252.07</u>	<u>386.57</u>	<u>-</u>	<u>697.21</u>
Net Increase (Decrease) in Cash and Cash Equivalents	13,874.22	(65,543.23)	223,877.87	-	172,208.86
Cash and Cash Equivalents - July 1	<u>6,411.66</u>	<u>65,543.23</u>		<u>\$ 3,968.66</u>	<u>75,923.55</u>
Cash and Cash Equivalents - June 30	<u>\$ 20,285.88</u>	<u>\$ -</u>	<u>\$ 223,877.87</u>	<u>\$ 3,968.66</u>	<u>\$ 248,132.41</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Operating Income (Loss)	<u>\$ (29,201.91)</u>	<u>\$ (11,588.63)</u>	<u>\$ (31,733.78)</u>	<u>-</u>	<u>\$ (72,524.32)</u>
Adjustments to Reconcile Operating (Income) Loss to Net Cash Provided by (Used) for Operating Activities:					
Depreciation and Net Amortization		352.93			352.93
(Increase) Decrease in Accounts Receivable			(9,899.10)		(9,899.10)
Increase (Decrease) in Accounts Payable	(6,982.44)				(6,982.44)
Increase (Decrease) in Interfunds Payable		12,385.00			12,385.00
Increase (Decrease) in Unearned Revenue		<u>(1,330.00)</u>	<u>58,200.00</u>		<u>56,870.00</u>
Total Adjustments	<u>(6,982.44)</u>	<u>11,407.93</u>	<u>48,300.90</u>	<u>-</u>	<u>52,726.39</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (36,184.35)</u>	<u>\$ (180.70)</u>	<u>\$ 16,567.12</u>	<u>\$ -</u>	<u>\$ (19,797.93)</u>

LONG-TERM DEBT

RUTHERFORD SCHOOL DISTRICT
 Schedule of Serial Bonds
 For the Fiscal Year Ended June 30, 2021

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance June 30, 2020	Retired	Balance June 30, 2021
			Date	Amount				
School District Refunding Bonds -- Series 2016	11-22-16	\$ 11,115,000.00	01-15-22	\$ 1,030,000.00	4.00%	\$ 8,420,000.00	\$ 995,000.00	\$ 7,425,000.00
			01-15-23	1,075,000.00	4.00%			
			01-15-24	1,080,000.00	4.00%			
			01-15-25	1,065,000.00	4.00%			
			01-15-26	1,065,000.00	4.00%			
			01-15-27	1,060,000.00	4.00%			
			01-15-28	1,050,000.00	5.00%			
School District Bonds -- Series 2019	12-19-19	45,330,000.00	12-15-21	1,100,000.00	2.50%	45,330,000.00		45,330,000.00
			12-15-22	1,100,000.00	2.50%			
			12-15-23	1,100,000.00	2.50%			
			12-15-24	1,150,000.00	2.50%			
			12-15-25	1,150,000.00	2.50%			
			12-15-26	1,165,000.00	2.50%			
			12-15-27	1,165,000.00	2.50%			
			12-15-28	2,200,000.00	2.50%			
			12-15-29	2,200,000.00	2.50%			
			12-15-30	2,200,000.00	2.50%			
			12-15-31	2,200,000.00	2.50%			
			12-15-32	2,200,000.00	2.50%			
			12-15-33	2,200,000.00	2.50%			
			12-15-34	2,200,000.00	2.50%			
			12-15-35	2,200,000.00	2.75%			
			12-15-36	2,200,000.00	2.75%			
			12-15-37	2,200,000.00	2.75%			
			12-15-38	2,200,000.00	3.00%			
			12-15-39	2,200,000.00	3.00%			
			12-15-40	2,200,000.00	3.00%			
			12-15-41	2,200,000.00	3.00%			
12-15-42	2,200,000.00	3.00%						
12-15-43	2,200,000.00	3.00%						
12-15-44	2,200,000.00	3.00%						
						<u>45,330,000.00</u>		<u>45,330,000.00</u>
						<u>\$ 53,750,000.00</u>	<u>\$ 995,000.00</u>	<u>\$ 52,755,000.00</u>

RUTHERFORD SCHOOL DISTRICT
 Schedule of Obligations Under Capital Leases
 For the Fiscal Year Ended June 30, 2021

Series	Date of Lease	Term of Lease	Amount of Original Issue		Interest Rate	Balance June 30, 2020	Issued	Retired	Balance June 30, 2021
			Principal	Interest					
Computers	06-05-17	4 years	\$ 163,082.00		n/a	\$ 40,770.50		\$ 40,770.50	
Computers	07-21-17	4 years	191,541.30	\$ 8,410.38	2.59%	48,725.91		48,725.91	
Copiers	08-24-17	5 years	141,002.63	13,737.37	3.70%	69,064.32		28,867.70	\$ 40,196.62
Computers	08-13-19	4 years	61,860.00		n/a	46,395.00		15,465.00	30,930.00
Computers	08-13-19	5 years	139,045.00	8,074.65	2.73%	110,094.69		26,423.85	83,670.84
Copier	10-09-19	5 years	23,605.21	2,734.79	4.40%	21,471.03		4,411.53	17,059.50
Copier	10-09-19	5 years	26,347.51	3,052.49	4.40%	23,965.42		4,924.05	19,041.37
Copier	10-09-19	5 years	28,767.21	3,332.79	4.40%	23,507.74		5,495.60	18,012.14
Copier	10-09-19	5 years	21,777.03	2,522.97	4.40%	17,795.57		4,160.23	13,635.34
Copier	10-09-19	5 years	28,767.19	3,332.81	4.40%	23,507.72		5,495.60	18,012.12
Copier	10-09-19	5 years	28,767.19	3,332.81	4.40%	23,507.72		5,495.60	18,012.12
Computers	06-28-21	4 years	105,900.00		n/a		\$ 105,900.00		105,900.00
Computers	09-23-20	5 years	117,840.00	6,482.25	2.72%		117,840.00	24,794.20	93,045.80
						<u>\$ 448,805.62</u>	<u>\$ 223,740.00</u>	<u>\$ 215,029.77</u>	<u>\$ 457,515.85</u>

RUTHERFORD SCHOOL DISTRICT
Debt Service Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 2,803,557.00		\$ 2,803,557.00	\$ 2,803,557.00	
State Sources:					
Debt Service Aid Type II	365,238.00		365,238.00	365,238.00	
Total Revenues	3,168,795.00	-	3,168,795.00	3,168,795.00	-
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	2,173,795.00		2,173,795.00	2,173,794.48	\$ 0.52
Redemption of Principal	995,000.00		995,000.00	995,000.00	
Total Regular Debt Service	3,168,795.00	-	3,168,795.00	3,168,794.48	0.52
Total Expenditures	3,168,795.00	-	3,168,795.00	3,168,794.48	0.52
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	0.52	0.52
Fund Balance - July 1	-		-	-	
Fund Balance - June 30	\$ -	\$ -	\$ -	\$ 0.52	\$ 0.52

STATISTICAL SECTION

Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance.

RUTHERFORD SCHOOL DISTRICT
 Net Position by Component
 Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2021*	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental Activities:										
Net Investment in Capital Assets	\$ 22,511,720.24	\$ 22,029,183.19	\$ 23,108,914.17	\$ 22,740,283.11	\$ 22,166,781.41	\$ 21,403,452.04	\$ 20,897,836.68	\$ 20,625,161.35	\$ 19,717,622.77	\$ 18,120,224.00
Restricted	5,161,043.85	4,210,876.28	2,645,023.10	2,051,588.13	2,646,796.53	1,731,693.00	1,395,848.53	2,141,004.53	1,150,345.16	2,369,654.00
Unrestricted (Deficit)	<u>(7,140,060.52)</u>	<u>(8,597,727.13)</u>	<u>(9,135,672.84)</u>	<u>(9,227,745.96)</u>	<u>(9,267,947.29)</u>	<u>(8,310,791.83)</u>	<u>(7,690,555.55)</u>	<u>387,649.97</u>	<u>1,685,314.49</u>	<u>277,194.00</u>
Total Governmental Activities Net Position	<u>\$ 20,532,703.57</u>	<u>\$ 17,642,332.34</u>	<u>\$ 16,618,264.43</u>	<u>\$ 15,564,125.28</u>	<u>\$ 15,545,630.65</u>	<u>\$ 14,824,353.21</u>	<u>\$ 14,603,129.66</u>	<u>\$ 23,153,815.85</u>	<u>\$ 22,553,282.42</u>	<u>\$ 20,767,072.00</u>
Business-type Activities:										
Net Investment in Capital Assets		\$ 1,653.18	\$ 2,098.98							
Unrestricted	\$ 3,939.05	(37,283.83)	34,993.06	\$ 98,554.06	\$ 120,934.37	\$ 107,688.66	\$ 75,201.90	\$ 66,567.74	\$ 68,259.07	\$ 46,019.00
Total Business-type Activities Net Position	<u>\$ 3,939.05</u>	<u>\$ (35,630.65)</u>	<u>\$ 37,092.04</u>	<u>\$ 98,554.06</u>	<u>\$ 120,934.37</u>	<u>\$ 107,688.66</u>	<u>\$ 75,201.90</u>	<u>\$ 66,567.74</u>	<u>\$ 68,259.07</u>	<u>\$ 46,019.00</u>
District-wide:										
Net Investment in Capital Assets	\$ 22,511,720.24	\$ 22,030,836.37	\$ 23,111,013.15	\$ 22,740,283.11	\$ 22,166,781.41	\$ 21,403,452.04	\$ 20,897,836.68	\$ 20,625,161.35	\$ 19,717,622.77	\$ 18,120,224.00
Restricted	5,161,043.85	4,210,876.28	2,645,023.10	2,051,588.13	2,646,796.53	1,731,693.00	1,395,848.53	2,141,004.53	1,150,345.16	2,369,654.00
Unrestricted (Deficit)	<u>(7,136,121.47)</u>	<u>(8,635,010.96)</u>	<u>(9,100,679.78)</u>	<u>(9,129,191.90)</u>	<u>(9,147,012.92)</u>	<u>(8,203,103.17)</u>	<u>(7,615,353.65)</u>	<u>454,217.71</u>	<u>1,753,573.56</u>	<u>323,213.00</u>
Total District-wide Net Position	<u>\$ 20,536,642.62</u>	<u>\$ 17,606,701.69</u>	<u>\$ 16,655,356.47</u>	<u>\$ 15,662,679.34</u>	<u>\$ 15,666,565.02</u>	<u>\$ 14,932,041.87</u>	<u>\$ 14,678,331.56</u>	<u>\$ 23,220,383.59</u>	<u>\$ 22,621,541.49</u>	<u>\$ 20,813,091.00</u>

*For the fiscal year ended June 30, 2021, the School District adopted GASB No. 84, which required the School District to determine if certain activities that were previously reported as Fiduciary Activities now met the criteria to be reported as Governmental Activities. As a result, net position and certain fund balances reported as of July 1, 2020 have been restated.

For the fiscal year ended June 30, 2015, the School District adopted GASBS No's 68 and 71, which required the School District to record its proportionate share of the net pension liability and related deferred outflows and inflows of resources in the government-wide financial statements. Balances prior to June 30, 2015 are shown as originally reported and have not been restated for this adoption.

Source: Exhibit A-1

RUTHERFORD SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2021*	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 16,482,572.69	\$ 16,452,636.18	\$ 15,494,990.89	\$ 15,288,081.29	\$ 15,822,562.09	\$ 15,876,660.92	\$ 14,214,861.94	\$ 13,953,793.27	\$ 13,395,762.51	\$ 13,165,384.00
Special Education	2,240,673.50	2,160,580.95	2,118,030.45	1,958,703.64	2,489,648.85	2,137,432.68	3,777,952.43	3,715,093.08	3,662,520.50	3,450,190.00
Other Instruction	1,179,167.78	1,279,576.35	1,956,344.75	1,871,341.45	1,168,503.57	1,221,912.46	1,296,619.10	1,272,722.38	1,389,254.86	1,147,282.00
School Sponsored Activities	824,983.91	798,704.59								
Support Services:										
Tuition	4,366,901.21	4,495,421.48	4,407,493.41	4,385,168.35	4,228,235.89	4,881,580.58	4,044,262.39	3,547,315.97	3,208,561.02	3,406,844.00
Student and Instruction Related Services	5,167,679.41	4,921,725.93	4,788,643.99	4,578,137.89	4,205,925.60	4,098,505.08	3,817,689.65	3,661,410.34	3,550,790.16	3,279,883.00
School Administrative Services	2,841,967.64	2,801,718.68	2,670,735.85	2,616,395.75	1,772,973.28	1,798,633.52	1,755,395.44	1,723,655.19	1,722,138.65	1,670,955.00
Business Administrative Services	666,366.94	845,871.14	869,365.48	887,700.42	879,177.13	866,513.28	891,976.98	904,601.46	768,711.58	1,419,502.00
Central Services	801,711.08	767,266.54	794,895.99	722,329.35	641,365.25	637,805.56	624,097.25	627,599.31	589,481.85	
Administrative Information Technology	314,362.48	189,935.38								
Plant Operations and Maintenance	3,995,355.29	3,645,682.80	3,911,553.31	3,775,470.57	3,641,088.19	3,549,956.20	3,721,935.76	3,722,393.48	3,707,280.11	3,408,267.00
Pupil Transportation	1,585,350.07	1,537,502.21	1,573,147.03	1,485,769.70	1,424,136.13	1,212,499.98	974,599.65	1,150,018.74	892,579.73	887,408.00
Unallocated Benefits	20,729,820.06	16,334,290.81	18,279,486.84	21,437,669.62	20,138,105.13	16,159,168.47	13,737,655.00	8,308,704.97	9,057,894.21	8,346,768.00
Transfer to Charter School	12,240.00	11,860.00	35,106.00	10,915.00	19,647.00					
Interest on Long-term Debt	2,019,763.14	388,203.33	405,359.34	443,613.45	325,248.49	622,555.17	661,655.17	700,064.54	837,951.54	698,226.00
Unallocated Depreciation	1,355,569.49	1,332,355.67	1,313,484.61	1,285,111.65	1,242,418.93	1,246,906.53	1,188,041.97	1,150,164.10	1,078,205.59	1,041,372.00
Debt Issuance Costs		280,690.85			240,200.00					
Loss on Retirement of Capital Assets						37,655.31	13,673.58	123,988.86		
Total Governmental Activities Expenses	64,584,484.69	58,244,022.89	58,618,637.94	60,746,408.13	58,239,235.53	54,347,785.74	50,720,416.31	44,561,525.69	43,861,132.31	41,922,081.00
Business-type Activities:										
Food Service	66,393.96	74,155.80	106,231.85	104,634.88	93,557.73	95,958.52	86,108.77	67,226.11	55,831.30	75,932.00
Community Education	12,457.93	108,306.22	12,982.34	21,164.30	93,244.45	91,329.22	94,802.53	98,316.29	98,168.12	110,849.00
Before and After Care	206,924.18									
Summer Music Program		12,000.00	105,606.59	92,546.73	10,785.70	7,500.00	7,500.00	5,000.00	5,000.00	
Total Business-type Activities Expense	285,776.07	194,462.02	224,820.78	218,345.91	197,587.88	194,787.74	188,411.30	170,542.40	158,999.42	186,781.00
Total District Expenses	\$ 64,870,260.76	\$ 58,438,484.91	\$ 58,843,458.72	\$ 60,964,754.04	\$ 58,436,823.41	\$ 54,542,573.48	\$ 50,908,827.61	\$ 44,732,068.09	\$ 44,020,131.73	\$ 42,108,862.00
Program Revenues:										
Governmental Activities:										
Operating Grants and Contributions	\$ 15,847,006.39	\$ 11,129,417.71	\$ 12,908,575.28	\$ 15,744,766.83	\$ 14,808,765.17	\$ 11,305,759.51	\$ 9,105,738.60	\$ 4,257,681.39	\$ 4,701,478.29	\$ 3,913,613.00
Charges for Services	415,711.54	416,286.22	452,835.00	196,287.89	180,779.00	12,969.00	11,853.00			72,468.00
Capital Grants and Contributions	30,257.00	16,760.00		3,290.00				308,281.00		
Total Governmental Activities Program Revenues	16,292,974.93	11,562,463.93	13,361,410.28	15,944,344.72	14,989,544.17	11,318,728.51	9,117,591.60	4,565,962.39	4,701,478.29	3,986,081.00
Business-type activities:										
Charges for Services:										
Food Service	\$ 37,192.05	\$ 56,683.50	\$ 74,569.35	\$ 73,917.60	\$ 66,950.07	\$ 63,999.25	\$ 53,767.78	\$ 42,749.95	\$ 53,607.12	\$ 66,224.00
Before and After Care	175,190.40									
Summer Music Program		15,581.00	47,891.50	91,905.00	16,822.00	5,194.78	7,500.00	6,200.00	1,610.00	14,440.00
Community Education	869.30	24,157.98	15,855.00	15,143.00	102,061.52	97,925.79	104,641.96	106,641.12	113,646.58	126,762.00
Total Business-type Activities Program Revenues	213,251.75	96,422.48	138,315.85	180,965.60	185,833.59	167,119.82	165,909.74	155,591.07	168,863.70	207,426.00
Total District Program Revenues	\$ 16,506,226.68	\$ 11,658,886.41	\$ 13,499,726.13	\$ 16,125,310.32	\$ 15,175,377.76	\$ 11,485,848.33	\$ 9,283,501.34	\$ 4,721,553.46	\$ 4,870,341.99	\$ 4,193,507.00
Net (Expense)/Revenue:										
Governmental Activities	\$ (48,291,509.76)	\$ (46,681,558.96)	\$ (45,257,227.66)	\$ (44,802,063.41)	\$ (43,249,691.36)	\$ (43,029,057.23)	\$ (41,602,824.71)	\$ (39,995,563.30)	\$ (39,159,654.02)	\$ (37,936,000.00)
Business-type Activities	(72,524.32)	(98,039.54)	(86,504.93)	(37,380.31)	(11,754.29)	(27,667.92)	(22,501.56)	(14,951.33)	9,864.28	20,645.00
Total District-wide Net Expense	\$ (48,364,034.08)	\$ (46,779,598.50)	\$ (45,343,732.59)	\$ (44,839,443.72)	\$ (43,261,445.65)	\$ (43,056,725.15)	\$ (41,625,326.27)	\$ (40,010,514.63)	\$ (39,149,789.74)	\$ (37,915,355.00)

RUTHERFORD SCHOOL DISTRICT
 Changes in Net Position
 Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2021*	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Revenues and Other Changes in Net Position:										
Total Governmental Activities	\$ 50,644,846.71	\$ 47,705,626.87	\$ 46,311,366.81	\$ 44,820,558.04	\$ 43,970,968.80	\$ 43,250,280.78	\$ 41,345,063.52	\$ 40,299,817.81	\$ 39,231,285.84	\$ 38,463,555.00
Total Business-type Activities	112,094.02	25,316.85	25,042.91	15,000.00	25,000.00	60,154.68	31,135.72	13,260.00	12,375.00	
Total District-wide	<u>\$ 50,756,940.73</u>	<u>\$ 47,730,943.72</u>	<u>\$ 46,336,409.72</u>	<u>\$ 44,835,558.04</u>	<u>\$ 43,995,968.80</u>	<u>\$ 43,310,435.46</u>	<u>\$ 41,376,199.24</u>	<u>\$ 40,313,077.81</u>	<u>\$ 39,243,660.84</u>	<u>\$ 38,463,555.00</u>
Change in Net Position:										
Governmental Activities	\$ 2,353,336.95	\$ 1,024,067.91	\$ 1,054,139.15	\$ 18,494.63	\$ 721,277.44	\$ 221,223.55	\$ (257,761.19)	\$ 304,254.51	\$ 71,631.82	\$ 527,555.00
Business-type Activities	39,569.70	(72,722.69)	(61,462.02)	(22,380.31)	13,245.71	32,486.76	8,634.16	(1,691.33)	22,239.28	20,645.00
Total District	<u>\$ 2,392,906.65</u>	<u>\$ 951,345.22</u>	<u>\$ 992,677.13</u>	<u>\$ (3,885.68)</u>	<u>\$ 734,523.15</u>	<u>\$ 253,710.31</u>	<u>\$ (249,127.03)</u>	<u>\$ 302,563.18</u>	<u>\$ 93,871.10</u>	<u>\$ 548,200.00</u>

*For the fiscal year ended June 30, 2021, the School District adopted GASB No. 84, which required the School District to determine if certain activities that were previously reported as Fiduciary Activities now met the criteria to be reported as Governmental Activities. As a result, net position and certain fund balances reported as of July 1, 2020 have been restated.

In accordance with GASBS No. 65, effective for the fiscal year ended June 30, 2013, the method to expense debt issuance costs was changed.

For the fiscal year ended June 30, 2015, the School District adopted GASBS No's 68 and 71, which required the School District to record its proportionate share of the net pension liability and related deferred outflows and inflows of resources in the government-wide financial statements. Balances prior to June 30, 2015 are shown as originally reported and have not been restated for this adoption.

Source: Exhibit A-2

RUTHERFORD SCHOOL DISTRICT
Fund Balances, Governmental Funds
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	<u>2021*</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Fund:										
Restricted	\$ 4,819,611.37	\$ 4,210,398.28	\$ 2,586,096.19	\$ 1,846,955.47	\$ 2,551,645.91	\$ 1,202,428.42	\$ 703,601.26	\$ 1,305,665.64	\$ 1,141,331.16	\$ 476,960.00
Assigned	928,416.31	680,659.20	128,322.13	315,056.27	225,832.42	35,383.62	330,749.83	290,499.82	1,257,387.48	\$ 1,876,601.00
Unassigned	2,452,671.56	1,259,162.23	1,289,733.57	1,131,016.66	915,183.55	1,345,261.38	1,410,130.31	1,190,367.58	1,188,137.41	1,125,331.00
Total General Fund	<u>\$ 8,200,699.24</u>	<u>\$ 6,150,219.71</u>	<u>\$ 4,004,151.89</u>	<u>\$ 3,293,028.40</u>	<u>\$ 3,692,661.88</u>	<u>\$ 2,583,073.42</u>	<u>\$ 2,444,481.40</u>	<u>\$ 2,786,533.04</u>	<u>\$ 3,586,856.05</u>	<u>\$ 3,478,892.00</u>
All Other Governmental Funds:										
Restricted	\$ 27,659,166.90	\$ 41,891,681.21	\$ 58,926.91	\$ 204,632.66	\$ 95,150.62	\$ 529,264.58	\$ 692,147.27	\$ 835,338.89	\$ 9,014.00	\$ 9,013.00
Unassigned (Deficit), Reported in: Capital Projects Fund							(100,660.70)			
Total All Other Governmental Funds	<u>\$ 27,659,166.90</u>	<u>\$ 41,891,681.21</u>	<u>\$ 58,926.91</u>	<u>\$ 204,632.66</u>	<u>\$ 95,150.62</u>	<u>\$ 529,264.58</u>	<u>\$ 591,486.57</u>	<u>\$ 835,338.89</u>	<u>\$ 9,014.00</u>	<u>\$ 9,013.00</u>

*For the fiscal year ended June 30, 2021, the School District adopted GASB No. 84, which required the School District to determine if certain activities that were previously reported as Fiduciary Activities now met the criteria to be reported as Governmental Activities. As a result, net position and certain fund balances reported as of July 1, 2020 have been restated.

Source: Exhibit B-1

RUTHERFORD SCHOOL DISTRICT
 Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2021*	2020	2019	2018	2017	2016	2015	2014	2013	2012
REVENUES:										
Tax Levy	\$ 46,144,384.00	\$ 43,821,107.00	\$ 42,704,062.00	\$ 41,531,633.00	\$ 40,533,916.00	\$ 39,690,240.00	\$ 38,156,764.00	\$ 37,262,106.00	\$ 36,602,970.00	\$ 36,594,646.00
Tuition Charges	208,440.22	385,526.22	403,265.00	196,287.89	180,779.00	12,969.00	11,853.00			72,468.00
Transportation		30,760.00	49,570.00							
Miscellaneous	396,472.08	446,143.51	190,977.00	138,521.29	164,882.65	75,012.64	105,208.72	79,304.81	49,870.63	6,040.00
Local Sources	272,948.52									
State Sources	13,045,093.08	10,822,353.00	10,405,701.55	9,359,332.30	8,631,462.24	8,360,636.44	7,338,751.03	6,919,975.53	7,051,959.59	5,866,087.00
Federal Sources	1,119,892.55	873,148.07	888,815.54	718,295.28	786,398.08	762,530.89	642,693.09	617,653.86	632,075.70	738,282.00
Total Revenue	61,187,230.45	56,379,037.80	54,642,391.09	51,944,069.76	50,297,437.97	48,901,388.97	46,255,269.84	44,879,040.20	44,336,875.92	43,277,523.00
EXPENDITURES:										
Regular Instruction	16,537,270.40	16,381,243.26	15,534,814.76	15,425,204.04	15,888,881.85	15,576,999.79	13,798,522.40	13,197,156.38	13,573,427.19	13,027,910.00
Special Education Instruction	2,242,703.99	2,133,932.06	2,117,517.43	1,953,093.41	2,486,837.57	2,130,599.27	3,788,633.89	3,715,093.08	3,662,520.50	3,443,110.00
School Sponsored Activities	825,731.51	788,853.27								
Other Instruction	1,180,236.34	1,263,793.88	1,955,870.89	1,871,341.45	1,168,503.57	1,221,912.46	1,296,619.10	1,272,722.38	1,389,254.86	1,147,282.00
Support Services:										
Tuition	4,370,858.48	4,480,210.50	4,406,425.84	4,385,168.35	4,228,235.89	4,881,580.58	4,044,262.39	3,547,315.97	3,208,561.02	3,406,844.00
Student and Instruction Related Services	5,172,362.34	4,905,072.49	4,787,484.10	4,578,137.89	4,205,925.60	4,098,505.08	3,817,689.65	3,661,410.34	3,550,790.16	3,279,883.00
General Administration	725,940.42	843,009.00	952,077.70	881,158.68	861,478.11	843,465.23	1,499,806.26	1,487,629.90	1,556,130.06	1,419,502.00
School Administrative Services	2,825,872.06	2,820,012.32	2,670,088.95	2,616,395.75	1,772,973.28	1,798,633.52	1,755,395.44	1,723,655.19	1,722,138.65	1,628,257.00
Central Services	802,437.59	764,670.37								
Administrative Information Technology	314,647.35	334,166.50								
Plant Operations and Maintenance	3,913,906.78	3,545,521.48	3,808,656.19	3,686,686.84	3,551,067.50	3,523,414.29	3,679,707.78	3,916,400.00	3,546,743.78	3,391,787.00
Pupil Transportation	1,515,053.87	1,515,468.69	1,567,360.58	1,479,331.01	1,418,199.82	1,253,485.73	978,282.08	1,133,943.99	869,056.73	829,266.00
Unallocated Benefits	6,445,424.97	6,504,129.62								
Reimbursed TPAF Pension and Social Security	8,715,752.28	7,067,333.40								
Other Support Services			14,161,595.90	13,111,480.17	11,394,600.58	10,765,330.23	9,504,917.20	8,316,754.17	8,953,254.61	8,346,768.00
Transfer to Charter School	12,240.00	11,860.00	35,106.00	10,915.00	19,647.00					
Capital Outlay	15,248,109.59	3,374,775.18	648,349.01	945,742.43	1,059,236.70	1,832,250.88	1,698,576.89	1,543,785.86	619,771.31	1,005,579.00
Bond Issuance Costs		280,690.85								
Debt Service:										
Principal	995,000.00	945,000.00	910,000.00	840,000.00	940,000.00	920,000.00	920,000.00	890,000.00	885,000.00	840,000.00
Interest and Other Charges	2,173,794.48	385,100.00	496,626.00	570,679.00	601,376.00	565,350.00	604,450.00	642,275.00	679,887.50	716,563.00
Total Expenditures	74,017,342.45	58,344,842.87	54,051,973.35	52,355,334.02	49,596,963.47	49,411,527.06	47,386,863.08	45,048,142.26	44,216,536.37	42,482,751.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,830,112.00)	(1,965,805.07)	590,417.74	(411,264.26)	700,474.50	(510,138.09)	(1,131,593.24)	(169,102.06)	120,339.55	794,772.00
OTHER FINANCING SOURCES (USES):										
Proceeds from Borrowing		45,330,000.00			11,115,000.00					
Payment to Refunded Debt Escrow Agent					(12,147,722.50)					
Premium on Sale of Bonds		280,690.85			1,032,722.50					
Assets Acquired Under Capital Lease	223,740.00	358,936.34		495,625.93		646,662.80	576,825.00	208,363.94		
Transfers In		670,916.19	132,942.37	633,062.44	63,312.00	702,993.84	721,036.78	617,417.00		
Transfers Out	(112,697.06)	(695,916.19)	(157,942.37)	(648,062.44)	(88,312.00)	(763,148.52)	(752,172.50)	(630,677.00)	(12,375.00)	
Total Other Financing Sources (Uses)	111,042.94	45,944,627.19	(25,000.00)	480,625.93	(25,000.00)	586,508.12	545,689.28	195,103.94	(12,375.00)	-
Net Change in Fund Balances	\$ (12,719,069.06)	\$ 565,417.74	\$ 69,361.67	\$ 675,474.50	\$ 76,370.03	\$ (585,903.96)	\$ 26,001.88	\$ 107,964.55	\$ 794,772.00	\$ 754,575.00
Debt Service as a Percentage of Non-capital Expenditures	5.39%	2.63%	2.74%	3.18%	3.12%	3.34%	3.52%	3.59%	3.75%	3.87%

*For the fiscal year ended June 30, 2021, the School District adopted GASB No. 84, which required the School District to determine if certain activities that were previously reported as Fiduciary Activities now met the criteria to be reported as Governmental Activities. As a result, net position and certain fund balances reported as of July 1, 2020 have been restated.

Source: Exhibit B-2

RUTHERFORD SCHOOL DISTRICT
 General Fund - Other Local Revenue by Source
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Interest on Investments	\$ 318,154.41	\$ 310,856.18	\$ 3,319.34							\$ 117.00
Tuition									\$ 8,878.80	72,468.00
Prior Year Tuition Settlement	2,945.00	2,475.00	3,733.99							
Prior Year Refunds	9,162.94	4,632.25	52,396.60	\$ 139.32	\$ 46,964.64	\$ 5,056.30	\$ 38,558.75	\$ 41,810.66		
FEMA Reimbursement								1,665.00		
E-Rate Reimbursement		21,217.40	12,666.80							
YMCA Childcare Program		25,000.00	25,000.00							
Rentals					560.00				14,375.00	3,705.00
Void Checks	1,316.15	2,558.63	901.49	1,619.51	16,911.13				6.00	2,102.00
Sale of Assets					832.50	2,750.00		100.00		
Recycling	4,360.00									
Vending Commission		3,204.05	3,005.26	2,476.90	1,886.71	74.97	116.57	337.65		
Anti-Bully Program								1,075.00		
Courtesy Bussing				37,300.00						
Insurance Settlements	53,413.30									
SDA Reimbursement - Prior Year		6,958.84		60,019.08						
Swim Association	5,659.00									
Miscellaneous	1,461.28	3,160.90	6,084.17	4,586.48	526.10	2.00	5.00	164.50	189.83	116.00
Total Miscellaneous Revenues	\$ 396,472.08	\$ 380,063.25	\$ 107,107.65	\$ 106,141.29	\$ 67,681.08	\$ 7,883.27	\$ 38,680.32	\$ 45,152.81	\$ 23,449.63	\$ 78,508.00

Source: District Records

Revenue Capacity Information

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the School District's ability to generate revenues. Please refer to the following exhibits for a historical view of these factors and how they relate to the School District's ability to generate revenues.

RUTHERFORD SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
Unaudited

Year Ended Dec. 31	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (1)	Net Valuation Taxable	Tax-Exempt Property	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate (2)
2021	\$ 25,173,800.00	\$ 2,168,412,800.00	\$ 319,635,800.00	\$ 87,535,000.00	\$ 110,257,800.00	\$ 2,711,015,200.00	\$ 10,619,080.00	\$ 2,721,634,280.00	\$ 168,925,100.00	\$ 3,164,838,694.00	\$ 1.716
2020	24,617,800.00	2,164,236,400.00	322,242,900.00	87,535,000.00	110,257,800.00	2,708,889,900.00	10,316,027.00	2,719,205,927.00	168,117,400.00	3,090,357,912.00	1.672
2019	21,542,900.00	2,161,542,700.00	325,576,500.00	86,409,000.00	110,457,800.00	2,705,528,900.00	10,663,071.00	2,716,191,971.00	195,000,200.00	2,967,218,670.00	1.592
2018	21,521,100.00	2,157,806,300.00	326,310,000.00	86,409,000.00	110,547,100.00	2,702,593,500.00	10,445,726.00	2,713,039,226.00	215,251,800.00	2,989,245,512.00	1.551
2017	20,459,000.00	2,156,867,600.00	327,313,300.00	86,409,000.00	110,547,100.00	2,701,596,000.00	10,827,790.00	2,712,423,790.00	215,218,700.00	2,874,852,984.00	1.516
2016	21,133,300.00	2,160,845,000.00	329,136,500.00	86,559,000.00	110,890,400.00	2,708,564,200.00	11,448,192.00	2,720,012,392.00	214,581,000.00	2,768,178,701.00	1.475
2015	22,367,100.00	2,169,598,500.00	325,036,800.00	87,212,400.00	111,316,900.00	2,715,531,700.00	10,838,761.00	2,726,370,461.00	214,129,200.00	2,586,267,186.00	1.428
2014	22,816,700.00	2,183,090,700.00	330,511,200.00	87,212,400.00	111,438,200.00	2,735,069,200.00	10,743,509.00	2,745,812,709.00	213,937,500.00	2,557,125,783.00	1.373
2013	23,542,400.00	2,213,768,300.00	336,421,900.00	87,262,500.00	112,236,900.00	2,773,232,000.00	11,418,057.00	2,784,650,057.00	213,470,200.00	2,582,081,757.00	1.327
2012	23,714,300.00	2,227,309,400.00	337,368,800.00	88,100,300.00	112,528,200.00	2,789,021,000.00	14,807,649.00	2,803,828,649.00	214,316,100.00	2,707,172,742.00	1.304

(1) Taxable Value of Machinery, Improvements and Equipment of Telephone, Telegraph and Messenger System Companies

(2) Tax Rates are per \$100 of Assessed Valuation

Source: Municipal Tax Assessor

RUTHERFORD SCHOOL DISTRICT
 Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years
 (Rate per \$100 of Assessed Value)
Unaudited

Year Ended <u>Dec. 31</u>	<u>District Direct Rate</u>			<u>Overlapping Rates</u>			<u>Total Direct and Overlapping Tax Rate</u>
	<u>Basic Rate</u>	<u>General Obligation Debt Service</u>	<u>Total Direct Tax Rate</u>	<u>Borough of Rutherford</u>	<u>Local Library</u>	<u>Bergen County</u>	
2021	\$ 1.612	\$ 0.104	\$ 1.716	\$ 0.917		\$ 0.293	\$ 2.926
2020	1.621	0.051	1.672	0.859	\$ 0.038	0.282	2.851
2019	1.542	0.050	1.592	0.844	0.036	0.267	2.739
2018	1.501	0.050	1.551	0.845	0.037	0.268	2.701
2017	1.461	0.055	1.516	0.847	0.035	0.265	2.663
2016	1.420	0.055	1.475	0.845	0.034	0.250	2.604
2015	1.371	0.057	1.428	0.846	0.031	0.228	2.533
2014	1.317	0.056	1.373	0.832	0.031	0.218	2.454
2013	1.270	0.057	1.327	0.811	0.031	0.213	2.382
2012	1.249	0.055	1.304	0.788	0.032	0.213	2.337

Source: Municipal Tax Collector

RUTHERFORD SCHOOL DISTRICT
Principal Property Tax Payers
Current Year and Nine Years Ago
Unaudited

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Meadows Landmark, LLC	\$ 83,500,000.00	1	3.07%	\$ 83,500,000.00	1	2.98%
Citigroup Technology Inc.	39,200,000.00	2	1.44%	39,200,000.00	2	1.40%
Hastings Village Inc.	30,376,200.00	3	1.12%	30,376,200.00	3	1.08%
Friederich & Weill, Co-Trustees	27,000,000.00	4	0.99%	27,000,000.00	4	0.96%
AVR Realty Co. LLC	18,464,600.00	5	0.68%			
Volvo Car USA LLC	11,775,400.00	6	0.43%	11,775,400.00	8	0.42%
359 Veterans Blvd. LLC	11,600,000.00	7	0.43%	11,600,000.00	9	0.41%
Verizon % Duff Phelps	10,619,080.00	8	0.39%			
Linque-HC Partners LLC	8,998,800.00	9	0.33%	8,998,800.00	10	0.32%
Unionford LLC % Future Investments	8,450,000.00	10	0.31%			
Moody National Meadowlands				18,239,600.00	5	0.65%
Bell Atlantic Verizon				14,807,649.00	6	0.53%
BRE/ESA Properties				12,382,500.00	7	0.44%
Total	\$ 249,984,080.00		9.19%	\$ 257,880,149.00		9.20%

Source: Municipal Tax Assessor

RUTHERFORD SCHOOL DISTRICT
 Property Tax Levies and Collections
 Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	School District Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy (1)		Collections in Subsequent Years
		Amount	Percentage of Levy	
2021	\$ 46,144,384.00	\$ 46,144,384.00	100.00%	-
2020	43,821,107.00	43,821,107.00	100.00%	-
2019	42,704,062.00	42,704,062.00	100.00%	-
2018	41,531,633.00	41,531,633.00	100.00%	-
2017	40,533,916.00	40,533,916.00	100.00%	-
2016	39,690,240.00	39,690,240.00	100.00%	-
2015	38,156,764.00	38,156,764.00	100.00%	-
2014	37,262,106.00	37,262,106.00	100.00%	-
2013	36,602,970.00	36,602,970.00	100.00%	-
2012	36,594,646.00	36,594,646.00	100.00%	-

(1) School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statutes, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

Source: District Records

Debt Capacity Information

Debt capacity information is intended to assist users in understanding and assessing the School District's debt burden and its ability to issue additional debt. Please refer to the following exhibits for a historical view of the School District's outstanding debt and its debt capacity.

RUTHERFORD SCHOOL DISTRICT
 Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years
Unaudited

Fiscal Year Ended <u>June 30,</u>	<u>Governmental Activities (1)</u>		Total <u>District Debt</u>	Percentage of Personal <u>Income (2)</u>	<u>Per Capita (3)</u>
	General Obligation <u>Bonds</u>	Capital <u>Leases</u>			
2021	\$ 52,755,000.00	\$ 457,515.85	\$ 53,212,515.85	Unavailable	\$ 2,825.34
2020	53,750,000.00	448,805.62	54,198,805.62	Unavailable	2,976.48
2019	9,365,000.00	452,039.49	9,817,039.49	0.60%	536.36
2018	10,275,000.00	833,196.30	11,108,196.30	0.70%	604.13
2017	11,115,000.00	751,335.44	11,866,335.44	0.79%	642.50
2016	12,950,000.00	1,069,837.01	14,019,837.01	0.96%	761.04
2015	13,870,000.00	555,080.80	14,425,080.80	1.01%	781.76
2014	14,790,000.00	208,363.95	14,998,363.95	1.10%	819.00
2013	15,680,000.00		15,680,000.00	1.20%	857.49
2012	16,565,000.00		16,565,000.00	1.26%	908.92

Sources:

(1) District Records

(2) Personal income has been estimated based upon the municipal population and per capita personal income.

(3) Per Capita Population provided by the NJ Dept. of Labor and Workforce Development; 2021 population from 2020 Federal Census

RUTHERFORD SCHOOL DISTRICT
 Ratios of Net General Bonded Debt Outstanding
 Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30.	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable (2)	Per Capita (3)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding (1)		
2021	\$ 52,755,000.00	-	\$ 52,755,000.00	1.94%	\$ 2,801.05
2020	53,750,000.00	-	53,750,000.00	1.98%	2,951.84
2019	9,365,000.00	-	9,365,000.00	0.34%	511.66
2018	10,275,000.00	-	10,275,000.00	0.38%	558.82
2017	11,115,000.00	-	11,115,000.00	0.41%	601.82
2016	12,950,000.00	-	12,950,000.00	0.48%	702.96
2015	13,870,000.00	-	13,870,000.00	0.51%	751.68
2014	14,790,000.00	-	14,790,000.00	0.54%	807.62
2013	15,680,000.00	-	15,680,000.00	0.56%	857.49
2012	16,565,000.00	-	16,565,000.00	0.59%	908.92

Sources:

- (1) District Records
- (2) Net Assessed Valuation provided by Abstract of Ratables, County Board of Taxation
- (3) Per Capita Population provided by the NJ Dept. of Labor and Workforce Development; 2021 population from 2020 Federal Census

RUTHERFORD SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2020
Unaudited

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Rutherford Borough</u>
Municipal Debt (1):				
Rutherford School District	\$ 53,750,000.00	\$ 53,750,000.00		
Rutherford Borough	<u>27,469,930.19</u>		\$ 27,469,930.19	\$ 27,469,930.19
	<u>81,219,930.19</u>	<u>53,750,000.00</u>	<u>27,469,930.19</u>	<u>27,469,930.19</u>
Overlapping Debt Apportioned to the Municipality:				
County of Bergen (2):				
General:				
Bonds	586,007,715.00	13,570,862.00	572,436,853.00	9,616,939.13 (4)
Notes	105,690,000.00		105,690,000.00	1,775,592.00 (4)
Bonds Issued by Other Public Bodies Guaranteed by the County	<u>533,615,000.00</u>	<u>533,615,000.00</u> (3)		
	<u>1,225,312,715.00</u>	<u>547,185,862.00</u>	<u>678,126,853.00</u>	<u>11,392,531.13</u>
	<u>\$ 1,306,532,645.19</u>	<u>\$ 600,935,862.00</u>	<u>\$ 705,596,783.19</u>	<u>\$ 38,862,461.32</u>

Sources:

- (1) 2020 Annual Debt Statement
- (2) County's 2020 Audit Report
- (3) Deductible in accordance with N.J.S. 40:37A-80.
- (4) Such debt is allocated as a proportion of the Borough's share of the total 2020 Equalized Value, which is 1.68%.
 The source for this computation was the 2020 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.

RUTHERFORD SCHOOL DISTRICT
 Legal Debt Margin Information
 Last Ten Fiscal Years
Unaudited

Legal Debt Margin Calculation for Fiscal Year 2021:

Equalized Valuation Basis (1):	
2020	\$ 3,145,482,931
2019	3,074,814,070
2018	<u>2,952,363,448</u>
[A]	<u>\$ 9,172,660,449</u>
Average equalized valuation of taxable property	[A/3] <u>\$ 3,057,553,483</u>
Debt limit (4% of average equalization value) (2)	[B] <u>\$ 122,302,139</u>
Net bonded school debt (3)	[C] <u>52,755,000</u>
Legal Debt Margin	[B-C] <u>\$ 69,547,139</u>

	Fiscal Year Ended June 30,									
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Debt Limit	\$ 122,302,139	\$ 120,050,864	\$ 117,330,173	\$ 114,813,576	\$ 109,711,184	\$ 105,859,851	\$ 103,482,261	\$ 104,896,232	\$ 108,507,416	\$ 114,917,454
Total Net Debt Applicable to Limit (3)	<u>52,755,000</u>	<u>53,750,000</u>	<u>9,365,000</u>	<u>10,275,000</u>	<u>11,115,000</u>	<u>12,950,000</u>	<u>13,870,000</u>	<u>14,790,000</u>	<u>15,680,000</u>	<u>16,565,000</u>
Legal Debt Margin	<u>\$ 69,547,139</u>	<u>\$ 66,300,864</u>	<u>\$ 107,965,173</u>	<u>\$ 104,538,576</u>	<u>\$ 98,596,184</u>	<u>\$ 92,909,851</u>	<u>\$ 89,612,261</u>	<u>\$ 90,106,232</u>	<u>\$ 92,827,416</u>	<u>\$ 98,352,454</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	43.13%	44.77%	7.98%	8.95%	10.13%	12.23%	13.40%	14.10%	14.45%	14.41%

Sources:

- (1) Equalized valuation bases were provided by the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.
- (2) Limit set by NJSA 18A:24-19 for a K through 12 district.
- (3) District Records

Demographic and Economic Information

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within which the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

RUTHERFORD SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2020	18,209	Unavailable	Unavailable	8.4%
2019	18,303	\$ 1,637,313,168.00	\$ 89,456.00	2.7%
2018	18,387	1,588,710,348.00	86,404.00	3.1%
2017	18,469	1,508,474,044.00	81,676.00	3.7%
2016	18,422	1,462,835,754.00	79,407.00	3.7%
2015	18,452	1,434,956,684.00	77,767.00	4.1%
2014	18,313	1,363,952,240.00	74,480.00	4.9%
2013	18,286	1,311,087,914.00	71,699.00	7.8%
2012	18,225	1,315,188,900.00	72,164.00	8.8%
2011	18,182	1,255,576,192.00	69,056.00	8.6%

Sources:

- (1) Population information provided by the NJ Dept. of Labor and Workforce Development.
- (2) Personal income has been estimated based upon the municipal population and per capita personal income presented.
- (3) Per Capita personal income provided by the NJ Dept. of Labor and Workforce Development.
- (4) Unemployment data provided by the NJ Dept. of Labor and Workforce Development.

Operating Information

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial statement information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

RUTHERFORD SCHOOL DISTRICT
 Full-time Equivalent District Employees by Function/Program
 Last Ten Fiscal Years
Unaudited

<u>Function/Program</u>	<u>Fiscal Year Ended June 30,</u>									
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Instruction:										
Regular	177	173	173	169	169	173	171	172	170	168
Special Education	62	58	58	55	55	53	53	52	51	57
Support Services:										
Student & Instruction Related Services	55	55	53	43	43	42	42	42	42	41
School Administrative Services	22	22	22	22	22	21	21	22	21	19
General & Business Administrative Services	2	2	2	2	2	2	2	2	2	2
Plant Operations and Maintenance	18	18	18	18	18	19	19	19	19	19
Pupil Transportation	9	9	8	8	7	6	6	5	7	9
Business and Other Support Services	10	10	10	10	10	9	9	9	9	10
Total	355	347	344	327	326	325	323	323	321	325

Source: District Personnel Records

RUTHERFORD SCHOOL DISTRICT
 Operating Statistics
 Last Ten Fiscal Years
Unaudited

Fiscal Year Ended <u>June 30.</u>	<u>Enrollment</u>	<u>Operating Expenditures</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil/Teacher Ratio</u>			<u>Average Daily Enrollment (ADE)</u>	<u>Average Daily Attendance (ADA)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
						<u>Elementary</u>	<u>Middle School</u>	<u>Senior High School</u>				
2021	2,623	\$ 55,600,438.38	\$ 21,197.27	7.73%	262	1:16	1:16	1:16	2,513	2,300	-3.42%	91.52%
2020	2,726	53,639,967.69	19,677.17	3.27%	253	1:17	1:17	1:17	2,602	2,472	0.00%	95.00%
2019	2,729	51,996,998.34	19,053.50	-1.03%	253	1:17	1:17	1:17	2,602	2,472	0.12%	95.00%
2018	2,597	49,998,912.59	19,252.57	6.55%	267	1:16	1:16	1:16	2,599	2,469	3.42%	95.00%
2017	2,551	46,093,926.18	18,068.96	6.13%	267	1:12	1:10	1:10	2,513	2,395	1.91%	95.30%
2016	2,594	44,163,836.19	17,025.38	1.45%	225	1:12	1:11	1:09	2,466	2,366	-5.15%	95.94%
2015	2,501	41,972,081.40	16,782.12	-0.54%	225	1:12	1:11	1:09	2,600	2,470	0.54%	95.00%
2014	2,491	42,031,877.56	16,873.50	5.25%	225	1:12	1:11	1:09	2,586	2,456	3.86%	94.97%
2013	2,490	39,920,609.00	16,032.37	2.77%	223	1:12	1:11	1:09	2,490	2,400	0.20%	96.39%
2012	2,485	38,768,493.00	15,601.00	-5.02%	243	1:15	1:13	1:11	2,485	2,384	2.10%	95.95%

Sources: District Records

RUTHERFORD SCHOOL DISTRICT
 School Building Information
 Last Ten Fiscal Years
Unaudited

	Fiscal Year Ended June 30,									
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
District Building:										
<u>Elementary:</u>										
Washington Elementary (1912)										
Square Feet	45,100	45,100	45,100	45,100	45,100	45,100	45,100	45,100	45,100	45,100
Capacity (students)	304	304	304	304	304	304	304	304	304	304
Enrollment	312	314	326	334	305	265	279	337	333	345
Lincoln (1912)										
Square Feet	46,700	46,700	46,700	46,700	46,700	46,700	46,700	46,700	46,700	46,700
Capacity (students)	350	350	350	350	350	350	350	350	350	350
Enrollment	491	524	491	487	487	451	474	381	384	371
Pierrepont Elementary School (1906)										
Square Feet	72,500	72,500	72,500	72,500	72,500	72,500	72,500	72,500	72,500	72,500
Capacity (students)	533	533	533	533	533	533	533	533	533	533
Enrollment	579	580	595	626	638	516	516	510	506	506
<u>Middle School:</u>										
Union Middle School (1926)										
Square Feet	70,700	70,700	70,700	70,700	70,700	70,700	70,700	70,700	70,700	70,700
Capacity (students)	530	530	530	530	530	530	530	530	530	530
Enrollment	406	432	424	398	396	477	484	500	492	498
<u>High School:</u>										
Rutherford High School (1922)										
Square Feet	148,600	148,600	148,600	148,600	148,600	148,600	148,600	148,600	148,600	148,600
Capacity (students)	775	775	775	775	775	775	775	775	775	775
Enrollment	724	743	757	735	734	749	748	770	778	756

Number of Schools at June 30, 2021:

Elementary = 3
 Middle School = 1
 High School = 1

Source: District Records

RUTHERFORD SCHOOL DISTRICT
 Schedule of Required Maintenance
 Last Ten Fiscal Years
Unaudited

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

School Facilities*:	Fiscal Year Ended June 30,									
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
High School	\$ 252,547.40	\$ 220,834.16	\$ 293,040.74	\$ 327,020.67	\$ 334,565.52	\$ 326,644.64	\$ 346,091.03	\$ 325,368.24	\$ 432,869.63	\$ 441,963.00
Union	123,380.55	112,956.12	121,557.23	157,759.80	150,100.34	196,946.74	167,932.32	349,961.47	181,337.48	210,346.00
Pierrepont	116,450.65	104,426.14	119,263.44	198,657.06	158,769.09	159,365.65	165,367.39	130,419.40	191,932.67	194,688.00
Washington	90,867.75	59,661.94	82,466.06	104,910.57	125,405.56	105,227.74	115,935.38	82,533.25	176,789.95	91,999.00
Lincoln	84,134.20	93,853.99	93,444.23	133,204.91	103,934.68	102,653.46	128,158.43	89,523.60	187,804.94	94,591.00
Kindergarten Center	68,476.93	82,470.65	26,865.53	35,335.38	47,367.26	31,725.86	34,059.43	70,564.26	38,033.61	46,216.00
Administration	296,692.47	283,620.33	289,866.69			1,819.47	6,705.47	16,652.43	12,841.76	
Total School Facilities	<u>\$ 1,032,549.95</u>	<u>\$ 957,823.33</u>	<u>1,026,503.92</u>	<u>\$ 956,888.39</u>	<u>\$ 920,142.45</u>	<u>\$ 924,383.56</u>	<u>\$ 964,249.45</u>	<u>\$ 1,065,022.65</u>	<u>\$ 1,221,610.04</u>	<u>\$ 1,079,803.00</u>

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

Source: District Records

RUTHERFORD SCHOOL DISTRICT

Insurance Schedule

June 30, 2021

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy (1):		
General and Auto Liability	\$ 5,000,000.00	
Property and Auto Physical Damage	500,000,000.00	
Property		\$ 2,500.00
Auto Physical Damage		1,000.00
Boiler and Machinery	100,000,000.00	2,500.00
Comprehensive Crime Coverage:	2,500,000.00	
Money and Securities	50,000.00	1,000.00
Blanket Dishonesty Bond	500,000.00	1,000.00
Computer Fraud	50,000.00	1,000.00
Forgery and Alteration	5,000.00	1,000.00
Environmental Impairment Liability	1,000,000.00	10,000.00
Excess Liability	5,000,000.00	
School Board Legal Liability	5,000,000.00	10,000.00
Surety Bonds (3):		
Treasurer of School Monies	350,000.00	
Board Secretary	350,000.00	
Student Accident Policy (2)	6,000,000.00	

- (1) School Alliance Insurance Fund
(2) United States Fire Insurance Company
(3) Selective Insurance Company of America

Source: District Records

SINGLE AUDIT SECTION

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

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Borough of Rutherford School District
Rutherford, New Jersey 07070

Report on Compliance for Each Major Federal and State Program

We have audited the Borough of Rutherford School District's, in the County of Bergen, State of New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2021. The 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 federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the 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 State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance, and State of New Jersey Circular 15-08-OMB, 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 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 Borough of Rutherford School District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Borough of Rutherford School District, in the County of Bergen, State of New Jersey, 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.

Report on Internal Control over Compliance

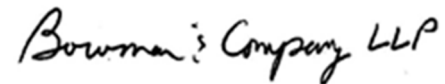
Management of the Borough of Rutherford School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal 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 Uniform Guidance and State of New Jersey Circular 15-08-OMB, 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 Borough of Rutherford School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Robert S. Marrone
Certified Public Accountant
Public School Accountant No. CS 01113

Voorhees, New Jersey
March 10, 2022

RUTHERFORD SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards - Schedule A
 For the Fiscal Year Ended June 30, 2021

Federal Grantor/ Pass-through Grantor / Program Title	Federal Assistance Listing Number	Additional Award Identification	Federal FAIN Number	Pass-Through Entity Identifying Number	Program or Award Amount	Grant Period From To	
General Fund:							
U.S. Department of Health and Human Services:							
Passed-through the State Department of Education:							
Special Education Medicaid Initiative Cluster	93.778	N/A	2005NJ5MAP	Unavailable	\$ 37,152.26	07-01-20	06-30-21
Total General Fund							
Special Revenue Fund:							
U.S. Department of Education:							
Passed-through State Department of Education:							
E.S.S.A.:							
Title I Grants to Local Educational Agencies	84.010	N/A	S010A190030	ESEA460020	182,506.00	07-01-19	09-30-20
Title I Grants to Local Educational Agencies	84.010	N/A	S010A180030	ESEA460021	213,128.00	07-01-20	09-30-21
Total Title I Grants to Local Educational Agencies							
Title I, SIA Part A Grants to Local Educational Agencies	84.010	N/A	S010A190030	ESEA460020	22,000.00	07-01-19	09-30-20
Title I, SIA Part A Grants to Local Educational Agencies	84.010	N/A	S010A180030	ESEA460021	25,900.00	07-01-20	09-30-21
Total Title I, Part SI A							
Supporting Effective Instruction State Grants	84.367	N/A	S367A190029	ESEA460020	40,425.00	07-01-19	09-30-20
Supporting Effective Instruction State Grants	84.367	N/A	S367A180029	ESEA460021	46,592.00	07-01-20	09-30-21
Total Supporting Effective Instruction State Grants							
English Language Acquisition Grants	84.365	N/A	S365A190030	ESEA460020	N/A	07-01-19	09-30-20
English Language Acquisition Grants	84.365	N/A	S365A180030	ESEA460021	N/A	07-01-20	09-30-21
Total English Language Acquisition Grants							
Student Support and Academic Enrichment Grant (Title IV)	84.424	N/A	S424A190031	ESEA460020	11,334.00	07-01-19	09-30-20
Student Support and Academic Enrichment Grant (Title IV)	84.424	N/A	S424A180031	ESEA460021	13,475.00	07-01-20	09-30-21
Total Title IV, Part A							
Education Stabilization Fund:							
Elementary and Secondary School Emergency Relief (ESSER) Fund:							
CARES Act - ESSER I	84.425	84.425D, COVID-19	S425D200027	Unavailable	173,130.00	03-13-20	09-30-22
CRRSA Act - ESSER II	84.425	84.425D, COVID-19	S425D210027	Unavailable	675,437.00	03-13-20	09-30-23
Learning Acceleration Grant	84.425	84.425D, COVID-19	S425D210027	Unavailable	43,346.00	03-13-20	09-30-23
Mental Health	84.425	84.425D, COVID-19	S425D210027	Unavailable	45,000.00	03-13-20	09-30-23
Total Education Stabilization Fund							
Coronavirus Relief Fund:							
School Reopening and Remote Learning	21.019	COVID-19	SLT0228	Unavailable	78,924.00	08-26-20	12-30-20
CARES Act (Bergen County)	21.019	COVID-19	Unavailable	Unavailable	44,011.50	08-26-20	12-30-20
Bridging the Digital Divide (Nonpublic)	21.019	COVID-19	SLT0228	Unavailable	14,573.00	07-16-20	10-31-20
Total Coronavirus Relief Fund							
Individuals with Disabilities Act (IDEA):							
Special Education Cluster:							
Special Education Grants to States	84.027	N/A	H027A190030	FT460020	554,514.00	07-01-19	09-30-20
Special Education Grants to States	84.027	N/A	H027A170030	FT460021	592,166.00	07-01-20	09-30-21
Special Education Preschool Grants	84.173	N/A	H173A170030	PS460020	21,547.00	07-01-19	09-30-20
Special Education Preschool Grants	84.173	N/A	H173A180030	PS460021	21,626.00	07-01-20	09-30-21
Total Special Education Cluster (IDEA)							
Total Passed-through State Department of Education							
Passed-through Wood-Ridge School District Consortium:							
E.S.S.A.:							
English Language Acquisition Grants	84.365	N/A	S365A190030	ESEA460020	7,156.00	07-01-19	06-30-20
English Language Acquisition Grants	84.365	N/A	S365A180030	ESEA460021	4,963.00	07-01-20	06-30-21
Total Passed-through Wood-Ridge School District Consortium							
Total Special Revenue Fund							
Total Federal Financial Assistance							

(A) See Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance

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

Balance June 30, 2020	Carryover / (Walkover) Amount	Cash Received	Adjustments (A)	Budgetary Expenditures			Passed Through to Subrecipients	Repayment of Prior Years' Balances	Balance at June 30, 2021		
				Pass-Through Funds	Direct Funds	Total Budgetary Expenditures			(Accounts Receivable)	Unearned Revenue	Due to Grantor
		\$ 37,152.26		\$ 37,152.26		\$ 37,152.26					
-	-	37,152.26	-	37,152.26	-	37,152.26	-	-	-	-	-
\$ (41,851.00)	\$ (67,098.00)	108,949.00									
	67,098.00	18,928.00		120,195.68		120,195.68			\$ (194,200.00)	\$ 160,030.32	
(41,851.00)	-	127,877.00	-	120,195.68	-	120,195.68	-	-	(194,200.00)	160,030.32	-
(19,329.80)	(5,602.00)	24,932.00	\$ (0.20)								
	5,602.00	15,299.00		31,478.43		31,478.43			(10,601.00)	23.57	
(19,329.80)	-	40,231.00	(0.20)	31,478.43	-	31,478.43	-	-	(10,601.00)	23.57	-
(5,103.84)	(9,738.00)	14,842.00	(0.16)								
	9,738.00	25,142.00		39,136.14		39,136.14			(21,450.00)	17,193.86	
(5,103.84)	-	39,984.00	(0.16)	39,136.14	-	39,136.14	-	-	(21,450.00)	17,193.86	-
	(7,656.00)		7,656.00								
	7,656.00		(7,656.00)						(7,656.00)	7,656.00	
-	-	-	-	-	-	-	-	-	(7,656.00)	7,656.00	-
(10,377.00)	(1,514.00)	11,891.00									
	1,514.00	1,651.00		13,788.00		13,788.00			(11,824.00)	1,201.00	
(10,377.00)	-	13,542.00	-	13,788.00	-	13,788.00	-	-	(11,824.00)	1,201.00	-
		122,862.00									
			(0.02)	134,612.56		134,612.56			(50,268.00)	38,517.44	
				441,778.61		441,778.61			(675,437.00)	233,658.37	
				28,941.74		28,941.74			(43,346.00)	14,404.26	
				44,500.00		44,500.00			(45,000.00)	500.00	
-	-	122,862.00	(0.02)	649,832.91	-	649,832.91	-	-	(814,051.00)	287,080.07	-
		78,924.00		78,912.21		78,912.21				11.79	
		44,011.50		39,365.24		39,365.24				4,646.26	
		14,573.00		14,446.52		14,446.52				126.48	
-	-	137,508.50	-	132,723.97	-	132,723.97	-	-	-	4,784.53	-
(86,293.00)	(106,669.00)	192,962.00									
	106,669.00	416,601.00		612,379.00		612,379.00			(175,565.00)	86,456.00	
(20,969.00)	(1,412.00)	20,969.00	1,412.00								
	1,412.00		(1,412.00)	21,626.00		21,626.00			(23,038.00)	1,412.00	
(107,262.00)	-	630,532.00	-	634,005.00	-	634,005.00	-	-	(198,603.00)	87,868.00	-
(183,923.64)	-	1,112,536.50	(0.38)	1,621,160.13	-	1,621,160.13	-	-	(1,258,385.00)	565,837.35	-
(534.62)			534.62								
			(389.01)	4,488.03		4,488.03			(4,877.04)		
(534.62)	-	-	145.61	4,488.03	-	4,488.03	-	-	(4,877.04)	-	-
(184,458.26)	-	1,112,536.50	145.23	1,625,648.16	-	1,625,648.16	-	-	(1,263,262.04)	565,837.35	-
\$ (184,458.26)	\$ -	\$ 1,149,688.76	\$ 145.23	\$ 1,662,800.42	\$ -	\$ 1,662,800.42	\$ -	\$ -	\$ (1,263,262.04)	\$ 565,837.35	\$ -

RUTHERFORD SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance - Schedule B
 For the Fiscal Year Ended June 30, 2021

State Grantor/ Program or Cluster Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2020		
			From	To	Unearned Revenue/ (Accounts Receivable)	Due to Grantor	
General Fund:							
New Jersey State Department of Education:							
Current Expense:							
State Aid - Public:							
Equalization Aid	495-034-5120-078	\$ 815,410.00	07-01-19	06-30-20	\$ (70,289.59)		
Equalization Aid	495-034-5120-078	815,410.00	07-01-20	06-30-21			
Categorical Aid Special Education Aid	495-034-5120-089	1,545,327.00	07-01-19	06-30-20	(133,209.56)		
Categorical Aid Special Education Aid	495-034-5120-089	1,566,834.00	07-01-20	06-30-21			
Categorical Aid Security Aid	495-034-5120-084	133,835.00	07-01-19	06-30-20	(11,536.78)		
Categorical Aid Security Aid	495-034-5120-084	133,835.00	07-01-20	06-30-21			
Total State Aid - Public					(215,035.93)	-	
Transportation Aid:							
Categorical Transportation Aid	495-034-5120-014	209,359.00	07-01-19	06-30-20	(18,047.07)		
Categorical Transportation Aid	495-034-5120-014	209,359.00	07-01-20	06-30-21			
Total Transportation Aid					(18,047.07)	-	
Extraordinary Aid							
Extraordinary Aid	495-034-5120-044	785,912.00	07-01-19	06-30-20	(785,912.00)		
Extraordinary Aid	495-034-5120-044	1,105,431.00	07-01-20	06-30-21			
Total Extraordinary Aid					(785,912.00)	-	
Reimbursed TPAF Social Security Contributions							
Reimbursed TPAF Social Security Contributions	495-034-5094-003	1,499,527.40	07-01-19	06-30-20	(74,931.71)		
Reimbursed TPAF Social Security Contributions	495-034-5094-003	1,518,776.28	07-01-20	06-30-21			
Total Reimbursed TPAF Social Security Contributions					(74,931.71)	-	
On-Behalf T.P.A.F. Pension Contributions - Post-Retirement							
Medical (non-budgeted)	495-034-5094-001	1,716,549.00	07-01-20	06-30-21			
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)	495-034-5094-002	5,375,185.00	07-01-20	06-30-21			
On-Behalf T.P.A.F. Non-contributory Insurance	495-034-5094-004	102,270.00	07-01-20	06-30-21			
On-Behalf T.P.A.F. Pension Contributions - Long-Term Disability Insurance (non-budgeted)	495-034-5094-004	2,972.00	07-01-20	06-30-21			
Total On-Behalf TPAF Pension Contributions (non-budgeted)					-	-	
Homeless Tuition Reimbursement Aid							
Homeless Tuition Reimbursement Aid	495-034-5120-005	10,776.00	07-01-19	06-30-20	(10,776.00)		
Total General Fund					(1,104,702.71)	-	
Special Revenue Fund:							
New Jersey Department of Education:							
Nonpublic Aid:							
Nursing Services							
Nursing Services	100-034-5120-070	34,170.00	07-01-20	06-30-21			
Textbook Aid (Ch. 194, L. 1977)							
Textbook Aid (Ch. 194, L. 1977)	100-034-5120-064	17,500.00	07-01-19	06-30-20	\$ 593.00		
Textbook Aid (Ch. 194, L. 1977)	100-034-5120-064	20,465.00	07-01-20	06-30-21			
Total Textbook Aid (Ch. 194, L. 1977)					-	593.00	
Technology Initiative Aid							
Technology Initiative Aid	100-034-5120-373	11,952.00	07-01-19	06-30-20		251.00	
Security							
Security	100-034-5120-509	50,250.00	07-01-19	06-30-20		3.00	
Security	100-034-5120-509	58,625.00	07-01-20	06-30-21			
Total Security					-	3.00	
Auxiliary Services (Ch. 192, L. 1977)							
Compensatory Education	100-034-5120-067	26,769.00	07-01-19	06-30-20	(2,952.05)	12,897.00	
Compensatory Education	100-034-5120-067	21,773.00	07-01-20	06-30-21			
English as a Second Language	100-034-5120-067	2,647.00	07-01-19	06-30-20	(291.91)	1,985.00	
Home Instruction	100-034-5120-067	1,217.00	07-01-19	06-30-20	(1,217.00)		
Home Instruction	100-034-5120-067	2,777.00	07-01-20	06-30-21			
Total Auxiliary Services (Ch. 192, L. 1977)					(4,460.96)	14,882.00	
Handicapped Services (Ch. 193, L. 1977)							
Corrective Speech	100-034-5120-066	14,583.00	07-01-19	06-30-20	(1,608.19)	2,370.00	
Corrective Speech	100-034-5120-066	10,937.00	07-01-20	06-30-21			
Examination and Classification	100-034-5120-066	42,364.00	07-01-19	06-30-20	(4,671.84)	5,389.00	
Examination and Classification	100-034-5120-066	44,773.00	07-01-20	06-30-21			
Supplementary Instruction	100-034-5120-066	34,159.00	07-01-19	06-30-20	(3,767.01)	3,803.00	
Supplementary Instruction	100-034-5120-066	27,523.00	07-01-20	06-30-21			
Total Handicapped Services (Ch. 193, L. 1977)					(10,047.04)	11,562.00	
Total Special Revenue Fund					(14,508.00)	27,291.00	

Carryover/ Walkover Amount	Cash Received	Adjustments (A)	Budgetary Expenditures	Passed Through to Subrecipients	Repayment of Prior Years' Balances	Balance at June 30, 2021			Memo Only	
						(Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2021	Cumulative Total Expenditures
	\$ 70,289.59		\$ 815,410.00			\$ (70,578.03)			\$ (70,578.03)	\$ 815,410.00
	744,831.97									
	133,209.56									
	1,431,216.27		1,566,834.00			(135,617.73)			(135,617.73)	1,566,834.00
	11,536.78									
	122,250.88		133,835.00			(11,584.12)			(11,584.12)	133,835.00
-	2,513,335.05	-	2,516,079.00	-	-	(217,779.88)	-	-	(217,779.88)	2,516,079.00
	18,047.07									
	191,237.88		209,359.00			(18,121.12)			(18,121.12)	209,359.00
-	209,284.95	-	209,359.00	-	-	(18,121.12)	-	-	(18,121.12)	209,359.00
	785,912.00									
			1,105,431.00			(1,105,431.00)				1,105,431.00
-	785,912.00	-	1,105,431.00	-	-	(1,105,431.00)	-	-	-	1,105,431.00
	74,931.71									
	1,442,871.14		1,518,776.28			(75,905.14)				1,518,776.28
-	1,517,802.85	-	1,518,776.28	-	-	(75,905.14)	-	-	-	1,518,776.28
	1,716,549.00		1,716,549.00							1,716,549.00
	5,375,185.00		5,375,185.00							5,375,185.00
	102,270.00		102,270.00							102,270.00
	2,972.00		2,972.00							2,972.00
-	7,196,976.00	-	7,196,976.00	-	-	-	-	-	-	7,196,976.00
	10,776.00									
-	12,234,086.85	-	12,546,621.28	-	-	(1,417,237.14)	-	-	(235,901.00)	12,546,621.28
	34,170.00		34,170.00							34,170.00
	20,465.00		16,396.00		\$ 593.00			\$ 4,069.00		16,396.00
-	20,465.00	-	16,396.00	-	593.00	-	-	4,069.00	-	16,396.00
					251.00					
	58,625.00		58,550.00		3.00			75.00		58,550.00
-	58,625.00	-	58,550.00	-	3.00	-	-	75.00	-	58,550.00
	2,952.05				12,897.00					
	21,773.00		6,096.00					15,677.00		6,096.00
	291.91				1,985.00					
	1,217.00		2,777.00			(2,777.00)				2,777.00
-	26,233.96	-	8,873.00	-	14,882.00	(2,777.00)	-	15,677.00	-	8,873.00
	1,608.19				2,370.00					
	10,937.00		5,013.00					5,924.00		5,013.00
	4,671.84				5,389.00					
	44,773.00		17,592.00					27,181.00		17,592.00
	3,767.01				3,803.00					
	27,523.00		25,095.00					2,428.00		25,095.00
-	93,280.04	-	47,700.00	-	11,562.00	-	-	35,533.00	-	47,700.00
-	232,774.00	-	165,689.00	-	27,291.00	(2,777.00)	-	55,354.00	-	165,689.00

(Continued)

RUTHERFORD SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance - Schedule B
 For the Fiscal Year Ended June 30, 2021

State Grantor/ Program or Cluster Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2020	
			From	To	Unearned Revenue/ (Accounts Receivable)	Due to Grantor
Capital Projects Fund:						
New Jersey Economic Development Authority:						
School Development Authority	4600-090-14-1006	\$ 180,590.00	01-06-14	Completion	\$ (180,590.00)	
School Development Authority	4600-050-14-1002	127,691.00	01-06-14	Completion	(112,680.34)	
School Development Authority	4600-050-14-1004	322,559.00	01-06-14	Completion	(300,448.00)	
School Development Authority	4600-050-14-1003	116,594.00	01-06-14	Completion	(65,537.35)	
School Development Authority	4600-050-14-1009	119,924.00	01-06-14	Completion	(119,924.00)	
School Development Authority	4600-050-14-1010	266,884.00	01-06-14	Completion	(198,141.00)	
Total Capital Projects Fund					(977,320.69)	-
Debt Service Fund:						
State Department of Education:						
Debt Service Aid	495-034-5120-075	365,238.00	07-01-20	06-30-21		
Total Debt Service Fund					-	-
Total State Financial Assistance					(2,096,531.40)	\$ 27,291.00
Less: State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:						
General Fund (Non-Cash Assistance):						
New Jersey Department of Education:						
On-Behalf Contributions:						
On-Behalf T.P.A.F. Pension Contributions - Post-Retirement						
Medical (non-budgeted)	495-034-5094-001	1,716,549.00	07-01-20	06-30-21		
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)	495-034-5094-002	5,375,185.00	07-01-20	06-30-21		
On-Behalf T.P.A.F. Non-contributory Insurance	495-034-5094-004	102,270.00	07-01-20	06-30-21		
On-Behalf T.P.A.F. Pension Contributions - Long-Term Disability						
Insurance (non-budgeted)	495-034-5094-004	2,972.00	07-01-20	06-30-21		
Total On-Behalf TPAF Pension Contributions (non-budgeted)					-	-
Total State Financial Assistance					\$ (2,096,531.40)	\$ 27,291.00

(A) See Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance

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

Carryover/ Walkover Amount	Cash Received	Adjustments (A)	Budgetary Expenditures	Passed Through to Subrecipients	Repayment of Prior Years' Balances	Balance at June 30, 2021			Memo Only	
						(Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2021	Cumulative Total Expenditures
						\$ (180,590.00)			\$ 180,590.00	
						(112,680.34)			112,680.34	
						(300,448.00)			300,448.00	
						(65,537.35)			65,537.35	
						(119,924.00)			119,924.00	
						(198,141.00)			198,141.00	
-	-	-	-	-	-	(977,320.69)	-	-	-	977,320.69
	\$ 365,238.00		\$ 365,238.00							365,238.00
-	365,238.00	-	365,238.00	-	-	-	-	-	-	365,238.00
-	12,832,098.85	-	13,077,548.28	-	\$ 27,291.00	(2,397,334.83)	-	\$ 55,354.00	\$ (235,901.00)	14,054,868.97
	1,716,549.00		1,716,549.00							1,716,549.00
	5,375,185.00		5,375,185.00							5,375,185.00
	102,270.00		102,270.00							102,270.00
	2,972.00		2,972.00							2,972.00
-	7,196,976.00	-	7,196,976.00	-	-	-	-	-	-	7,196,976.00
\$ -	\$ 5,635,122.85	\$ -	\$ 5,880,572.28	\$ -	\$ 27,291.00	\$ (2,397,334.83)	\$ -	\$ 55,354.00	\$ (235,901.00)	\$ 6,857,892.97

RUTHERFORD SCHOOL DISTRICT

Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2021

Note 1: BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance (“the schedules”) include federal and state award activity of the Rutherford School District (hereafter referred to as the “School District”). The School District is defined in note 1 to the School District’s basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules. Because these schedules present only a selected portion of the operations of the School District, it is not intended to and does not present the financial position and changes in operations of the School District.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedules are presented using the budgetary basis of accounting, with the following exceptions: programs recorded in the capital projects fund are presented on the modified accrual basis of accounting and programs recorded in the enterprise fund are presented using the accrual basis of accounting. These bases of accounting are described in note 1 to the School District’s basic financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Note 3: INDIRECT COST RATE

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

Note 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

Note 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$2,818.00 for the general fund and \$572,545.07 for the special revenue fund. See exhibit C-3, 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 reported in the School District's basic financial statements on a GAAP basis with a reconciliation to the budgetary basis reported on the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 37,152.26	\$ 12,543,803.28	\$ 12,580,955.54
Special Revenue	1,082,740.29	136,051.80	1,218,792.09
Debt Service	-	365,238.00	365,238.00
	<u>1,119,892.55</u>	<u>13,045,093.08</u>	<u>14,164,985.63</u>
GAAP Basis Revenues			
GAAP Adjustments:			
State Aid Payments	-	2,818.00	2,818.00
Encumbrances	542,907.87	29,637.20	572,545.07
	<u>542,907.87</u>	<u>32,455.20</u>	<u>575,363.07</u>
Total Awards and Financial Assistance Expended	<u>\$ 1,662,800.42</u>	<u>\$ 13,077,548.28</u>	<u>\$ 14,740,348.70</u>

Note 5: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

Note 6: ADJUSTMENTS

Amounts reported in the column entitled "adjustments" represent favorable differences incurred in the liquidation of encumbrances charged as budgetary basis expenditures in fiscal year 2019-20.

Note 7: REIMBURSED AND ON-BEHALF PAYMENTS

During the fiscal year ended June 30, 2021, the School District was the recipient of federal and state assistance that represented either a reimbursement to the School District or payments made on-behalf of the School District. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year. Lastly, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance related to TPAF members.

Note 8: MAJOR PROGRAMS

Major programs are identified in the *Summary of Auditor's Results* section of the *Schedule of Findings and Questioned Costs*.

RUTHERFORD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified
Internal control over financial reporting:
Material weakness(es) identified? yes x no
Significant deficiency(ies) identified? yes x none reported
Noncompliance material to financial statements noted? yes x no

Federal Awards

Internal control over major programs:
Material weakness(es) identified? yes x no
Significant deficiency(ies) identified? yes x none reported
Type of auditor's report issued on compliance for major programs Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 516 of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)? yes x no

Identification of major programs:

Table with 3 columns: Assistance Listing Number(s), FAIN Number(s), Name of Federal Program or Cluster. Row 1: 84.425, 84.425D; S425D200027; Education Stabilization Fund.

Dollar threshold used to distinguish between type A and type B programs: \$750,000.00

Auditee qualified as low-risk auditee? x yes no

RUTHERFORD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

Section 1- Summary of Auditor's Results (Cont'd)

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? yes no

Significant deficiency(ies) identified? yes none reported

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

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

Identification of major programs:

GMIS Number(s)

Name of State Program

495-034-5094-003

Reimbursed TPAF Social Security Contributions

495-034-5120-044

Extraordinary Aid

Dollar threshold used to distinguish between type A and type B programs: \$750,000.00

Auditee qualified as low-risk auditee? yes no

RUTHERFORD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

Section 2- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements related to financial statements for which *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, requires.

None.

RUTHERFORD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

Section 3- Schedule of Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, material instances of noncompliance, including questioned costs, and significant instances of abuse related to the audit of major Federal programs, 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).

None.

RUTHERFORD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

Section 4- Schedule of State Financial Assistance Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, material instances of noncompliance, including questioned costs, and significant instances of abuse related to the audit of major State programs, as required by State of New Jersey Circular 15-08-OMB.

None.

RUTHERFORD SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management

This section identifies the status of prior year findings related to the financial statements and federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB.

FINANCIAL STATEMENT FINDINGS

Finding No. 2020-001

Condition

The financial and accounting records of the community education enterprise fund were not maintained in a satisfactory condition and the fiscal year ended in a deficit net position.

Current Status

This condition has been resolved.

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE PROGRAMS

None.

