

**Annual Comprehensive  
Financial Report**

**of the**

**City of Rahway School District**

**County of Union**

**Rahway, New Jersey**

**For the Fiscal Year Ended June 30, 2022**

**Prepared by**

**City of Rahway School District  
Business Office**

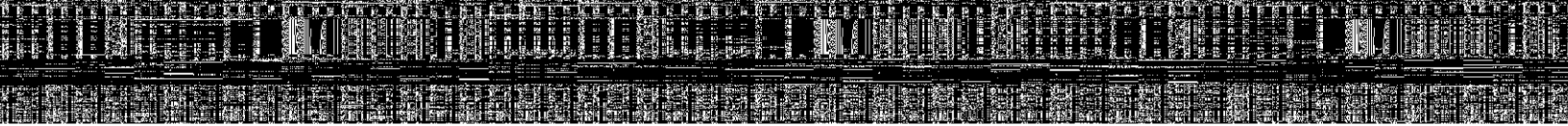


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**INTRODUCTORY SECTION**



Stephen Fried  
Business Administrator/Board Secretary  
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March 3, 2023

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

Dear Board Members:

The annual comprehensive financial report of the Rahway Public Schools (District) for the fiscal year ended June 30, 2022 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the 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 District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and required supplementary information, as well as the auditor's report thereon. The financial section also includes Management's Discussion and Analysis, which is an overview of the District's current financial status and future outlook. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and State of New Jersey OMB Circular 15-08 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

#### REPORTING ENTITY AND ITS SERVICES:

The Rahway Public Schools is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by National Council on Governmental Accounting (NCGA) Statement No. 3. The Rahway Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular, vocational and special education programs. Enrollment appears to be stabilizing after the disruptions during the global pandemic.

#### 1. INTERNAL ACCOUNTING CONTROLS:

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

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

## **2. BUDGETARY CONTROLS:**

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance as of June 30, 2022.

## **3. ACCOUNTING SYSTEM AND REPORTS:**

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

## **4. CASH MANAGEMENT:**

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements," Note 2. The 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.

## **5. RISK MANAGEMENT:**

The District is a member of the New Jersey School Insurance Group (the "NJSIG"). The Fund is a risk-sharing public entity pool established for the purpose of insuring against workers' compensation claims, general liability, property and vehicle insurance.

## **6. OTHER INFORMATION:**

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board's finance committee selected the accounting firm of Suplee, Clooney & Company. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act as amended and the related Uniform Guidance and State Treasury Circular Letter 15-08 OMB. The auditor's report on the basic financial statements 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.

**7. ACKNOWLEDGMENTS:**

We would like to express our appreciation to the members of the Rahway 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 administrative, financial, accounting, and secretarial staffs.

Respectfully submitted,



Aleya Sholeb  
Acting Superintendent of Schools



Stephen Fried  
Board Secretary/Business Administrator

**RAHWAY BOARD OF EDUCATION**

**RAHWAY, NJ**

**ROSTER OF OFFICIALS**

**JUNE 30, 2022**

<b><u>Board Members</u></b>	<b><u>Term Expires</u></b>
Ms. Najah Allen	2024
Mr. Carlos Garay	2023
Mrs. Laura Giacobbe	2022
Ms. Joanna Macaluso	2022
Ms. Jennifer Moteiro	2023
Mrs. Shanna Raysick	2024
Mr. Bernard Robson	2024
Mr. Joseph Toma	2022
Mr. Sean White	2023

**Other Officials**

Dr. Patricia Camp, Superintendent of Schools

Mr. Stephen Fried, Business Administrator/Board Secretary

Mr. Mark Tabakin, Esq.

**RAHWAY BOARD OF EDUCATION**

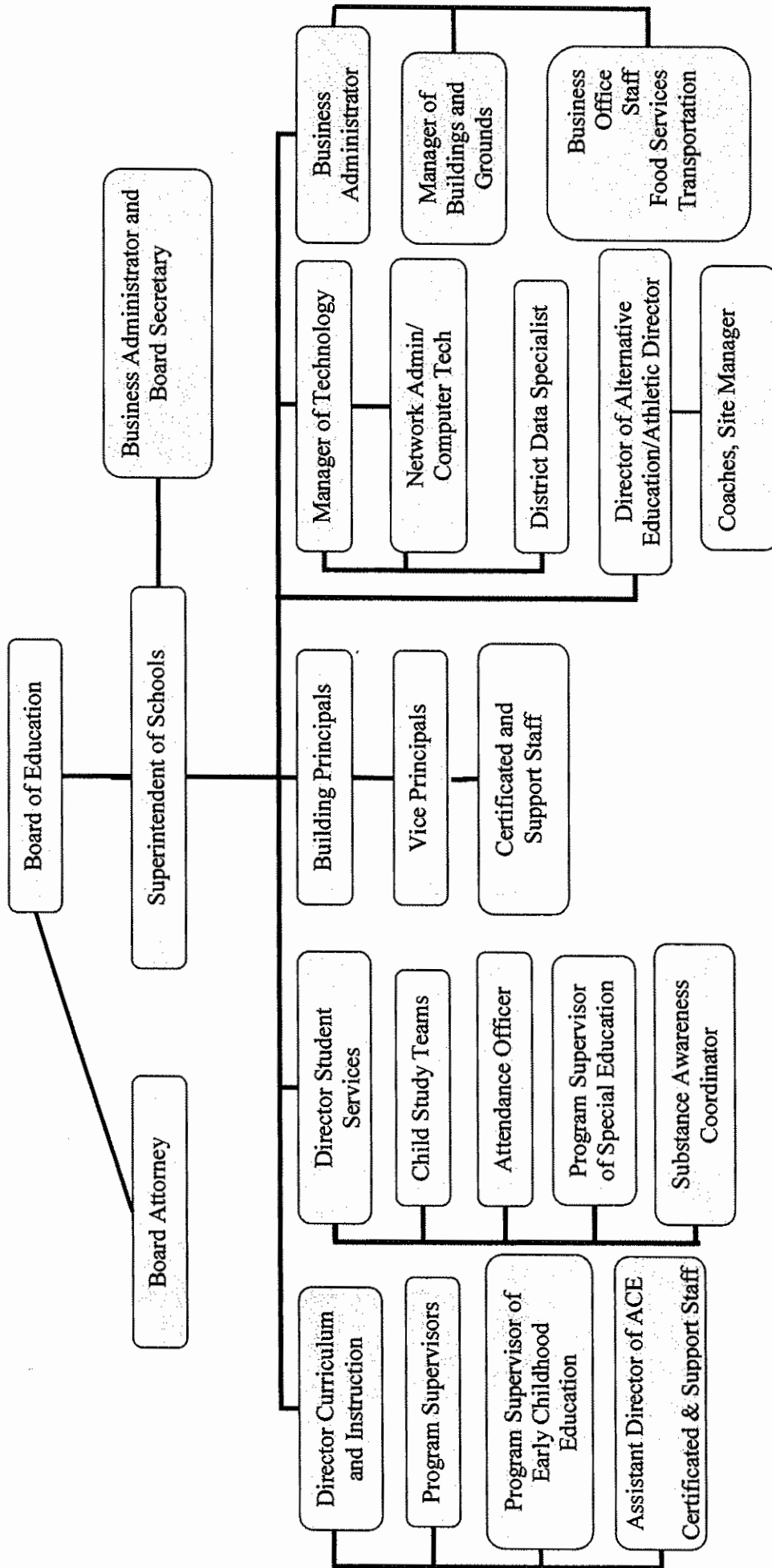
**RAHWAY, NJ  
CONSULTANTS AND ADVISORS**

Audit Firm  
Suplee, Clooney & Company  
308 East Broad Street  
Westfield, NJ 07090

Attorney  
Weiner Law Group  
629 Parsippany Road  
Parsippany, NJ 07054

Official Depository  
Bank of America, Wells Fargo Bank, Columbia Bank, TD Bank, Northfield Bank, Bank  
of New York, Beneficial Bank, JP Morgan Chase, NJARM, and State of New Jersey  
Cash Management Fund

Exhibit: Organizational Chart



Adopted: August 31, 2010  
 Revised: September 17, 2013  
 NJSBA Review/Update: May 2016  
 Readopted: December 20, 2016  
 Readopted: May 21, 2019

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**FINANCIAL SECTION**



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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E-mail [info@scnco.com](mailto:info@scnco.com)

## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Education  
City of Rahway School District  
County of Union  
Rahway, New Jersey 07065

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the City of Rahway School District, in the County of Union, State of New Jersey (the "District") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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 District as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey, the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (the "Uniform Guidance") the audit requirements of State of New Jersey OMB Circular 15-08 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards and provisions are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

# SUPLEE, CLOONEY & COMPANY

## ***Emphasis of Matter***

As discussed in Note 1 to the basic financial statements, for the year ended June 30, 2022, the District adopted Governmental Accounting Standards Board Statement No. 87, Leases. Our opinions are not modified with respect to this matter.

## ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, the Uniform Guidance, the State of New Jersey OMB Circular 15-08 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards the Uniform Guidance, the State of New Jersey OMB Circular 15-08 and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

## SUPLEE, CLOONEY & COMPANY

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information in Exhibit C-1 through C-3, the schedules related to accounting and reporting for pensions in Exhibit L-1 through L-4 and the schedules related to accounting and reporting for postretirement benefits other than pensions (OPEB) in Exhibits M-1 and M-2 are presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information schedules and data such as the combining statements and individual fund financial statements, and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by the Uniform Guidance, New Jersey's OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the State of New Jersey, Department of Education, Division of Finance, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and the schedule 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.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

# SUPLEE, CLOONEY & COMPANY

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

## **Prior Period Financial Statements**

The financial statements of the District as of June 30, 2021, were audited by other auditors whose report dated March 2, 2022, expressed an unmodified opinion on the financial statements as to the conformity of the financial statements with accounting principles generally accepted in the United States of America.

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

In accordance with Government Auditing Standards, we have also issued our report dated March 3, 2023 on our consideration of the 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 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 effectiveness of the 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 District's internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS



PUBLIC SCHOOL ACCOUNTANT NO. 948

March 3, 2023

**REQUIRED SUPPLEMENTARY INFORMATION – Part I**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)**

**CITY OF RAHWAY SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**  
**UNAUDITED**

The discussion and analysis of the City of Rahway School District's (the District) financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – *Basic Financial Statements-Management's Discussion and Analysis-for the State and Local Governments* issued in June 1999. Certain comparative information between the current fiscal year (2021-2022) and the prior fiscal year (2020-2021) is required to be presented in the MD&A. In fiscal year 2022 the District implemented GASB Statement No. 87-Leases.

**Financial Highlights**

Key financial highlights for 2022 are as follows:

- The state continues to delay the final two state aid payments into the subsequent budget year. Therefore, the final two payments were not reflected on the GAAP basis financial statements for the 2021/2022 school year. The amount of the deferred state aid payments, which were received in July 2022, is \$3,472,307.00.
- General revenues accounted for \$78,652,565.03 or 75% of all revenues. Program specific revenues in the form of charges for services and operating/capital grants and contributions accounted for \$26,622,566.95 or 25% of all revenues.
- The District had \$98,482,379.85 in expenses; \$26,622,566.95 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$78,652,565.03 were adequate to provide for these programs.

**Using this Annual Comprehensive Financial Report (ACFR)**

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



**CITY OF RAHWAY SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**  
**UNAUDITED**

The *Statement of Net Position and Statement of Activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds. In the case of the district, the General Fund is by far the most significant fund.

**Reporting the District as a Whole**

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

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2022?". The Statement of Net Position and the Statement of Activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

- **Government Activities** – All of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, student transportation and extracurricular activities.
- **Business-Type Activities** – This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service program is reported a business activity.

**CITY OF RAHWAY SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**  
**UNAUDITED**

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

**Fund Financial Statements**

Fund Financial reports provide detailed information about the District's funds. The District uses many funds to account for a multitude of financial transactions. The District's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

**Governmental Funds**

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

**Enterprise Fund**

The enterprise fund uses the same basis of accounting as business-type activities. These statements closely resemble financial statements of a private sector business entity.

**The School District as a Whole**

Recall that the Statement of Net Position provides the perspective of the District as a whole.

**CITY OF RAHWAY SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**  
**UNAUDITED**

Table 1 provides a comparative summary of the District's net position for 2022 and 2021.

**Table 1**  
**Net Position**

	<u>2022</u>	(As Restated) <u>2021</u>
<b>Assets</b>		
Current and Other Assets	\$59,101,164.12	\$16,957,110.00
Capital Assets	<u>52,499,068.21</u>	<u>50,539,875.16</u>
<b>Total Assets</b>	<u>111,600,232.33</u>	<u>67,496,985.16</u>
Deferred Outflows	<u>1,592,078.00</u>	<u>1,543,977.00</u>
<b>Liabilities</b>		
Other Liabilities	6,968,079.54	4,023,345.00
Long-Term Liabilities	<u>60,195,925.50</u>	<u>25,994,418.00</u>
<b>Total Liabilities</b>	<u>67,164,005.04</u>	<u>30,017,763.00</u>
Deferred Inflows	<u>5,711,407.00</u>	<u>5,499,053.00</u>
<b>Net Position</b>		
Net Investment in Capital Assets	2,555,307.21	37,607,869.16
Restricted	50,795,908.24	8,752,905.00
Unrestricted(Deficit)	<u>(13,034,317.16)</u>	<u>(12,836,628.00)</u>
<b>Total Net Position</b>	<u><u>\$40,316,898.29</u></u>	<u><u>\$33,524,146.16</u></u>

The District's combined net position was \$40,316,898.29 on June 30, 2022. The District's investment in capital assets is shown net of any related debt used to acquire those assets.

**CITY OF RAHWAY SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**  
**UNAUDITED**

Table 2 shows changes in net position for fiscal years 2022 and 2021.

**Table 2**  
**Changes in Net Position**

	<u>2022</u>	<u>2021</u>
Revenues		
Program Revenues:		
Charges for Services	\$443,494.56	\$244,654.00
Operating Grants and Contributions	26,179,072.39	36,713,140.00
Capital Grants and Contributions		117,434.00
General Revenues:		
Property Taxes	46,594,889.00	46,623,173.00
Grants and Entitlements	31,605,109.92	20,877,132.00
Other	<u>452,566.11</u>	<u>390,928.00</u>
Total Revenues	<u>105,275,131.98</u>	<u>104,966,461.00</u>
Program Expenses		
Instruction	58,769,781.94	63,079,728.00
Support Services:		
Student and Instruction Related	15,810,861.14	13,698,085.00
School Administration	5,964,863.03	5,578,488.00
General/Central/Adm. of Technology	2,502,559.13	3,542,863.00
Maintenance of Facilities	4,680,021.65	5,630,763.00
Student Transportation	5,236,117.24	3,152,555.00
Business Type Activities	2,453,666.75	976,948.00
Other	<u>3,064,508.97</u>	<u>2,528,252.00</u>
Total Expenses	<u>98,482,379.85</u>	<u>98,187,682.00</u>
Increase/ (Decrease) in Net Position	<u>\$6,792,752.13</u>	<u>\$6,778,779.00</u>

Both revenues and expenses increased mainly as a result of the district recognizing a larger on-behalf TPAF pension contribution as a revenue and as an expense based upon the State's Actuarial report.

**CITY OF RAHWAY SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**  
**UNAUDITED**

**Government Activities**

Property taxes made up 45 percent of revenues for governmental activities in the District. There was a \$28,284.00 decrease in property taxes or .06 percent from the prior year. The District's total revenues were \$102,407,698.02 for the year ended June 30, 2022.

Instruction comprises 60 percent of district expenses. Support services make up 35 percent of the district expenses and other services and expenses make up 5 percent.

**Business-Type Activities**

Revenues for the District's business-type activities were comprised of charges for services and operating grants and contributions in the food service program. The Board of Education continues to work to increase sales in the program and reduce operating costs. The cafeterias located in each school building offer flexibility in food selection, menu offerings and pricing that meets the needs of the students. The following are some of our major business type activity results.

- Business type revenues exceeded revenues by \$413,767.21.
- Revenues consist of \$150,682.38 in operating revenue from charges for services and \$2,716,751.58 from grants and contributions.

The Statement of Activities shows the cost of program services and the charges offsetting those costs.

**CITY OF RAHWAY SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**  
**UNAUDITED**

Table 3 shows the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted federal and state entitlements.

**Table 3**  
**Net Cost of Services**

	<u>Total Cost of Services 2022</u>	<u>Total Cost of Services 2021</u>	<u>Net Cost of Services 2022</u>	<u>Net Cost of Services 2021</u>
Instruction	\$58,769,781.94	\$63,079,728.00	\$43,193,697.49	37,206,736.00
Support Services:				
Students and Instruction Related	15,810,861.14	13,698,085.00	10,123,403.98	8,144,700.00
General Administration, School & Central Administration	8,467,422.16	9,121,351.00	6,892,251.78	7,063,531.00
Maintenance of Facilities	4,680,021.65	5,630,763.00	4,680,021.65	4,105,987.00
Student Transportation	5,236,117.24	3,152,555.00	4,319,696.24	2,182,971.00
Other	3,064,508.97	2,528,252.00	3,064,508.97	2,514,089.00
Business-Type Activities	<u>2,453,666.75</u>	<u>976,948.00</u>	<u>(413,767.21)</u>	<u>(105,560.00)</u>
Total Net Cost of Services	<u>\$98,482,379.85</u>	<u>\$98,187,682.00</u>	<u>\$71,859,812.89</u>	<u>\$61,112,454.00</u>

Instruction expenses include activities directly dealing with the teaching of students and the interaction between teacher and student, including extracurricular activities. Tuition paid to other schools for regular and special education students is also included here.

Students and instruction related include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

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

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

Student transportation includes activities with the conveyance of special education students to and from school, school activities and athletic events, as provided by state law.

"Other" includes unallocated depreciation and interest on long term debt.

Business-Type activities include activities in the food service program.

**CITY OF RAHWAY SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**  
**UNAUDITED**

**The School District's Funds**

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Excluding the capital projects fund, total revenues amounted to \$104,538,747.77 and expenditures were \$99,071,069.88.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management, which required significant budget adjustments to contend with state aid reductions. The following schedules present a summary of the revenues of the governmental funds, excluding the capital projects fund, for the fiscal year ended June 30, 2022, and the amount and percentage of increase or decrease in relation to prior year revenues.

<u>Revenues</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase(Decrease) from FY 2021</u>	<u>Percent Increase (Decrease)</u>
Local Sources	\$47,404,657.20	45.35%	\$147,601.20	0.52%
State Sources	53,269,704.33	50.96%	9,360,494.33	36.93%
Federal Sources	3,864,386.24	3.70%	460,255.24	31.12%
<b>Total</b>	<b>\$104,538,747.77</b>	<b>100.00%</b>	<b>\$9,968,350.77</b>	<b>18.06%</b>

The following schedule represents a summary of the governmental funds expenditures, excluding the capital projects fund, for the fiscal year ended June 30, 2022, and the percentage of increases and decreases in relation to prior year amounts.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase(Decrease) from FY 2021</u>	<u>Percent Increase (Decrease)</u>
Current:				
Instruction	\$34,513,333.87	34.84%	(\$21,939,067.13)	-174.48%
Support Services	62,275,471.81	62.86%	33,082,469.81	34.69%
Capital Outlay	438,464.20	0.44%	348,046.20	44.25%
Debt Service	1,843,800.00	1.86%	(266,658.00)	-16.91%
<b>Total</b>	<b>\$99,071,069.88</b>	<b>100.00%</b>	<b>\$11,224,790.88</b>	<b>20.86%</b>

**CITY OF RAHWAY SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**  
**UNAUDITED**

**General Fund Budgeting Highlights**

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

Over the course of the year, the Board of Education, when appropriate, approved budget transfers to keep accounts in balance. Transfers to the budget were made to accurately reflect expenditures according to state guidelines and prevent over-expenditures in specific line item accounts. These revisions bear notation:

- TPAF, which is the State's contribution to the pension fund, post-retirement benefits and the employer's share of FICA costs, is neither a revenue or expenditure item in the budget; however, the School District is required to present this information in the revenue and expenditure sections of the report.

**Debt Administration**

At June 30, 2022, the District had \$60,195,925.50 of outstanding long-term liabilities. Of this amount, \$1,821,856.50 is for compensated absences, \$8,164,078.00 of net pension liability and \$50,209,991.00 of serial bonds and unamortized premium on bonds for school construction.

**Capital Assets**

At the end of the fiscal year 2022, the District had a net of \$52,499,068.21 invested in land, building and building improvements, and machinery and equipment. Table 4 shows fiscal year 2022 balances compared to 2021.

**Table 4**  
**Capital Assets (Net of Depreciation)**

	<u>2022</u>	(As Restated) <u>2021</u>
Governmental Activities Capital Assets, Net: of Depreciation		
Land	\$1,546,445.00	\$1,546,445.00
Construction in Progress	\$4,188,460.96	\$290,968.00
Building and Building Improvements	43,632,320.00	45,479,549.00
Machinery and Equipment	<u>2,831,282.25</u>	<u>2,958,317.00</u>
Total Governmental Activities Capital Assets, Net	<u>52,198,508.21</u>	<u>50,275,279.00</u>
Business Type Activities Capital Assets, Net: of Depreciation		
Machinery and Equipment	<u>300,560.00</u>	<u>264,596.00</u>
Total Business Type Activities Capital Assets, Net:	<u>300,560.00</u>	<u>264,596.00</u>
Total Capital Assets, Net	<u><u>\$52,499,068.21</u></u>	<u><u>\$50,539,875.00</u></u>



**CITY OF RAHWAY SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**  
**UNAUDITED**

Overall net capital assets increased by \$1,959,193.21 from fiscal year 2021 to fiscal year 2022.

**For the Future**

Everyone associated with the Rahway School District is grateful for the community support of the schools. A major concern is the financial support required to maintain appropriate class sizes and services. This, in an environment of high inflation and anticipated flat state aid support, means an ever-increasing reliance on local property taxes.

The Rahway School District has committed itself to financial and educational excellence. Its system for financial planning, budgeting and internal financial controls is audited annually and it plans to continue to manage its finances in order to meet the many challenges ahead.

In the 2019-20 school year, the Rahway School District embarked on a referendum which included a one to one initiative for grade six to twelve students, much needed replacement of sections of roof at each school, boilers, fire system upgrade, security camera system expansion, replacement of windows and doors, as well as select classroom rehabilitation projects at each school. The district is three years into this multi-year process, and is greatly appreciative to the community for its commitment and support.

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

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional information contact: Stephen Fried, Business Administrator/Board Secretary, Rahway Board of Education, 1138 Kline Place, Rahway, NJ 07065. Also, please visit our website to learn more about our School District.

## **BASIC FINANCIAL STATEMENTS**

The basic financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all funds as of June 30, 2022.

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

The statement of net position and the statement of activities display information about the District. These statements include the financial activities of the overall district. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

CITY OF RAHWAY SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2022

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$43,934,217.68	\$800,790.45	\$44,735,008.13
Receivables, net	3,978,525.46	222,999.88	4,201,525.34
Inventory		27,205.57	27,205.57
Restricted assets:			
Restricted cash and cash equivalents	10,137,425.08		10,137,425.08
Capital assets:			
Capital assets not being depreciated	5,734,905.96		5,734,905.96
Other capital assets, net	46,463,602.25	300,560.00	46,764,162.25
Total assets	<u>110,248,676.43</u>	<u>1,351,555.90</u>	<u>111,600,232.33</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Related to loss from debt refunding	266,230.00		266,230.00
Related to pensions	1,325,848.00		1,325,848.00
Total Deferred Outflows of Resources	<u>1,592,078.00</u>		<u>1,592,078.00</u>
<b>LIABILITIES</b>			
Accounts payable	3,051,799.67	139,296.64	3,191,096.31
Payable to state government	1,556.00		1,556.00
Payroll deductions payable	447,972.80		447,972.80
Unemployment payable	145.08		145.08
Unearned revenue	2,669,170.33	23,954.05	2,693,124.38
Accrued interest payable	634,184.97		634,184.97
Noncurrent liabilities:			
Due within one year	1,574,115.00		1,574,115.00
Due beyond one year:			
Net pension liability	8,164,078.00		8,164,078.00
Compensated absences payable	1,821,856.50		1,821,856.50
Bonds & unamortized premiums payable	48,635,876.00		48,635,876.00
Total liabilities	<u>67,000,754.35</u>	<u>163,250.69</u>	<u>67,164,005.04</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Related to pensions	5,711,407.00		5,711,407.00
Total Deferred Inflows of Resources	<u>5,711,407.00</u>		<u>5,711,407.00</u>
<b>NET POSITION</b>			
Net investment in capital assets	2,254,747.21	300,560.00	2,555,307.21
Restricted for:			
Special Revenue fund (deficit)	(10,883.58)		(10,883.58)
Capital projects fund	45,982,682.82		45,982,682.82
Other purposes	4,824,109.00		4,824,109.00
Unrestricted (deficit)	<u>(13,922,062.37)</u>	<u>887,745.21</u>	<u>(13,034,317.16)</u>
Total net position	<u>\$39,128,593.08</u>	<u>\$1,188,305.21</u>	<u>\$40,316,898.29</u>

The accompanying notes to the financial statements are an integral part of this statement.



## **MAJOR FUND FINANCIAL STATEMENTS**

The Individual fund financial statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

CITY OF RAHWAY SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2022

ASSETS AND OTHER DEBITS:	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
<b>Assets:</b>					
Cash and cash equivalents	\$5,796,229.78	\$971,142.69	37,008,083.05	\$158,762.16	\$43,934,217.68
Restricted cash and cash equivalents:					
Capital reserve	9,261,757.08				9,261,757.08
Maintenance reserve	875,668.00				875,668.00
Accounts receivable:					
State	1,487,670.29		138,214.00		1,625,884.29
Federal		2,352,641.17			2,352,641.17
Interfund	200,000.00	390,662.56		4,755.55	595,418.11
<b>Total assets</b>	<b>17,621,325.15</b>	<b>3,714,446.42</b>	<b>37,146,297.05</b>	<b>163,517.71</b>	<b>58,645,586.33</b>
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>Liabilities:</b>					
Accounts payable	881,325.24	1,103,694.97	171,524.46		2,156,544.67
Intergovernmental payable- state		1,556.00			1,556.00
Interfunds payable	390,662.56		204,755.55		595,418.11
Payroll deductions payable	447,972.80				447,972.80
Unemployment payable	145.08				145.08
Unearned revenue		2,620,079.03	49,091.30		2,669,170.33
<b>Total liabilities</b>	<b>1,720,105.68</b>	<b>3,725,330.00</b>	<b>425,371.31</b>		<b>5,870,806.99</b>
<b>Fund balances:</b>					
<b>Restricted for:</b>					
Capital reserve account	9,261,757.08				9,261,757.08
Maintenance reserve account	875,668.00				875,668.00
Excess surplus designated for subsequent years expenditures	1,800,000.00				1,800,000.00
Excess surplus - current year	1,800,000.00				1,800,000.00
Semi supplemental designated for subsequent years expenditures	15,099.00				15,099.00
Capital projects fund			31,076,709.82		31,076,709.82
Debt service fund				163,517.71	163,517.71
Unemployment compensation	333,342.00				333,342.00
Student activities		305,883.16			305,883.16
Scholarships		174,079.26			174,079.26
Assigned for year-end encumbrances	558,249.58				558,249.58
<b>Committed for:</b>					
Year-end encumbrances			5,644,215.92		5,644,215.92
<b>Unassigned:</b>					
Special revenue fund (deficit)		(490,846.00)			(490,846.00)
General fund	1,257,103.81				1,257,103.81
<b>Total fund balances</b>	<b>15,901,219.47</b>	<b>(10,883.58)</b>	<b>36,720,925.74</b>	<b>163,517.71</b>	<b>52,774,779.34</b>
<b>Total liabilities and fund balances</b>	<b>\$17,621,325.15</b>	<b>\$3,714,446.42</b>	<b>\$37,146,297.05</b>	<b>\$163,517.71</b>	<b>\$58,645,586.33</b>

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

CITY OF RAHWAY SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
JUNE 30, 2022

Total Fund Balances (Brought Forward)		\$52,774,779.34
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.		
Cost of Assets	\$89,739,725.21	
Accumulated Depreciation	<u>(37,541,217.00)</u>	52,198,508.21
Long term liabilities, including bonds payable, and other related amounts that are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Net pension liability	(8,164,078.00)	
Compensated absences payable	(1,821,856.50)	
Serial bonds payable	(\$49,419,000.00)	
Premium on refunding debt, net	(790,991.00)	
Unamortized Deferred Amount on Refunding Bonds, net	<u>266,230.00</u>	
	<u>(49,943,761.00)</u>	(59,929,695.50)
Deferred Outflows and Inflows of resources are applicable to future periods and therefore are not reported in the funds.		
Pensions:		
Deferred Outflows Pension related		1,325,848.00
Deferred Inflows: Pension related		(5,711,407.00)
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.		
Accounts Payable - Pension related	(895,255.00)	
Accrued Interest Payable	<u>(634,184.97)</u>	
		<u>(1,529,439.97)</u>
Net Position of Governmental Activities		<u>\$39,128,593.08</u>

The accompanying notes to the financial statements are an integral part of this statement.



CITY OF RAHWAY SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$44,796,679.00			\$1,798,210.00	\$46,594,889.00
Tuition- other lea's	19,953.50				19,953.50
Miscellaneous- unrestricted	427,260.56		\$4,755.55		432,016.11
Miscellaneous- restricted	596.50	\$361,957.64			362,554.14
<b>Total revenues-local sources</b>	<b>45,244,489.56</b>	<b>361,957.64</b>	<b>4,755.55</b>	<b>1,798,210.00</b>	<b>47,409,412.75</b>
State sources	49,642,497.89	3,581,617.44	67,003.70	45,589.00	53,336,708.03
Federal sources	173,830.22	3,690,556.02			3,864,386.24
<b>Total revenues</b>	<b>95,060,817.67</b>	<b>7,634,131.10</b>	<b>71,759.25</b>	<b>1,843,799.00</b>	<b>104,610,507.02</b>
<b>EXPENDITURES:</b>					
Current expense:					
Instruction:					
Regular	19,145,961.35	3,474,713.16			22,620,674.51
Special education	7,010,600.96	1,190,537.39			8,201,138.35
Other instruction	3,691,521.01				3,691,521.01
Support services:					
Tuition	6,541,794.13				6,541,794.13
Student and instruction related services	8,061,184.92	3,527,665.88			11,588,850.80
General administrative services	1,204,285.71				1,204,285.71
School administrative services	3,388,066.41				3,388,066.41
Central services	579,142.36				579,142.36
Administration information technology	824,941.87				824,941.87
Plant operations and maintenance	5,076,899.16				5,076,899.16
Student transportation services	5,245,119.22				5,245,119.22
Unallocated benefits	27,826,372.15				27,826,372.15
Capital outlay	164,040.95	274,423.25	\$4,108,804.96		4,547,269.16
Debt service:					
Principal				1,310,000.00	1,310,000.00
Interest				533,800.00	533,800.00
<b>Total expenditures</b>	<b>88,759,930.20</b>	<b>8,467,339.68</b>	<b>4,108,804.96</b>	<b>1,843,800.00</b>	<b>103,179,874.84</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>6,300,887.47</b>	<b>(833,208.58)</b>	<b>(4,037,045.71)</b>	<b>(1.00)</b>	<b>1,430,632.18</b>
Other financing sources (uses):					
Operating transfer in		389,480.00		4,755.55	394,235.55
Operating transfer out	(389,480.00)		(4,755.55)		(394,235.55)
Bond proceeds			38,714,000.00		38,714,000.00
<b>Total financing sources(uses):</b>	<b>(389,480.00)</b>	<b>389,480.00</b>	<b>38,709,244.45</b>	<b>4,755.55</b>	<b>38,714,000.00</b>
<b>Net change in fund balances</b>	<b>5,911,407.47</b>	<b>(443,728.58)</b>	<b>34,672,198.74</b>	<b>4,754.55</b>	<b>40,144,632.18</b>
Fund balances, July 1, 2021	9,989,812.00	432,845.00	2,048,727.00	158,763.16	12,630,147.16
<b>Fund balances, June 30, 2022</b>	<b>\$15,901,219.47</b>	<b>(\$10,883.58)</b>	<b>\$36,720,925.74</b>	<b>\$163,517.71</b>	<b>\$52,774,779.34</b>

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

CITY OF RAHWAY 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, 2022

Total net change in fund balances - governmental funds (from B-2)		\$40,144,632.18
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>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 depreciation exceeded capital outlays in the period.</p>		
Depreciation expense	(\$2,580,814.00)	
Capital outlays	4,547,269.16	
Capital outlays not capitalized	<u>(43,225.95)</u>	
		1,923,229.21
<p>Repayment of bond principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net assets and is not reported in the statements of activities.</p>		
Paid - Principal on bonds		1,310,000.00
<p>Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.</p>		
Proceeds from bonds		(38,714,000.00)
Original issue premium on refunding bonds (net)		244,115.00
<p>Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.</p>		
Paid - Principal on installment purchase contract		228,539.00
Amortization of deferred amounts on refunding bonds		(80,409.00)
<p>In the statement of activities, interest on long-term debt is accrued, regardless of when due. In governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.</p>		
		(425,650.97)
<p>District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.</p>		
District pension contributions	807,081.00	
Add: Pension benefit	<u>1,149,259.00</u>	
		1,956,340.00
<p>In the statement of activities, certain expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In 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 a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).</p>		
		<u>(207,810.50)</u>
Change in net position of governmental activities		<u>\$6,378,984.92</u>

The accompanying notes to the financial statements are an integral part of this statement.

**OTHER FUNDS**

EXHIBIT "B-4"

CITY OF RAHWAY SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS - ENTERPRISE FUNDS  
JUNE 30, 2022

		<u>BUSINESS-TYPE ACTIVITIES</u> <u>ENTERPRISE FUND</u> <u>FOOD SERVICE FUND</u>
<b>ASSETS:</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$	800,790.45
Accounts receivable:		
State		4,393.10
Federal		212,181.11
Other		6,425.67
Inventories		27,205.57
		<hr/>
Total current assets	\$	1,050,995.90
<b>Noncurrent assets:</b>		
Furniture, machinery & equipment	\$	678,080.00
Less accumulated depreciation		(377,520.00)
		<hr/>
Total noncurrent assets	\$	300,560.00
		<hr/>
Total assets	\$	1,351,555.90
<b>LIABILITIES:</b>		
<b>Current liabilities:</b>		
Accounts Payable	\$	139,296.64
Unearned revenue		23,954.05
		<hr/>
Total current liabilities	\$	163,250.69
		<hr/>
Total liabilities	\$	163,250.69
<b>NET POSITION:</b>		
Net Investments in capital assets	\$	300,560.00
Unrestricted		887,745.21
		<hr/>
Total net position	\$	1,188,305.21
		<hr/> <hr/>

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

CITY OF RAHWAY SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS - ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

		<u>BUSINESS-TYPE ACTIVITIE</u> <u>ENTERPRISE FUND</u> <u>FOOD SERVICE FUND</u>
OPERATING REVENUES:		
Charges for services:		
Sales-Nonreimbursable	\$	<u>150,682.38</u>
Total operating revenues	\$	<u>150,682.38</u>
OPERATING EXPENSES:		
Cost of sales-Reimbursable	\$	840,670.00
Cost of sales-Nonreimbursable		17,897.59
USDA Commodites		231,090.55
Salaries and Wages		735,873.49
Employee benefits		205,871.02
Management Fee		78,871.57
Supplies and Materials		143,713.20
Repairs and Maintenance		24,793.37
Insurance		43,999.64
Laundry/Uniforms		5,728.13
Other Expenses		90,510.19
Depreciation		<u>34,648.00</u>
Total operating expenses	\$	<u>2,453,666.75</u>
Operating income (loss)	\$	<u>(2,302,984.37)</u>
NONOPERATING REVENUES:		
State sources		
School lunch program	\$	49,615.79
Federal sources		
School lunch and PB programs		2,111,082.56
School breakfast program		224,821.68
Emergency operation cost program-schools		93,943.00
P-EBT administrative costs reimbursement		6,198.00
National food distribution commodities		<u>231,090.55</u>
Total nonoperating revenues	\$	<u>2,716,751.58</u>
Net income	\$	413,767.21
Total net position - July 1		<u>774,538.00</u>
Total net position - June 30	\$	<u><u>1,188,305.21</u></u>

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

CITY OF RAHWAY SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS - ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Cash flows from operating activities:	
Receipts from customers	92,731.84
Payments to employees	(735,873.49)
Payments to employee benefits	(205,871.02)
Payment to suppliers	<u>(1,372,789.25)</u>
Net cash provided (used for) by operating activities	<u>(2,221,801.92)</u>
Cash flows from noncapital financing activities:	
State sources	45,222.69
Federal sources	<u>2,547,960.68</u>
Net cash provided by (used for) noncapital financing activities	<u>2,593,183.37</u>
Cash flows from capital and related financing activities	
Purchase of capital assets	<u>(70,612.00)</u>
Net cash provided by (used for) capital and related financing activities	<u>(70,612.00)</u>
Net increase (decrease) in cash and cash equivalents	300,769.45
Cash and cash equivalents - July 1	<u>500,021.00</u>
Cash and cash equivalents - June 30	<u><u>800,790.45</u></u>
Operating income (loss)	(2,302,984.37)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:	
Depreciation	34,648.00
Change in assets and liabilities:	
(Increase) Decrease in Inventory	(9,082.57)
Increase (Decrease) in unearned revenue	(4,312.82)
Increase (Decrease) in deferred revenues	3,326.87
(Increase) Decrease in accounts receivable	1,085.33
Increase (Decrease) in accounts payable	<u>55,517.64</u>
Net income (Loss)	<u><u>(2,221,801.92)</u></u>

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

**City of Rahway School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Rahway School District have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

**Reporting Entity**

The Rahway School District is a Type II District located in Union County, New Jersey. The District is an instrumentality of the State of New Jersey, established to function as an educational institution. The District is governed by a nine member board elected to three-year terms and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity are set forth in Statement No. 39 of the Governmental Accounting Standards Board entitled "*Determining Whether Certain Organizations are Component Units*" (GASB 39) as codified in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

Organizations that are legally separate, tax-exempt entities and that meet *all* of the following criteria should be discreetly presented as component units. These criteria are:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government.
2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources of the organization.
3. The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include elementary schools, middle schools, and a high school. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

**City of Rahway School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation**

The District's basic financial statements consist of District-wide statements, including a Statement of Net Positions and a Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

District-Wide Statements: The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include the financial activities of the overall District. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish generally between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

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



**City of Rahway School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Governmental Fund Types**

**General Fund** - The general fund is the general operating fund of the 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 which are classified in the Capital Outlay sub-fund.

As required by the New Jersey State Department of Education, the District includes budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

**Special Revenue Fund** - The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus, the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

**Capital Projects Fund** - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure 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 temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, funds appropriated from the General Fund, and from aid provided by the State to offset the cost of approved capital projects.

**Debt Service Fund** - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, principal and interest on bonds and loans issued to finance major property acquisition, construction, and improvements programs.

**City of Rahway School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Proprietary Fund**

**Enterprise Fund** - The enterprise fund accounts for all revenues and expenses pertaining to cafeteria operations. The food service fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

**Basis of Accounting - Measurement Focus**

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

District-wide and Proprietary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable." Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

**City of Rahway School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Accounting - Measurement Focus (Continued)**

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

All governmental and business type activities and enterprise funds of the District follow FASB Statements and Interpretations issued on or before November 30, 1989, Account Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

**Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office. In accordance with P.L. 2011, c. 202, which became effective January 17, 2012, the District elected to move the School Board election to the date of the November general election thereby eliminating the vote on the annual base budget unless required by the mandated State budget CAP. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(f)1. Expenditures may not legally exceed budgeted appropriations at the line item level. All budget amendments and transfers must be approved by School Board resolution. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

**City of Rahway School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgets/Budgetary Control (Continued)**

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures.

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

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

**Encumbrance Accounting**

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

Open encumbrances in the special revenue fund fund for which the District has received advances are reflected in the balance sheet as unearned revenues at fiscal year-end.

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

**City of Rahway School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Interfunds**

Interfund receivables and payables arise from transactions between particular funds and are considered short term in duration. The interfund transactions are recorded by all funds affected in the period in which the transactions are executed and are part of the district's available expendable resources.

**Inventories and Prepaid Expenses**

Inventories of materials and supplies held for consumption in the governmental funds are recorded as expenditures at the time of purchase and year end balances are not reported in the financial statements.

Inventories of food and/or supplies in the food service fund are recorded at cost on a first-in, first-out basis or, in the case of Food Distribution Commodities, at stated value which approximates market.

Prepaid expenses which benefit future periods, other than those recorded in the enterprise fund, are recorded as an expenditure in the year of purchase.

**Capital Assets**

The District has an established formal system of accounting for its capital assets. Capital Assets used for governmental purposes, which include land, buildings and improvements, and furniture and equipment, are only reported in the district-wide financial statements. The District generally defines capital assets as assets with an initial cost of \$2,000.00 or more and an estimated useful life in excess of one year. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their acquisition values on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. In fiscal year 2017, the District implemented GASB 72. The objective of this is to improve financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures about fair value measurement. These improvements are based in part on the concepts and definitions established in Concepts Statement No. 6, Measurement of Elements of Financial Statements, and other relevant literature. Capital assets are depreciated in the district-wide statements using the straight-line method over the following estimated useful lives:

<b><u>Asset Class</u></b>	<b><u>Estimated Useful Lives</u></b>
Land Improvements	20
Buildings	40
Building Improvements	20-40
Improvements Other than Buildings	20
Heavy Equipment	10-15
Office Equipment and Furniture	10
Computer Equipment	5

**City of Rahway School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Compensated Absences**

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

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

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick days that are expected to become eligible for payment upon retirement. The District estimates its accrued compensated absences liability based on the accumulated sick days at the balance sheet date by those employees who are currently eligible to receive retirement payments.

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

**Fund Equity**

Fund balance restrictions are used to indicate that portion of the fund balance that is not available for expenditures or is legally segregated for a specific future use. Designations of portions of the fund balances are established to indicate tentative plans for financial utilization in a future period. The unassigned fund balances represent the amount available for future budgetary operations.

Unassigned net position represents the remains of the District's equity in the cumulative earnings of the food service fund.

**Unearned Revenue**

Unearned revenue in the special revenue and capital projects funds represents funds which have been received but not yet earned. A corresponding accounts receivable has also been established for any open encumbrances at year end which is allowable under generally accepted accounting principles.

**City of Rahway School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. In general, governmental fund payables 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, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

**Net Position**

GASB 63 provides guidance for reporting net position in the statement of financial position and related disclosures. Net Position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

**Fund Balance Reserves**

Under GASB 54, in the fund financial statements, governmental funds report the following classifications of fund balance:

Non-Spendable – includes amounts that cannot be spend because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation. The District reports the Capital Reserve, Maintenance Reserve, Unemployment, Student Activities, and Excess Surplus as Restricted Fund Balance.

**City of Rahway School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Balance Reserves (Continued)**

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education

Assigned – includes amount that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator. The District reports Year End Encumbrances and amounts Designated for Subsequent Year's Expenditures as Assigned Fund Balance.

Unassigned – 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 should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred for purposed for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

**Revenues Exchange and Non-Exchange Transactions**

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



**City of Rahway School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenues Exchange and Non-Exchange Transactions (Continued)**

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from property taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year end: property taxes available as an advance, interest, and tuition.

**Proprietary Funds Revenues and Expenses**

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the School District enterprise funds are charges to customers for sales of food service, and other enterprise funds. Operating expenses for enterprise funds include the cost of sales and services, administrative expense and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**Allocation of Indirect Expenses**

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of the program. Depreciation expense, where practicable, is specifically identified by function in the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately in the Statement of Activities.

**City of Rahway School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Extraordinary and Special Items**

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

**Management Estimates**

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

**Accounting and Financial Reporting for Pensions**

In the District-Wide Financial Statements for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's proportionate share of the New Jersey Public Employees Retirement System ("PERS") and the Teachers' Pension and Annuity Fund ("TPAF") and the additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they were reported by PERS and TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

In the Governmental Fund Financial Statements, the year end Net pension liability is not required to be reflected. Pension related revenues and expenditures are reflected based on amounts that are normally expected to be liquidated with available financial resources for required pension contributions. Expenditures for PERS are recognized based upon billings made by the State of New Jersey due April 1<sup>st</sup> of each fiscal year. TPAF contributions are paid on the District's behalf by the State of New Jersey. The Governmental Fund Financial Statements reflects both a revenue and expenses for this pension contribution.

**City of Rahway School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has two items that qualify for reporting in this category, deferred amounts from refunding debt and deferred amounts related to pensions. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies in this category, deferred amounts related to pensions.

**Recently Adopted Accounting Pronouncements**

Beginning with the year ended June 30, 2022, the District has implemented GASB Statement 87, Leases. GASB Statement 87 establishes criteria for accounting and financial reporting for leases. It creates a single model for lease accounting and requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases. A Lessee is required to recognize a lease liability and an intangible right to use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

**City of Rahway School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS**

The Board considers petty cash, change funds, cash in banks, certificates of deposits, deposits in the New Jersey Cash Management Fund, deposits in the governmental money market fund, deposits in the New Jersey Asset and Rebate Management Program and short term investments with original maturities of three months or less as cash and cash equivalents. Investments are stated at cost, which approximates market.

**Deposits**

New Jersey statutes permit the deposit of public funds in public depositories which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a Banking Institution that is a member of the Federal Reserve System, and has capital funds of not less than \$25,000,000.00. Under (GUDPA), if a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of the deposits to the governmental unit.

The Rahway School District had the following cash and cash equivalents at June 30, 2022:

<u>Fund Type</u>	<u>Amount</u>
Cash in Bank:	
Governmental Funds	\$ 56,151,372.80
Proprietary Funds	800,790.45
Total Cash in Bank	56,952,163.25
Less: Reconciling Items	(2,079,730.04)
	\$ 54,872,433.21

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The District does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of June 30, 2022, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank, \$500,000.00 was covered by Federal Depository Insurance and \$56,452,163.25 was covered under the provisions of NJGUDPA.

**City of Rahway School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**Deposits (Continued)**

**Investments**

The purchase of investments by the Board is strictly limited by the express authority of the N.J.S.A. 18A:20-37 Education, Administration of School Districts. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by School Districts;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.

**City of Rahway School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
  - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
  - b. the custody of collateral is transferred to a third party;
  - c. the maturity of the agreement is not more than 30 days;
  - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and
  - e. a master repurchase agreement providing for the custody and security of collateral is executed.

At June 30, 2022, the District had no outstanding investments.

Based upon the limitation set forth by New Jersey Statutes 18A:20-37 and its existing investment practices, the District is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risks for its investments, nor is it exposed to foreign currency risks for its deposits and investments.

**City of Rahway School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 3: CHANGE IN CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2022 was as follows:

	Beginning Balance (As Restated)	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets that are not depreciated				
Land	\$ 1,546,445.00	\$	\$	\$ 1,546,445.00
Construction in progress	<u>290,968.00</u>	<u>4,188,460.96</u>	<u>(290,968.00)</u>	<u>4,188,460.96</u>
Total capital assets that are not depreciated	<u>1,837,413.00</u>	<u>4,188,460.96</u>	<u>(290,968.00)</u>	<u>5,734,905.96</u>
Capital assets being depreciated				
Building and Building Improvements	77,964,894.00	2,558.00	290,968.00	78,258,420.00
Machinery and Equipment	<u>5,433,375.00</u>	<u>313,024.25</u>	<u></u>	<u>5,746,399.25</u>
Total capital assets being depreciated	<u>83,398,269.00</u>	<u>315,582.25</u>	<u>290,968.00</u>	<u>84,004,819.25</u>
Less accumulated depreciation for:				
Building and Building Improvements	(32,485,345.00)	(2,140,755.00)		(34,626,100.00)
Machinery and Equipment	<u>(2,475,058.00)</u>	<u>(440,059.00)</u>	<u></u>	<u>(2,915,117.00)</u>
Total accumulated depreciation	<u>(34,960,403.00)</u>	<u>(2,580,814.00)</u>	<u></u>	<u>(37,541,217.00)</u>
Total capital assets being depreciated, net	<u>48,437,866.00</u>	<u>(2,265,231.75)</u>	<u>290,968.00</u>	<u>46,463,602.25</u>
Governmental activities capital assets, net	<u>\$ 50,275,279.00</u>	<u>\$ 1,923,229.21</u>	<u>\$</u>	<u>\$ 52,198,508.21</u>
Business-Type Activities:				
Machinery and Equipment	\$ 607,468.00	\$ 70,612.00	\$	\$ 678,080.00
Less: accumulated depreciation	<u>(342,872.00)</u>	<u>(34,648.00)</u>	<u></u>	<u>(377,520.00)</u>
Total capital assets being depreciated	<u>\$ 264,596.00</u>	<u>\$ 35,964.00</u>	<u>\$</u>	<u>\$ 300,560.00</u>

**City of Rahway School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 3: CHANGE IN CAPITAL ASSETS (CONTINUED)**

Capital asset activity for the year ended June 30, 2022 was as follows:

Depreciation expense for the governmental fund was charged to functional expenses areas of the District as follows:

Instruction:		
Regular	\$	33,616.00
Special Education		14,093.00
Other		35,922.00
Support Services:		
Student and instruction related		14,324.00
General administration		130,246.00
School administration		31,449.00
Plant operations and maintenance		48,150.00
Student transportation		4,250.00
Unallocated		<u>2,268,764.00</u>
	\$	<u><u>2,580,814.00</u></u>



**City of Rahway School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 4: LONG-TERM LIABILITIES**

The following is a summary of changes in liabilities that effect other long-term obligations for the year ended June 30, 2022.

	<u>Balance</u> <u>June 30, 2021</u>	<u>Net Change</u>	<u>Balance</u> <u>June 30, 2022</u>	<u>Due Within</u> <u>One Year</u>
Bonds Payable	\$12,015,000.00	\$37,404,000.00	\$49,419,000.00	\$1,330,000.00
Unamortized Premium on Bonds	1,035,106.00	(244,115.00)	790,991.00	244,115.00
Obligations Under Installment Purchases	228,539.00	(228,539.00)		
Compensated Absences	1,614,046.00	207,810.50	1,821,856.50	
Net Pension Liability	<u>11,101,727.00</u>	<u>(2,937,649.00)</u>	<u>8,164,078.00</u>	
	<u>\$25,994,418.00</u>	<u>\$34,201,507.50</u>	<u>\$60,195,925.50</u>	<u>\$1,574,115.00</u>

Under New Jersey Statutes the District may incur debt in an amount not to exceed 4% of the averaged equalized valuation basis of real property. For the fiscal year ended June 30, 2022, the District borrowing capacity under N.J.S.A. 18A:24-19 would be as follows:

<u>Year</u>	<u>Equalized Valuation</u> <u>of Real Property</u>
2021	\$3,180,209,841
2020	2,922,453,287
2019	<u>2,965,790,303</u>
Average equalized valuation of property	<u>\$3,022,817,810</u>
School borrowing margin (4% of above)	<u>\$120,912,712</u>
Net debt applicable to limit June 30, 2022	<u>\$49,419,000</u>
School borrowing power available	<u>\$71,493,712</u>

**City of Rahway School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 4: LONG-TERM LIABILITIES (CONTINUED)**

**Debt Service Requirements**

The annual requirements to amortize all bonded debt outstanding as of June 30, 2022, including interest payments, are as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,330,000.00	\$ 1,360,692.92	\$ 2,690,692.92
2024	2,589,000.00	1,227,215.00	3,816,215.00
2025	2,570,000.00	1,149,075.00	3,719,075.00
2026	2,580,000.00	1,058,075.00	3,638,075.00
2027	2,585,000.00	966,575.00	3,551,575.00
2028-2032	12,815,000.00	3,519,975.00	16,334,975.00
2033-2037	12,500,000.00	2,017,812.50	14,517,812.50
2038-2042	<u>12,450,000.00</u>	<u>684,000.00</u>	<u>13,134,000.00</u>
	<u>\$ 49,419,000.00</u>	<u>\$ 11,983,420.42</u>	<u>\$ 61,402,420.42</u>

**City of Rahway School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 5: PENSION PLANS**

**Description of Plans** - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

**Teachers' Pension and Annuity Fund (TPAF)** - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

**Public Employees' Retirement System (PERS)** - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provision of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

**Defined Contribution Retirement Program (DCRP)** - The Defined Contribution Retirement Program (DCRP) was established under the provision of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 to provide coverage to elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one year of membership.

**City of Rahway School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 5: PENSION PLANS (CONTINUED)**

**Significant Legislation**

Effective June 28, 2013, P.L. 2012, c. 78 enacted certain changes in the operations and benefit provisions of the TPAF and the PERS systems.

**Pension Plan Design Changes**

Effective June 28, 2013, P.L. 2012, c. 78, new members of TPAF and PERS, hired on or after June 28, 2013, will need 30 years of creditable service and have attained the age of 65 for receipt of the early retirement benefit without a reduction of 1/4 of 1% for each month that the member is under age 65. New members will be eligible for a service retirement benefit at age 65.

**Funding Changes**

Under the new legislation, the methodology for calculating the unfunded accrued liability payment portion of the employer's annual pension contribution to the PERS, and TPAF. The unfunded actuarial accrued liability (UAAL) will be amortized for each plan over an open-ended 30 year period and paid in level dollars. Beginning with the July 1, 2019 actuarial valuation (July 1, 2018 for PFRS), the UAAL will be amortized over a closed 30 year period until the remaining period reaches 20, when the amortization period will revert to an open-ended 20 year period.

**COLA Suspension**

The payment of automatic cost-of-living adjustment to current and future retirees and beneficiaries are suspended until reactivated as permitted by this law.

**Vesting and Benefit Provisions** The vesting and benefit provisions of PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after ten years of service, except for post-retirement healthcare benefits that vest after 25 years of service.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

**City of Rahway School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 5: PENSION PLANS (CONTINUED)**

**Contribution Requirements** The contribution policy is set by N.J.S.A. 43:15A and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation.

Effective June 28, 2011, P.L. 2012, c. 78 provides for increases in the employee contribution rates: from 5.5% to 6.5% plus an additional 1% phased-in over 7 years beginning in the first year, meaning after 12 months, after the law's effective date for TPAF and PERS.

Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of TPAF (*i.e.*, the State of New Jersey makes the employer contribution on behalf of public school districts).

<u>Year</u> <u>June 30,</u>	<u>Three-Year Trend Information for PERS</u>		<u>Net Pension</u> <u>Obligation</u>
	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage of</u> <u>APC Contributed</u>	
2022	\$807,081.00	100.00%	\$807,081.00
2021	744,738.00	100.00%	744,738.00
2020	691,396.00	100.00%	691,396.00

During the fiscal years ended June 30, 2022, 2021, and 2020, the State of New Jersey contributed \$12,128,515.00, \$8,604,266.00, and \$6,317,473.00 respectively, excluding post-retirement medical and long-term disability, to the TPAF pension system on behalf of the District.

In accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$2,440,701.89, \$2,321,068.00, and \$2,325,059.00, during the years ended June 30, 2022, 2021, and 2020, respectively, for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.



**City of Rahway School District**  
**Notes to the Financial Statements**  
June 30, 2022

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(CONTINUED)**

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

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended <u>June 30,</u>	<u>Amount</u>
2022	\$ (1,993,676.40)
2023	(1,442,730.40)
2024	(1,005,112.40)
2025	(772,258.40)
2026	<u>(67,036.40)</u>
	<u>\$ (5,280,814.00)</u>

**Actuarial Assumptions**

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which rolled forward to June 30, 2021. These actuarial valuations used the following assumptions:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00%-6.00% Based on Year of Service
Thereafter	3.00%-7.00% Based on Years of Service
Investment Rate of Return	7.00%

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

**City of Rahway School District**  
**Notes to the Financial Statements**  
June 30, 2022

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(CONTINUED)**

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

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate Assets	3.00%	9.15%
Real Estate	8.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers.



**City of Rahway School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(CONTINUED)**

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

Based on those assumptions, the plan's fiduciary net position was projected to be available to make all 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.

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

The following presents the District's proportionate share of the net pension liability as of June 30, 2021, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's proportionate share of the pension liability	\$ 11,117,819.00	\$ 8,164,078.00	\$ 5,657,411.00

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 by visiting <http://www.state.nj.us/treasury/pensions>.

**City of Rahway School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(CONTINUED)**

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

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

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2022 was as follows:

Net Pension Liability:	
Districts proportionate share	-0-
State's proportionate share associated with the District	<u>\$ 139,644,063</u>
	<u><u>\$ 139,644,063</u></u>

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 which was rolled forward to June 30, 2021. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2021, the proportion of the TPAF net pension liability associated with the District was 0.2904701309% which was an increase of 0.0075175733 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized on-behalf pension expense and revenue of \$3,285,886.00 in the government-wide financial statements for contributions provided by the State. This pension expense and revenue was based on the pension plans June 30, 2021 measurement date.

**City of Rahway School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(CONTINUED)**

**Teachers Pensions and Annuity Fund (TPAF) (Continued)**  
**Actuarial Assumptions**

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55%-4.45% Based on Years of Service
Thereafter	2.75%-5.65% Based on Years of Service
Investment Rate of Return	7.00%

**Mortality Rate**

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-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) 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.

**City of Rahway School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(CONTINUED)**

**Teachers Pensions and Annuity Fund (TPAF) (Continued)**  
**Actuarial Assumptions (Continued)**

**Long-Term Expected Rate of Return (Continued)**

The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate Assets	3.00%	9.15%
Real Estate	8.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% 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 all 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 in determining the total pension liability.

**City of Rahway School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(CONTINUED)**

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

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

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

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Teachers Public and Annuity Fund (TPAF). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 by visiting <http://www.state.nj.us/treasury/pensions>

**City of Rahway School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS – GASB 75**

**Plan Description and Benefits Provided**

The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan, which 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 Postemployment Benefits Other Than Pensions*. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. 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**

The State Health Benefit Local Education Retired Employees Plan Membership covered by the benefit terms consisted of the following:

Active Plan Members	213,901
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	150,427
Inactive Plan Members or Beneficiaries Not Yet Receiving Benefits	<u>- 0 -</u>
Total Plan Members	<u>364,328</u>

**City of Rahway School District**  
**Notes to the Financial Statements**  
June 30, 2022

**NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (Continued)**

**Total Non-Employer OPEB Liability**

The portion of the total Non-Employer OPEB Liability that was associated with the District at June 30, 2022 was as follows:

Total OPEB Liability:	
District's Proportionate Share	\$-0-
State's Proportionate Share associated with the District	151,070,091
	<u>\$151,070,091</u>

The total Non-Employer OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021.

The total Non-Employer OPEB liability was determined separately based on actual data of the District.

For the year ended June 30, 2022, the District recognized on-behalf post-employment expense and revenue of \$9,801,170 in the government-wide financial statements for contributions provided by the State. This expense and revenue was based on the plans June 30, 2021 measurement date. At June 30, 2021, the District's proportion was 0.2517513826 percent, which was an increase of 0.0018452295 from its proportion measured as of June 30, 2020. The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS, TPAF/ABP and PFRS participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Consequently, the District did not recognize any portion of the collective Non-Employer OPEB liability on the Statement of Net Position.

**City of Rahway School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS – GASB 75 (Continued)**

**Actuarial Assumptions and Other Inputs**

The total Non-Employer OPEB liability that was associated with the District as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>June 30, 2021</u>		
	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Inflation – 2.5%			
Salary Increases			
Through 2026	1.55-4.45%*	2.00-6.00%*	3.25-15.25%*
Thereafter	2.75-5.65%*	3.00-7.00%*	Not Applicable

\*- Based on Years of Service

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disabled retirees. Future disabled retirees was based on the Pub-2010 "Safety" (PFRS), "General" (PERS), and "Teachers" (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the June 30, 2020 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.



**City of Rahway School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)**

**Actuarial Assumptions and Other Input (Continued)**

**Health Care Trend Assumptions**

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

**Discount Rate**

The discount rate for June 30, 2021 and June 30, 2020 was 2.16% and 2.21% respectively. 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**

Shown below are details regarding The Total OPEB non-employer Liability associated with the District for the measurement period from June 30, 2020 to June 30, 2021.

Balance at 6/30/20		\$169,461,269
Changes for the year:		
Service cost	\$8,280,031	
Interest	3,918,917	
Changes of Benefit Terms	(160,795)	
Differences between expected and actual experience	(27,591,551)	
Changes in assumptions or other inputs	149,042	
Membership Contributions	100,187	
Benefit payments - Net	(3,087,009)	
Net changes		(18,391,178)
Balance at 6/30/21		\$151,070,091

**City of Rahway School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)**

**Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate**

The following presents the total Non-Employer OPEB liability associated with the District as of June 30, 2021, calculated using the discount rate as disclosed above as well as what the total Non-Employer OPEB liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2021		
	1.00% <u>Decrease (1.16%)</u>	At Discount <u>Rate (2.16%)</u>	1.00% <u>Increase (3.16%)</u>
State of New Jersey's Proportionate Share of the total Non-Employer OPEB Liability associated with the District	\$180,958,253	\$151,070,091	\$127,534,957

**Sensitivity of the Total Non-Employer OPEB Liability to Changes in Healthcare Trends**

The following presents the total Non-Employer OPEB liability associated with the District as of June 30, 2021, calculated using the healthcare trend rate as disclosed above as well as what the total Non-Employer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2021		
	1.00% <u>Decrease</u>	Healthcare Cost <u>Trend Rate</u>	1.00% <u>Increase</u>
State of New Jersey's Proportionate Share of the total Non-Employer OPEB Liability associated with the District	\$122,291,729	\$151,070,091	\$189,717,304

**City of Rahway School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)**

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

At June 30, 2021, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's Non-Employer OPEB Liability associated with the District from the following sources:

	<u>Deferred Outflow of Resources</u>		<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 22,773,145	\$	45,338,820
Changes of assumptions	25,627,125		16,208,413
Changes in proportion	<u>4,947,573</u>		<u>302,221</u>
	<u>\$ 53,347,843</u>	\$	<u>61,849,454</u>

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 District will be recognized in OPEB expense as follows:

Measurement Period Ended <u>June 30,</u>	<u>Amount</u>
2022	(\$2,047,394)
2023	(\$2,047,394)
2024	(\$2,047,394)
2025	(\$2,047,394)
2026	(\$1,187,155)
Total Thereafter	<u>\$875,118</u>
	<u>(\$8,501,611)</u>

In accordance with GASBS No. 75, the District's proportionate share of school retirees OPEB is zero. There is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources in the financial statements.

**City of Rahway School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)**

**State Health Benefit Local Education Retired Employee Plan Information**

The New Jersey Division of Pension and Benefits issues publicly available reports on the OPEB plan. Those reports may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-0295 or on their website at <http://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

**NOTE 8: LITIGATION**

The Board attorney's letter advises that there is no litigation, pending litigation, claims, contingent liabilities, unasserted claims or assessments or statutory violations which involve the Board of Education and which might materially affect the Board's financial position.

**NOTE 9: CONTINGENCIES**

The Board receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2021-2022 fiscal year were subject to the U.S. OMB Uniform Guidance and New Jersey OMB Circular 15-08 which mandates that grant revenues and expenditures be audited in conjunction with the Board's annual audit. Findings and questioned costs, if any, relative to federal awards and state financial assistance programs will be discussed in the Single Audit Section, Schedule of Findings and Questioned Costs. In addition, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. Further, the School Child Nutrition Program is a recipient of federal reimbursements and is subject to certain related federal regulations. These federal reimbursements are subject to subsequent audit and interpretation by the New Jersey Department of Education. The Board management does not believe such an audit would result in material amounts of disallowed costs.

**City of Rahway School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 10: RISK MANAGEMENT**

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

**Property and Liability Insurance** - The District maintains commercial coverage covering each of those risks of loss. The administration believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

**New Jersey Unemployment Compensation Insurance** - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method." Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. Charges are applied to the Unemployment Compensation Claims Payable first, and any remaining charges are applied to the Unemployment Compensation budget appropriation. The following table is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the combined ending balance of the District's Unemployment Compensation Claims Payable and Unemployment Restricted Fund Balance for the current and previous two years:

Fiscal Year Ending <u>June 30,</u>	Employee Contributions and Interest	Amount Reimbursed	Ending Balance
2021-22	\$ 145.08	\$	\$ 333,487.08
2020-21	61,127.00	162,510.00	333,342.00
2019-20	65,906.00	45,154.00	434,051.00

**NOTE 11: FUND BALANCE APPROPRIATED**

**General Fund** - Of the \$15,901,219.47 in General Fund Balance at June 30, 2022, \$558,249.58 has been assigned for encumbrances; \$9,261,757.08 has been restricted in the Capital Reserve Account; \$875,668 has been restricted in the Maintenance Reserve Account; \$1,800,000.00 has been restricted as excess surplus - subsequent years' expenditures; \$1,800,000.00 has been restricted as excess surplus resulting from current year operations; \$15,099.00 has been restricted for FFCRA/SEMI, \$333,342.00 has been restricted for unemployment reserve; and \$1,257,103.81 is unassigned.

**City of Rahway School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 12: COMPENSATED ABSENCES**

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

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

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

The liability for vested compensated absences of the governmental fund types are recorded in the district - wide statement of net position. As of June 30, 2022, a liability existed for compensated absences for governmental fund-types in the district-wide Statement of Net Position of \$1,821,857.00.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2022, no liability existed for compensated absences in the proprietary fund.

For additional descriptive information see Note 1, Summary of Significant Accounting Policies.

**City of Rahway School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 13: CALCULATION OF EXCESS SURPLUS - BUDGETARY BASIS**

In accordance with N.J.S.A.18A:7F-7, as amended by P.L. 2004, c73 (S1701), the Restricted Fund Balance Excess Surplus is a required calculation pursuant to the New Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restricted 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 resulting from the year ended June 30, 2022 is \$1,800,000.00.

General Fund Expenditures Fiscal Year Ended June 30, 2022	\$88,759,930.20
Increase:	
Transfer from General Fund to SRF for PreK-Inclusion	389,480.00
Less:	
On-Behalf TPAF Pension, PRM, LTD, and Social Security Reimbursement	17,407,390.00
Adjusted General Fund Expenditures	\$71,742,020.31
Excess Surplus Percentage	4.00%
4% of Adjusted 2021-22 General Fund Expenditures	\$2,869,680.81
Add: Allowable Adjustments	1,368,884.00
Maximum Unreserved/Undesignated Fund Balance	\$4,238,564.81
Total Unassigned/Unrestricted Fund Balance	6,038,564.81
Excess Surplus	\$1,800,000.00

**NOTE 14: CAPITAL RESERVE ACCOUNT**

A capital reserve account was originally established by the Rahway School District 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. The balance remaining in the reserve as of June 30, 2022 is \$9,261,757.08.

**City of Rahway School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 14: CAPITAL RESERVE ACCOUNT (CONTINUED)**

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

Beginning balance, July 1, 2021	\$4,906,560.00
Increased(Decreased) by:	
Board Approved Transfers	<u>4,355,197.08</u>
Ending balance, June 30, 2022	<u><u>\$9,261,757.08</u></u>

**NOTE 15: MAINTENANCE RESERVE ACCOUNT**

In accordance with N.J.S.A. 18A:7G-13, a Maintenance reserve account was established by the District. The Maintenance reserve account is maintained in the general fund.

A district board of education or board of school estimate, as appropriate, may increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes.

A district board of education or board of school estimate, as appropriate, may by resolution withdraw such funds from the maintenance reserve account and appropriate into the required maintenance account lines at budget time or any time during the year for use on required maintenance activities for a school facility as reported in the comprehensive maintenance plan pursuant to N.J.A.C. 6A:26A-4.



**City of Rahway School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 15: MAINTENANCE RESERVE ACCOUNT (CONTINUED)**

The district board of education shall ensure that the maintenance reserve account balance does not, at any time, exceed four percent of the replacement cost of the school district's school facilities for the current year. If the account exceeds this maximum amount at June 30, the district board of education shall reserve and designate such excess in the subsequent year's budget.

The activity of the maintenance reserve for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

Balance, July 1, 2021	
and June 30, 2022	<u>\$875,668.00</u>

**NOTE 16: INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances remained on the balances sheet at June 30, 2022:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General Fund	\$200,000.00	\$390,662.56
Special Revenue Fund	390,662.56	
Capital Projects Fund		204,755.55
Debt Service Fund	<u>4,755.55</u>	
	<u>\$595,418.11</u>	<u>\$595,418.11</u>

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were received.

**NOTE 17: INVENTORY**

Inventory in the Food Service Fund at June 30, 2022 consisted of the following:

Food, Commodities and Supplies	<u>\$27,205.57</u>
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**City of Rahway School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 18: DEFERRED COMPENSATION**

The District offers its employees a choice of the deferred compensation plans created in accordance with Internal Revenue Code Section 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. Since the District does not have any property or rights to the plan assets and no fiduciary relationship exists between the District and the deferred compensation plan, the plan assets are not included in the District's financial statements as of June 30, 2022.

**NOTE 19: DEFICIT FUND BALANCES / NET POSITION**

The District has a deficit fund balance of \$10,883.58 in the Special Revenue Fund as of June 30, 2022 as reported in the fund statements (modified accrual basis). 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, districts must record the last state aid payment as revenue, in the current budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year.

For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditures, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability.

Since the State is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last two state aid payments on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last state aid payment, the fund balance deficits in the General and Special Revenue Funds do not alone indicate that the District is facing financial difficulties. Pursuant to P.L. 2003, c.97, any negative unreserved, undesignated general fund balance that is reported as a direct result from the delay in the payment of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District's deficit in the GAAP funds' statements does not exceed the last state aid payment.

**City of Rahway School District**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 20: PRIOR PERIOD ADJUSTMENTS/RESTATEMENTS**

For their net position as of June 30, 2021, the District had a restatement for previously reported capital assets. The District restated their net position to appropriately reflect the June 30, 2021 balance as follows:

	Governmental Activities
Net Position 06/30/21	\$26,374,871.00
Adjustments:	
Net Investment in Capital Assets	<u>6,374,737.16</u>
Net Position 06/30/21 (As restated)	<u><u>\$32,749,608.16</u></u>

**NOTE 21: SUBSEQUENT EVENTS**

The Board of Education has evaluated subsequent events occurring after the financial statement date through March 3, 2023 which is the date the financial statements were available to be issued. Based upon this evaluation, the District has determined that no subsequent events needed to be disclosed.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

CITY OF RAHWAY SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2022

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 44,796,679.00	\$	\$ 44,796,679.00	\$ 44,796,679.00	\$ 19,953.50
Tuition from other lea's within the state				19,953.50	
Unrestricted miscellaneous revenues	200,000.00		200,000.00	427,260.56	227,260.56
Restricted miscellaneous revenues- unemployment interest				596.50	596.50
Interest earned on emergency reserve	100.00		100.00		(100.00)
Interest earned on capital reserve	100.00		100.00		(100.00)
Total revenues-local sources	\$ 44,996,879.00	\$	\$ 44,996,879.00	\$ 45,244,489.56	\$ 247,610.56
State sources:					
Categorical transportation aid	\$ 916,421.00	\$	\$ 916,421.00	\$ 916,421.00	\$
Categorical special education aid	2,263,445.00		2,263,445.00	2,263,445.00	
Equalization aid	25,949,626.00		25,949,626.00	25,949,626.00	
Categorical security aid	1,032,364.00		1,032,364.00	1,032,364.00	
Extraordinary aid				1,321,324.00	1,321,324.00
NP Transportation				47,560.00	47,560.00
On-behalf TPAF pension contributions (non-budgeted)				12,128,515.00	12,128,515.00
On-behalf TPAF pfm contributions (non-budgeted)				2,833,711.00	2,833,711.00
On-behalf TPAF long-term disability insurance (non-budgeted)				4,462.00	4,462.00
Reimbursed TPAF social security cont. (non-budgeted)				2,440,701.89	2,440,701.89
Total - state sources	\$ 30,161,856.00	\$	\$ 30,161,856.00	\$ 48,938,129.89	\$ 18,776,273.89
Federal sources:					
SEMI Medicaid reimbursement	\$ 168,776.00	\$	\$ 168,776.00	\$ 173,830.22	\$ 5,054.22
Total - state sources	\$ 168,776.00	\$	\$ 168,776.00	\$ 173,830.22	\$ 5,054.22
Total revenues	\$ 75,327,511.00	\$	\$ 75,327,511.00	\$ 94,356,449.67	\$ 19,028,938.67

CITY OF RAHWAY SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2022

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE:</b>					
Regular programs - instruction	\$	\$	\$	\$	\$
Kindergarten - salaries of teachers	1,058,416.00	106,666.40	1,165,082.40	1,139,695.22	25,387.18
Grades 1-5 salaries of teachers	7,056,682.00	(436,666.40)	6,620,015.60	6,612,461.40	7,554.20
Grades 6-8 salaries of teachers	4,324,317.00	(14,625.08)	4,309,691.92	4,155,169.79	154,522.13
Grades 9-12 salaries of teachers	6,168,037.00	(180,453.69)	5,987,583.31	5,681,900.98	305,682.33
Salaries of teachers	25,000.00	12,316.00	37,316.00	36,872.00	444.00
Purchased professional education services	25,126.00	(4,215.00)	20,911.00	20,391.49	519.51
Other salaries for instruction	297,455.00	4,421.57	301,876.57	301,874.42	2.15
Purchased professional education services	22,500.00		22,500.00	450.00	22,050.00
Other purchased services (400-500 series)	399,900.00		399,900.00	319,397.20	80,502.80
General supplies	795,015.00	(18,106.00)	990,325.96	649,034.88	341,291.08
Textbooks	122,665.00		171,337.00	143,886.11	27,450.89
Other objects	143,196.00	(26,000.00)	117,196.00	84,827.86	32,368.14
Total regular programs - instruction	\$ 20,438,309.00	\$ (556,662.20)	\$ 20,143,735.76	\$ 19,145,961.35	\$ 997,774.41
Learning and/or language disabilities					
Salaries of teachers	\$ 218,901.00	\$	\$ 218,901.00	\$ 218,901.00	\$
Other salaries for instruction	124,301.00	(26,548.00)	97,753.00	79,025.06	18,727.94
General supplies	7,000.00		7,000.00	1,612.27	5,387.73
Total learning and/or language disabilities	\$ 350,202.00	\$ (26,548.00)	\$ 323,654.00	\$ 299,538.33	\$ 24,115.67
Behavioral Disabilities					
Salaries of teachers	\$ 372,162.00	\$ 325.00	\$ 372,487.00	\$ 365,667.00	\$ 6,820.00
Other salaries for instruction	118,075.00	(325.00)	117,750.00	99,043.61	18,706.39
General supplies	6,859.00		6,859.00	814.67	6,044.33
Total behavioral disabilities	\$ 497,096.00	\$	\$ 497,096.00	\$ 465,525.28	\$ 31,570.72
Multiple disabilities					
Salaries of teachers	\$ 408,060.00	\$ 2,597.00	\$ 410,657.00	\$ 410,657.00	\$
Other salaries for instruction	306,525.00	38,319.08	344,844.08	335,307.06	9,537.02
General supplies	5,000.00	(687.00)	4,313.00	2,610.26	1,702.74
Other objects	2,813.00	(313.00)	2,500.00	1,500.00	1,000.00
Total multiple disabilities	\$ 722,398.00	\$ 39,916.08	\$ 762,314.08	\$ 750,074.32	\$ 12,239.76

CITY OF RAHWAY SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2022

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Resource room/ resource center					
Salaries of teachers	\$ 3,745,038.00	\$ (15,107.46)	\$ 3,729,930.54	\$ 3,617,381.39	\$ 112,549.15
Other salaries for instruction	408,502.00	67,587.58	476,089.58	447,455.23	28,634.35
General supplies	17,600.00	(5,003.00)	12,597.00	10,459.25	2,137.75
Textbooks	2,550.00		2,550.00	1,000.00	1,550.00
Total resource room/ resource center	\$ 4,173,690.00	\$ 47,477.12	\$ 4,221,167.12	\$ 4,076,295.87	\$ 144,871.25
Autism					
Salaries of teachers	\$ 479,111.00	\$ (20,471.00)	\$ 458,640.00	\$ 363,404.10	\$ 95,235.90
Other salaries for instruction	279,202.00	19,060.00	298,262.00	232,826.47	65,435.53
General supplies	50,000.00	(27,000.00)	23,000.00	21,931.63	1,068.37
Total autism	\$ 808,313.00	\$ (28,411.00)	\$ 779,902.00	\$ 618,162.20	\$ 161,739.80
Preschool disabilities - full time					
Salaries of teachers	\$ 566,706.00	\$	\$ 566,706.00	\$ 499,968.98	\$ 66,737.02
Other salaries for instruction	333,282.00	(23,024.00)	310,258.00	220,462.83	89,795.17
General supplies	7,000.00	500.00	7,500.00	7,071.15	428.85
Total preschool disabilities - full time	\$ 906,988.00	\$ (22,524.00)	\$ 884,464.00	\$ 727,502.96	\$ 156,961.04
Home instruction					
Salaries of teachers	\$ 45,000.00	\$ 30,324.00	\$ 75,324.00	\$ 73,502.00	\$ 1,822.00
Purchased professional education services	10,000.00	(7,300.00)	2,700.00		2,700.00
Total home instruction	\$ 55,000.00	\$ 23,024.00	\$ 78,024.00	\$ 73,502.00	\$ 4,522.00
Basic skills/ remedial - instruction					
Salaries of teachers	\$ 455,096.00	\$ (111,000.00)	\$ 344,096.00	\$ 139,626.80	\$ 204,469.20
General supplies	3,500.00		3,500.00	757.64	2,742.36
Total basic skills/ remedial - instruction	\$ 458,596.00	\$ (111,000.00)	\$ 347,596.00	\$ 140,384.44	\$ 207,211.56
Bilingual education - instruction					
Salaries of teachers	\$ 1,080,305.00	\$ 30,249.00	\$ 1,110,554.00	\$ 1,029,921.56	\$ 80,632.44
Other salaries for instruction	277,057.00	(28,838.00)	248,219.00	185,088.72	63,130.28
General supplies	9,000.00		9,000.00	3,608.69	5,391.31
Textbooks	1,200.00		1,200.00		1,200.00
Total bilingual education - instruction	\$ 1,367,562.00	\$ 1,411.00	\$ 1,368,973.00	\$ 1,218,618.97	\$ 150,354.03



CITY OF RAHWAY SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2022

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
School sponsored cocurricular athletics - instruction					
Salaries	\$ 352,160.00	\$ (21,924.40)	\$ 330,235.60	\$ 242,361.87	\$ 87,873.73
Purchased services (300-500 series)	133,892.00		133,892.00	92,557.30	41,334.70
Supplies and materials	74,350.00		74,350.00	41,545.09	32,804.91
Other objects	35,500.00		35,500.00	11,257.05	24,242.95
Transfers to Cover Deficit (Custodial Funds)	3,000.00		3,000.00		3,000.00
Total school sponsored cocurricular athletics - instruction	\$ 598,902.00	\$ (21,924.40)	\$ 576,977.60	\$ 387,721.31	\$ 189,256.29
School sponsored athletics - instruction					
Salaries	\$ 414,209.00	\$ 21,924.40	\$ 436,133.40	\$ 429,408.00	\$ 6,725.40
Purchased services (300-500 series)	145,203.00		145,203.00	62,636.90	82,566.10
Supplies and materials	191,100.00	(30,000.00)	161,100.00	134,559.05	26,540.95
Other objects	42,000.00		42,000.00	36,989.53	5,010.47
Total school sponsored athletics - instruction	\$ 792,512.00	\$ (8,075.60)	\$ 784,436.40	\$ 663,593.48	\$ 120,842.92
Before/ after school programs - instruction					
Other salaries of instruction	88,829.00		88,829.00	27,940.00	60,889.00
Total before/ after school programs - instruction	\$ 88,829.00	\$	\$ 88,829.00	\$ 27,940.00	\$ 60,889.00
Summer school - instruction					
Salaries of teachers	29,484.00		29,484.00	17,160.00	12,324.00
General supplies	4,450.00		4,450.00	2,866.41	1,583.59
Total summer school - instruction	\$ 33,934.00	\$	\$ 33,934.00	\$ 20,026.41	\$ 13,907.59
Alternative Education Programs - instruction					
Salaries of teachers	873,905.00		873,905.00	873,905.00	
General supplies	16,000.00		16,000.00	11,315.91	4,684.09
Textbooks	16,000.00		16,000.00		16,000.00
Total alternative education programs- instruction	\$ 905,905.00	\$	\$ 905,905.00	\$ 885,220.91	\$ 20,684.09
Alternative Education Programs - support service					
Salaries	124,817.00		124,817.00	120,281.00	4,536.00
Other purchased services (400-500 series)	7,284.00		7,284.00	5,496.00	1,788.00
Supplies and materials	20,000.00		20,000.00	2,054.36	17,945.64
Other objects	4,100.00		4,100.00	946.18	3,153.82
Total alternative education programs- support service	\$ 156,201.00	\$	\$ 156,201.00	\$ 128,777.54	\$ 27,423.46

CITY OF RAHWAY SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2022

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Other alternative ed programs - instruction					
Salaries of teachers	\$ 144,566.00	\$	\$ 144,566.00	\$ 140,989.95	\$ 3,576.05
Total other suppl/ at-risk prog - instruction	\$ 144,566.00	\$	\$ 144,566.00	\$ 140,989.95	\$ 3,576.05
Other alternative ed programs - support services					
Salaries of teachers	\$ 78,248.00	\$	\$ 78,248.00	\$ 78,248.00	\$
Total other suppl/ at-risk prog - support services	\$ 78,248.00	\$	\$ 78,248.00	\$ 78,248.00	\$
Undistributed expenditures:					
Instruction tuition:					
Tuition to other LEAs within state - regular	\$ 1,188,174.00	\$ 16,500.00	\$ 16,500.00	\$ 16,004.57	\$ 495.43
Tuition to other LEAs within state - special	697,000.00	223,436.00	1,411,610.00	1,312,682.70	98,927.30
Tuition to county voc. School dist. - regular	118,000.00	19,564.00	716,564.00	687,364.00	29,200.00
Tuition to county voc. School dist. - special	135,000.00		118,000.00	58,400.00	59,600.00
Tuition to co. spec serv & reg day schools	4,165,472.00	(99,233.00)	135,000.00	132,424.98	2,575.02
Tuition to priv. sch. for the disabled w/ state	44,372.00		4,066,239.00	4,065,725.88	513.12
Tuition - state facilities			44,372.00	44,372.00	
Total instruction tuition	\$ 6,348,018.00	\$ 160,267.00	\$ 6,508,285.00	\$ 6,316,974.13	\$ 191,310.87
Attendance and social work:					
Salaries	\$ 144,723.00	\$ 124,034.00	\$ 268,757.00	\$ 267,192.41	\$ 1,564.59
Supplies and materials	5,950.00		5,950.00	5,470.59	479.41
Total attendance and social work	\$ 150,673.00	\$ 124,034.00	\$ 274,707.00	\$ 272,663.00	\$ 2,044.00
Health services:					
Salaries	\$ 535,280.00	\$ (58,301.55)	\$ 476,978.45	\$ 437,979.20	\$ 38,999.25
Purchased professional and technical services	44,496.00	56,900.00	101,396.00	94,619.24	6,776.76
Supplies and materials	14,074.00	27,850.00	41,924.00	16,979.36	24,944.64
Other objects	750.00	(240.00)	510.00	510.00	
Total health services	\$ 594,600.00	\$ 26,208.45	\$ 620,808.45	\$ 550,087.80	\$ 70,720.65

CITY OF RAHWAY SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2022

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Speech OT PT related svcs:					
Salaries	\$ 605,506.00	\$ (16,900.00)	\$ 588,606.00	\$ 568,404.00	\$ 20,202.00
Purchased professional - education services	947,757.00	35,000.00	982,757.00	871,673.30	111,083.70
Supplies and materials	2,400.00		2,400.00	2,044.66	355.34
Other objects	1,800.00		1,800.00	1,485.00	315.00
Total speech OT PT related svcs	\$ 1,557,463.00	\$ 18,100.00	\$ 1,575,563.00	\$ 1,443,606.96	\$ 131,956.04
OTH supp serv std extra:					
Salaries	\$ 333,430.00	\$ 36,227.03	\$ 369,657.03	\$ 342,358.15	\$ 27,298.88
Purchased professional - education services	1,429,611.00	72,500.00	1,509,786.00	1,280,932.76	228,853.24
Other objects	2,000.00		2,000.00		2,000.00
Total OTH supp serv std extra	\$ 1,765,041.00	\$ 108,727.03	\$ 1,881,443.03	\$ 1,623,290.91	\$ 258,152.12
Guidance:					
Salaries of other professional staff	\$ 738,403.00	\$ 2,014.52	\$ 740,417.52	\$ 738,350.40	\$ 2,067.12
Salaries of secretarial and clerical assistants	133,334.00	743.00	134,077.00	112,326.40	21,750.60
Purchased professional - educational services	126,416.00	(10,137.00)	116,279.00	103,921.13	12,357.87
Other purchased prof. and tech. services	11,000.00		11,000.00	5,705.00	5,295.00
Supplies and materials	29,673.00		29,673.00	9,163.52	20,509.48
Other objects	2,000.00		2,000.00	640.00	1,360.00
Total guidance	\$ 1,040,826.00	\$ (7,379.48)	\$ 1,033,446.52	\$ 970,106.45	\$ 63,340.07
Child study teams:					
Salaries of other professional staff	\$ 1,584,730.00	\$ 6,775.00	\$ 1,591,505.00	\$ 1,553,737.91	\$ 37,767.09
Salaries of secretarial and clerical assistants	182,251.00	3,362.00	185,613.00	185,612.84	0.16
Purchased prof - educational services	54,269.00	72,500.00	126,769.00	102,324.49	24,444.51
Misc pur serv (400-500 series o/than resid costs)	44,989.00		44,989.00	39,996.68	4,992.32
Supplies and materials	15,900.00	2,000.00	17,900.00	17,611.34	288.66
Total child study teams	\$ 1,882,139.00	\$ 84,637.00	\$ 1,966,776.00	\$ 1,899,283.26	\$ 67,492.74

CITY OF RAHWAY SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2022

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Improvement of inst. serv:					
Sal of supervisor of instruction	\$ 747,638.00	\$	\$ 747,638.00	\$ 742,733.52	\$ 4,904.48
Sal of other professional staff	106,832.00	6,985.00	113,817.00	73,138.00	40,679.00
Sal of secr and clerical assist.	56,021.00	(385.00)	55,636.00	43,445.84	12,190.16
Other salaries	14,100.00		14,100.00		14,100.00
Purchased prof - educational services	46,759.00		46,759.00	46,691.08	67.92
Other purch services (400-500)	21,250.00	564.00	21,814.00	11,663.62	10,150.38
Supplies and materials	9,500.00		9,500.00	3,855.97	5,644.03
Other objects	10,000.00		10,000.00	4,151.82	5,848.18
Total improvement of inst. serv.	\$ 1,012,100.00	\$ 7,164.00	\$ 1,019,264.00	\$ 925,679.85	\$ 93,584.15
Edu. media serv. / library:					
Salaries	\$ 342,347.00	\$	\$ 342,347.00	\$ 342,347.00	\$
Other purch services (400-500)	8,500.00		8,500.00	8,031.46	468.54
Supplies and materials	35,944.00		38,083.06	24,665.55	13,417.51
Total edu. media serv. / library	\$ 386,791.00	\$	\$ 388,930.06	\$ 375,044.01	\$ 13,886.05
Instr. Staff training serv:					
Purchased prof - educational services	\$ 25,000.00	\$ (8,200.00)	\$ 16,800.00	\$	\$ 16,800.00
Other purchased services (400-500 series)	32,000.00		32,000.00	1,422.68	30,577.32
Other objects	1,000.00		1,000.00		1,000.00
Total instr. Staff training serv.	\$ 58,000.00	\$ (8,200.00)	\$ 49,800.00	\$ 1,422.68	\$ 48,377.32

CITY OF RAHWAY SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2022

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Support serv. Gen. admin:					
Salaries	\$ 382,555.00	\$ 5,367.00	\$ 387,922.00	\$ 384,659.53	\$ 3,262.47
Legal Services	115,000.00		115,000.00	88,889.96	26,110.04
Audit Fees	46,410.00	690.00	47,100.00	46,600.00	500.00
Architectural/engineering services	20,000.00	4,241.00	24,241.00	21,045.98	3,195.02
Other purchased professional services	105,600.00	(944.00)	104,656.00	85,800.00	18,856.00
Purchased Technical Services	11,670.00	944.00	12,614.00	12,613.63	0.37
Communications/ telephone	128,000.00	(5,425.00)	122,575.00	90,528.86	32,046.14
BOE other purchased services	3,000.00		3,000.00		3,000.00
Other purchased services	400,234.00	31,069.00	431,303.00	424,823.79	6,479.21
General supplies	32,000.00	24,083.00	56,083.00	804.30	55,278.70
BOE in-house training/meeting supplies	1,500.00		1,500.00	308.00	1,192.00
Judgments against school district		16,000.00	16,000.00	16,000.00	
Miscellaneous expenditures	4,204.00	2,000.00	6,204.00	3,962.07	2,241.93
BOE membership dues and fees	30,000.00		30,000.00	28,249.59	1,750.41
Total support serv. Gen. admin.	\$ 1,280,173.00	\$ 78,025.00	\$ 1,358,198.00	\$ 1,204,285.71	\$ 153,912.29
Support serv. School admin:					
Salaries of principals/asst. principals/prog dir	\$ 2,378,507.00	\$ 112,666.64	\$ 2,491,173.64	\$ 2,485,817.00	\$ 5,356.64
Salaries of secretarial and clerical assistants	719,304.00	5,214.05	724,518.05	648,574.01	75,944.04
Unused vac payment to term/ret staff		91,386.00	91,386.00		91,386.00
Other purchased services (400-500 series)	205,708.00	(1,608.00)	204,100.00	188,443.75	15,656.25
Supplies and materials	53,591.00		53,591.00	31,836.12	21,754.88
Other objects	34,100.00	11,000.00	45,100.00	33,395.53	11,704.47
Total support serv. School admin	\$ 3,391,210.00	\$ 218,658.69	\$ 3,609,879.56	\$ 3,388,066.41	\$ 221,813.15
Central services:					
Salaries	\$ 531,477.00	\$ 39,557.63	\$ 571,034.63	\$ 482,564.70	\$ 88,469.93
Misc. purchased services (400-500 series)	73,010.00		73,010.00	66,923.51	6,086.49
Supplies and materials	36,084.00	5,000.00	41,084.00	24,342.87	16,741.13
Other objects	6,000.00	2,300.00	8,300.00	5,311.28	2,988.72
Total undistributed expenditure central services	\$ 646,571.00	\$ 46,857.63	\$ 693,428.63	\$ 579,142.36	\$ 114,286.27

CITY OF RAHWAY SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

FISCAL YEAR ENDED JUNE 30, 2022

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Admin info technology:					
Salaries	\$ 531,957.00	\$ (12,447.80)	\$ 519,509.20	\$ 518,923.01	\$ 586.19
Other purchased services (400-500 series)	240,547.00	33,647.00	274,194.00	244,454.08	29,739.92
Supplies and materials	133,547.00	(20,000.00)	131,712.50	61,564.78	70,147.72
Other objects	2,000.00		2,000.00		2,000.00
Total admin info technology	\$ 908,051.00	\$ 1,199.20	\$ 927,415.70	\$ 824,941.87	\$ 102,473.83
Required maint for sch fac.:					
Salaries	\$ 465,084.00	\$ 74,793.32	\$ 539,877.32	\$ 533,425.50	\$ 6,451.82
Unused vac payment to term/ret staff		13,701.00	13,701.00		13,701.00
Cleaning, repair, and maintenance services	789,812.00	20,000.00	848,653.17	632,323.44	216,329.73
General supplies	165,100.00	2,113.00	167,268.00	146,311.38	20,956.62
Other objects	4,500.00		4,500.00	4,344.00	156.00
Total required maint for sch fac.	\$ 1,424,496.00	\$ 110,607.32	\$ 1,573,999.49	\$ 1,316,404.32	\$ 257,595.17
Custodial services:					
Salaries	\$ 1,622,806.00	\$ 12,807.99	\$ 1,635,613.99	\$ 1,567,207.11	\$ 68,406.88
Purchased professional and technical services	73,600.00		73,600.00	26,750.61	46,849.39
Cleaning, repair, and maintenance services	128,200.00		128,200.00	71,879.76	56,320.24
Rental and land & bldg other than lease pur agrmt	129,714.00	8,200.00	137,914.00	127,179.72	10,734.28
Other purchased property services	122,440.00		122,440.00	120,308.43	2,131.57
Insurance	136,210.00		136,210.00	136,210.00	
Miscellaneous purchased services	3,500.00		3,500.00	608.80	2,891.20
General supplies	236,600.00	(32,000.00)	207,043.28	154,059.67	52,983.61
Energy (natural gas)	284,030.00	115,000.00	399,030.00	361,784.30	37,245.70
Energy (electricity)	489,672.00	107,000.00	596,672.00	502,662.14	94,009.86
Other objects	650.00		650.00	475.00	175.00
Total custodial services	\$ 3,227,422.00	\$ 211,007.99	\$ 3,440,873.27	\$ 3,069,125.54	\$ 371,747.73
Care and upkeep of grounds:					
Cleaning, repair, and maintenance services	\$ 354,885.00	\$ (55,000.00)	\$ 317,273.00	\$ 142,337.05	\$ 174,935.95
General supplies	66,500.00		71,795.00	33,552.27	38,242.73
Total care and upkeep of grounds	\$ 421,385.00	\$ (55,000.00)	\$ 389,068.00	\$ 175,889.32	\$ 213,178.68

CITY OF RAHWAY SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2022

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Security:					
Salaries	\$ 621,178.00	\$ (57,561.38)	\$ 563,616.62	\$ 512,609.90	\$ 51,006.72
Purchased professional and technical services	13,000.00	(650.00)	12,350.00	860.28	11,489.72
General Supplies	5,000.00		5,000.00	2,009.80	2,990.20
Total security	\$ 639,178.00	\$ (58,211.38)	\$ 580,966.62	\$ 515,479.98	\$ 65,486.64
Student transportation serv:					
Salaries of non-instructional aids	\$ 12,000.00	\$ 15,954.84	\$ 27,954.84	\$ 27,773.48	\$ 181.36
Salaries pupil trans (between home & school) - spec ed	21,739.00	8,225.21	29,964.21	29,963.91	0.30
Salaries pupil trans other than between home & school	17,000.00	3,079.50	20,079.50	20,079.50	
Cleaning, repair & maint services	5,000.00		5,000.00	2,589.00	2,411.00
Rental payments - school buses	2,000.00		2,000.00	250.00	1,750.00
Contract. Serv. - Aid in Lieu Pymts-Non Pub Sch	125,000.00		125,000.00	113,490.95	11,509.05
Contract. Serv. - Aid in Lieu Pymts-Charter Sch	21,000.00		21,000.00	9,916.25	11,083.75
Contract. Serv. - Aid in Lieu Pymts-Choice Sch	9,000.00	(4,000.00)	5,000.00	3,177.60	1,822.40
Contr serv (bet home and sch) vendors	685,978.00	18,116.00	704,094.00	602,609.08	101,484.92
Contr serv (oth than bet home & sch) vend	190,195.00	20,000.00	210,195.00	167,634.17	42,560.83
Contr Serv (sp ed)- vendors	646,396.00	5,484.00	657,005.00	634,908.60	22,096.40
Contr Serv (reg std)- ESCs	200,000.00	(1,800.00)	198,200.00	147,923.96	50,276.04
Contr Serv (sp ed)- ESCs	2,392,757.00	1,097,400.00	3,490,157.00	3,469,178.01	20,978.99
Misc purchased service - transportation	10,000.00		10,000.00	9,250.00	750.00
Transportation supplies	6,000.00		6,000.00	4,524.71	1,475.29
Miscellaneous expenditures	1,000.00	1,800.00	2,800.00	1,850.00	950.00
Total student trans serv	\$ 4,345,065.00	\$ 1,164,259.55	\$ 5,514,449.55	\$ 5,245,119.22	\$ 269,330.33
Unallocated benefits:					
Social security contributions	\$ 750,000.00	\$ 125,717.72	\$ 875,717.72	\$ 875,717.36	\$ 0.36
Other retirement contributions - PERS	830,814.00	(2,360.08)	828,453.92	828,453.92	
Other retirement contributions - regular		80,000.00	80,000.00	60,047.93	19,952.07
Workmen's compensation	540,504.00	(83,688.60)	456,815.40	415,922.89	40,892.51
Health benefits	8,561,984.00	(970,787.00)	7,591,197.00	7,379,707.30	211,489.70
Tuition reimbursement	135,000.00		151,651.67	95,736.50	55,915.17
Other employee benefits	628,500.00	(70,250.04)	558,249.96	547,237.90	11,012.06
Unused sick payment to term/ret staff	250,000.00		250,000.00	216,158.46	33,841.54
Total unallocated benefits	\$ 11,696,802.00	\$ (921,368.00)	\$ 10,792,085.67	\$ 10,418,982.26	\$ 373,103.41

CITY OF RAHWAY SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2022

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
On-behalf TPAF pension contributions (non-budgeted)	\$	\$	\$	\$ 12,128,515.00	\$ (12,128,515.00)
On-behalf TPAF prm contributions (non-budgeted)				2,833,711.00	(2,833,711.00)
On-behalf TPAF long-term disability insurance (non-budgeted)				4,462.00	(4,462.00)
Reimbursed TPAF social security contributions (non-budgeted)				2,440,701.89	(2,440,701.89)
	\$	\$	\$	\$ 17,407,389.89	\$ (17,407,389.89)
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	\$ 42,776,004.00	\$ 1,309,594.00	\$ 44,199,387.55	\$ 58,522,985.93	\$ (14,323,598.38)
Interest earned on maintenance reserve	\$ 100.00	\$	\$ 100.00	\$	\$ 100.00
<b>TOTAL EXPENDITURES - CURRENT EXPENSE</b>	\$ 75,353,355.00	\$ 646,277.00	\$ 76,375,510.51	\$ 88,371,069.25	\$ (11,995,558.74)
<b>CAPITAL OUTLAY:</b>					
Undistributed expenditures					
Instruction:					
Undist. Expend. - School-sponsored and other instr prog	\$ 13,000.00	\$	\$ 13,000.00	\$ 13,000.00	\$ 8,000.00
Undist. Expend. - Support Service - Student	8,000.00		8,000.00		3,793.00
Undist. Expend. - Required Maint for School Fac.	41,000.00	185.00	41,185.00	37,392.00	10,037.05
Undist. Expend. - Custodial Services	76,776.00	(185.00)	76,591.00	66,553.95	21,830.05
Total equipment	\$ 138,776.00	\$	\$ 138,776.00	\$ 116,945.95	\$ 21,830.05
Facilities acquisition and const. serv.					
Construction services	\$ 38,595.00	63,500.00	63,500.00	8,500.00	55,000.00
Assessment for Debt Service on SDA Funding	38,595.00		38,595.00	38,595.00	
Total facilities acquisition and const. serv.	\$ 38,595.00	\$ 63,500.00	\$ 102,095.00	\$ 47,095.00	\$ 55,000.00
Interest Deposit to Capital Reserve	\$ 100.00	\$	\$ 100.00	\$	\$ 100.00
Increase in Capital Reserve	\$ 1,015,884.00	\$	\$ 1,015,884.00	\$	\$ 1,015,884.00



CITY OF RAYWAY SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FISCAL YEAR ENDED JUNE 30, 2022

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
TOTAL CAPITAL OUTLAY	\$ 1,193,355.00	\$ 63,500.00	\$ 1,256,755.00	\$ 164,040.95	\$ 1,092,714.05
Transfer of funds to charter school	\$ 301,462.00	\$	\$ 301,462.00	\$ 224,820.00	\$ 76,642.00
TOTAL TRANSFER TO CHARTER SCHOOLS	\$ 301,462.00	\$	\$ 301,462.00	\$ 224,820.00	\$ 76,642.00
GENERAL FUND GRAND TOTAL	\$ 76,848,172.00	\$ 709,777.00	\$ 77,933,727.51	\$ 88,759,930.20	\$ (10,826,202.69)
Excess (deficiency) of revenues Over (under) expenditures	\$ (1,520,661.00)	\$ (709,777.00)	\$ (2,606,216.51)	\$ 5,596,519.47	\$ (8,202,735.98)
Other financing sources (uses): Local contribution- transfer to special revenue- inclusion	\$ (389,480.00)	\$	\$ (389,480.00)	\$ (389,480.00)	\$
Excess (deficiency) of revenues (sources) Over (under) expenditures (uses)	(1,910,141.00)	(709,777.00)	(2,995,696.51)	5,207,039.47	(8,202,735.98)
Fund balance, July 1	\$ 13,675,641.00	\$	\$ 13,675,641.00	\$ 13,675,641.00	\$
Fund balance, June 30	\$ 11,765,500.00	\$ (709,777.00)	\$ 10,679,944.49	\$ 18,882,680.47	\$ (8,202,735.98)
Recapitulation: Restricted:					
Excess Surplus - Designated for Subsequent Year's Expenditures			\$	\$ 1,800,000.00	
Excess Surplus - Current Year				1,800,000.00	
Maintenance Reserve				875,668.00	
Unemployment Reserve				333,342.00	
Capital Reserve				9,261,757.08	
SEMI/FCCRA				15,099.00	
Assigned:					
Encumbrances				558,249.58	
Unassigned				4,238,564.81	
			\$	<u>18,882,680.47</u>	
Reconciliation to Government Fund Statements Last state aid payments not recognized on GAAP basis Fund balance per government funds (GAAP)			\$	(2,981,461.00)	
			\$	<u>15,901,219.47</u>	

CITY OF RAHWAY SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR FISCAL YEAR ENDED JUNE 30, 2022

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
<b>REVENUES:</b>					
State sources	\$ 5,451,007.00	\$ 162,480.00	\$ 5,613,487.00	\$ 4,073,362.46	\$ (1,540,124.54)
Federal sources	1,896,033.00	8,041,868.14	9,937,901.14	4,234,581.05	(5,703,321.09)
Other sources		417,148.32	417,148.32	337,095.99	(80,052.33)
<b>Total revenues</b>	<b>\$ 7,347,040.00</b>	<b>\$ 8,621,487.46</b>	<b>\$ 15,968,537.46</b>	<b>\$ 8,645,039.50</b>	<b>\$ (7,323,497.96)</b>
<b>EXPENDITURES:</b>					
Instruction:					
Personal services - salaries	\$ 2,187,538.00	\$ 753,288.00	\$ 2,940,826.00	\$ 1,896,130.90	\$ 1,044,695.10
Purchased professional educational services	90,000.00	195.85	90,195.85	90,195.85	
Other purchased services	10,000.00	84,037.00	94,037.00	76,618.70	17,418.30
Tuition	900,000.00	158,669.00	1,058,669.00	1,048,390.99	10,278.01
General supplies	392,739.00	1,820,448.99	2,213,187.99	1,843,823.02	369,364.97
Textbooks	1,100.00	(860.00)	240.00	240.00	
Other objects	30,000.00	299.00	30,299.00	30,299.00	
<b>Total instruction</b>	<b>\$ 3,611,377.00</b>	<b>\$ 2,816,077.84</b>	<b>\$ 6,427,454.84</b>	<b>\$ 4,864,983.61</b>	<b>\$ 1,562,491.23</b>
Support services:					
Personal services - salaries	\$ 883,630.00	\$ 27,329.00	\$ 910,959.00	\$ 682,191.86	\$ 228,767.14
Personal services - employee benefits	729,723.00	456,880.00	1,186,603.00	26,721.00	1,159,882.00
Purchased professional services	1,894,160.00	403,844.00	2,298,004.00	2,183,868.06	114,135.94
Rentals	75,000.00	16,400.00	91,400.00	51,218.00	40,182.00
Cleaning, Repair and Maintenance Services	25,000.00	143,487.06	168,487.06	119,120.42	49,366.64
Other purchased services	25,000.00	146,444.25	171,444.25	69,272.13	102,172.12
Contracted Transportation Services	5,000.00	21,498.00	26,498.00	16,998.00	9,500.00
Supplies and materials	93,150.00	374,401.04	467,551.04	216,918.13	250,631.91
Miscellaneous expenditures	5,000.00	325,415.72	330,415.72	256,562.62	73,853.10
<b>Total support services</b>	<b>\$ 3,735,663.00</b>	<b>\$ 1,915,699.07</b>	<b>\$ 5,651,362.07</b>	<b>\$ 3,622,871.22</b>	<b>\$ 2,028,490.85</b>
Equipment:					
Non-instructional equipment					
<b>Total expenditures</b>	<b>\$ 7,347,040.00</b>	<b>\$ 8,621,487.46</b>	<b>\$ 15,968,537.46</b>	<b>\$ 8,987,402.08</b>	<b>\$ 6,981,135.38</b>
Other financing sources (uses)			\$ 389,480.00		
Operating transfers in				47,117.42	
Excess (deficiency) of revenues and Other Financing Sources Over/(Under) Expenditures				432,845.00	
Fund Balance, July 1			\$ 479,962.42		
Fund Balance, June 30				174,079.26	
Restricted				305,883.16	
Scholarships					
Student activities					
<b>Total Fund Balance</b>			<b>\$ 479,962.42</b>		

CITY OF RAHWAY SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
BUDGET TO GAAP RECONCILIATION  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	GENERAL FUND	SPECIAL REVENUE FUND
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$94,356,449.67	\$8,645,039.50
Difference - budget to GAAP Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and related revenue is recognized.		(520,062.40)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	3,685,829.00	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(2,981,461.00)	(490,846.00)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	95,060,817.67	7,634,131.10
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedules	\$88,759,930.20	8,987,402.08
Difference - budget to GAAP Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial purposes		(520,062.40)
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	\$88,759,930.20	\$8,467,339.68

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSION (GASB 68)**

CITY OF RAYWAY SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST TEN YEARS

Measurement Date Ending June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered-Employee Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of it's Covered-Employee Payroll	Plan Fiduciary Net Position as a percentage of the total Pension Liability
2013	0.0697973797%	\$ 13,339,666	\$ 4,920,450.00	271.11%	48.72%
2014	0.0682913452%	12,786,008	5,999,031.00	213.13%	52.08%
2015	0.0685632423%	15,391,074	4,776,139.00	322.25%	47.93%
2016	0.0702333444%	20,801,102	4,988,875.00	416.95%	40.14%
2017	0.0716770157%	16,685,264	5,050,038.00	330.40%	48.10%
2018	0.0729737500%	14,368,167	5,002,754.00	287.21%	53.60%
2019	0.0710796891%	12,807,482	4,872,923.00	262.83%	56.27%
2020	0.0680779101%	11,101,727	4,856,616.00	228.59%	58.32%
2021	0.0689155340%	8,164,078	5,031,469.00	162.26%	70.33%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

CITY OF RAHWAY SCHOOL DISTRICT  
 SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
 PUBLIC EMPLOYEES RETIREMENT SYSTEM  
 LAST TEN YEARS

Fiscal Year Ending June 30,	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered- Employee Payroll	Contributions as a Percentage of Covered- Employee Payroll
2014	\$ 522,017	\$ 522,017	\$ -0-	\$ 5,999,031.00	8.70%
2015	562,984	562,984	-0-	5,999,031.00	9.38%
2016	589,460	589,460	-0-	4,988,875.00	11.82%
2017	623,943	623,943	-0-	5,050,038.00	12.36%
2018	664,011	664,011	-0-	5,002,754.00	13.27%
2019	725,853	725,853	-0-	4,872,923.00	14.90%
2020	691,399	691,399	-0-	4,856,616.00	14.24%
2021	744,738	744,738	-0-	5,031,469.00	14.80%
2022	807,081	807,081	-0-	5,180,254.00	15.58%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.





CITY OF RAHWAY SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION PART III  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms:

None

Change in assumptions:

The following assumptions were used in calculating the net pension liability in their respective accounting periods:

Measurement Date Ending <u>June 30,</u>	Discount <u>Rate</u>	Long-Term Expected Rate of <u>Return</u>	Actuarial Experience <u>Study Period</u>
2021	7.00%	7.00%	07/01/14-06/30/18
2020	7.00%	7.00%	07/01/14-06/30/18
2019	6.28%	7.00%	07/01/14-06/30/18
2018	5.66%	7.00%	07/01/11-06/30/14
2017	5.00%	7.00%	07/01/11-06/30/14
2016	3.98%	7.65%	07/01/11-06/30/14
2015	4.90%	7.90%	07/01/08-06/30/11
2014	5.39%	7.90%	07/01/08-06/30/11
2013	5.55%	7.90%	07/01/08-06/30/11

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms:

None

Change in assumptions:

The following assumptions were used in calculating the net pension liability in their respective accounting periods:

Measurement Date Ending <u>June 30,</u>	Discount <u>Rate</u>	Long-Term Expected Rate of <u>Return</u>	Actuarial Experience <u>Study Period</u>
2021	7.00%	7.00%	07/01/15-06/30/18
2020	5.40%	7.00%	07/01/15-06/30/18
2019	5.60%	7.00%	07/01/15-06/30/18
2018	4.86%	7.00%	07/01/12-06/30/15
2017	4.25%	7.00%	07/01/12-06/30/15
2016	3.22%	7.65%	07/01/12-06/30/15
2015	4.13%	7.90%	07/01/09-06/30/12
2014	4.68%	7.90%	07/01/09-06/30/12
2013	4.95%	7.90%	07/01/09-06/30/12

**REQUIRED SUPPLEMENTARY INFORMATION - PART IV**

**SCHEDULE RELATED TO ACCOUNTING AND REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN  
PENSIONS (GASB 75)**

CITY OF RAYWAY SCHOOL DISTRICT  
SCHEDULE OF CHANGES IN THE DISTRICT'S  
TOTAL OPEB LIABILITY AND RELATED RATIOS  
LAST TEN YEARS

	Measurement Date Ended June 30,				
	2021	2020	2019	2018	2017
Total Non-Employer OPEB Liability - State's Proportionate Share of Total OPEB Liability Associated with the School District					
Balance at 6/30	\$169,461,269	\$103,693,563	\$113,797,085	\$129,098,281	\$138,925,132
Changes for the year:					
Service cost	8,280,031	4,534,612	4,300,235	4,752,737	5,729,083
Interest cost	3,918,917	3,738,353	4,511,166	4,739,743	4,081,893
Changes of benefit terms	(160,795)				
Differences between expected and actual experience	(27,591,551)	29,400,751	(17,372,276)	(8,797,165)	
Changes of assumptions	149,042	30,954,751	1,546,080	(13,058,785)	(16,757,744)
Membership Contributions	100,187	89,420	94,356	105,168	110,107
Gross benefit payments	(3,087,009)	(2,950,181)	(3,183,083)	(3,042,894)	(2,990,190)
Net changes	(18,391,178)	65,767,706	(10,103,522)	(15,301,196)	(9,826,851)
Balance at 6/30	\$151,070,091	\$169,461,269	\$103,693,563	\$113,797,085	\$129,098,281
Covered Employee Payroll	37,427,696	37,232,219	37,247,975	36,109,547	34,310,240
District's Proportionate Share of the Total Non-Employer OPEB Liability as a percentage of the District's Covered Employee Payroll	-0-	-0-	-0-	-0-	-0-
State's Proportionate Share of the Total Non-Employer OPEB Liability associated with the District as a percentage of the District's Covered Employee Payroll	403.63%	455.15%	278.39%	315.14%	376.27%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

CITY OF RAHWAY SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION PART IV  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Change in benefit terms:

The implementation of Chapter 44 Plan and contribution strategy affecting pre-Medicare future and current retirees and dependents who enroll in the New Jersey Educator Health Plan option upon retirement and were not grandfathered under Chapter 78 (fewer than 20 years of service as of July 1, 2011) is reflected for the Fiscal Year Ending June 30, 2022 as a Plan change.

Change in assumptions:

The following assumptions were used in calculating the net OPEB liability in their respective accounting periods:

Measurement Date Ending <u>June 30,</u>	Discount <u>Rate</u>
2021	2.16%
2020	2.21%
2019	3.50%
2018	3.87%

**OTHER SUPPLEMENTARY INFORMATION**

## **SPECIAL REVENUE FUND DETAIL STATEMENTS**

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.

CITY OF BAHWAY SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	UNION COUNTY CARES ACT	TITLE I	TITLE II REALLOCATED	TITLE IIIA	TITLE II PART A	TITLE III	TITLE III IMMIGRANT	TITLE IV
<b>REVENUES:</b>								
State sources	\$74,574.80	\$704,440.33	\$56,456.35	\$100,792.64	\$148,032.43	\$31,065.07	\$5,495.00	\$57,436.88
Federal sources								
Other sources								
<b>Total revenues</b>	<b>74,574.80</b>	<b>704,440.33</b>	<b>56,456.35</b>	<b>100,792.64</b>	<b>148,032.43</b>	<b>31,065.07</b>	<b>5,495.00</b>	<b>57,436.88</b>
<b>EXPENDITURES:</b>								
Instruction:								
Personal services - salaries		290,191.88		98,935.00		10,910.34		
Other purchased services								
Tuition								
General supplies	72,338.27	278,771.75	49,956.35			14,332.97	5,495.00	57,436.88
<b>Total instruction</b>	<b>72,338.27</b>	<b>568,963.63</b>	<b>49,956.35</b>	<b>98,935.00</b>		<b>25,243.31</b>	<b>5,495.00</b>	<b>57,436.88</b>
Support services:								
Personal services - salaries		23,052.70			9,793.00			
Personal services - employee benefits		26,721.00						
Purchased professional services		50,000.00	6,500.00		89,484.06	4,000.00		
Rentals		16,400.00						
Cleaning, Repair and Maintenance Services								
Other purchased services	2,236.53	4,670.99			34,671.00	1,002.00		
Contracted Transportation Services								
Supplies and materials		14,632.01		857.64	12,084.37	819.76		
Miscellaneous expenditures					2,000.00			
<b>Total support services</b>	<b>2,236.53</b>	<b>135,476.70</b>	<b>6,500.00</b>	<b>857.64</b>	<b>148,032.43</b>	<b>5,821.76</b>		
Equipment:								
Non-instructional equipment								
<b>Total equipment</b>								
<b>Total expenditures</b>	<b>74,574.80</b>	<b>704,440.33</b>	<b>56,456.35</b>	<b>100,792.64</b>	<b>148,032.43</b>	<b>31,065.07</b>	<b>5,495.00</b>	<b>57,436.88</b>
Other financing sources (uses):								
Transfer from general fund								
<b>Excess (deficiency) of revenues(sources) over(under)/expenditures (uses)</b>	<b>\$-0-</b>	<b>\$-0-</b>	<b>\$-0-</b>	<b>\$-0-</b>	<b>\$-0-</b>	<b>\$-0-</b>	<b>\$-0-</b>	<b>\$-0-</b>
Fund Balance, July 1								
Fund Balance, June 30								

(Continued on next page)



CITY OF BAHWAY SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	ARP MENTAL HEALTH	PRESCHOOL AID	IDEA PART B BASIC	IDEA PART B PRESCHOOL	OTHER LOCAL/ PRIVATE GRANTS	CARES ACT	CRRSA LEARNING ACCELERATION	ARP HOMELESS
REVENUES:								
State sources	\$40,500.00	\$3,982,452.46	\$1,053,020.03	\$30,723.00	\$36,944.55	\$143,598.73	\$7,871.00	\$16,998.00
Federal sources								
Other sources								
Total revenues	40,500.00	3,982,452.46	1,053,020.03	30,723.00	36,944.55	143,598.73	7,871.00	16,998.00
EXPENDITURES:								
Instruction:								
Personal services - salaries		1,495,093.68						
Other purchased services		971.70						
Tuition			1,013,245.99	30,723.00			4,422.00	
General supplies		153,825.32	19,248.04				3,449.00	
Total instruction		1,649,890.70	1,032,494.03	30,723.00			7,871.00	
Support services:								
Personal services - salaries		649,346.16						
Personal services - employee benefits								
Purchased professional services	40,500.00	1,972,858.00	20,526.00					
Rentals		34,818.00						
Cleaning, Repair and Maintenance Services					28,210.42			
Other purchased services		1,642.31						
Contracted Transportation Services					8,635.13	102,417.53		16,998.00
Supplies and materials		62,805.33			99.00			
Miscellaneous expenditures		571.96						
Total support services	40,500.00	2,722,041.76	20,526.00		36,944.55	102,417.53		16,998.00
Equipment:								
Non-instructional equipment						41,181.20		
Total equipment						41,181.20		
Total expenditures	40,500.00	4,371,932.46	1,053,020.03	30,723.00	36,944.55	143,598.73	7,871.00	16,998.00
Other financing sources (uses):								
Transfer from general fund		389,480.00						
Excess (deficiency) of revenues(sources) over/(under)expenditures (uses)	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-
Fund Balance, July 1								
Fund Balance, June 30	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-

(Continued on next page)

CITY OF RAHWAY SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	ARP IDEA PART B BASIC	ARP IDEA PART B PRE-SCHOOL	ESSER II	ARP ESSER	SDA EMERGENCY NEEDS	STUDENT ACTIVITIES	SCHOLARSHIPS	TOTAL
<b>REVENUES:</b>								
State sources	\$191,399.41	\$9,150.00	\$425,226.38	\$1,137,801.00	\$90,910.00	\$292,812.18	\$7,339.26	4,073,362.46
Federal sources								4,234,581.05
Other sources								337,095.99
<b>Total revenues</b>	<b>191,399.41</b>	<b>9,150.00</b>	<b>425,226.38</b>	<b>1,137,801.00</b>	<b>90,910.00</b>	<b>292,812.18</b>	<b>7,339.26</b>	<b>8,645,039.50</b>
<b>EXPENDITURES:</b>								
Instruction:								
Personal services - salaries								1,896,130.90
Other purchased services	66,497.00	9,150.00						76,618.70
Tuition								1,048,390.99
General supplies	51,673.36		73,695.08	1,063,601.00				1,843,823.02
<b>Total instruction</b>	<b>118,170.36</b>	<b>9,150.00</b>	<b>73,695.08</b>	<b>1,063,601.00</b>				<b>4,864,963.61</b>
Support services:								
Personal services - salaries								682,191.86
Personal services - employee benefits								26,721.00
Purchased professional services								2,183,868.06
Rentals								51,218.00
Cleaning, Repair and Maintenance Services					90,910.00			119,120.42
Other purchased services			25,049.30					89,272.13
Contracted Transportation Services			15,525.00					16,998.00
Supplies and materials								216,919.13
Miscellaneous expenditures						250,784.02	2,250.00	256,562.62
<b>Total support services</b>			<b>40,574.30</b>		<b>90,910.00</b>	<b>250,784.02</b>	<b>2,250.00</b>	<b>3,622,871.22</b>
Equipment:								
Non-instructional equipment	73,229.05		310,957.00	74,200.00				499,567.25
<b>Total facilities acquisition &amp; construction services</b>	<b>73,229.05</b>		<b>310,957.00</b>	<b>74,200.00</b>				<b>499,567.25</b>
<b>Total expenditures</b>	<b>191,399.41</b>	<b>9,150.00</b>	<b>425,226.38</b>	<b>1,137,801.00</b>	<b>90,910.00</b>	<b>250,784.02</b>	<b>2,250.00</b>	<b>8,987,402.08</b>
Other financing sources (uses):								
Transfer from general fund								389,480.00
<b>Excess (deficiency) of revenues/sources over/under/expenditures (uses)</b>	<b>\$-0-</b>	<b>\$-0-</b>	<b>\$-0-</b>	<b>\$-0-</b>	<b>\$-0-</b>	<b>\$42,028.16</b>	<b>\$5,089.26</b>	<b>\$47,117.42</b>
<b>Fund Balance, July 1</b>						<b>283,855.00</b>	<b>168,990.00</b>	<b>432,845.00</b>
<b>Fund Balance, June 30</b>	<b>\$-0-</b>	<b>\$-0-</b>	<b>\$-0-</b>	<b>\$-0-</b>	<b>\$-0-</b>	<b>\$305,883.16</b>	<b>\$174,079.26</b>	<b>\$479,962.42</b>

## **CAPITAL PROJECTS FUND DETAIL STATEMENTS**

The capital projects fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

CITY OF RAHWAY SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES-BUDGETARY BASIS  
AS OF JUNE 30, 2022

<u>ISSUE/PROJECT TITLE</u>	<u>APPROPRIATIONS</u>	<u>EXPENDITURES TO DATE</u>		<u>BALANCE JUNE 30, 2022</u>
		<u>PRIOR YEAR</u>	<u>CURRENT YEAR</u>	
Roosevelt Roof	\$ 937,458.00	\$ 194,131.00	\$ 720,749.13	\$ 22,577.87
Security Grant (Alyssa's Law)	212,332.00	96,237.00	98,296.84	17,798.16
Pre-Referendum Costs	27,000.00	600.00	26,400.00	
Roosevelt School Masonry and Front Entrance Improvements	1,279,000.00		1,277,407.80	1,592.20
Referendum - Franklin Non-Educational Improvements	2,690,834.00		162,469.30	2,528,364.70
Referendum - Franklin Roof Replacement	3,189,212.00		345,770.19	2,843,441.81
Referendum - Cleveland Non-Educational Improvements	2,287,419.00		70,829.29	2,216,589.71
Referendum - Madison Educational Improvements	2,520,728.00		57,031.30	2,463,696.70
Referendum - Madison Non-Educational Improvements	1,757,566.00		66,617.49	1,690,948.51
Referendum - Madison Roof Replacement	1,203,804.00		150,054.26	1,053,749.74
Referendum - Roosevelt Non-Educational Improvements	8,739,450.00		533,302.30	8,206,147.70
Referendum - Roosevelt Roof Replacement	930,726.00		140,228.53	790,497.47
Referendum - Academy Non-Educational Improvements	7,531,429.00		254,719.93	7,276,709.07
Referendum - High School Educational Improvements	272,176.00		9,739.67	262,436.33
Referendum - High School Non-Educational Improvements	<u>7,590,656.00</u>		<u>195,188.93</u>	<u>7,395,467.07</u>
Totals	\$ <u>41,169,790.00</u>	\$ <u>290,968.00</u>	\$ <u>4,108,804.96</u>	\$ <u>36,770,017.04</u>

CITY OF RAHWAY SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

<b>REVENUES AND OTHER FINANCING SOURCES:</b>	
Interest Earned on Bond Proceeds	\$ 4,755.55
Bond Proceeds	<u>38,714,000.00</u>
Total Revenues and Other Financing Sources	<u>38,718,755.55</u>
<b>EXPENDITURES AND OTHER FINANCING USES:</b>	
Legal Services	\$ 80,637.09
Other Purchased Professional and Technical Services	1,677,326.38
Construction Services	<u>2,350,841.49</u>
Total Expenditures and Other Financing Uses	<u>4,108,804.96</u>
Excess (deficiency) of revenues over (under) expenditures	34,609,950.59
Other financing sources (uses):	
Transfers out	<u>(4,755.55)</u>
Total other financing sources (uses)	<u>(4,755.55)</u>
Net change in fund balances	34,605,195.04
Fund Balance - Beginning of Year	<u>2,164,822.00</u>
Fund Balance - End of Year	<u>\$ 36,770,017.04</u>
<b>Reconciliation to GAAP Financial Statements:</b>	
Fund Balance- Budgetary Basis (Exhibit F-2)	\$ 36,770,017.04
Less: Unearned Revenue (GAAP Basis)	<u>49,091.30</u>
Fund Balance- GAAP Basis (Exhibit B-1)	<u>\$ 36,720,925.74</u>
<b>Recapitulation:</b>	
Reserved for Encumbrances	\$ 5,644,215.92
Restricted for Capital Projects	<u>31,076,709.82</u>
	<u>\$ 36,720,925.74</u>

CITY OF RAHWAY SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS -  
BUDGETARY BASIS  
ROOSEVELT ROOF  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
<b>REVENUES AND OTHER FINANCING SOURCES:</b>				
Transfer from capital reserve	\$ 937,458.00	\$ _____	\$ 937,458.00	\$ 937,458.00
<b>Total Revenues and Other Financing Sources</b>	<u>937,458.00</u>	<u>_____</u>	<u>937,458.00</u>	<u>937,458.00</u>
<b>EXPENDITURES AND OTHER FINANCING USES:</b>				
Purchased Professional and Technical Services	157,332.00	31,155.68	188,487.68	188,487.68
Construction Services	<u>36,799.00</u>	<u>689,593.45</u>	<u>726,392.45</u>	<u>748,970.32</u>
<b>Total Expenditures and Other Financing Uses</b>	<u>194,131.00</u>	<u>720,749.13</u>	<u>914,880.13</u>	<u>\$ 937,458.00</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>\$ 743,327.00</u>	<u>\$ (720,749.13)</u>	<u>\$ 22,577.87</u>	
<b>ADDITIONAL PROJECT INFORMATION:</b>				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$937,458.00			
Additional Authorized Cost				
Revised Authorized Cost	\$937,458.00			
Percentage Increase over Original Authorized Cost				
Percentage Completion	97.59%			
Original Target Completion Date	6/30/22			
Revised Target Completion Date	6/30/23			

CITY OF RAHWAY SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS -  
BUDGETARY BASIS  
SECURITY PROJECTS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
<b>REVENUES AND OTHER FINANCING SOURCES:</b>				
SDA Grant	\$ 212,332.00	\$ _____	\$ 212,332.00	\$ 212,332.00
Total Revenues and Other Financing Sources	<u>212,332.00</u>	<u>_____</u>	<u>212,332.00</u>	<u>212,332.00</u>
<b>EXPENDITURES AND OTHER FINANCING USES:</b>				
Purchased Professional and Technical Services	46,558.00	2,000.00	48,558.00	48,800.00
Construction Services	<u>49,679.00</u>	<u>96,296.84</u>	<u>145,975.84</u>	<u>163,532.00</u>
Total Expenditures and Other Financing Uses	<u>96,237.00</u>	<u>98,296.84</u>	<u>194,533.84</u>	\$ <u>212,332.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ <u>116,095.00</u>	\$ <u>(98,296.84)</u>	\$ <u>17,798.16</u>	

## ADDITIONAL PROJECT INFORMATION:

Project Number	N/A
Grant Date	6/30/21
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$212,332.00
Additional Authorized Cost	
Revised Authorized Cost	\$212,332.00
Percentage Increase over Original Authorized Cost	
Percentage Completion	91.62%
Original Target Completion Date	6/30/22
Revised Target Completion Date	6/30/23

CITY OF RAHWAY SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS -  
BUDGETARY BASIS  
PRE-REFERENDUM COSTS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
Transfer from capital reserve	\$ 27,000.00	\$ _____	\$ 27,000.00	\$ 27,000.00
Total Revenues and Other Financing Sources	<u>27,000.00</u>	<u>_____</u>	<u>27,000.00</u>	<u>27,000.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Purchased Professional and Technical Services	600.00	26,400.00	27,000.00	27,000.00
Total Expenditures and Other Financing Uses	<u>600.00</u>	<u>26,400.00</u>	<u>27,000.00</u>	<u>\$ 27,000.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 26,400.00</u>	<u>\$ (26,400.00)</u>	<u>\$ _____</u>	
ADDITIONAL PROJECT INFORMATION:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$27,000.00			
Additional Authorized Cost				
Revised Authorized Cost	\$27,000.00			
Percentage Increase over Original Authorized Cost				
Percentage Completion	100.00%			
Original Target Completion Date	6/30/22			
Revised Target Completion Date	6/30/22			



CITY OF RAHWAY SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS -  
BUDGETARY BASIS  
ROOSEVELT SCHOOL MASONRY AND FRONT ENTRANCE IMPROVEMENTS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
REVENUES AND OTHER FINANCING SOURCES:				
Transfer from capital reserve	\$ 1,279,000.00	\$ _____	\$ 1,279,000.00	\$ 1,279,000.00
Total Revenues and Other Financing Sources	<u>1,279,000.00</u>	<u>_____</u>	<u>1,279,000.00</u>	<u>1,279,000.00</u>
EXPENDITURES AND OTHER FINANCING USES:				
Construction Services	_____	1,277,407.80	1,277,407.80	1,279,000.00
Total Expenditures and Other Financing Uses	_____	<u>1,277,407.80</u>	<u>1,277,407.80</u>	<u>\$ 1,279,000.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,279,000.00</u>	<u>\$ (1,277,407.80)</u>	<u>\$ 1,592.20</u>	

## ADDITIONAL PROJECT INFORMATION:

Project Number	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$1,279,000.00
Additional Authorized Cost	
Revised Authorized Cost	\$1,279,000.00
Percentage Increase over Original Authorized Cost	
Percentage Completion	99.88%
Original Target Completion Date	6/30/22
Revised Target Completion Date	6/30/22

CITY OF RAHWAY SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS -  
BUDGETARY BASIS  
REFERENDUM - FRANKLIN NON-EDUCATIONAL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
<b>REVENUES AND OTHER FINANCING SOURCES:</b>				
Bond proceeds and transfers	\$ _____	\$ 2,690,834.00	\$ 2,690,834.00	\$ 2,690,834.00
Total Revenues and Other Financing Sources	_____	2,690,834.00	2,690,834.00	2,690,834.00
<b>EXPENDITURES AND OTHER FINANCING USES:</b>				
Legal Services		6,624.61	6,624.61	13,455.00
Purchased Professional and Technical Services		151,844.69	151,844.69	290,387.00
Construction Services		4,000.00	4,000.00	2,386,992.00
Total Expenditures and Other Financing Uses		162,469.30	162,469.30	\$ 2,690,834.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ _____	\$ 2,528,364.70	\$ 2,528,364.70	
<b>ADDITIONAL PROJECT INFORMATION:</b>				
Project Number	4290-080-20-2000			
Bond Authorization Date	12/15/21			
Bonds Authorized	\$2,690,834.00			
Bonds Issued	\$2,690,834.00			
Original Authorized Cost	\$2,690,834.00			
Additional Authorized Cost				
Revised Authorized Cost	\$2,690,834.00			
Percentage Increase over Original Authorized Cost				
Percentage Completion	6.04%			
Original Target Completion Date	6/30/24			
Revised Target Completion Date	6/30/24			

CITY OF RAHWAY SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS -  
BUDGETARY BASIS  
REFERENDUM - FRANKLIN ROOF  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
<b>REVENUES AND OTHER FINANCING SOURCES:</b>				
Bond proceeds and transfers	\$ _____	\$ 3,189,212.00	\$ 3,189,212.00	\$ 3,189,212.00
<b>Total Revenues and Other Financing Sources</b>	<b>_____</b>	<b>3,189,212.00</b>	<b>3,189,212.00</b>	<b>3,189,212.00</b>
<b>EXPENDITURES AND OTHER FINANCING USES:</b>				
Legal Services		6,447.61	6,447.61	15,946.00
Purchased Professional and Technical Services		202,215.48	202,215.48	324,706.00
Construction Services		137,107.10	137,107.10	2,848,560.00
<b>Total Expenditures and Other Financing Uses</b>		<b>345,770.19</b>	<b>345,770.19</b>	<b>\$ 3,189,212.00</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ _____	\$ 2,843,441.81	\$ 2,843,441.81	
<b>ADDITIONAL PROJECT INFORMATION:</b>				
Project Number	4290-080-20-5000			
Bond Authorization Date	12/15/21			
Bonds Authorized	\$3,189,212.00			
Bonds Issued	\$3,189,212.00			
Original Authorized Cost	\$3,189,212.00			
Additional Authorized Cost				
Revised Authorized Cost	\$3,189,212.00			
Percentage Increase over Original Authorized Cost				
Percentage Completion	10.84%			
Original Target Completion Date	6/30/24			
Revised Target Completion Date	6/30/24			

CITY OF RAHWAY SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS -  
BUDGETARY BASIS  
REFERENDUM - CLEVELAND NON-EDUCATIONAL IMPROVEMENTS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
<b>REVENUES AND OTHER FINANCING SOURCES:</b>				
Bond proceeds and transfers	\$ _____	\$ 2,287,419.00	\$ 2,287,419.00	\$ 2,287,419.00
Total Revenues and Other Financing Sources	_____	2,287,419.00	2,287,419.00	2,287,419.00
<b>EXPENDITURES AND OTHER FINANCING USES:</b>				
Legal Services		4,624.48	4,624.48	11,438.00
Purchased Professional and Technical Services		66,204.81	66,204.81	231,091.00
Total Expenditures and Other Financing Uses		70,829.29	70,829.29	\$ 2,287,419.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ _____	\$ 2,216,589.71	\$ 2,216,589.71	
<b>ADDITIONAL PROJECT INFORMATION:</b>				
Project Number	4290-090-20-1000			
Bond Authorization Date	12/15/21			
Bonds Authorized	\$2,287,419.00			
Bonds Issued	\$2,287,419.00			
Original Authorized Cost	\$2,287,419.00			
Additional Authorized Cost				
Revised Authorized Cost	\$2,287,419.00			
Percentage Increase over Original Authorized Cost				
Percentage Completion	3.10%			
Original Target Completion Date	6/30/24			
Revised Target Completion Date	6/30/24			

CITY OF RAHWAY SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS -  
BUDGETARY BASIS  
REFERENDUM - MADISON EDUCATIONAL IMPROVEMENTS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
<b>REVENUES AND OTHER FINANCING SOURCES:</b>				
Bond proceeds and transfers	\$ _____	\$ 2,520,728.00	\$ 2,520,728.00	\$ 2,520,728.00
Total Revenues and Other Financing Sources	_____	2,520,728.00	2,520,728.00	2,520,728.00
<b>EXPENDITURES AND OTHER FINANCING USES:</b>				
Legal Services		5,096.14	5,096.14	12,604.00
Purchased Professional and Technical Services		51,935.16	51,935.16	264,454.00
Construction Services				2,243,670.00
Total Expenditures and Other Financing Uses		57,031.30	57,031.30	\$ 2,520,728.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ _____	\$ 2,463,696.70	\$ 2,463,696.70	
<b>ADDITIONAL PROJECT INFORMATION:</b>				
Project Number	4290-110-20-4000			
Bond Authorization Date	12/15/21			
Bonds Authorized	\$2,520,728.00			
Bonds Issued	\$2,520,728.00			
Original Authorized Cost	\$2,520,728.00			
Additional Authorized Cost				
Revised Authorized Cost	\$2,520,728.00			
Percentage Increase over Original Authorized Cost				
Percentage Completion	2.26%			
Original Target Completion Date	6/30/24			
Revised Target Completion Date	6/30/24			

CITY OF RAHWAY SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS -  
BUDGETARY BASIS  
REFERENDUM - MADISON NON-EDUCATIOAL IMPROVEMENTS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
<b>REVENUES AND OTHER FINANCING SOURCES:</b>				
Bond proceeds and transfers	\$ _____	\$ 1,757,566.00	\$ 1,757,566.00	\$ 1,757,566.00
Total Revenues and Other Financing Sources	_____	1,757,566.00	1,757,566.00	1,757,566.00
<b>EXPENDITURES AND OTHER FINANCING USES:</b>				
Legal Services		3,553.23	3,553.23	8,789.00
Purchased Professional and Technical Services		63,064.26	63,064.26	192,315.00
Construction Services				1,556,462.00
Total Expenditures and Other Financing Uses		66,617.49	66,617.49	\$ 1,757,566.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ _____	\$ 1,690,948.51	\$ 1,690,948.51	
<b>ADDITIONAL PROJECT INFORMATION:</b>				
Project Number	4290-110-20-1000			
Bond Authorization Date	12/15/21			
Bonds Authorized	\$1,757,566.00			
Bonds Issued	\$1,757,566.00			
Original Authorized Cost	\$1,757,566.00			
Additional Authorized Cost				
Revised Authorized Cost	\$1,757,566.00			
Percentage Increase over Original Authorized Cost				
Percentage Completion	3.79%			
Original Target Completion Date	6/30/24			
Revised Target Completion Date	6/30/24			

CITY OF RAHWAY SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS -  
BUDGETARY BASIS  
REFERENDUM - MADISON ROOF REPLACEMENT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
<b>REVENUES AND OTHER FINANCING SOURCES:</b>				
Bond proceeds and transfers	\$ _____	\$ 1,203,804.00	\$ 1,203,804.00	\$ 1,203,804.00
<b>Total Revenues and Other Financing Sources</b>	<b>_____</b>	<b>1,203,804.00</b>	<b>1,203,804.00</b>	<b>1,203,804.00</b>
<b>EXPENDITURES AND OTHER FINANCING USES:</b>				
Legal Services		2,433.72	2,433.72	6,019.00
Purchased Professional and Technical Services		77,629.82	77,629.82	125,945.00
Construction Services		69,990.72	69,990.72	1,071,840.00
<b>Total Expenditures and Other Financing Uses</b>		<b>150,054.26</b>	<b>150,054.26</b>	<b>\$ 1,203,804.00</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ _____	\$ 1,053,749.74	\$ 1,053,749.74	
<b>ADDITIONAL PROJECT INFORMATION:</b>				
Project Number	4290-110-20-6000			
Bond Authorization Date	12/15/21			
Bonds Authorized	\$1,203,804.00			
Bonds Issued	\$1,203,804.00			
Original Authorized Cost	\$1,203,804.00			
Additional Authorized Cost				
Revised Authorized Cost	\$1,203,804.00			
Percentage Increase over Original Authorized Cost				
Percentage Completion	12.47%			
Original Target Completion Date	6/30/24			
Revised Target Completion Date	6/30/24			

CITY OF RAHWAY SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS -  
BUDGETARY BASIS  
REFERENDUM - ROOSEVELT NON-EDUCATIONAL IMPROVEMENTS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
<b>REVENUES AND OTHER FINANCING SOURCES:</b>				
Bond proceeds and transfers	\$ _____	\$ 8,739,450.00	\$ 8,739,450.00	\$ 8,739,450.00
<b>Total Revenues and Other Financing Sources</b>	_____	8,739,450.00	8,739,450.00	8,739,450.00
<b>EXPENDITURES AND OTHER FINANCING USES:</b>				
Legal Services		18,852.99	18,852.99	43,696.00
Purchased Professional and Technical Services		514,449.31	514,449.31	954,806.50
Construction Services				7,740,947.50
<b>Total Expenditures and Other Financing Uses</b>	_____	533,302.30	533,302.30	\$ 8,739,450.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ _____	\$ 8,206,147.70	\$ 8,206,147.70	
<b>ADDITIONAL PROJECT INFORMATION:</b>				
Project Number	4290-120-20-3000			
Bond Authorization Date	12/15/21			
Bonds Authorized	\$8,739,450.00			
Bonds Issued	\$8,739,450.00			
Original Authorized Cost	\$8,739,450.00			
Additional Authorized Cost				
Revised Authorized Cost	\$8,739,450.00			
Percentage Increase over Original Authorized Cost				
Percentage Completion	6.10%			
Original Target Completion Date	6/30/24			
Revised Target Completion Date	6/30/24			



CITY OF RAHWAY SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS -  
 BUDGETARY BASIS  
 REFERENDUM - ROOSEVELT ROOF REPLACEMENT  
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
<b>REVENUES AND OTHER FINANCING SOURCES:</b>				
Bond proceeds and transfers	\$ _____	\$ 930,726.00	\$ 930,726.00	\$ 930,726.00
Total Revenues and Other Financing Sources	<u>0.00</u>	<u>930,726.00</u>	<u>930,726.00</u>	<u>930,726.00</u>
<b>EXPENDITURES AND OTHER FINANCING USES:</b>				
Legal Services		1,881.65	1,881.65	4,654.00
Purchased Professional and Technical Services		62,678.73	62,678.73	97,772.00
Construction Services		75,668.15	75,668.15	828,300.00
Total Expenditures and Other Financing Uses	<u>0.00</u>	<u>140,228.53</u>	<u>140,228.53</u>	<u>\$ 930,726.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 0.00</u>	<u>\$ 790,497.47</u>	<u>\$ 790,497.00</u>	
<b>ADDITIONAL PROJECT INFORMATION:</b>				
Project Number	4910-X01-17-1000			
Bond Authorization Date	12/13/17			
Bonds Authorized	\$930,726.00			
Bonds Issued	\$930,726.00			
Original Authorized Cost	\$930,726.00			
Additional Authorized Cost				
Revised Authorized Cost	\$930,726.00			
Percentage Increase over Original Authorized Cost				
Percentage Completion	15.07%			
Original Target Completion Date	6/30/24			
Revised Target Completion Date	6/30/24			

CITY OF RAHWAY SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS -  
 BUDGETARY BASIS  
 REFERENDUM - ACADEMY NON-EDUCATIONAL IMPROVEMENTS  
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
<b>REVENUES AND OTHER FINANCING SOURCES:</b>				
Bond proceeds and transfers	\$ _____	\$ 7,531,429.00	\$ 7,531,429.00	\$ 7,531,429.00
Total Revenues and Other Financing Sources	_____	7,531,429.00	7,531,429.00	7,531,429.00
<b>EXPENDITURES AND OTHER FINANCING USES:</b>				
Legal Services		15,226.26	15,226.26	37,656.00
Purchased Professional and Technical Services		239,493.67	239,493.67	787,073.00
Construction Services		_____	_____	6,706,700.00
Total Expenditures and Other Financing Uses		254,719.93	254,719.93	\$ 7,531,429.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ _____	\$ 7,276,709.07	\$ 7,276,709.07	
<b>ADDITIONAL PROJECT INFORMATION:</b>				
Project Number	4290-060-20-2000			
Bond Authorization Date	12/15/21			
Bonds Authorized	\$7,531,429.00			
Bonds Issued	\$7,531,429.00			
Original Authorized Cost	\$7,531,429.00			
Additional Authorized Cost				
Revised Authorized Cost	\$7,531,429.00			
Percentage Increase over Original Authorized Cost				
Percentage Completion	3.38%			
Original Target Completion Date	6/30/24			
Revised Target Completion Date	6/30/24			

CITY OF RAHWAY SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS -  
BUDGETARY BASIS  
REFERENDUM - HIGH SCHOOL EDUCATIONAL IMPROVEMENTS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
<b>REVENUES AND OTHER FINANCING SOURCES:</b>				
Bond proceeds and transfers	\$ _____	\$ 272,176.00	\$ 272,176.00	\$ 272,176.00
<b>Total Revenues and Other Financing Sources</b>	_____	272,176.00	272,176.00	272,176.00
<b>EXPENDITURES AND OTHER FINANCING USES:</b>				
Legal Services		550.26	550.26	1,361.00
Purchased Professional and Technical Services		9,189.41	9,189.41	30,135.00
Construction Services				240,680.00
<b>Total Expenditures and Other Financing Uses</b>	_____	9,739.67	9,739.67	\$ 272,176.00
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	\$ _____	\$ 262,436.33	\$ 262,436.33	

**ADDITIONAL PROJECT INFORMATION:**

Project Number	4290-050-20-1000
Bond Authorization Date	12/15/21
Bonds Authorized	\$272,176.00
Bonds Issued	\$272,176.00
Original Authorized Cost	\$272,176.00
Additional Authorized Cost	
Revised Authorized Cost	\$272,176.00
Percentage Increase over Original Authorized Cost	
Percentage Completion	3.58%
Original Target Completion Date	6/30/24
Revised Target Completion Date	6/30/24

CITY OF RAHWAY SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS -  
BUDGETARY BASIS  
REFERENDUM - HIGH SCHOOL NON-EDUCATIONAL IMPROVEMENTS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>PRIOR PERIODS</u>	<u>CURRENT YEAR</u>	<u>TOTALS</u>	<u>REVISED AUTHORIZED COST</u>
<b>REVENUES AND OTHER FINANCING SOURCES:</b>				
Bond proceeds and transfers	\$ _____	\$ 7,590,656.00	\$ 7,590,656.00	\$ 7,590,656.00
<b>Total Revenues and Other Financing Sources</b>	<b>_____</b>	<b>7,590,656.00</b>	<b>7,590,656.00</b>	<b>7,590,656.00</b>
<b>EXPENDITURES AND OTHER FINANCING USES:</b>				
Legal Services		15,346.14	15,346.14	37,953.00
Purchased Professional and Technical Services		179,065.36	179,065.36	776,862.00
Construction Services		777.43	777.43	6,775,841.00
<b>Total Expenditures and Other Financing Uses</b>	<b>_____</b>	<b>195,188.93</b>	<b>195,188.93</b>	<b>\$ 7,590,656.00</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ _____	\$ 7,395,467.07	\$ 7,395,467.07	
<b>ADDITIONAL PROJECT INFORMATION:</b>				
Project Number	4290-050-20-3000			
Bond Authorization Date	12/15/21			
Bonds Authorized	\$7,590,656.00			
Bonds Issued	\$7,590,656.00			
Original Authorized Cost	\$7,590,656.00			
Additional Authorized Cost				
Revised Authorized Cost	\$7,590,656.00			
Percentage Increase over Original Authorized Cost				
Percentage Completion	2.57%			
Original Target Completion Date	6/30/24			
Revised Target Completion Date	6/30/24			

**LONG-TERM LIABILITY SCHEDULES**

The Long-Term schedules are used to reflect the outstanding principal balances of the long-term liabilities of the District. This includes obligations under Serial Bonds and Installment Purchases.

RAHWAY SCHOOL DISTRICT  
 LONG-TERM LIABILITY  
 SCHEDULE OF SERIAL BONDS  
 JUNE 30, 2022

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JUNE 30, 2021	ISSUED	RETIRED	BALANCE JUNE 30, 2022
			DATE	AMOUNT					
2017 Refunding School Bonds	10/12/17	\$ 14,270,000.00	02/15/23	\$ 1,330,000.00	4.000%	\$ 12,015,000.00		\$ 1,310,000.00	\$ 10,705,000.00
			02/15/24	1,325,000.00	4.000%				
			02/15/25	1,320,000.00	5.000%				
			02/15/26	1,330,000.00	5.000%				
			02/15/27	1,335,000.00	5.000%				
			02/15/28	1,345,000.00	5.000%				
			02/15/29	1,355,000.00	5.000%				
			02/15/30	1,365,000.00	3.000%				
2021 School Bonds	12/15/21	38,714,000.00	07/15/23	1,264,000.00	2.000%	38,714,000.00			38,714,000.00
			07/15/24-29	1,250,000.00	2.000%				
			07/15/30-31	2,500,000.00	2.000%				
			07/15/32-39	2,500,000.00	2.125%				
			07/15/40	2,500,000.00	2.250%				
	07/15/41	2,450,000.00	2.250%						
						\$ 12,015,000.00	\$ 38,714,000.00	\$ 1,310,000.00	\$ 49,419,000.00

RAHWAY SCHOOL DISTRICT  
SCHEDULE OF OBLIGATIONS UNDER INSTALLMENT PURCHASES  
AS OF JUNE 30, 2022

<u>PURPOSE</u>	<u>AMOUNT OF INSTALLMENT PURCHASE</u>	<u>ANNUAL MATURITIES DATE</u>	<u>INTEREST RATE</u>	<u>BALANCE JULY 1, 2021</u>	<u>RETIRED</u>
Technology Equipment	\$ 657,544.00			\$ 228,539.00	\$ 228,539.00
				<u>\$ 228,539.00</u>	<u>\$ 228,539.00</u>

RAHWAY SCHOOL DISTRICT  
DEBT SERVICE FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES:			
Local Sources:			
Local Tax Levy	\$ 1,798,210.00	\$ 1,798,210.00	\$
State Sources:			
Debt Service Aid	<u>45,589.00</u>	<u>45,589.00</u>	<u>                    </u>
Total Revenues	<u>\$ 1,843,799.00</u>	<u>\$ 1,843,799.00</u>	<u>\$</u>
EXPENDITURES:			
Regular Debt Service:			
Interest	\$ 533,800.00	\$ 533,800.00	\$
Redemption of Principal	<u>1,310,000.00</u>	<u>1,310,000.00</u>	<u>                    </u>
Total Debt Service	<u>\$ 1,843,800.00</u>	<u>\$ 1,843,800.00</u>	<u>\$</u>
Total Expenditures	<u>\$ 1,843,800.00</u>	<u>\$ 1,843,800.00</u>	<u>\$</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (1.00)</u>	<u>\$ (1.00)</u>	<u>\$</u>
Other Financing Sources:			
Operating Transfers In	<u>\$</u>	<u>\$ 4,755.55</u>	<u>\$ 4,755.55</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures		\$ 4,754.55	
Fund Balance, July 1		<u>158,763.16</u>	
Fund Balance, June 30		<u>\$ 163,517.71</u>	



**STATISTICAL SECTION**

**(UNAUDITED)**

RAHWAY SCHOOL DISTRICT  
STATISTICAL SECTION

<u>Contents</u>	<u>Page</u>
Financial Trends:	
These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	J-1 to J-5
Revenue Capacity:	
These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	J-6 to J-9
Debt Capacity:	
These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information:	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 to J-15
Operating Information:	
These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20

Sources

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

CITY OF RAHWAY SCHOOL DISTRICT  
NET POSITION BY COMPONENT  
UNAUDITED

	June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Governmental activities</b>										
Net investment in capital assets	\$ 27,654,109	\$ 28,376,683	\$ 30,207,183	\$ 30,063,065	\$ 29,781,907	\$ 31,546,571	\$ 29,646,771	\$ 30,766,084	\$ 30,968,536	\$ 2,254,747
Restricted	669,972	943,686	997,352	794,434	895,635	1,800,789	1,534,928	3,891,630	8,752,905	50,795,908
Unrestricted (Deficit)	28,717	(13,644,069)	(13,693,485)	(13,856,923)	(15,214,668)	(17,021,587)	(15,218,709)	(14,956,062)	(13,346,570)	(13,922,962)
Total governmental activities net position	\$ 28,352,798	\$ 15,476,300	\$ 17,311,050	\$ 17,000,576	\$ 15,462,874	\$ 16,325,773	\$ 15,962,990	\$ 19,701,652	\$ 26,374,871	\$ 39,126,593
<b>Business-type activities</b>										
Invested in capital assets	\$ 264,677	\$ 233,410	\$ 218,345	\$ 210,704	\$ 237,965	\$ 277,235	\$ 399,064	\$ 245,196	\$ 264,596	\$ 300,560
Unrestricted	195,444	228,535	262,250	327,426	378,353	408,276	301,064	423,782	509,942	887,745
Total business-type activities net position	\$ 460,121	\$ 461,945	\$ 480,595	\$ 538,130	\$ 616,358	\$ 685,511	\$ 700,128	\$ 668,978	\$ 774,538	\$ 1,188,305
<b>Government-wide</b>										
Net investment in capital assets	\$ 27,918,786	\$ 28,610,093	\$ 30,425,528	\$ 30,273,769	\$ 30,019,872	\$ 31,823,806	\$ 30,045,835	\$ 31,011,280	\$ 31,233,132	\$ 2,555,307
Restricted	669,972	943,686	997,352	794,434	895,635	1,800,789	1,534,928	3,891,630	8,752,905	50,795,908
Unrestricted (Deficit)	224,161	(13,615,534)	(13,631,235)	(13,529,497)	(14,836,275)	(16,613,311)	(14,917,645)	(14,532,280)	(12,836,628)	(13,034,317)
Total government-wide net position	\$ 28,812,919	\$ 15,938,245	\$ 17,791,645	\$ 17,538,706	\$ 15,079,232	\$ 17,011,284	\$ 16,663,118	\$ 20,370,630	\$ 27,149,409	\$ 40,316,898

Source: ACFR Schedule A-1

CITY OF RAYWAY SCHOOL DISTRICT  
CHANGES IN NET POSITION  
UNAUDITED

	Year ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Expenses &amp; Indirect Allocations</b>										
<b>Governmental activities</b>										
Instruction										
Regular	\$ 25,821,649	\$ 26,260,411	\$ 29,461,782	\$ 30,435,067	\$ 33,754,182	\$ 36,120,448	\$ 37,077,468	\$ 34,208,910	\$ 36,750,801	\$ 33,302,338
Special education	12,555,921	12,586,875	13,933,279	15,323,175	16,122,698	16,379,398	16,515,940	16,757,803	18,219,928	18,884,244
Other instruction	4,892,967	4,860,384	5,910,360	6,366,627	7,273,051	6,886,664	6,551,102	6,501,803	4,754,837	6,583,200
School Sponsored Activities and Athletics	1,177,594	1,249,951	1,864,893	1,509,226	1,710,089	2,653,299	1,466,336	1,361,485	1,354,162	
Support Services:										
Student & instruction related services	8,833,846	8,897,984	10,061,008	10,378,087	11,554,534	11,038,296	12,466,445	14,422,099	13,698,085	15,810,861
General administrative services	3,166,528	3,186,233	3,744,723	3,905,494	4,365,967	4,278,755	3,900,152	3,892,595	5,578,488	1,269,025
School administrative services	2,244,216	2,322,957	2,410,863	2,611,111	2,812,724	3,006,425	2,825,423	2,669,815	3,542,863	5,964,863
General and business administrative service	5,464,098	6,218,664	5,421,145	6,118,554	6,951,651	6,596,710	6,866,875	5,537,396	5,630,763	1,233,534
Business administrative services	2,840,044	2,850,016	2,979,789	3,188,226	3,408,215	3,257,858	3,257,538	3,164,305	3,152,555	4,680,022
Plant operations and maintenance	1,115,673	1,011,685	1,010,774	964,640	879,093	631,501	519,402	482,402	404,319	5,236,117
Pupil transportation	841,318	854,153	829,339	2,088,171	2,082,760	2,084,193	2,072,590	2,072,590	2,123,933	795,745
Interest on Long-Term Debt	68,733,454	69,298,213	77,647,955	82,888,378	91,014,944	92,915,547	93,219,494	91,091,003	97,210,734	2,268,764
Unallocated Depreciation										
Total governmental activities expenses	\$ 1,789,372	\$ 1,797,792	\$ 1,824,015	\$ 1,847,465	\$ 1,821,104	\$ 1,999,302	\$ 2,163,227	\$ 1,634,566	\$ 976,948	\$ 2,453,667
Business-type activities:										
Food services	1,769,372	1,797,792	1,824,015	1,847,465	1,821,104	1,999,302	2,163,227	1,634,566	976,948	2,453,667
Total business-type activities expense	\$ 70,522,827	\$ 71,057,005	\$ 79,471,970	\$ 84,735,843	\$ 92,596,048	\$ 94,914,849	\$ 95,382,721	\$ 92,725,559	\$ 98,187,682	\$ 99,482,350
<b>Program Revenues</b>										
Governmental activities:										
Charges for services	\$ 134,282	\$ 134,282	\$ 236,132	\$ 331,789	\$ 350,879	\$ 164,918	\$ 97,632	\$ 31,015	\$ 71,173	\$ 292,812
Instruction (tuition)										
School Sponsored Co-Curricular	11,965,006	11,361,400	18,652,052	21,803,690	27,806,766	30,960,984	29,260,113	26,793,693	35,638,337	23,462,321
Operating grants and contributions	1,695,651	68,040	762,087	54,915	33,202	193,556	111,105	630,770	117,434	
Capital grants and contributions	13,660,657	11,563,722	19,850,271	22,190,394	28,190,847	31,339,458	29,468,850	27,455,478	35,992,720	23,755,133
Total governmental activities program revenues	\$ 26,455,606	\$ 25,127,444	\$ 42,541,432	\$ 45,940,788	\$ 56,440,734	\$ 63,466,344	\$ 59,337,550	\$ 56,211,658	\$ 72,780,668	\$ 47,710,266
Business-type activities:										
Charges for services	600,301	619,787	607,632	641,764	692,435	767,537	827,039	570,014	7,705	150,682
Food service	1,161,959	1,179,829	1,235,033	1,263,236	1,306,897	1,300,918	1,350,805	1,168,404	1,074,803	2,716,752
Operating grants and contributions	1,762,260	1,768,616	1,842,665	1,905,000	1,999,332	2,069,465	2,177,844	1,738,418	1,062,508	2,867,434
Total business-type activities program revenues	\$ 3,526,520	\$ 3,578,032	\$ 3,692,322	\$ 3,810,766	\$ 4,000,664	\$ 4,137,925	\$ 4,316,692	\$ 3,536,646	\$ 3,145,020	\$ 5,735,928
Total district program revenues	\$ 29,982,126	\$ 28,705,476	\$ 46,393,864	\$ 50,751,554	\$ 60,441,398	\$ 67,603,269	\$ 63,654,142	\$ 62,848,316	\$ 75,925,688	\$ 53,446,194
<b>Net (Expense)/Revenue</b>	\$ (55,072,797)	\$ (57,735,491)	\$ (57,797,684)	\$ (60,697,994)	\$ (62,824,097)	\$ (61,576,089)	\$ (63,750,644)	\$ (63,635,525)	\$ (61,218,014)	\$ (72,273,560)
Governmental activities	(27,113)	1,824	18,650	57,535	78,228	69,153	14,617	103,852	105,960	413,767
Business-type activities	\$ (55,099,910)	\$ (57,733,667)	\$ (57,778,034)	\$ (60,640,449)	\$ (62,745,869)	\$ (61,506,936)	\$ (63,736,027)	\$ (63,531,675)	\$ (61,112,454)	\$ (71,859,813)
Total district-wide net expense	\$ (55,099,910)	\$ (57,733,667)	\$ (57,778,034)	\$ (60,640,449)	\$ (62,745,869)	\$ (61,506,936)	\$ (63,736,027)	\$ (63,531,675)	\$ (61,112,454)	\$ (71,859,813)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 36,104,262	\$ 37,911,882	\$ 39,216,163	\$ 40,000,486	\$ 40,800,496	\$ 41,616,506	\$ 42,229,149	\$ 43,073,732	\$ 44,796,679	\$ 44,796,679
Taxes Levied for Debt Service	2,353,956	2,360,104	2,359,901	2,341,924	2,364,271	2,357,438	2,364,271	2,241,403	1,826,494	1,798,210
Federal and State Aid Not Restricted	17,518,403	17,601,370	17,637,507	17,725,995	18,397,937	18,273,727	19,886,661	20,844,889	20,844,889	31,605,110
State Aid Restricted for Debt Service	122,822	128,002	131,346	136,551	141,947	153,103	154,594	154,594	32,143	
Investment Earnings	540	5,203	5,864	4,958	7,184	86,982	55,990	35,679	35,679	
Miscellaneous income	243,920	191,998	281,653	218,142	246,502	337,652	306,622	229,351	355,249	452,566
Total governmental activities	\$ 56,343,913	\$ 58,198,659	\$ 59,532,434	\$ 60,387,510	\$ 61,286,395	\$ 62,890,837	\$ 63,387,863	\$ 65,642,131	\$ 67,891,233	\$ 78,652,565
Total district-wide	\$ 56,343,913	\$ 58,198,659	\$ 59,532,434	\$ 60,387,510	\$ 61,286,395	\$ 62,890,837	\$ 63,387,863	\$ 65,642,131	\$ 67,891,233	\$ 78,652,565
<b>Change in Net Position</b>										
Governmental activities	\$ 1,271,116	\$ 463,168	\$ 1,834,750	\$ (310,474)	\$ (1,537,702)	\$ 1,314,748	\$ (362,783)	\$ 2,006,606	\$ 6,673,219	\$ 6,378,985
Business-type activities	(27,113)	1,824	18,650	57,535	78,228	69,153	14,617	103,852	105,960	413,767
Total district	\$ 1,244,003	\$ 464,992	\$ 1,853,400	\$ (252,939)	\$ (1,459,474)	\$ 1,383,901	\$ (348,166)	\$ 2,110,458	\$ 6,779,179	\$ 6,792,752

Source: ACFR Schedule A-2

CITY OF RAYWAY SCHOOL DISTRICT  
 FUND BALANCES - GOVERNMENTAL FUNDS  
 UNAUDITED

	June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund								(Restated)		
Restricted	\$ 3,711,368	\$ 3,123,665	\$ 3,266,531	\$ 3,242,254	\$ 3,156,217	\$ 5,136,815	\$ 5,163,027	\$ 7,211,000.00	\$ 9,822,711.00	\$ 14,085,866.08
Assigned	953,457	1,182,358	1,561,419	1,313,967	1,633,539	1,364,585	692,591	470,840.00	390,978.00	558,249.58
Unassigned	(809,765)	(780,017)	(1,083,300)	(1,032,327)	(1,116,141)	(1,248,642)	(1,279,139)	(1,567,631)	(223,877)	1,257,104
Total general fund	\$ 3,855,060	\$ 3,526,006	\$ 3,744,650	\$ 3,523,894	\$ 3,673,615	\$ 5,252,758	\$ 4,576,479	\$ 6,114,209	\$ 9,989,812	\$ 15,901,219
All Other Governmental Funds										
Restricted	\$ 313,986	\$ 235,327	\$ 258,772	\$ 171,370	\$ 170,025	\$ 174,979	\$ 546,075	\$ 615,286	\$ 2,640,335	\$ 31,720,189
Committed					(927)					5,644,216
Unassigned (deficit)										(490,846)
Total all other governmental funds	\$ 313,986	\$ 235,327	\$ 258,772	\$ 171,370	\$ 169,098	\$ 174,979	\$ 546,075	\$ 615,286	\$ 2,640,335	\$ 36,873,559

Source: ACFR Schedule B-1

CITY OF RAHWAY SCHOOL DISTRICT  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
UNAUDITED

	Year ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues</b>										
Tax levy	\$ 38,458,228	\$ 40,272,086	\$ 41,576,064	\$ 42,342,410	\$ 43,164,767	\$ 43,973,944	\$ 44,565,427	\$ 45,315,135	\$ 46,623,173	\$ 46,594,889
Tuition Charges		134,282	236,132	331,789	350,879	184,918	97,632	31,015	71,173	19,954
Interest Earnings	28,196	5,203	5,864	4,558	7,184	88,962	55,980	35,679	35,679	794,570
Miscellaneous	277,833	229,028	1,015,179	310,280	351,387	362,585	359,755	486,424	541,064	53,336,708
State sources	29,116,805	27,194,310	28,279,334	29,006,061	29,951,219	33,796,980	38,211,749	40,708,971	43,909,210	3,864,386
Federal sources	2,122,508	1,921,288	2,017,130	1,965,221	1,963,366	1,974,464	1,930,452	1,959,963	3,404,131	104,610,507
Total revenue	70,004,570	69,756,195	73,129,703	73,960,719	75,788,802	80,338,635	85,253,997	88,557,458	94,584,430	
<b>Expenditures</b>										
Instruction										
Regular instruction	25,805,138	25,153,720	26,325,219	26,086,026	26,695,428	29,178,860	33,319,376	31,910,455	34,297,301	22,620,675
Special education instruction	12,534,009	12,553,276	13,025,789	13,957,864	13,784,205	14,065,015	15,268,374	16,022,703	16,706,874	8,201,138
Other instruction	5,868,806	6,110,335	6,529,226	6,764,472	7,057,419	8,004,534	7,202,082	7,419,047	5,455,723	3,691,521
Support Services:										
Tuition	8,832,689	8,887,441	9,409,499	9,142,151	9,517,981	9,077,915	11,408,307	13,727,178	12,469,697	6,541,794
Student & instruction related services	1,081,696	1,078,082	1,097,749	1,185,225	1,132,094	1,389,832	1,201,899	1,295,859	1,301,851	11,588,851
General administration services	3,151,345	3,177,700	3,384,777	3,387,118	3,522,731	3,486,204	3,564,583	3,657,430	4,934,847	1,204,285
School administration services	1,240,417	1,187,603	1,263,954	1,308,361	1,372,351	1,352,776	1,375,720	1,527,533	1,891,345	3,388,066
Central Services / Administration Info. Technology	5,542,099	6,144,933	5,426,941	5,958,799	6,205,672	5,991,319	6,420,522	5,496,400	5,450,889	1,404,084
Plant operations and maintenance	2,840,044	2,845,722	2,974,809	3,180,317	3,396,606	3,245,247	3,246,602	3,159,370	3,144,273	5,076,899
Pupil transportation										5,245,119
Unallocated benefits										27,826,372
Capital outlay	5,131,879	609,538	1,213,129	143,181	42,765	223,255	202,594	917,622	920,420	4,547,269
Debt Service:										
Principal	1,655,000	1,824,339	2,141,601	2,184,163	2,031,201	2,196,185	1,840,000	2,019,235	1,519,770	1,310,000
Refunding Escrow										
Interest and Other Charges	1,096,236	1,031,219	1,002,525	962,269	882,900	706,084	714,816	689,735	580,688	533,800
Total expenditures	74,781,358	70,603,908	73,795,218	74,259,945	75,641,353	78,927,226	85,764,875	87,822,567	88,663,778	103,179,874
Excess (Deficiency) of revenues over (under) expenditures	(4,776,788)	(847,713)	(665,515)	(299,227)	147,449	1,411,409	(510,878)	734,931	5,900,652	1,430,632
<b>Other Financing sources (uses)</b>										
Capital leases (non-budgeted)										
Proceeds from Bond Sale	678,816	440,000	898,673			16,176,649	205,666			38,714,000
Proceeds from Refunding Lease						(16,003,034)	386,361			
Transfers in	440	1,549	505,872	1,126	3,246	8,753	(386,361)	220,505	3,141,861	994,236
Transfers out	(440)	(1,549)	(505,872)	(1,126)	(3,246)	(8,753)	(386,361)	(220,505)	(3,141,861)	(394,236)
Total other financing sources (uses)	678,816	440,000	898,673			173,615	205,666			38,714,000
Net change in fund balances	(4,097,972)	(407,713)	233,158	(299,227)	147,449	1,585,024	(305,183)	734,931	5,900,652	40,144,632

Source: ACFR Schedule B-2

CITY OF RAHWAY SCHOOL DISTRICT  
 GENERAL FUND OTHER LOCAL REVENUE BY SOURCE  
 UNAUDITED

Fiscal Year Ended June 30,	Interest on Investments	Tuition	Refunds	Athletic Admissions	BPU Solar Rebates	E-Rate	Canceled Payable Checks	Miscellaneous	Total
2013	\$ 28,656		76,649	\$ 8,854	\$	6,240		123,621	244,020
2014	5,203	134,282	53,130	11,416		23,619		102,284	329,934
2015	4,521	236,132	12,270	10,525	43,730	72,520		142,608	522,306
2016	3,632	331,789	28,725	11,636	36,600	51,066		90,315	553,763
2017	4,940	350,879	37,885	14,634	72,900	4,317		116,766	602,321
2018	34,991	184,918	44,285	13,144	98,800	43,218		138,205	557,561
2019	73,577	97,632	102,178	16,653	28,872	36,756		122,163	477,831
2020	36,945	31,015	18,091	11,757	23,540		61,195	175,963	358,506
2021	21,646	71,173	231,025	2,142	38,940	30,165		52,977	448,068
2022	35,001		51,419	6,711				334,726	427,857

Source: District Records

CITY OF RAHWAY SCHOOL DISTRICT  
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
 UNAUDITED

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (a)	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate
2013	\$ 9,763,100	\$ 972,363,760	\$ 128,005,200	\$ 288,642,900	\$ 52,046,200	\$ 1,451,821,160	\$ 3,378,404	\$ 1,455,199,564	\$ 2,851,343,672	2.706
2014	11,552,100	968,683,500	125,353,600	288,210,100	51,914,900	1,446,714,200	3,097,647	1,449,812,047	2,719,883,294	2.823
2015	11,693,800	965,379,100	128,395,100	288,458,100	51,824,500	1,445,750,600	3,442,157	1,449,192,757	2,525,811,487	2.886
2016	9,648,500	967,400,100	132,439,900	272,162,800	72,261,000	1,453,912,300	3,542,314	1,457,454,614	2,529,176,515	2.935
2017	9,758,100	966,655,600	130,209,200	272,104,200	72,236,600	1,450,963,700	57	1,450,963,757	2,543,223,255	3.003
2018	13,442,400	988,768,800	128,482,600	249,791,200	67,738,510	1,428,223,510	55	1,428,223,565	2,562,162,059	3.100
2019	12,726,700	971,631,900	129,481,300	249,712,000	67,738,500	1,431,290,400	51	1,431,290,451	2,565,496,417	3.140
2020	14,225,300	975,344,850	127,167,150	250,115,600	68,948,400	1,435,801,300	51	1,435,801,351	2,998,657,784	3.158
2021	13,139,700	981,387,950	125,764,350	250,115,600	70,863,500	1,441,271,151	51	1,441,271,151	2,958,505,052	3.234
2022	12,615,700	988,130,150	129,002,050	250,115,600	70,560,100	1,450,623,600	51	1,450,623,651	3,225,232,057	3.300

Source: District records Tax list summary & Municipal Tax Assessor  
 Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.  
 Reassessment occurs when ordered by the County Board of Taxation

\*-Data Not Available

(a) Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies  
 (b) Tax rates are per \$100



EXHIBIT "J-7"

CITY OF RAHWAY SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
UNAUDITED

<u>Year Ended December 31</u>	<u>Rahway School District</u>		<u>Overlapping Rates</u>		<u>Total Direct and Overlapping Tax Rate</u>
	<u>Basic Rate</u>	<u>Total Direct</u>	<u>City of Rahway</u>	<u>Union County</u>	
2013	2.706	2.706	2.367	0.974	6.047
2014	2.823	2.823	2.399	0.982	6.204
2015	2.896	2.896	2.490	0.931	6.317
2016	2.935	2.935	2.519	0.935	6.389
2017	3.003	3.003	2.581	0.944	6.528
2018	3.100	3.100	2.642	0.951	6.693
2019	3.140	3.140	2.679	1.018	6.837
2020	3.158	3.158	2.716	1.051	6.925
2021	3.234	3.234	2.716	1.001	6.951
2022	3.300	3.300	2.713	1.009	7.022

Source: District Records and Municipal Tax Collector

CITY OF RAHWAY SCHOOL DISTRICT  
 PRINCIPAL PROPERTY TAX PAYERS - CURRENT YEAR AND NINE YEARS AGO  
 UNAUDITED

Taxpayer	2022			2013			
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Merck Sharp & Dohme Corp.	\$ 193,285,000	1	13.32%	Merck & Co.	\$ 230,082,500	1	15.85%
Nova Park Square LLC	14,505,400	2	1.00%	80 E Milton Avenue LLC	18,449,600	2	1.27%
Skyview at Rahwy, LLC	10,265,400	3	0.71%	Park Terrace at Rahway, LLC	6,684,500	3	0.46%
Park Terrace at Rahway, LLC	6,684,500	4	0.46%	Alard Realty Enterprises	5,477,900	4	0.38%
Alard Realty Associates, LLC	5,477,900	5	0.38%	3101-15 Ave I, LLC	5,362,000	5	0.37%
Family Hospitality LLC	5,207,000	6	0.36%	New Jersey Bell	4,894,184	6	0.34%
3101-15 Ave I, LLC	5,000,000	7	0.34%	Woodbridge Plaza, LLC	4,329,500	7	0.30%
Meridia Brownstones Urban Renewal	4,434,800	8	0.31%	Rahway Industrial Site	4,296,900	8	0.30%
Woodbridge Avenel LLC	4,025,300	9	0.28%	Ninette Group LP	3,659,600	9	0.25%
HRM 970 New Brunswick LLC	3,665,300	10	0.25%	RSI Bank	3,441,400	10	0.24%
Total	\$ 252,550,600		17.41%	Total	\$ 286,676,084		19.75%

Source: Municipal Tax Assessor

CITY OF RAHWAY SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy	Percentage of Levy	Collections in Subsequent Years
2013	\$ 38,458,228	\$ 38,457,748	99.99%	\$ 480
2014	40,272,086	40,272,086	100.00%	0
2015	41,576,064	41,576,064	100.00%	0
2016	42,342,410	42,342,410	100.00%	0
2017	43,164,767	43,164,767	100.00%	0
2018	43,973,944	43,973,944	100.00%	0
2019	44,565,427	44,565,427	100.00%	0
2020	45,315,135	45,315,135	100.00%	0
2021	46,623,173	46,623,173	100.00%	0
2022	46,594,889	46,594,889	100.00%	0

Source: District records including the Certificate and Report of School Taxes (A4F form)

Note: School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount certified prior to the end of the school.

CITY OF RAHWAY SCHOOL DISTRICT  
 RATIOS OF OUTSTANDING DEBT BY TYPE  
 UNAUDITED

Governmental Activities

Fiscal Year Ended June 30,	General Obligation Bonds	Certificates of Participation	Capital Leases	Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
2013	\$ 22,085,000.00	\$ 4,345,000.00	\$ 678,816.00	\$ 27,108,816.00	1.73%	\$ 959.47
2014	21,100,000.00	3,795,000.00	829,477.00	25,724,477.00	1.52%	892.53
2015	20,080,000.00	3,225,000.00	1,176,549.00	24,481,549.00	1.38%	839.24
2016	19,025,000.00	2,630,000.00	642,386.00	22,297,386.00	1.23%	761.42
2017	17,930,000.00	2,010,000.00	326,185.00	20,266,185.00	1.06%	684.02
2018	15,600,000.00	1,365,000.00	0.00	16,965,000.00	0.85%	569.18
2019	14,430,000.00	695,000.00	448,309.00	15,573,309.00	0.76%	520.65
2020	13,315,000.00	0.00	448,309.00	13,763,309.00	0.64%	461.36
2021	12,015,000.00	0.00	228,539.00	12,243,539.00	N/A	409.33
2022	49,419,000.00	0.00	0.00	49,419,000.00	N/A	N/A

Source: District ACFR Schedules I-2.  
 N/A-Not Available

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

EXHIBIT "J-11"

CITY OF RAYWAY SCHOOL DISTRICT  
 RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
 UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding				Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	\$		
2013	\$ 22,085,000.00	0.00	22,085,000.00	\$	1.52%	781.66
2014	21,100,000.00	0.00	21,100,000.00		1.46%	732.08
2015	20,080,000.00	0.00	20,080,000.00		1.39%	688.35
2016	19,025,000.00	0.00	19,025,000.00		1.31%	649.67
2017	17,930,000.00	0.00	17,930,000.00		1.24%	605.17
2018	15,600,000.00	0.00	15,600,000.00		1.09%	523.38
2019	14,430,000.00	0.00	14,430,000.00		1.01%	482.43
2020	13,315,000.00	0.00	13,315,000.00		0.93%	446.33
2021	12,015,000.00	0.00	12,015,000.00		0.83%	401.69
2022	49,419,000.00	0.00	49,419,000.00		3.41%	N/A

Source: District records

N/A-Not Available

Notes:

**a** See Exhibit J-6 for property tax data.

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

CITY OF RAHWAY SCHOOL DISTRICT  
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
 AS OF DECEMBER 31, 2021  
 UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
Board of Education	\$ 49,419,000	100.00%	\$ 49,419,000
<b>Other debt</b>			
City	\$ 56,538,511	100.00%	\$ 56,538,511
County	539,924,009	3.80%	20,517,112
Subtotal, overlapping debt	<u>\$ 596,462,520</u>		<u>\$ 77,055,623</u>
<b>Total direct and overlapping debt</b>	<u>\$ 645,881,520</u>		<u>\$ 126,474,623</u>

Sources: City Chief Financial Officer, and County Treasurer's Office

CITY OF RAYWAY SCHOOL DISTRICT  
LEGAL DEBT MARGIN INFORMATION,  
UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2022

Equalized valuation basis	
2021	\$ 3,180,209,841
2020	2,922,453,287
2019	2,965,790,303
[A]	<u>\$ 9,068,453,431</u>
Average equalized valuation of taxable property	
[A/3]	\$ 3,022,817,810
Debt limit (4 % of average equalized value)	
[B]	120,912,712
Net bonded school debt	
[C]	49,419,000
[B-C]	<u>\$ 71,493,712</u>

	Calendar Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	\$ 125,797,577	\$ 116,288,356	\$ 107,165,113	\$ 102,499,225	\$ 100,183,911	\$ 101,599,711	\$ 105,440,232	\$ 111,305,338	\$ 115,594,589	\$ 71,493,712
Total net debt applicable to limit	22,085,000	21,100,000	20,080,000	19,025,000	17,930,000	15,600,000	14,430,000	13,315,000	12,015,000	49,419,000
Legal debt margin	<u>\$ 103,712,577</u>	<u>\$ 95,188,356</u>	<u>\$ 87,085,113</u>	<u>\$ 83,474,225</u>	<u>\$ 82,253,911</u>	<u>\$ 85,999,711</u>	<u>\$ 91,010,232</u>	<u>\$ 97,990,338</u>	<u>\$ 103,579,589</u>	<u>\$ 71,493,712</u>
Total net debt applicable to the limit as a percentage of debt limit	17.56%	18.14%	18.74%	18.55%	17.90%	0.00%	13.69%	11.96%	10.39%	69.12%

Source: Abstract of Rates and District Records.

CITY OF RAHWAY SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
UNAUDITED

Year	Population <sup>a</sup>	Personal Income (thousands of dollars) <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2013	28,254	\$ 1,568,407,794	\$ 55,511.00	9.00%
2014	28,822	1,688,075,718	58,569.00	7.50%
2015	29,171	1,767,645,916	60,596.00	6.60%
2016	29,284	1,814,963,752	61,978.00	5.60%
2017	29,628	1,906,324,776	64,342.00	5.30%
2018	29,806	2,007,314,876	67,346.00	4.50%
2019	29,911	2,059,880,837	68,867.00	4.00%
2020	29,832	2,164,102,776	72,543.00	10.50%
2021	29,911	N/A	N/A	7.40%
2022	N/A	N/A	N/A	N/A

**Source:**

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development.

<sup>b</sup> Personal income has been estimated based on the municipal population and the per capita personal income presented.

<sup>c</sup> Per Capita personal income by municipality estimated based upon the census published by the US Bureau of Economic Analysis.

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development.

N/A-Not Available



CITY OF RAHWAY SCHOOL DISTRICT  
 PRINCIPAL EMPLOYERS - CURRENT YEAR AND NINE YEARS AGO  
 UNAUDITED

Employer	2022 - N/A		2013 - N/A	
	Employees	Rank	Percentage of Total Employment	Rank

N/A-Not Available

CITY OF RAHWAY SCHOOL DISTRICT  
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
 UNAUDITED

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Instruction:										
Regular	240.0	237.0	237.0	237.0	236.0	252.0	257.0	257.0	254.0	257.0
Special education	101.0	103.0	103.0	103.0	103.0	103.0	107.0	107.0	138.0	144.0
Other instruction	42.0	48.0	48.0	48.0	48.0	48.0	48.0	48.0	40.0	33.0
Support Services:										
Student & instruction related services	27.0	28.0	28.0	28.0	27.0	31.0	32.0	32.0	45.0	42.0
General administrative services	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
School administrative services	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0	33.0	37.0
Central Services	5.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	5.0	6.0
Administrative Information Technology	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	6.0	6.0
Plant operations and maintenance	34.0	37.0	37.0	37.0	36.0	36.0	36.0	36.0	33.0	34.0
Pupil Transportation	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Other Support Services	54.0	65.0	65.0	65.0	65.0	65.0	65.0	65.0	47.0	44.0
<b>Total</b>	<b>537.0</b>	<b>558.0</b>	<b>558.0</b>	<b>558.0</b>	<b>555.0</b>	<b>575.0</b>	<b>585.0</b>	<b>585.0</b>	<b>605.0</b>	<b>607.0</b>

Source: District Personnel Records

CITY OF RAHWAY SCHOOL DISTRICT  
OPERATING STATISTICS  
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures a	Cost Per Pupil	Percentage Change	Teaching Staff b	Pupil/Teacher Ratio			Senior High School	Average Daily Enrollment (ADE) c	Average Daily Attendance (ADA) c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School					
2013	3,667	\$ 66,967,243	18,243	10.36%	307	1:13	1:13	1:12	3,700	3,479	-2.22%	94.03%	
2014	3,674	67,138,812	18,274	0.17%	312	1:13	1:13	1:12	3,715	3,491	0.41%	93.97%	
2015	3,674	70,651,092	19,230	5.23%	312	1:13	1:13	1:12	3,749	3,552	0.82%	94.21%	
2016	3,794	70,970,333	18,708	-2.73%	315	1:14	1:14	1:13	3,754	3,535	0.13%	94.17%	
2017	3,635	72,664,487	18,953	1.32%	315	1:14	1:14	1:13	3,754	3,535	0.00%	94.17%	
2018	3,699	75,801,702	19,441	2.56%	319	1:13	1:12	1:11	3,813	3,561	1.57%	93.39%	
2019	3,699	83,007,465	21,289	9.51%	319	1:13	1:12	1:11	3,944	3,699	3.44%	93.79%	
2020	3,801	84,215,975	21,588	1.40%	319	1:13	1:12	1:11	3,933	3,769	-0.28%	95.83%	
2021	3,855	85,652,900	22,219	2.92%	319	1:13	1:12	1:11	4,041	3,667	2.75%	90.74%	
2022	3,875	98,632,606	25,454	14.56%	336	1:13	1:12	1:11	3,957	3,624	-1.09%	90.67%	

Sources: District records

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less capital outlay.
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

CITY OF RAHWAY SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
UNAUDITED

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Elementary</b>										
Franklin School	81,760	81,760	81,760	81,760	81,760	81,760	81,760	81,760	81,760	81,760
Square Feet	661	661	661	661	661	661	661	661	661	661
Capacity (students)	542	542	542	644	661	648	719	656	609	626
Enrollment	46,375	46,375	66,825	66,825	66,825	66,825	66,825	66,825	66,825	66,825
Cleveland School	340	340	532	540	540	540	540	540	540	540
Square Feet	336	336	528	538	543	551	544	511	513	482
Capacity (students)	54,015	54,015	54,015	54,015	54,015	54,015	54,015	54,015	54,015	54,015
Enrollment	322	322	322	322	322	322	322	322	322	322
Madison School	299	299	299	365	355	350	351	354	338	389
Square Feet	78,810	78,810	78,810	78,810	78,810	78,810	78,810	78,810	78,810	78,810
Capacity (students)	754	754	754	754	754	754	754	754	754	754
Enrollment	666	666	666	627	605	612	611	602	579	587
<b>Middle School</b>										
Square Feet	144,611	144,611	144,611	144,611	144,611	144,611	144,611	144,611	144,611	144,611
Capacity (students)	913	913	913	913	913	913	913	913	913	913
Enrollment	949	949	949	557	555	651	694	767	728	669
<b>High School</b>										
Square Feet	176,135	176,135	176,135	176,135	176,135	176,135	176,135	176,135	176,135	176,135
Capacity (students)	1,084	1,084	1,084	1,084	1,084	1,084	1,084	1,084	1,084	1,084
Enrollment	1,087	1,087	1,072	1,070	1,116	1,092	1,025	1,041	1,087	1,223
<b>Other</b>										
Square Feet-Ace Building-St. Mary's	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Square Feet-Press Box-Vets Field	200	200	200	200	200	200	200	200	200	200
Square Feet-Hoagland Field House	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
Square Feet-Concession Stand - Vets	2,930	2,930	2,930	2,930	2,930	2,930	2,930	2,930	2,930	2,930
Square Feet-Athletic Offices/Locker Room										

Number of Schools at June 30, 2022

Elementary = 4

Middle School = 1

Senior High School = 1

Other = 5

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of and additions. Enrollment is based on the annual October district count.

Source: District records, ASSA

CITY OF RAHWAY SCHOOL DISTRICT  
 SCHEDULE OF REQUIRED MAINTENANCE  
 UNAUDITED

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>School Facilities</b>										
Madison	\$ 113,881	\$ 86,836	\$ 67,958	\$ 89,540	\$ 72,157	\$ 113,132	\$ 86,606	\$ 72,874	\$ 113,789	\$ 70,710
Grover Cleveland	145,105	110,644	86,590	104,054	83,854	122,773	69,824	105,466	104,084	75,279
Roosevelt	166,156	126,697	98,153	113,184	91,211	161,912	105,831	109,027	135,447	114,565
Franklin	172,376	131,439	102,864	116,819	94,141	135,041	140,108	137,626	121,072	89,737
Middlesex School	304,886	232,479	181,938	257,700	207,672	168,430	192,998	160,453	92,311	113,321
High School	371,349	283,158	221,599	345,436	278,376	196,296	233,288	262,409	359,446	290,801
<b>Total School Facilities</b>	<b>1,273,753</b>	<b>971,253</b>	<b>760,102</b>	<b>1,026,733</b>	<b>827,411</b>	<b>898,584</b>	<b>828,635</b>	<b>847,855</b>	<b>926,149</b>	<b>754,403</b>
<b>Other Facilities</b>	<b>42,651</b>	<b>32,522</b>	<b>25,452</b>	<b>122,199</b>	<b>98,476</b>	<b>82,026</b>	<b>52,634</b>	<b>77,088</b>	<b>23,540</b>	<b>56,590</b>
<b>Grand Total</b>	<b>\$ 1,316,404</b>	<b>\$ 1,003,775</b>	<b>\$ 785,554</b>	<b>\$ 1,148,932</b>	<b>\$ 925,887</b>	<b>\$ 980,610</b>	<b>\$ 881,269</b>	<b>\$ 924,943</b>	<b>\$ 949,689</b>	<b>\$ 812,993</b>

RAHWAY SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2022  
(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
NJSIG		
Property - Blanket Building & Contents	\$ 152,004,657	\$ 5,000
Comprehensive General Liability	31,000,000	
Comprehensive Auto Liability	31,000,000	
Comprehensive Crime Coverage (Employee Dishonesty)	500,000	5,000
Flood:		
Pool Aggregate	75,000,000	10,000
Pool Aggregate - Hazard Flood Zones (A)	25,000,000	Max. FEMA limits
Earthquake - Pool Aggregate	50,000,000	5,000
NJSIG		
Boiler and Machinery	100,000,000	25,000
Firemen's Fund		
Excess Liability	25,000,000	
NJSIG		
Worker's Compensation - Professional and Clerical (payroll)	42,848,479	
Worker's Compensation - Non-professional and Driver (payroll)	2,432,843	
Student Accident - GTL Insurance Company:		
All participants - Including Interscholarship Sports & Football	25,000	
Excess Student Accident - GTL Insurance Co.:		
All participants Including Interscholastic Sports & Football	5,000,000	
NJSIG		
Environmental Liability Each Loss	1,000,000	50,000
Environmental Liability Per Member Aggregate	2,000,000	
NJSIG		
School Board Legal Liability	31,000,000	15,000

Source: School District's records

**SINGLE AUDIT SECTION**



**SUPLEE, CLOONEY & COMPANY**  
CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

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

Honorable President and Members  
of the Board of Education  
City of Rahway School District  
County of Union  
Rahway, New Jersey 07065

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund of the City of Rahway School District, in the County of Union, State of New Jersey (the "District") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 3, 2023.

***Internal Control Over Financial Reporting***

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

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



# SUPLEE, CLOONEY & COMPANY

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. However, we also noted other matters that we have reported to the District in a separate Auditor's Management Report on Administrative Findings – Financial and Compliance dated March 3, 2023.

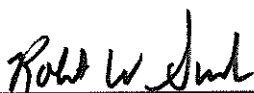
## ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the 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*. However, we also noted other matters that we have reported to the District in a separate Auditor's Management Report on Administrative Findings – Financial and Compliance dated March 3, 2023.

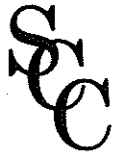
## ***Purpose of This Report***

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

  
\_\_\_\_\_  
CERTIFIED PUBLIC ACCOUNTANTS

  
\_\_\_\_\_  
PUBLIC SCHOOL ACCOUNTANT NO. 948

March 3, 2023



**SUPLEE, CLOONEY & COMPANY**  
CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL  
AND STATE FINANCIAL ASSISTANCE PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND NEW JERSEY OMB  
CIRCULAR 15-08**

Honorable President and Members  
of the Board of Education  
City of Rahway School District  
County of Union  
Rahway, New Jersey 07065

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

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

We have audited City of Rahway School District, County of Union, State of New Jersey (the "District") compliance with the types of compliance requirements identified as subject to audit in the Federal *OMB Compliance Supplement* and the *New Jersey OMB State Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2022. The 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.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2022.

***Basis for Opinion on Each Major Federal and State Program***

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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and the *New Jersey OMB State Grant Compliance Supplement*. Our responsibilities under those standards, the Uniform Guidance and the New Jersey OMB State Grant Compliance Supplement are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

## SUPLEE, CLOONEY & COMPANY

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal and state programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance and the New Jersey OMB State Grant Compliance Supplement will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal or state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance and New Jersey OMB State Grant Compliance Supplement, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the New Jersey OMB State Grant Compliance Supplement, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

# SUPLEE, CLOONEY & COMPANY

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 the New Jersey OMB State Grant Compliance Supplement. Accordingly, this report is not suitable for any other purpose.

  
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CERTIFIED PUBLIC ACCOUNTANTS

  
\_\_\_\_\_  
PUBLIC SCHOOL ACCOUNTANT NO. 948

March 3, 2023

CITY OF RAHWAY SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL AL NUMBER	FEDERAL FAIN NUMBER	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE AT JUNE 30, 2021	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS/ PRIOR YEAR BALANCES	BALANCE AT JUNE 30, 2022 (ACCOUNTS RECEIVABLE)	UNEARNED REVENUE
Enterprise Fund											
U.S. Department of Agriculture											
Passed-through State Department of Education:											
Child Nutrition Cluster:											
Non-Cash Assistance (Commodities):											
National School Lunch - Food Distribution	10.555	211N304N1099	N/A	7/1/20-6/30/21	\$ 112,525.00	\$ 2,210.00	\$ 234,417.42	\$ (2,210.00)	\$	\$	\$ 5,536.87
National School Lunch - Food Distribution	10.555	221N304N1098	N/A	7/1/21-6/30/22	234,417.42		(228,880.55)				
Cash Assistance:											
National School Breakfast Program	10.553	221N304N1099	N/A	7/1/21-6/30/22	224,821.68		203,531.01	(224,821.68)		(21,290.67)	
Summer Food Service Program-COVID	10.559	201N304N1099	N/A	7/1/20-6/30/21	927,334.00	(93,005.90)	93,005.90			(190,890.44)	
National School Lunch Program	10.555	221N304N1099	N/A	7/1/21-6/30/22	2,111,082.56		1,920,192.12	(2,111,082.56)			
Emergency Operational Cost Programs -School	10.555	202121H170341	N/A	7/1/21-6/30/22	93,843.00		93,843.00				
Total Child Nutrition Cluster - U.S. Department of Agriculture					\$	\$ (90,795.90)	\$ 2,545,089.45	\$ (2,660,937.79)	\$	\$ (212,181.11)	\$ 5,536.87
P-EBT Administrative Cost	10.649	202222S900541	N/A	7/1/21-6/30/22	6,198.00		6,198.00	(6,198.00)			
Total Enterprise Fund					\$	\$ (90,795.90)	\$ 2,551,287.45	\$ (2,667,135.79)	\$	\$ (212,181.11)	\$ 5,536.87
General Fund											
Medicaid Assistance Program (SEMI)	93.778	2005N5M4P	N/A	7/1/21-6/30/22	173,830.22		173,830.22	(173,830.22)			
Total General Fund					\$	\$	\$ 173,830.22	\$ (173,830.22)	\$	\$	\$
Special Revenue Fund											
U.S. Department of Education											
Passed-through State Department of Education											
E.S.S.A.:											
Title I Part A	84.010	S010A210030	ESEA466022	7/1/21-9/30/22	796,104.00		218,948.00	(704,440.33)		(485,492.33)	
Title I Part A	84.010	S010A200030	ESEA466021	7/1/20-9/30/21	562,788.00	(198,121.00)	198,121.00				
Title I ISIA	84.010	S010A210030	ESEA466022	7/1/21-9/30/22	172,212.00		70,404.00	(100,792.84)		(30,388.64)	
Title I ISIA	84.010	S010A200030	ESEA466021	7/1/20-9/30/21	95,600.00	(54,104.00)	54,104.00				
Title I Reallocated	84.010	S010A200030	ESEA466021	7/1/20-9/30/21	66,797.00	(1,841.00)	58,297.00	(56,456.35)	0.35	(86,575.43)	
Title II Part A	84.357A	S367A210030	ESEA466022	7/1/21-9/30/22	337,070.00		61,457.00	(148,032.43)			
Title II Part A	84.357A	S367A200030	ESEA466021	7/1/20-9/30/21	101,048.00	(35,001.00)	35,001.00			(16,449.07)	
Title III	84.365A	S365A210030	ESEA466022	7/1/21-9/30/22	92,382.00		14,616.00	(31,065.07)			
Title III	84.365A	S365A200030	ESEA466021	7/1/20-9/30/21	62,683.00	(11,800.00)	11,800.00			(5,495.00)	
Title III Immigrant	84.365A	S365A210030	ESEA466022	7/1/21-9/30/22	20,558.00		1,064.00	(5,495.00)			
Title III Immigrant	84.365A	S365A200030	ESEA466021	7/1/20-9/30/21	11,763.00	(1,064.00)	1,189.00			(56,247.88)	
Title IV	84.424	S424210031	ESEA466022	7/1/21-9/30/22	88,374.00		57,436.88				
Title IV	84.424	S424200031	ESEA466021	7/1/20-9/30/21	41,399.00	(22,960.00)	22,960.00				
Total E.S.S.A.					\$	\$ (324,891.00)	\$ 747,961.00	\$ (1,103,718.70)	\$ 0.35	\$ (680,648.35)	\$

CITY OF RAHWAY SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

FEDERAL AL NUMBER	FEDERAL FAIN NUMBER	FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE AT JUNE 30, 2021	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS/ PRIOR YEAR BALANCES	BALANCE AT JUNE 30, 2022 (ACCOUNTS RECEIVABLE)	UNEARNED REVENUE
<b>I.D.E.A. Special Education Cluster:</b>											
84.027A	H027A210100	I.D.E.A. Part B - Basic	IDEA-4660-22	7/1/21-9/30/22	\$ 1,074,498.00	\$ (116,020.00)	\$ 1,029,991.00	\$ (1,063,020.03)	\$ 146.00	\$ (23,089.03)	\$
84.027A	H027A200100	I.D.E.A. Part B - Basic	IDEA-4660-21	7/1/20-9/30/21	1,083,523.00		115,874.00				
84.027X	H027X210100	ARP - Individuals with Disabilities - State Grant	IDEA-4660-22	7/1/21-9/30/22	206,487.00		51,673.00	(191,399.41)		(139,726.41)	a
84.173X	H173X210114	ARP - Preschool Grants for Children with Disabilities	IDEA-4660-22	7/1/21-9/30/22	17,530.00			(9,150.00)		(9,150.00)	
84.173A	H173A210114	I.D.E.A. Part B - Preschool	IDEA-4660-22	7/1/21-9/30/22	30,723.00		20,388.00	(30,723.00)		(10,325.00)	a
84.173A	H173A200114	I.D.E.A. Part B - Preschool	IDEA-4660-21	7/1/20-9/30/21	30,198.00	(30,198.00)	30,198.00				
Total I.D.E.A. Special Education Cluster						\$ (146,218.00)	\$ 1,248,074.00	\$ (1,284,292.44)	\$ 146.00	\$ (182,290.44)	\$
<b>Coronavirus Relief Fund</b>											
21.019	S4225D200027	Coronavirus Relief Fund	N/A	7/16/20-10/31/20	349,612.00	7,752.00		(7,752.00)			
21.019	S4225D200027	Union County CARES Grant	N/A	7/1/20-12/31/20	164,786.00	(29,896.00)	96,718.80	(66,822.80)			
Total Coronavirus Relief Fund						(22,144.00)	96,718.80	(74,574.80)			
<b>Elementary and Secondary School Emergency Relief (ESSER)</b>											
<b>Education Stabilization Fund</b>											
84.425D	S425D200027	CARES Emergency Relief Grant	N/A	3/13/20-9/30/22	477,757.00	(52,957.00)	196,555.73	(143,598.73)		(329,188.35)	
84.425D	S425D210027	ESSER II	N/A	3/13/20-9/30/23	1,844,474.00		96,038.00	(425,226.38)			
84.425D	S425D210027	Learning Acceleration	N/A	3/13/20-9/30/23	118,359.00		2,156.00	(7,871.00)		(5,715.00)	
84.425D	S425D210027	Mental Health	N/A	3/13/20-9/30/23	45,000.00		40,500.00	(40,500.00)			
84.425U	S425U210027	ARP-ESSER	N/A	3/13/20-9/30/24	4,145,337.00			(1,137,801.00)			
84.425U	S425U210027	ARP-ESSER - Accelerated Learning Coach and Educator Support	N/A	3/13/20-9/30/24	403,566.00						
84.425U	S425U210027	ARP-ESSER - Evidence Based Summer Learning and Enrichment	N/A	3/13/20-9/30/24	40,000.00		40,000.00				
84.425U	S425U210027	ARP-ESSER - Evidence Based Comprehensive Beyond the School Day	N/A	3/13/20-9/30/24	40,000.00		40,000.00				
84.425U	S425U210027	ARP-ESSER - NJTSS Mental Health Support Staffing	N/A	3/13/20-9/30/24	88,501.00		88,501.00				
84.425W	S425W210031	ARP - Emergency Relief Fund - Homeless Children and Youth	N/A	4/23/21-9/30/23	16,998.00			(16,998.00)			
Total ESSER						(52,957.00)	335,249.73	(1,771,995.11)		(1,489,702.35)	
Total Special Revenue Fund						(546,210.00)	2,428,003.53	(4,234,581.05)	146.35	(2,352,641.17)	
Total Federal Financial Assistance						(637,005.90)	5,153,121.20	(7,075,547.06)	146.35	(2,564,822.28)	5,536.87

See accompanying notes to schedules of financial assistance

CITY OF RAHWAY SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2021		CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS/ REPAYMENT OF PRIOR YEAR BALANCES	BALANCE AT JUNE 30, 2022		MEMO
				UNEARNED REVENUE (ACCTS. REC.)	DUE TO GRANITOR				UNEARNED REVENUE (ACCTS. REC.)	DUE TO GRANITOR	
<b>General Fund:</b>											
State Aid Cluster:											
Equalization Aid	22-495-034-5120-078	\$ 25,949,626.00	7/1/21-6/30/22	\$	\$	\$ 23,384,538.56	\$ (25,949,626.00)	\$	\$ (2,565,087.44)	\$	\$ 25,949,626.00
Equalization Aid	21-495-034-5120-078	20,912,433.00	7/1/20-6/30/21	(2,060,934.00)		2,060,934.00					20,912,433.00
Special Education Aid	22-495-034-5120-089	2,263,445.00	7/1/21-6/30/22			2,039,706.35	(2,263,445.00)		(223,738.65)		2,263,445.00
Special Education Aid	21-495-034-5120-089	2,263,445.00	7/1/20-6/30/21	(223,064.00)		223,064.00					2,263,445.00
Security Aid	22-495-034-5120-084	1,032,364.00	7/1/21-6/30/22			930,316.14	(1,032,364.00)		(102,047.86)		1,032,364.00
Security Aid	21-495-034-5120-084	1,032,364.00	7/1/20-6/30/21	(101,740.00)		101,740.00					1,032,364.00
				<u>(2,385,738.00)</u>		<u>28,740,269.05</u>	<u>(28,245,435.00)</u>		<u>(2,890,873.95)</u>		<u>53,453,677.00</u>
<b>Other-General Fund:</b>											
Extraordinary Special Education Costs Aid	22-495-034-5120-044	1,321,324.00	7/1/21-6/30/22	\$	\$	\$ 1,209,777.00	(1,321,324.00)	\$	(1,321,324.00)	\$	1,321,324.00
Extraordinary Special Education Costs Aid	21-495-034-5120-044	1,209,777.00	7/1/20-6/30/21	(1,209,777.00)		825,833.85	(916,421.00)		(90,587.05)		1,209,777.00
Transportation Aid	22-495-034-5120-014	916,421.00	7/1/21-6/30/22			90,314.00					916,421.00
Transportation Aid	21-495-034-5120-014	916,421.00	7/1/20-6/30/21	(90,314.00)			(47,560.00)		(47,560.00)		916,421.00
Nonpublic Transportation Aid	22-495-034-5120-014	47,560.00	7/1/21-6/30/22			44,660.00					47,560.00
Nonpublic Transportation Aid	21-495-034-5120-014	47,560.00	7/1/20-6/30/21	(44,660.00)		2,321,915.50	(2,440,701.89)		(118,786.28)		47,560.00
Reimbursed TPAF Social Security Contributions	22-495-034-5095-003	2,440,701.89	7/1/21-6/30/22			4,462.00	(4,462.00)				2,440,701.89
On-behalf TPAF long-term disability insurance	22-495-034-5095-004	4,462.00	7/1/21-6/30/22			12,128,515.00	(12,128,515.00)				4,462.00
On-behalf TPAF pension contributions	22-495-034-5094-002	12,128,515.00	7/1/21-6/30/22			2,833,711.00	(2,833,711.00)				12,128,515.00
On-behalf TPAF post retirement medical	22-495-034-5094-001	2,833,711.00	7/1/21-6/30/22			18,555,188.95	(18,552,594.89)		(2,592.06)		2,833,711.00
				<u>(1,344,751.00)</u>		<u>18,555,188.95</u>	<u>(18,552,594.89)</u>		<u>(2,592.06)</u>		<u>21,663,652.89</u>
<b>Special Revenue Fund:</b>											
SDA - Except Needs	22-100-034-5120-519	90,910.00	7/1/21-6/30/22	\$	\$	\$ 90,910.00	(90,910.00)	\$	\$	\$	90,910.00
Nonpublic Technology Aid	22-100-034-5120-373	168.00	7/1/21-6/30/22			168.00					168.00
Nonpublic Technology Aid	22-100-034-5120-064	240.00	7/1/21-6/30/22			240.00					240.00
Nonpublic Security Aid	22-100-034-5120-509	700.00	7/1/21-6/30/22			700.00					700.00
Nonpublic Security Aid	21-100-034-5120-509	1,263.00	7/1/20-6/30/21	(1,263.00)							1,263.00
Nonpublic Nursing Aid	22-100-034-5120-070	448.00	7/1/21-6/30/22			448.00					448.00
Preschool Education Aid	22-495-034-5120-086	4,392,850.00	7/1/21-6/30/22			4,417,814.00	(3,982,452.46)		1,462,973.54		3,982,452.46
Preschool Education Aid	21-495-034-5120-086	4,392,850.00	7/1/20-6/30/21	(588,521.00)		439,291.00					4,392,850.00
				<u>(1,027,812.00)</u>		<u>4,849,371.00</u>	<u>(4,073,352.46)</u>		<u>1,462,973.54</u>		<u>4,849,371.00</u>
<b>Debt Service Fund</b>											
Debt Service Aid Type II - School Building Aid	22-495-034-5120-075	45,989.00	7/1/21-6/30/22			45,989.00	(45,989.00)				45,989.00
<b>Enterprise Fund</b>											
National School Lunch Program (State Share)	22-100-010-3350-023	49,615.79	7/1/21-6/30/22			45,222.69	(49,615.79)		(4,393.10)		49,615.79
<b>Capital Projects Fund</b>											
Securing Our Children's Future (Alyssa's Grant)		212,332.00				74,118.00	(67,003.70)		(69,122.70)		163,244.70
						74,118.00	(67,003.70)		(69,122.70)		163,244.70
<b>Total state financial assistance</b>						<u>53,313,766.29</u>	<u>(53,173,709.84)</u>		<u>(3,099,873.55)</u>		<u>4,964,370.39</u>
<b>Less:</b>											
On-behalf amounts not utilized for determination of major programs											
On-behalf TPAF long-term disability insurance		\$				\$ (4,462.00)					\$ 4,462.00
On-behalf TPAF pension contributions						(12,128,515.00)					12,128,515.00
On-behalf TPAF post retirement medical						(2,833,711.00)					2,833,711.00
<b>Total state financial assistance subject to single audit</b>						<u>38,347,100.29</u>	<u>(38,207,012.84)</u>				<u>1,040,087.45</u>

See accompanying notes to schedules of financial assistance

**City of Rahway School District**  
**Notes to the Schedules of Expenditures of Federal Awards**  
**and State Financial Assistance**  
**Year Ended June 30, 2022**

**NOTE 1: GENERAL**

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

**NOTE 2: BASIS OF ACCOUNTING**

The accompanying schedules of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exceptions of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Note 1 of the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

The General fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenue, whereas GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-44.2.





**City of Rahway School District**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2022**

**Section I – Summary of Auditor’s Results**

**Financial Statements**

- |     |  |            |
|-----|--|------------|
| (1) | Type of Auditor’s Report Issued:   | Unmodified |
| (2) | Internal Control Over Financial Reporting:   |            |
|     | (a) Material weakness identified?  | No         |
|     | (b) Significant deficiencies identified that are not considered to be material weaknesses? | No         |
| (3) | Noncompliance material to basic financial statements noted?                                | No         |

**Federal Program(s)**

- |     |  |            |
|-----|--|------------|
| (1) | Internal Control Over Major Federal Programs:  |            |
|     | (a) Material weakness identified?  | No         |
|     | (b) Significant deficiencies identified that are not considered to be material weaknesses?                 | No         |
| (2) | Type of Auditor’s Report issued on compliance for major federal program(s)?                                | Unmodified |
| (3) | Any audit findings disclosed that are required to be reported in accordance with Federal Uniform Guidance? | No         |
| (4) | Identification of Federal State Program(s):  |            |

<u>Program</u>	<u>CFDA Number</u>
Title I	84.010
CARES-ESSER	84.425D,84.425U,84.425W

- |     |   |     |
|-----|---|-----|
| (5) | Program Threshold Determination:<br>Type A Federal Program Threshold > \$750,000.00<br>Type B Federal Program Threshold <= \$750,000.00 |     |
| (6) | Auditee qualified as a low-risk auditee under Federal Uniform Guidance?   | Yes |

**City of Rahway School District**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2022**

**Section I – Summary of Auditor’s Results (Continued)**

**State Program(s)**

- (1) Internal Control Over Major State Programs:
- (c) Material weakness identified? No
- (d) Significant deficiencies identified that are not considered to be material weaknesses? No
- (2) Type of Auditor’s Report issued on compliance for major state program(s)? Unmodified
- (3) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08? No
- (4) Identification of Major State Program(s):
- | <u>Program</u>                    | <u>Grant Number</u> |
|-----------------------------------|---------------------|
| State Aid Cluster:                |                     |
| Special Education Categorical Aid | 495-034-5120-089    |
| Security Aid                      | 495-034-5120-084    |
| Equalization Aid                  | 495-034-5120-078    |
| Transportation Aid                | 495-034-5120-014    |
- (5) Program Threshold Determination:  
Type A State Program Threshold > \$1,146,210.39  
Type B State Program Threshold <= \$1,146,210.39
- (6) Auditee qualified as a low-risk auditee under New Jersey OMB Circular 15-08? Yes

**City of Rahway School District**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2022**

**Section II – Financial Statement Audit – Reported Findings Under Government Auditing Standards**

**Internal Control Findings**

None Reported

**Compliance Findings**

None Reported

**Section III – Findings and Questioned Costs Relative to Major Federal and State Programs**

Federal Programs – None Reported  
State Programs – None Reported

City of Rahway School District

Schedule of Prior Year Audit Findings

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

Status of Prior Year Findings

Finding 2021-001, 002

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

Current Status

The current year audit did not indicate any transfers in excess of the statutory 10% maximum.



