

**SCHOOL DISTRICT OF THE  
BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2022**

**BOARD OF EDUCATION**

**BOROUGH OF RUMSON**

**STATE OF NEW JERSEY**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2022**

**PREPARED BY**

**RUMSON BOARD OF EDUCATION**

**BOARD SECRETARY'S OFFICE**

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Not Applicable

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Not Applicable

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**INTRODUCTORY SECTION**





BOARD OF EDUCATION OF THE BOROUGH OF RUMSON

60 Forest Avenue, Rumson NJ 07760 732.842.0354/Fax 732.841.4877

Office of Business Administrator  
Mrs. Denise McCarthy, CPA, PSA, SFQ,  
CPA

December 6, 2022

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

Dear Board Members:

The Comprehensive Annual Financial Report (CAFR) of the Rumson School District (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 and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

**1. REPORTING ENTITY AND ITS SERVICES:**

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



**BOARD OF EDUCATION OF THE BOROUGH OF RUMSON**

60 Forrest Avenue, Rumson NJ 07760 732.842.0354/Fax 732.842.4977

Office of Business Administrator  
 Mrs. Denise McCardy, CPA, PSA, SFO, CQA

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular and special education for handicapped youngsters. The District resident enrollment on October 15, 2021 as reported in the Annual Application for State School Aid was 914, which is a decrease of 21 students over the previous year's resident enrollment. The following details the changes in the student enrollment of the District over the last ten years:

Resident Enrollment		
Oct. 15 Year	Student Enrollment	Percent Change
2021	914	(2.24)%
2020	935	(7.0)%
2019	1,007	1.00%
2018	951	(4.30)%
2017	994	5.30
2016	944	(2.88)%
2015	972	(.001)%
2014	973	(1.11)%
2013	984	(.001)%
2012	983	-0-%

**2. ECONOMIC CONDITION AND OUTLOOK:**

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

The decrease in enrollment is attributed to a shift from public to parochial schools due to the pandemic.

**3. MAJOR INITIATIVES:**

The 2021-2022 Budget contained funding for a Director of Guidance, continued professional development and program development to support academic and social-emotional initiatives, the continuation of a Class III Officer on campus via a Shared Services Agreement with the



Rumson Police Department, additional technology and the continuation of prior year initiatives.

Despite the pandemic, Students continue to score well above the national averages on New Jersey Student Learning Assessment.

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

The District completed a \$25.7 million bond referendum during the 2021-2022 fiscal year. The referendum funded safety and security measures including asbestos flooring abatement, new student entrance vestibules, generator upgrades, new secure classroom doors and hardware, fire alarm, camera and panic button upgrades and the creation of secure classroom spaces. The referendum also supported a new multi-purpose room addition, HVAC upgrades, corridor finish upgrades, new boilers and the renovation of locker rooms, science classrooms and the media centers.

#### **4. INTERNAL ACCOUNTING CONTROLS:**

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

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

As part of the District's single audit described earlier, 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.

#### **5. BUDGETARY CONTROLS:**



In addition to internal accounting controls, the District maintains Budgetary controls. The objective of these Budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated Budget approved by the voters of the municipality. Annual appropriated Budgets are adopted for the General Fund, the Special Revenue Fund, and the Debt Service Fund. Project-length Budgets are approved for the capital improvements accounted for in the Capital Projects Fund. The final Budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line items basis. Open encumbrances at year-end are either canceled 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.

**6. ACCOUNTING SYSTEMS AND REPORTS:**

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

**7. DEBT ADMINISTRATION:**

As of June 30, 2022, the District had \$25,852,000 of outstanding school bonds and \$1,303,689 in capital leases for solar panels outstanding.

**8. CASH MANAGEMENT:**

The investment Policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit 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.

**9. RISK MANAGEMENT:**

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



**10. OTHER INFORMATION:**

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

**11. ACKNOWLEDGEMENTS:**

We would like to express our appreciation to the members of the Rumson School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the School 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 Central office staff.

Respectfully submitted,

*John Bormann*

John Bormann  
Superintendent

*Denise McCarthy*

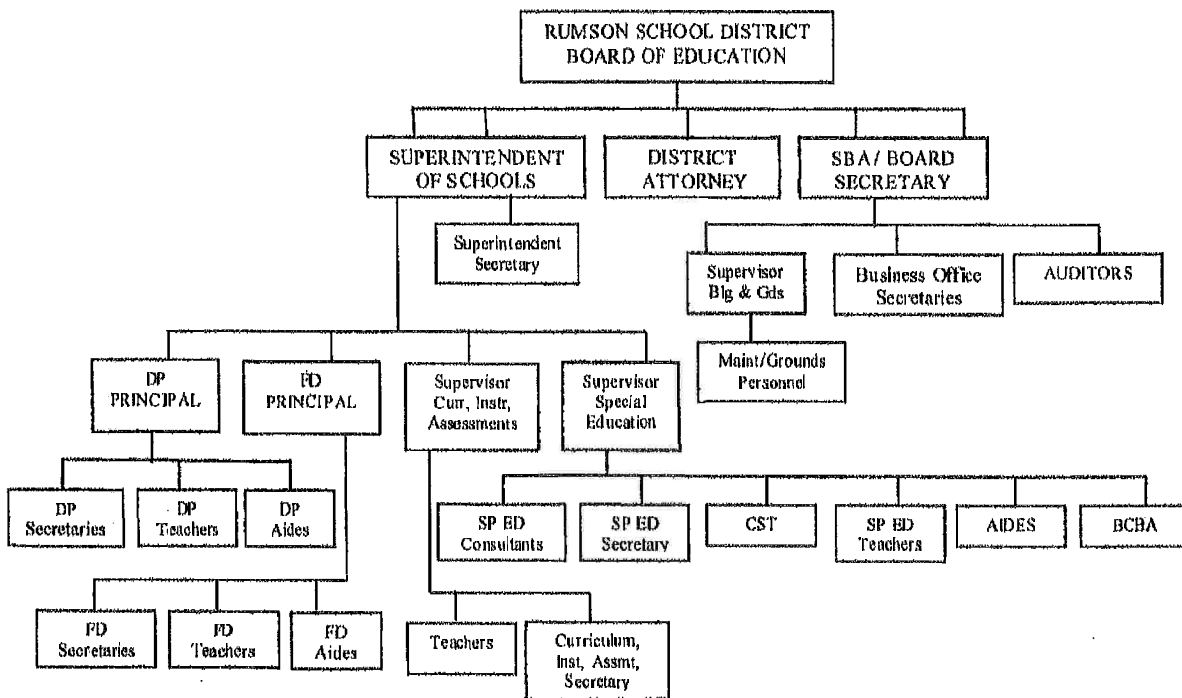
Denise McCarthy  
Business Administrator/Board Secretary

# POLICY

## RUMSON BOROUGH BOARD OF EDUCATION

ADMINISTRATION  
1110/page 1 of 1  
ORGANIZATIONAL CHART

### 1110 ORGANIZATIONAL CHART



Adopted: 28 November 2012

Revised:



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

**ROSTER OF OFFICIALS**

**JUNE 30, 2022**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Charles Jones, President	2024
Kim Swain, Vice President	2023
TaraD'Uva	2022
Scott Caldwell	2022
Kara Markiewicz	2023
Stacy Izzo	2022
Curran Scoble	2023
Jamie McManus	2024
Linda James Smith	2024

**Other Officials**

John Bormann, Superintendent

Denise McCarthy, School Business Administrator/Board Secretary

Dennis McKeever, Esq. Solicitor

**RUMSON BOARD OF EDUCATION**

**CONSULTANTS AND ADVISORS**

**Audit Firm**

Wielkottz & Company, LLC  
Certified Public Accountants  
401 Wanaque Avenue  
Pompton Lakes, NJ 07442

**Attorney**

Dennis McKeever, Esq.  
238 St. Paul Street  
Westfield, NJ 07090

**Official Depositories**

TD Bank  
Red Bank, NJ

Lakeland Bank  
Rumson, NJ



**FINANCIAL SECTION**



**WIELKOTZ & COMPANY** LLC  
CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA  
MATTHEW B. WIELKOTZ, CPA, PSA  
PAUL J. CUVA, CPA, RMA, PSA  
JAMES J. CERULLO, CPA, RMA, PSA  
KARI FERGUSON, CPA, RMA, CMFO, PSA  
ROBERT C. McNINCH, CPA, CFE, PSA  
KEVIN REEVES, CPA, PSA

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**INDEPENDENT AUDITOR'S REPORT**

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

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

***Opinion***

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Board of Education of the Borough of Rumson School District, in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 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, business-type activities and each major fund of the Borough of Rumson Board of Education, in the County of Monmouth, State of New Jersey, 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 Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards 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 Rumson Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

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 Rumson Board of Education's ability to continue as a going concern for the next 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, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey 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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with generally accepted auditing standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey and Government Auditing Standards, we:

- Exercise professional judgement 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.



Honorable President and  
Members of the Board of Education  
Page 3.

- 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 Rumson Board of Education'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.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Rumson Board of Education'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.

#### *Other Matters*

##### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information, Schedules Related to Accounting and Reporting for Pensions, and Other Post Employment Benefits identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Honorable President and  
Members of the Board of Education  
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*Other Information*

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

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical data section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Honorable President and  
Members of the Board of Education  
Page 5.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 7, 2023 on our consideration of the Borough of Rumson Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Rumson Board of Education's internal control over financial reporting and compliance.

*Paul J. Cuva*

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

*Wielkotsz & Company, LLC*

WIELKOTZ & COMPANY, LLC  
Certified Public Accountants  
Pompton Lakes, New Jersey

February 7, 2023



**REQUIRED SUPPLEMENTARY  
INFORMATION - PART I**

## **Management Discussion and Analysis**



**RUMSON SCHOOL DISTRICT  
RUMSON, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

The discussion and analysis of the Rumson School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the District's financial performance as a whole and should not be interpreted as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the District's revenues and expenditures by program for the General Fund, Special Revenue Fund, Capital Projects Fund, Debt Service and Enterprise Fund.

**FINANCIAL HIGHLIGHTS**

- In total, net position increased \$2,030,802. Net position of governmental activities increased \$1,970,988 while net position of business-type activity increased by \$59,814.
- General revenues accounted for \$25,928,277 revenue or 92 percent of all District revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$2,459,740 or 9 percent of total revenues of \$28,388,017.
- The School District had \$25,697,162 in expenses related to governmental activities; only \$1,740,068 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$25,928,085 were not adequate to provide for these programs.

**USING THIS ANNUAL REPORT**

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

**District-Wide Financial Statements**

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

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

**RUMSON SCHOOL DISTRICT  
RUMSON, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(CONTINUED)**

**USING THIS ANNUAL REPORT, (continued)**

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

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

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

**Fund Financial Statements**

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

**Governmental Funds**

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

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

**RUMSON SCHOOL DISTRICT  
RUMSON, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(CONTINUED)**

**USING THIS ANNUAL REPORT, (continued)**

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

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

**Proprietary Funds**

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

**Notes to the Financial Statements**

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

**Other Information**

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

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the Required Supplemental Information and the Supplemental Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

**RUMSON SCHOOL DISTRICT  
RUMSON, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(CONTINUED)**

**DISTRICT-WIDE FINANCIAL ANALYSIS**

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

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

The School District's net position is \$9,375,598 at June 30, 2022. Of this amount, \$(3,459,712) was in unrestricted balances. Restricted items of net position are reported separately to show legal constraints that limit the School District's ability to use those items for day-to-day operations. Our analysis below focuses on the net position (Table 1) and change in net position (Table 2) of the School District.

**Table 1**

**Net Position  
June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Assets</b>						
Current and Other Assets	5,495,785	17,855,597	208,032	152,198	5,703,817	18,007,795
Capital Assets	<u>35,471,829</u>	<u>23,283,222</u>	<u>23,892</u>	<u>28,310</u>	<u>35,495,721</u>	<u>23,311,532</u>
Total Assets	<u>40,967,614</u>	<u>41,138,819</u>	<u>231,924</u>	<u>180,508</u>	<u>41,199,538</u>	<u>41,319,327</u>
Deferred Outflow of Resources	<u>635,034</u>	<u>1,018,050</u>	—	—	<u>635,034</u>	<u>1,018,050</u>
<b>Liabilities</b>						
Current Liabilities	2,614,283	2,769,197	22,408	30,806	2,636,691	2,800,003
Noncurrent Liabilities	<u>28,279,926</u>	<u>30,919,575</u>	—	—	<u>28,279,926</u>	<u>30,919,575</u>
Total Liabilities	<u>30,894,209</u>	<u>33,688,772</u>	<u>22,408</u>	<u>30,806</u>	<u>30,916,617</u>	<u>33,719,578</u>
Deferred inflows of Resources	<u>1,542,357</u>	<u>1,273,003</u>	—	—	<u>1,542,357</u>	<u>1,273,003</u>
<b>Net Position</b>						
Invested in Capital Assets-						
Net of Debt	8,254,108	(5,708,227)	23,892	28,310	8,278,000	(5,679,917)
Restricted	4,557,310	16,893,138	—	—	4,557,310	16,893,138
Unrestricted	<u>(3,645,336)</u>	<u>(3,989,817)</u>	<u>185,624</u>	<u>121,392</u>	<u>(3,459,712)</u>	<u>(3,868,425)</u>
Total Net Position	<u>9,166,082</u>	<u>7,195,094</u>	<u>209,516</u>	<u>149,702</u>	<u>9,375,598</u>	<u>7,344,796</u>

**RUMSON SCHOOL DISTRICT  
RUMSON, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(CONTINUED)**

**DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)**

Table 2 below shows the changes in net position for fiscal year 2022 compared to 2021.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b><u>Revenues</u></b>						
Program Revenues:						
Charges for Services and Sales	259,700	130,703	719,672	212	979,372	130,915
Operating Grants and Contributions	1,480,368	976,520			1,480,368	976,520
General Revenues:						
Taxes:						
Property taxes, levied for:						
General purposes	17,149,141	16,812,883			17,149,141	16,812,883
Debt Service	1,651,507	1,290,241			1,651,507	1,290,241
Federal and State Aid	7,027,697	6,172,760			7,027,697	6,172,760
Miscellaneous Income	<u>99,737</u>	<u>180,614</u>	<u>195</u>	<u>139</u>	<u>99,932</u>	<u>180,753</u>
Total Revenues and Transfers	<u>27,668,150</u>	<u>25,563,721</u>	<u>719,867</u>	<u>351</u>	<u>28,388,017</u>	<u>25,564,072</u>

**RUMSON SCHOOL DISTRICT  
RUMSON, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(CONTINUED)**

**DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b><u>Functions/Program Expenses</u></b>						
Instruction						
Regular	6,767,970	7,420,311			6,767,970	7,420,311
Special Education	1,378,524	1,320,173			1,378,524	1,320,173
Other Instruction	672,224	271,415			672,224	271,415
Support Services:						
Tuition	41,638	97,685			41,638	97,685
Student & Instruction Related Services	3,043,766	2,396,564			3,043,766	2,396,564
School Administrative Services	463,752	451,069			463,752	451,069
General Administrative Services	495,584	504,369			495,584	504,369
Central Services	274,904	268,817			274,904	268,817
Admin. Info. Technology	53,982	61,062			53,982	61,062
Plant Operations and Maintenance	1,671,364	1,198,053			1,671,364	1,198,053
Pupil Transportation	648,231	538,250			648,231	538,250
Unallocated Benefits	9,017,775	9,016,533			9,017,775	9,016,533
Capital Outlay - Undepreciable	85,785	21,418			85,785	
Interest on Long-Term Debt	540,712	561,740			540,712	561,740
Unallocated depreciation	540,951	461,376			540,951	461,376
Enterprise Fund			<u>660,053</u>	<u>15,393</u>	<u>660,053</u>	<u>15,393</u>
Total Expenses	<u>25,697,162</u>	<u>24,588,835</u>	<u>660,053</u>	<u>15,393</u>	<u>26,357,215</u>	<u>24,582,810</u>
Increase or (Decrease) in Net Position	<u>1,970,988</u>	<u>974,886</u>	<u>59,814</u>	<u>(15,042)</u>	<u>2,030,802</u>	<u>981,262</u>

**RUMSON SCHOOL DISTRICT  
RUMSON, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(CONTINUED)**

**DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)**

**Governmental and Business- Activities**

As reported in the Statement of Activities the cost of all of our governmental and business-type activities this year was \$23,992,378. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was \$18,800,648 because some of the cost was paid by those who benefitted from the programs \$979,372 by other governments and organizations who subsidized certain programs with grants and contributions \$6,143,228 and by miscellaneous sources \$99,932.

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

- ✓ Program expenses exceeded revenues by \$59,814.
- ✓ Miscellaneous revenues totaled \$195 and \$719,672 in charges from sales.

**MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS**

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

During the fiscal year ended June 30, 2022, the School District amended the budgets of these major governmental funds several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- TPAF, which is the state's contribution to the pension fund and post retirement medical benefits and TPAF social security reimbursements, is neither a revenue item nor an expenditures item to the District but is required to be reflected in the governmental funds financial statements.
- The special revenue fund original budget increased by \$522,164. This was the result of an increase in federal and state grants awarded.

**General Fund**

The general fund actual revenue was \$23,223,293. That amount is \$4,864,139 above the final amended budget of \$18,359,154. The variance between the actual revenues and final budget was largely the result of non-budgeted on-behalf payments of \$4,531,614 for TPAF social security reimbursements and on-behalf pension and post retirement medical benefits payments and a \$89,915 excess in tuition and miscellaneous anticipated revenues and \$242,610 excess in other state aids.

**RUMSON SCHOOL DISTRICT  
RUMSON, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(CONTINUED)**

**MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS,(continued)**

**General Fund, (continued)**

The actual expenditures of the general fund were \$23,917,624 which is \$3,036,886 above the final amended budget of \$20,880,738. The variance between the actual expenditures and final budget was due to excess non-budget on-behalf State TPAF social security, pension and medical retirement payments of \$4,531,614 and \$1,494,728 of unexpended budgeted funds.

**Special Revenue Fund**

The special revenue fund actual revenue was \$1,480,368. That amount is greater than the original budget estimate of \$969,705 and \$11,501 less than the final amended budget of \$1,491,859.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of fiscal year 2022 the School District had \$48,253,945 invested in sites, buildings and equipment, and of this amount, \$12,758,224 in depreciation has been taken over the years. We currently have a net book value of \$35,495,721. Total additions for the year were \$12,729,558. Total depreciation for the year was \$1,545,369 Table 3 shows fiscal year 2022 balances compared to 2021.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Land	3,402,291	2,314,500			3,402,291	2,314,500
Site Improvements	56,285	63,408			56,285	63,408
Buildings	4,144,960	4,511,165			4,144,960	4,511,165
Equipment	2,120,150	513,383	23,892	28,310	2,144,042	541,693
Construction in Progress	<u>25,748,143</u>	<u>15,880,766</u>	—	—	<u>25,748,143</u>	<u>15,880,766</u>
	<u>35,471,829</u>	<u>23,283,222</u>	<u>23,892</u>	<u>28,310</u>	<u>35,495,721</u>	<u>23,311,532</u>

**Debt Administration**

At June 30, 2022, the District had \$30,032,789 of outstanding debt. Of this amount, \$968,624 is for compensated absences; \$25,852,000 of General Obligation Bonds for school construction; \$1,846,444 for the net pension obligation for PERS; \$62,032 of unamortized bond premium; and \$1,846,444 for obligations under financed purchases agreements.



**RUMSON SCHOOL DISTRICT  
RUMSON, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(CONTINUED)**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS**

Many factors were considered by the District during the process of developing the 2022-2022 budget. The primary factors were the District's projected student population and the services that are required to be provided by the District, as well as increasing salary and benefit costs.

**REQUESTS FOR INFORMATION**

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

Mrs. Denise McCarthy,  
School Business Administrator  
Rumson School District  
69 Forrest Avenue  
Rumson, NJ 07760

**BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS**

**Rumson School District  
Statement of Net Position  
June 30, 2022**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	2,903,758	203,407	3,107,165
Receivables, net	475,949	2,509	478,458
Inventory		2,116	2,116
Restricted assets:			
Cash and cash equivalents	2,116,078		2,116,078
Land	3,402,291		3,402,291
Other Capital Assets, net	32,069,538	23,892	32,093,430
Total Assets	<u>40,967,614</u>	<u>231,924</u>	<u>41,199,538</u>
<b>DEFERRED OUTFLOW OF RESOURCES:</b>			
Pension related	635,034		635,034
Total Deferred Outflow of Resources	<u>635,034</u>	<u>-</u>	<u>635,034</u>
<b>LIABILITIES</b>			
Accounts payable	364,509		364,509
Accrued interest on bonds	239,928		239,928
Payable to federal and state government	11,501		11,501
Deferred revenue	245,482	22,408	267,890
Noncurrent liabilities:			
Due within one year	1,752,863		1,752,863
Due beyond one year	28,279,926		28,279,926
Total liabilities	<u>30,894,209</u>	<u>22,408</u>	<u>30,916,617</u>
<b>DEFERRED INFLOW OF RESOURCES:</b>			
Pension related	<u>1,542,357</u>		<u>1,542,357</u>
<b>NET POSITION</b>			
Net investment in capital assets	8,254,108	23,892	8,278,000
Restricted for:			
Capital Projects	1,582,834		1,582,834
Unemployment Compensation	89,309		89,309
Debt Service	17,008		17,008
Other Purposes	2,746,677		2,746,677
Student Activities	121,482		121,482
Unrestricted	<u>(3,645,336)</u>	<u>185,624</u>	<u>(3,459,712)</u>
Total net position	<u>9,166,082</u>	<u>209,516</u>	<u>9,375,598</u>

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

**Runson School District  
Statement of Activities  
For the Year Ended June 30, 2022**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets				
	Expenses	Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental activities:</b>								
Instruction:								
Regular	6,767,970		259,700	648,173		(5,860,097)		(5,860,097)
Special education	1,378,524					(1,378,524)		(1,378,524)
Other instruction	672,224					(672,224)		(672,224)
Support services:								
Tuition	41,638							
Student & instruction related services	3,043,766			809,725		(41,638)		(41,638)
School administrative services	463,752					(2,234,041)		(2,234,041)
General administrative services	495,584					(463,752)		(463,752)
Central Services	274,904					(495,584)		(495,584)
Admin. Info. Technology	53,982					(274,904)		(274,904)
Plant operations and maintenance	1,671,364					(53,982)		(53,982)
Pupil transportation	648,231					(1,671,364)		(1,671,364)
Employee Benefits	9,017,775					(648,231)		(648,231)
Capital outlay-undepreciable	85,785			22,470		(9,017,775)		(9,017,775)
Interest on long-term debt	540,712					(6,315)		(6,315)
Unallocated depreciation	540,951					(540,712)		(540,712)
Total governmental activities	25,697,162	-	259,700	1,480,368	-	(23,957,094)	-	(23,957,094)
<b>Business-type activities:</b>								
Food Service	613,211		673,820				60,609	60,609
Runson After School Program	34,864		39,952				5,088	5,088
Homework Club	11,978		5,900				(6,078)	(6,078)
Total business-type activities	660,053		719,672	-	-		59,619	59,619
Total primary government	26,357,215		979,372	1,480,368	-	(23,957,094)	59,619	(23,897,475)
<b>General revenues:</b>								
Property Taxes Levied for:								
General Purposes								
Debt Service								
Federal and State aid not restricted								
State aid restricted								
Interest and investment earnings - restricted								
Miscellaneous Income								
						17,149,141		17,149,141
						1,651,507		1,651,507
						6,518,309		6,518,309
						509,388		509,388
						24,951	195	24,951
						74,786		74,981
Total general revenues, special items, extraordinary items and transfers						25,928,082	195	25,928,277
Change in Net Position						1,970,988	59,814	2,030,802
Net Position—beginning						7,195,094	149,702	7,344,796
Net Position—ending						9,166,082	209,516	9,375,598

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

**FUND FINANCIAL STATEMENTS**

**Rumson School District  
Balance Sheet  
Governmental Funds  
June 30, 2022**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and Cash Equivalents	2,500,364	285,954	100,432	17,008	2,903,758
Receivables from Other Governments	383,438	81,010			464,448
Other Receivables		11,501			11,501
Restricted Cash and Cash Equivalents	2,116,078				2,116,078
<b>Total Assets</b>	<u>4,999,880</u>	<u>378,465</u>	<u>100,432</u>	<u>17,008</u>	<u>5,495,785</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts Payable					
Payable to Federal and State Government		11,501			11,501
Deferred Revenue		245,482			245,482
Payroll Deductions and Withholdings Payable	114,733				114,733
Unemployment Compensation Claims Payable	18,254				18,254
<b>Total Liabilities</b>	<u>132,987</u>	<u>256,983</u>			<u>389,970</u>
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Excess Surplus - Current Year	904,661				904,661
Excess Surplus-prior year-Designated for Subsequent Year's Expenditures	945,812				945,812
Maintenance Reserve-Designated for Subsequent Year's Expenditures	335,000				335,000
Maintenance Reserve	209,367				209,367
Capital Reserve	749,402				749,402
Capital Reserve-Designated for Subsequent Year's Expenditures	733,000				733,000
Unemployment Compensation	89,309				89,309
Debt Service				17,008	17,008
Capital Projects			100,432		100,432
Student Activities		121,482			121,482
<b>Assigned to:</b>					
Year end encumbrances	351,837				351,837
<b>Unassigned:</b>					
General Fund	548,505				548,505
<b>Total Fund Balances</b>	<u>4,866,893</u>	<u>121,482</u>	<u>100,432</u>	<u>17,008</u>	<u>5,105,815</u>
<b>Total Liabilities and Fund Balances</b>	<u>4,999,880</u>	<u>378,465</u>	<u>100,432</u>	<u>17,008</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$48,024,035 and the accumulated depreciation is \$12,552,206.	35,471,829
Deferred outflow of resources	635,034
Deferred inflow of resources	(1,542,357)
Accounts payable for PERS payment subsequent to the measurement date.	(231,522)
Interest on Long-term debt accrued	(239,928)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(30,032,789)</u>
Net position of governmental activities	<u>9,166,082</u>

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

**Rumson School District**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2022**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local Sources:					
Local Tax Levy	17,149,141			1,651,507	18,800,648
Tuition	259,700				259,700
Other Restricted Miscellaneous Revenues	24,951				24,951
Miscellaneous	71,444	461,162	3,342	-	535,948
Total - Local Sources	<u>17,505,236</u>	<u>461,162</u>	<u>3,342</u>	<u>1,651,507</u>	<u>19,621,247</u>
State Sources	5,704,605	159,454		509,388	6,373,447
Federal Sources		859,752			859,752
Total Revenues	<u>23,209,841</u>	<u>1,480,368</u>	<u>3,342</u>	<u>2,160,895</u>	<u>26,854,446</u>
<b>EXPENDITURES</b>					
Current:					
Regular Instruction	6,118,346	648,173			6,766,519
Special Education Instruction	1,378,524				1,378,524
Other Instruction	672,224				672,224
Support Services and Undistributed Costs:					
Tuition	41,638				41,638
Student & Instruction Related Services	2,218,866	824,900			3,043,766
General Administrative Services	495,584				495,584
School Administrative Services	463,752				463,752
Central Services	274,904				274,904
Admin. Info. Technology	53,982				53,982
Plant Operations and Maintenance	1,671,364				1,671,364
Pupil Transportation	648,231				648,231
Employee Benefits	8,637,821				8,637,821
Debt Service:					
Principal				1,658,000	1,658,000
Interest and Other Charges				571,218	571,218
Capital Outlay	1,242,388	22,470	11,550,485		12,815,343
Total Expenditures	<u>23,917,624</u>	<u>1,495,543</u>	<u>11,550,485</u>	<u>2,229,218</u>	<u>39,192,870</u>
Excess (Deficiency) of Revenues					
Over Expenditures	<u>(707,783)</u>	<u>(15,175)</u>	<u>(11,547,143)</u>	<u>(68,323)</u>	<u>(12,338,424)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-			3,342	3,342
Transfers out	-	-	(3,342)		(3,342)
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>(3,342)</u>	<u>3,342</u>	<u>-</u>
Net Change in Fund Balances	<u>(707,783)</u>	<u>(15,175)</u>	<u>(11,550,485)</u>	<u>(64,981)</u>	<u>(12,338,424)</u>
Fund Balance—July 1,	<u>5,574,676</u>	<u>136,657</u>	<u>11,650,917</u>	<u>81,989</u>	<u>17,444,239</u>
Fund Balance—June 30	<u>4,866,893</u>	<u>121,482</u>	<u>100,432</u>	<u>17,008</u>	<u>5,105,815</u>

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



**Rumson School District**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Year Ended June 30, 2022**

<b>Total net change in fund balances - governmental funds (from B-2)</b>	(12,338,424)
Amounts reported for governmental activities in the statement of activities (A-2) are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.	
Depreciation expense	(540,951)
Depreciable Capital outlays	<u>12,729,558</u>
	12,188,607
Repayment of long-term debt is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. In the current year, these amounts consist of:	
Principal Payments on Bonds	1,658,000
Capital lease principal	143,094
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.	
Bond Proceeds	
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation(+).	
(Increase)/Decrease in compensated absences payable	(144,545)
In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The change in accrued interest is an addition to the reconciliation.	
Prior Year Accrued Interest	297,800
Current Year Accrued Interest	(239,928)
	(27,366)
Bond Premium/Discount	
Pension Deferrals	
District pension contributions are reported as expenditures in the governmental funds when made. However, per GASB No. 68 they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.	
District Pension Contributions	182,535
Add: Pension Expense	<u>(251,215)</u>
Decrease in Pension Expense	433,750
Per GASB No. 68 Non-employer contributing entities are required to record an increases in revenue and expense for On-behalf TPAF pension payments paid by the State of New Jersey on the Statement of Activities that are in excess of those amounts reported in the fund financial statements	
Decrease in On-behalf State Aid TPAF Pension	(763,751)
Decrease in On-behalf TPAF Pension Expense	<u>763,751</u>
Per GASB No. 75 Non-employer contributing entities are required to record an increases in revenue and expense for On-behalf TPAF medical payments paid by the State of New Jersey on the Statement of Activities that are in excess of those amounts reported in the fund financial statements	
Increase in On-behalf State Aid TPAF Medical Expense	1,577,455
Increase in On-behalf TPAF Medical Expense	<u>(1,577,455)</u>
<b>Change in net assets of governmental activities</b>	<u><u>1,970,988</u></u>

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

**PROPRIETARY FUNDS**

**Rumson School District  
Statement of Net Position  
Proprietary Funds  
June 30, 2022**

**Business-Type Activities -  
Enterprise Fund**

	<b>Food Service Program</b>	<b>After School Program</b>	<b>Homework Club</b>	<b>Total Enterprise Fund</b>
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	131,063	67,000	5,344	203,407
Accounts Receivable	2,509			2,509
Inventory	2,116			2,116
Total Current Assets	<u>135,688</u>	<u>67,000</u>	<u>5,344</u>	<u>208,032</u>
Noncurrent Assets:				
Capital Assets:				
Equipment	229,910			229,910
Less Accumulated Depreciation	(206,018)			(206,018)
Total Capital Assets (Net of Accumulated Depreciation)	<u>23,892</u>	<u>-</u>	<u>-</u>	<u>23,892</u>
Total Assets	<u>159,580</u>	<u>67,000</u>	<u>5,344</u>	<u>231,924</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Prepaid Revenue	22,408			22,408
Total Current Liabilities	<u>22,408</u>	<u>-</u>	<u>-</u>	<u>22,408</u>
Total Liabilities	<u>22,408</u>	<u>-</u>	<u>-</u>	<u>22,408</u>
<b>NET POSITION</b>				
Net investment in capital assets	23,892			23,892
Unrestricted	113,280	67,000	5,344	185,624
Total Net Position	<u>137,172</u>	<u>67,000</u>	<u>5,344</u>	<u>209,516</u>

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

**Rumson School District**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2022**

	Business-Type Activities - Enterprise Fund			
	Food Service Program	After School Program	Homework Club	Total Enterprise Fund
Operating Revenues:				
Charges for Services:				
Daily Sales	672,685			672,685
Miscellaneous	1,135	39,952	5,900	46,987
Total Operating Revenues	673,820	39,952	5,900	719,672
Operating Expenses:				
Cost of Sales	579,054			579,054
Equipment Rental	11,010			11,010
Maintenance	18,553			18,553
Miscellaneous Expenses	176	34,864	11,978	47,018
Depreciation Expense	4,418			4,418
Total Operating Expenses	613,211	34,864	11,978	660,053
Operating Income (Loss)	60,609	5,088	(6,078)	59,619
Non-Operating revenues:				
Interest and investment revenue	195			195
Change in Net Assets	60,804	5,088	(6,078)	59,814
Total Net Position—Beginning	76,368	61,912	11,422	149,702
Total Net Position—Ending	137,172	67,000	5,344	209,516

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

**Rumson School District**  
**Combining Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2022**

	Food Service Program	After School Program	Homework Club	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from Customers	662,913	39,952	5,900	708,765
Payments to Vendors	(609,236)	(34,864)	(11,978)	(656,078)
Net Cash Provided by (Used for) Operating Activities	<u>53,677</u>	<u>5,088</u>	<u>(6,078)</u>	<u>52,687</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest Income	195			195
Net Cash Provided by (Used for) Investing Activities	<u>195</u>	<u>-</u>	<u>-</u>	<u>195</u>
Net Increase (Decrease) in Cash and Cash Equivalents	53,872	5,088	(6,078)	52,882
Balances—Beginning of Year	77,191	61,912	11,422	150,525
Balances—End of Year	<u>131,063</u>	<u>67,000</u>	<u>5,344</u>	<u>203,407</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided</b>				
<b>(Used) by Operating Activities:</b>				
Operating Income (Loss)	60,609	5,088	(6,078)	59,619
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	4,418			4,418
Decrease/(Increase) in Accounts Receivable	(2,509)			(2,509)
(Decrease)/Increase in Inventory	(443)			(443)
(Decrease)/Increase in Prepaid Revenue	(8,398)			(8,398)
Total Adjustments	<u>(6,932)</u>	<u>-</u>	<u>-</u>	<u>(6,932)</u>
Net Cash Provided by (Used for) Operating Activities	<u>53,677</u>	<u>5,088</u>	<u>(6,078)</u>	<u>52,687</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**

**Borough of Rumson School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2022**

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

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

**A. Description of the School District and Reporting Entity:**

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

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

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

**B. Basis of Presentation:**

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

**Borough of Rumson School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2022**

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

**District-wide Financial Statements:**

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

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

**Fund Financial Statements:**

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

**GOVERNMENTAL FUNDS**

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



**Borough of Rumson School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2022**

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

**GOVERNMENTAL FUNDS, (continued)**

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

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

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

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

**Capital Projects Fund -**The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from sale of bonds, lease purchases and other revenues.

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

**PROPRIETARY FUNDS**

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

**Borough of Rumson School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2022**

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

**PROPRIETARY FUNDS, (continued)**

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

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

**FIDUCIARY FUNDS**

**Fiduciary Fund** - Fiduciary Fund reporting focuses on net position and changes in net position. The Fiduciary Funds are used to account for assets held by the Board on behalf of individuals, private organizations, other governments and/or other funds. The District does not have any activities that are required to be included in the Fiduciary Fund.

**C. Measurement Focus:**

**District-wide Financial Statements**

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

**Borough of Rumson School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2022**

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

**C. Measurement Focus: (continued)**

**Fund Financial Statements**

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

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

**D. Basis of Accounting:**

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

**Revenues-Exchange and Non-exchange Transactions**

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

**Borough of Rumson School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2022**

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

**D. Basis of Accounting: (continued)**

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

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

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

**Expenses/Expenditures**

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

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

**E. Budgets/Budgetary Control:**

Annual appropriated budgets are adopted in the spring of the preceding year for the general, special revenue and debt service funds. The budgets are submitted to the county superintendents office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2(G)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year.

**Borough of Rumson School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2022**

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

**E. Budgets/Budgetary Control: (continued)**

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

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

**F. Encumbrances:**

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

Open encumbrances in the special revenue fund, for which the Board has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end.

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

**G. Cash, Cash Equivalents and Investments:**

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

**Borough of Rumson School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2022**

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

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

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

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

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

**H. Tuition Revenues/Receivable:**

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

**I. Inventories:**

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

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

**Borough of Rumson School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2022**

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

**J. Prepaid Items:**

Payments made to vendors for services that will benefit periods beyond June 30, 2022, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

**K. Short-Term Interfund Receivables/Payables:**

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

**L. Capital Assets:**

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

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

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

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

**Borough of Rumson School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2022**

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

**M. Compensated Absences:**

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

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

**N. Deferred Revenue:**

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

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

**O. Accrued Liabilities and Long-term Obligations:**

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

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



**Borough of Rumson School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2022**

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

**P. Accounting and Financial Reporting for Pensions:**

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

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

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

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

**Borough of Rumson School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2022**

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

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

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

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

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

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

**R. Fund Balances:**

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

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

**Borough of Rumson School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2022**

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

**R. Fund Balances: (continued)**

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

**S. Net Position:**

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

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

**T. Operating Revenues and Expenses:**

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

**U. Extraordinary and Special Items:**

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

**Borough of Rumson School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2022**

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

**V. Allocation of Indirect Expenses:**

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

**W. Use of Estimates:**

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

**X. Allowance for Uncollectible Accounts:**

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

**Y. New Accounting Standards:**

During fiscal year 2022, the District adopted the following GASB Statement:

GASB Statement No. 87, Leases, which improves accounting and financial reporting for leases by governments. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the fundamental principle that leases are financings of the right to use an underlying asset. The implementation of this statement had no material impact on the financial statements.

**Borough of Rumson School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2022**

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

As of June 30, 2022, cash and cash equivalents of the Board consisted of the following:

Checking/Money Market Accounts	\$4,405,017
State of New Jersey Cash Management Fund	<u>818,226</u>
	<u>\$5,223,243</u>

During the period ended June 30, 2022, the Board did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2022 was \$5,223,243 and the bank balance was \$5,685,791. The entire balance was covered by federal depository insurance and the collateral pool maintained by the banks as required by New Jersey statutes.

**Custodial Credit Risk- Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based on banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments (established in New Jersey Statutes 18A:20-37) are treated as cash equivalents. As of June 30, 2022, \$0 of the Board's bank balance of \$5,685,791 was exposed to custodial credit risk.

**Interest Rate Risk**

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

**Credit Risk**

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

**Borough of Rumson School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2022**

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

**New Jersey Cash Management Fund**

All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investments's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other-than-State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis. As of June 30, 2022, the District has \$818,226 on deposit with the New Jersey Cash Management Fund.

**NOTE 3. RECEIVABLES:**

Receivables at June 30, 2022, consisted of accounts receivable, interfund and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial <u>Statements</u>	Enterprise Fund	District Wide Financial <u>Statements</u>
State Aid	\$383,438	\$	\$383,438
Federal Aid	81,010		81,010
Other	<u>11,501</u>	<u>2,509</u>	<u>14,010</u>
	<u>\$475,949</u>	<u>\$2,509</u>	<u>\$478,458</u>

**NOTE 4. INTERFUND BALANCES AND TRANSFERS:**

The District had no interfund balances as of June 30, 2022.

**Borough of Rumson School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2022**

**NOTE 5. CAPITAL ASSETS:**

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

	<u>Balance</u> <u>6/30/21</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/22</u>
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated				
Land	\$2,314,500	\$1,087,791	\$	\$3,402,291
Construction in Progress	<u>15,880,766</u>	<u>11,550,185</u>	<u>1,682,808</u>	<u>25,748,143</u>
Total Capital Assets, Not Being Depreciated	<u>18,195,266</u>	<u>12,637,976</u>	<u>1,682,808</u>	<u>29,150,434</u>
Capital Assets Being Depreciated				
Site Improvements	456,117			456,117
Buildings and Sites	13,399,674	6,177		13,405,851
Equipment	<u>3,243,420</u>	<u>1,768,213</u>	_____	<u>5,011,633</u>
Total Capital Assets, Being Depreciated	<u>17,099,211</u>	<u>1,774,390</u>	_____	<u>18,873,601</u>
Less Accumulated Depreciation:				
Site Improvements	(392,709)	(7,123)		(399,832)
Buildings and Sites	(8,888,509)	(372,382)		(9,260,891)
Equipment	<u>(2,730,037)</u>	<u>(161,446)</u>	_____	<u>(2,891,483)</u>
Total Accumulated Depreciation	<u>(12,011,255)</u>	<u>(540,951)</u>	_____	<u>(12,552,206)</u>
Total Capital Assets, Being Depreciated, Net	<u>5,087,956</u>	<u>1,233,439</u>	_____	<u>6,321,395</u>
Governmental Activities Capital Assets, Net	<u>\$23,283,222</u>	<u>\$13,909,820</u>	<u>\$1,682,808</u>	<u>\$35,471,829</u>
	<u>Balance</u> <u>6/30/21</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/22</u>
<b>Business-Type Activity</b>				
Equipment	\$229,910	\$	\$	\$229,910
Totals	<u>229,910</u>	_____	_____	<u>229,910</u>
Less Accumulated Depreciation				
Equipment	(201,600)	(4,418)	_____	(206,018)
Total Accumulated Depreciation	<u>(201,600)</u>	<u>(4,418)</u>	_____	<u>(206,018)</u>
Business-Type Activity Capital Assets, Net	<u>\$28,310</u>	<u>(\$4,418)</u>	\$	<u>\$23,892</u>

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

**Borough of Rumson School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2022**

**NOTE 6. LONG-TERM DEBT OBLIGATIONS:**

Changes in long-term obligations for the fiscal year ended June 30, 2022 are as follows:

	<u>Balance</u> <u>6/30/21</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>6/30/22</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
Obligations Under Financed Purchases	\$1,446,783	\$	\$ 143,094	\$1,303,689	\$87,863
Compensated Absences Payable	824,079	144,545		968,624	
Net Pension Obligation	2,877,775		1,031,331	1,846,444	
Bonds Payable	27,510,000		1,658,000	25,852,000	1,665,000
Bond Premium	<u>124,066</u>	<u>          </u>	<u>62,034</u>	<u>62,032</u>	<u>          </u>
	<u>\$32,782,703</u>	<u>\$144,545</u>	<u>\$2,894,459</u>	<u>\$30,032,789</u>	<u>\$1,752,863</u>

**A. Bonds Payable:**

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

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

On May 19, 2009, the District issued General Obligation Bonds totaling \$1,257,000 for the purpose of new roofs for Forrestdale and Deane-Porter Schools.

The Bonds bear interest from 4.00% to 4.125% per annum payable semi-annually on the first day of February and September of each year, until maturity. The principal is due annually on the first day of February through 2024, installments range from \$70,000 to \$117,000.

On May 15, 2013, the District issued General Obligation Refunding Bonds totaling \$4,535,000 for the purpose of refunding bonds dated August 15, 2008.

The Bonds bear interest from 2.00% to 4.00% per annum payable semi-annually on the first day of February and September of each year, until maturity. The principal is due annually on the first day of September through 2022, installments range from \$5,000 to \$720,000.



**Borough of Rumson School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2022**

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

**A. Bonds Payable: (continued)**

On March 3, 2020, the District issued the 2020 School Bonds totaling \$25,743,000 for the purpose of additions, renovations, alterations and improvements at Forrestdale and Deane-Porter School including fixtures, furnishings, equipment, site work and related work.

The Bonds bear interest from 2.00% to 2.50% per annum payable semi-annually on the fifteenth day of January and July. The principal is due annually on the fifteenth day of July 2021 through 2040. Installments range from \$838,000 to \$1,670,000.

**Schedule of Payments**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022-2023	1,665,000	524,596	2,189,596
2023-2024	1,182,000	488,702	1,670,702
2024-2025	1,090,000	461,326	1,551,326
2025-2026	1,120,000	439,226	1,559,226
2026-2027	1,150,000	416,526	1,566,526
2027-2040	<u>19,645,000</u>	<u>3,073,699</u>	<u>22,718,699</u>
	<u>\$25,852,000</u>	<u>\$5,404,075</u>	<u>\$31,256,075</u>

**B. Bonds and Notes Authorized But Not Issued:**

As of June 30, 2022, the District had no authorized but not issued bonds.

**C. Financed Purchases Payable:**

The District has financed purchases agreements for energy conservation measures equipment. The financed purchases is for a term of fifteen years. The following is a schedule of the future minimum financed purchases payments under the agreements, and the present value of the net minimum financed purchases payments at June 30, 2022:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	87,863	32,812	120,675
2024	92,825	30,531	123,356
2025	95,419	28,139	123,558
2026	80,474	25,791	106,265
2027	84,949	23,702	108,651
Thereafter	<u>862,159</u>	<u>99,595</u>	<u>961,754</u>
	<u>\$1,303,689</u>	<u>\$240,570</u>	<u>\$1,544,259</u>

**Borough of Rumson School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2022**

**NOTE 7. PENSION PLANS:**

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

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

**Benefits Provided**

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

The following represents the membership tiers for TPAF:

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

**Borough of Rumson School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2022**

**NOTE 7. PENSION PLANS: (continued)**

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

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

**Benefits Provided**

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

The following represents the membership tiers for PERS:

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

**Borough of Rumson School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2022**

**NOTE 7. PENSION PLANS: (continued)**

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

**Defined Contribution Retirement Program**

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

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

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

**Contributions Requirements Fund Based Statements**

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

<u>Year</u>	<u>PERS</u>	<u>DCRP</u>
Ending 6/30/22	\$182,535	\$9,513
6/30/21	196,888	12,372
6/30/20	150,476	8,019

**Borough of Rumson School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2022**

**NOTE 7. PENSION PLANS: (continued)**

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

<u>Year</u> <u>Ending</u>	<u>Pension</u> <u>Contributions</u>	<u>Post-Retirement</u> <u>Medical</u> <u>Contributions</u>	<u>NCGI</u> <u>Premium</u>	<u>Long-Term</u> <u>Disability</u> <u>Insurance</u>
6/30/22	\$3,099,136	\$734,299	\$43,724	\$821
6/30/21	2,359,921	753,634	44,901	975
6/30/20	1,612,677	608,997	28,905	835

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$653,634 during the year ended June 30, 2022 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13.

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

**Public Employees Retirement System (PERS)**

At June 30, 2022, the District had a liability of \$1,846,444 for its proportionate share of the PERS net pension liability. 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 that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2021, the District's proportion was .0155864120 percent, which was an decrease of .1608842 percent from its proportion measured as of June 30, 2020.

**Borough of Rumson School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2022**

**NOTE 7. PENSION PLANS: (continued)**

For the year ended June 30, 2022, the District recognized pension expense of (\$251,215) . At June 30, 2022, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$29,121	\$13,218
Changes of assumptions	9,616	657,346
Net difference between projected and actual earnings on pension plan investments		486,402
Changes in proportion and differences between District contributions and proportionate share of contributions	364,775	385,391
District contributions subsequent to the measurement date	<u>231,522</u>	<u>          </u>
Total	<u>\$635,034</u>	<u>\$1,542,357</u>

The \$231,522 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2022, the plan measurement date is June 30, 2021) will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:

2022	(\$435,680)
2023	(311,075)
2024	(212,100)
2025	(159,436)
2026	62

**Changes in Proportion**

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.13, 5.16, 5.21, 5.63, 5.48 and 5.57 years for 2021, 2020, 2019, 2018, 2017 and 2016 amounts, respectively.

**Borough of Rumson School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2022**

**NOTE 7. PENSION PLANS: (continued)**

**Additional Information**

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2021 and June 30, 2020 are as follows:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Collective deferred outflows of resources	\$1,164,738,169	\$2,347,583,337
Collective deferred inflows of resources	8,339,123,762	7,849,949,467
Collective net pension liability	11,846,499,172	16,435,616,426
District's Proportion	.0155864120%	.0176470659%

**Actuarial Assumptions**

The collective 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. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% (based on years of service)
Thereafter	3.00-7.00% (based on years of service)
Investment Rate of Return	7.00 Percent

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**Borough of Rumson School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2022**

**NOTE 7. PENSION PLANS: (continued)**

**Mortality Rates**

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 based on Scale MP-2021.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	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 Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
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%



**Borough of Rumson School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2022**

**NOTE 7. PENSION PLANS: (continued)**

**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. 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 collective net pension liability of the participating employers 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:

	<u>June 30, 2021</u>		
	<u>1%</u> Decrease <u>6.00%</u>	<u>At Current</u> Discount Rate <u>7.00%</u>	<u>1%</u> Increase <u>8.00%</u>
District's proportionate share of the pension liability	\$2,541,287	\$1,846,444	\$1,293,159

**Pension Plan Fiduciary Net Position**

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

**Borough of Rumson School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2022**

**NOTE 7. PENSION PLANS: (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:	
District's proportionate share	\$    -0-
State's proportionate share associated with the District	<u>39,029,377</u>
	<u>\$39,029,377</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 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 .0811840333%.

For the year ended June 30, 2022, the District recognized on-behalf pension expense and revenue of \$2,379,109 for contributions provided by the State in the District-Wide Financial Statements.

**Borough of Rumson School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2022**

**NOTE 7. PENSION PLANS: (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 Rates**

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 Health 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 a 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.

**Borough of Rumson School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2022**

**NOTE 7. PENSION PLANS: (continued)**

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 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. 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>Asset 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 Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
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%

**Borough of Rumson School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2022**

**NOTE 7. PENSION PLANS: (continued)**

**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 to determine the total pension liability.

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

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

**NOTE 8. POST-RETIREMENT BENEFITS:**

**General Information about the OPEB Plan**

**State Health Benefit State Retired Employees Plan**

The State Health Benefit State Retired Employees Plan (State Retired OPEB Plan) is a single-employer defined benefit OPEB plan with a special funding situation. The State Retired OPEB Plan 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. The State Required OPEB Plan covers the State, State colleges and universities, the Palisades Interstate Park Commission, and the New Jersey Building Authority (referred to collectively as "the employers") for which the State is legally obligated to pay for benefits. The State Required OPEB Plan is treated as a cost-sharing multiple employer plan with a special funding situation for allocating the total OPEB liability and related OPEB amounts since each employer mentioned above is required to issue stand-alone financial statements. The State Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of the employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

In accordance with N.J.S.A. 52:14-17.32, the State is required to pay the premium or periodic charges for health benefits of State employees who retire with 25 years or more of service credit in, or retire on a disability pension from, one or more of the following plans: the Judicial Retirement System (JRS), the State Police Retirement System (SPRS), the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen's Retirement System (PFRS), and the Alternate Benefit Program (ABP).

**Borough of Rumson School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2022**

**NOTE 8. POST-RETIREMENT BENEFITS: (continued)**

**General Information about the OPEB Plan, (continued)**

**State Health Benefit State Retired Employees Plan, (continued)**

In addition, N.J.S.A. 52:14-17.26 provides that for purposes of the State Retired OPEB Plan, an employee of Rutgers, the State University of New Jersey, and New Jersey Institute of Technology shall be deemed to be an employee of the State. Further, P.L. 1966, c.302, addresses the other State colleges and universities, whereas while these institutions were provided autonomy from the State, their employees retained any and all rights to health benefits within the State Retired OPEB Plan and are therefore classified as State employees.

The State Health Benefit Local Education Retired Employees Plan (Local Education Retired OPEB Plan) is a multiple-employer defined benefit OPEB plan with a special funding situation. The Local Education Retired OPEB Plan 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. The Local Education Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of local education employees. The State also offers dental care to retirees, however since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits.

The employer contributions for the participating local education employers are legally required to be funded by the State in accordance with N.J.S.A. 52:14-17.32f. According to this law, 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: TPAF, PERS, PFRS, or ABP.

Pursuant to P.L. 2011, c.78, future retirees eligible for postemployment medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree’s annual retirement benefit and level of coverage.

The State is legally required to pay for the OPEB benefit coverage for the participating local education employers. Therefore, these 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. The State, as a nonemployer contributing entity, reported a Fiscal Year 2021 total OPEB liability of \$60,007,650,970 for this special funding situation.

**Borough of Rumson School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2022**

**NOTE 8. POST-RETIREMENT BENEFITS: (continued)**

*Total OPEB Liability*

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

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

OPEB Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>39,912,239</u>
	<u>\$39,912,239</u>

*Actual Assumptions and Other Imputes*

The total OPEB liability in the June 30, 2021 actuarial valuation reported by the State in the State's Report of Total Nonemployer OPEB Liability for the State Health Benefit Local Education Retired Employee's Plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

**Total Nonemployer OPEB Liability**

The total nonemployer OPEB liability as of June 30, 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:

Inflation rate ~	2.50%	
	<u>TPAF/ABP</u>	<u>PERS</u>
Salary increases:		
Through 2026	1.55 - 4.45% based on service years	2.00-6.00% based on service years
Thereafter	2.75-5.65% based on service years	3.00-7.00% based on service years

**Borough of Rumson School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2022**

**NOTE 8. POST-RETIREMENT BENEFITS: (continued)**

**Total Nonemployer OPEB Liability, (continued)**

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.

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.

**(a) *Health Care Trend Assumptions***

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.0% 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%.

**(b) *Discount Rate***

The discount rate for June 30, 2021 was 2.16%. 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.

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

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

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

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



**Borough of Rumson School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2022**

**NOTE 8. POST-RETIREMENT BENEFITS: (continued)**

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

For the year ended June 30, 2021, the board of education/board of trustees recognized on-behalf OPEB expense of \$2,311,754 in the district-wide financial statements as determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75 and in which there is a special funding situation.

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

**NOTE 9. DEFERRED COMPENSATION:**

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

Planconnect

**NOTE 10. COMPENSATED ABSENCES:**

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

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

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

**Borough of Rumson School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2022**

**NOTE 10. COMPENSATED ABSENCES: (continued)**

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefit accrue to employees. As of June 30, 2021, a liability existed for compensated absences in the Food Service Fund in the amount of \$-0-.

**NOTE 11. RISK MANAGEMENT:**

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

**Property and Liability Insurance** - The District maintains insurance coverage through the New Jersey Boards Association Insurance Group (NJSBAIG), the state’s largest school board insurance group.

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

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

<u>Fiscal</u> <u>Year</u>	Employee Contributions/ Interest Earnings/ District <u>Contributions</u>	Amount <u>Reimbursed</u>	Ending <u>Balance</u>
2021-2022	\$17,679	\$287	\$107,563
2020-2021	21,262	4,815	90,171
2019-2020	16,114	6,638	73,724

**Borough of Rumson School District**  
**Notes to the Basic Financial Statements**  
**for the fiscal year ended June 30, 2022**

**NOTE 12. CAPITAL RESERVE ACCOUNT:**

A capital reserve account was established by the Borough of Rumson Board of Education by inclusion of \$100 on October 10, 2000 and has since increased the reserve by additional budget appropriations and by the interest earned on investments for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at anytime 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	\$1,069,502
Deposits:	
Transfer Per Board Resolution - June 15, 2022	500,000
Budgeted Withdrawal	<u>(87,100)</u>
Ending balance, June 30, 2022	<u>\$1,482,402</u>

**Borough of Rumson School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2022**

**NOTE 13. MAINTENANCE RESERVE ACCOUNT:**

A maintenance reserve account was established by Board of Education resolution adopted June 29, 2010. The account is maintained in the general fund. The maintenance reserve account is used to accumulated funds for the required maintenance of a facility in accordance with the EFCRA (N.J.S.A. 18A:7G-9). EFCFA requires that upon district completion of a school facilities project, the district must submit a plan for the maintenance of that facility. All such plans must include a provision for a maintenance reserve fund. The activity of the maintenance reserve for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

Beginning balance, July 1, 2021	\$734,367
Deposits:	
Transfer Per Board Resolution - June 15, 2022	50,000
Budgeted Withdrawal	<u>(220,000)</u>
Ending balance, June 30, 2022	<u>\$544,367</u>

**NOTE 14. FUND BALANCE APPROPRIATED:**

**General Fund [ExhibitB-1]**- Of the \$4,866,893 General Fund fund balance at June 30, 2022, \$351,837 is reserved for encumbrances; \$544,367 has been legally established as a maintenance reserve in accordance with N.J.S.A. 18A:7G-9 as amended by P.L. 2004, c.73; \$0 has been legally established as an emergency reserve in accordance with N.J.S.A. 18A:7F-41c(1); \$1,850,473 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$945,812) of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2022); \$1,482,402 has been reserved in the Capital Reserve Account; \$89,309 is reserved for Unemployment Compensation; \$0 has been appropriated and included as anticipated revenue for the year ending June 30, 2023; and \$548,505 is unreserved and undesignated.

**Debt Service Fund** - The Debt Service Fund fund balance at June 30, 2022 of \$17,008 is restricted for the payment of debt service.

**NOTE 15. CALCULATION OF EXCESS SURPLUS:**

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance — Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2022 is \$1,896,586 of which \$904,661 is the result of current year operations.

**Borough of Rumson School District  
Notes to the Basic Financial Statements  
for the fiscal year ended June 30, 2022**

**NOTE 16. INVENTORY:**

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

Supplies	<u>\$2,116</u>
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**NOTE 17. CONTINGENT LIABILITIES**

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

**NOTE 18. OTHER MATTERS**

On June 4, 2021, Governor Phil Murphy signed Executive Order No. 244 ending the State of Emergency and Public Health Emergency across all 21 counties in New Jersey in response to address the novel coronavirus (COVID-19) outbreak. The Board has identified several risks as a result of this pandemic, including a possible delay in collection of District taxes and cash flow shortages as the result of these delayed collections. During the year, the District has received grants from the federal government for increase expenditures related to the COVID-19 pandemic. The Board will continue to monitor the situation closely.

**NOTE 19. SUBSEQUENT EVENTS:**

The District has evaluated subsequent events through February 7, 2023, the date which the financial statements were available to be issued and no additional items were noted for disclosure.

**REQUIRED SUPPLEMENTARY  
INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

Runson Board of Education Budgetary Comparison Schedule General Fund						
For the Year Ended June 30, 2022						
	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual	
<b>REVENUES:</b>						
<b>Local Sources:</b>						
Local Tax Levy	17,149,141		17,149,141	17,149,141		
Tuition	187,000		187,000	259,700	72,700	
Other Restricted Miscellaneous Revenues	15,000		15,000	24,951	9,951	
Unrestricted Miscellaneous Revenues	64,180		64,180	71,444	7,264	
Total - Local Sources	17,415,321		17,415,321	17,505,236	89,915	
<b>State Sources:</b>						
Categorical Transportation Aid	112,978		112,978	112,978		
Categorical Security Aid	77,327		77,327	77,327		
Categorical Special Education Aid	643,971		643,971	643,971		
Secure Our Children's Future Bond Act		52,482	52,482	52,482		
Extraordinary Aid	57,075		57,075	289,717	232,642	
Additional Non-Public Transportation Aid				9,968	9,968	
TPAF Post Retirement Pension (On-Behalf - Non-Budgeted)				3,099,136	3,099,136	
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				734,299	734,299	
TPAF NCGI Premium (On-Behalf - Non-Budgeted)				43,724	43,724	
TPAF LTDI Contribution (On-Behalf - Non-Budgeted)				821	821	
TPAF Social Security (Reimbursed - Non-Budgeted)				653,634	653,634	
Total - State Sources	891,351	52,482	943,833	5,718,057	4,774,224	
<b>TOTAL REVENUES</b>	18,306,672	52,482	18,359,154	23,223,293	4,864,139	



Runson Board of Education Budgetary Comparison Schedule General Fund For the Year Ended June 30, 2022						
	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual	
<b>EXPENDITURES:</b>						
<b>Current Expense:</b>						
<b>Regular Programs - Instruction</b>						
Preschool Salaries of Teachers	117,805		117,805	113,958	3,847	
Kindergarten - Salaries of Teachers	500,066	(54,114)	445,952	445,252	700	
Grades 1-5 - Salaries of Teachers	2,744,856	(36,482)	2,708,374	2,698,194	10,180	
Grades 6-8 - Salaries of Teachers	2,139,753		2,139,753	2,131,226	8,527	
<b>Regular Programs - Home Instruction:</b>						
Salaries of Teachers	10,066		10,066	1,762	8,304	
Purchased Professional-Educational Services	7,033		7,033	750	6,283	
<b>Regular Programs - Undistributed Instruction</b>						
Other Salaries for Instruction	166,453	10,696	177,149	176,463	686	
Purchased Professional-Educational Services	393,327	(1,561)	391,766	346,989	44,777	
Other Purchased Services (400-500 series)	169,189	(107,020)	62,169	26,271	35,898	
General Supplies	214,206	46,160	260,366	149,422	110,944	
Textbooks	4,924		4,924	4,504	420	
Other Objects	9,884		9,884	5,077	4,807	
Other Undistributed Instruction		18,478	18,478	18,478		
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>6,477,562</b>	<b>(123,843)</b>	<b>6,353,719</b>	<b>6,118,346</b>	<b>235,373</b>	
<b>Special Education Instruction - Multiple Disabilities</b>						
Salaries of Teachers	78,245		78,245	71,313	6,932	
Other salaries for instruction						
Purchased Professional-Educational Service	1,450	(1)	1,449		1,449	
General Supplies	1,000		1,000	930	70	
<b>Total Multiple Disabilities</b>	<b>80,695</b>	<b>(1)</b>	<b>80,694</b>	<b>72,243</b>	<b>8,451</b>	
<b>Special Education Instruction - Resource Room/Resource Center</b>						
Salaries of Teachers	1,184,056	15,176	1,199,232	1,193,753	5,479	
Other Salaries for Instruction	26,686	(20,201)	6,485	1,420	5,065	
Purchased Professional-Educational Services	93,960	8,000	101,960	99,587	2,373	
General Supplies	13,231		13,231	11,521	1,710	
Textbooks						
<b>Total Resource Room/Resource Center</b>	<b>1,317,933</b>	<b>2,975</b>	<b>1,320,908</b>	<b>1,306,281</b>	<b>14,627</b>	
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<b>1,398,628</b>	<b>2,974</b>	<b>1,401,602</b>	<b>1,378,524</b>	<b>23,078</b>	
<b>Basic Skills/Remedial - Instruction</b>						
Salaries of Teachers	509,120	26,847	535,967	518,452	17,515	
General Supplies	1,059		1,059	914	145	
<b>Total Basic Skills/Remedial - Instruction</b>	<b>510,179</b>	<b>26,847</b>	<b>537,026</b>	<b>519,366</b>	<b>17,660</b>	

Rumson Board of Education Budgetary Comparison Schedule General Fund For the Year Ended June 30, 2022						
	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual	
<b>School-Sponsored Cocurricular Activities - Instruction</b>						
Salaries of Teachers	78,391	(3,258)	75,133	75,133		
Supplies and Materials	4,835	(3,871)	964	964		
Other Objects	2,028	(299)	1,729	1,729		
<b>Total School-Sponsored Cocurricular Activities - Instruction</b>	<b>85,254</b>	<b>(7,428)</b>	<b>77,826</b>	<b>77,826</b>		
<b>School-Sponsored Athletics - Instruction</b>						
Salaries	52,734	11,785	64,519	64,519		
Purchased Services (300-500 series)	5,234	555	5,789	5,789		
Supplies and Materials	4,000		4,000	4,000		
Other Objects	1,435	(711)	724	724		
<b>Total School-Athletics - Instruction</b>	<b>63,403</b>	<b>11,629</b>	<b>75,032</b>	<b>75,032</b>		
<b>Total Instructional Programs - Instruction</b>	<b>658,836</b>	<b>31,048</b>	<b>689,884</b>	<b>672,224</b>	<b>17,660</b>	
<b>TOTAL INSTRUCTION</b>	<b>8,535,026</b>	<b>(89,821)</b>	<b>8,445,205</b>	<b>8,169,094</b>	<b>276,111</b>	
<b>Undistributed Expenditures - Instruction:</b>						
Tuition to Private Schools for the Disabled - Within State	355,019	(45,115)	309,904	24,688	285,216	
Tuition to Private Schools for the Disabled - Other LEAS Outside of State		33,165	33,165		33,165	
Tuition Other	5,000	11,950	16,950	16,950		
<b>Total Undistributed Expenditures - Instruction:</b>	<b>360,019</b>	<b>11,950</b>	<b>360,019</b>	<b>41,638</b>	<b>318,381</b>	
<b>Undist. Expend. - Attendance &amp; Social Work</b>						
Salaries	12,402	4,480	16,882	16,882		
<b>Total Undist. Expend. - Attendance &amp; Social Work</b>	<b>12,402</b>	<b>4,480</b>	<b>16,882</b>	<b>16,882</b>		

Ramson Board of Education Budgetary Comparison Schedule General Fund For the Year Ended June 30, 2022						
	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual	
<b>Undist. Expend. - Health Services</b>						
Salaries	204,597	(2,592)	202,005	173,830	28,175	
Purchased Professional and Technical Services	17,110		17,110	8,067	9,043	
Other Purchased Services (400-500 series)	2,151		2,151	1,425	726	
Supplies and Materials	24,235	(8,110)	16,125	15,162	963	
<b>Total Undistributed Expenditures - Health Services</b>	<b>248,093</b>	<b>(10,702)</b>	<b>237,391</b>	<b>198,484</b>	<b>38,907</b>	
<b>Undist. Expend. - Other Supp. Serv. Students - Related Serv.</b>						
Salaries	254,428	11,467	265,895	225,210	40,685	
Purchased Professional - Educational Services	350,616	(22,777)	327,839	254,921	72,918	
Supplies and Materials	1,364		1,364	1,364		
<b>Total Undist. Expend. - Other Supp. Serv. Students - Related Serv.</b>	<b>606,408</b>	<b>(11,310)</b>	<b>595,098</b>	<b>481,495</b>	<b>113,603</b>	
<b>Undist. Expend. - Other Supp. Serv. Students - Extra. Serv.</b>						
Salaries	68,380		68,380	67,500	880	
Purchased Professional - Educational Services	26,875	200	27,075	26,675	400	
<b>Total Undist. Expend. - Other Supp. Serv. Students - Extra. Serv.</b>	<b>95,255</b>	<b>200</b>	<b>95,455</b>	<b>94,175</b>	<b>1,280</b>	
<b>Undist. Expend. - Guidance</b>						
Salaries of Other Professional Staff	378,311	(1,668)	376,643	344,028	32,615	
Salaries of Secretarial and Clerical Assistants	10,276		10,277	10,277		
Purchased Professional - Educational Services	2,000	769	2,769	1,430	1,339	
Other Purchased Services (400-500 series)	2,200		2,200	1,250	950	
Supplies and Materials	6,800	(769)	6,031	3,413	2,618	
<b>Total Undist. Expend. - Guidance</b>	<b>399,587</b>	<b>(1,667)</b>	<b>397,920</b>	<b>360,398</b>	<b>37,522</b>	
<b>Undist. Expend. - Child Study Teams</b>						
Salaries	403,531		403,531	264,198	139,333	
Salaries of Secretarial and Clerical Assistants	57,210	(130,828)	272,703	264,198	8,505	
Other Salaries			57,210	57,210		
Other Purchased Services (400-500 series)	141,799		141,799	141,799		
Purchased Professional - Educational Services	5,200	(1,987)	3,213	3,186	27	
Supplies and Materials	15,000	2,297	17,297	16,372	925	
Misc. Pur. Serv. (400-500 series Other Resid. Costs)	5,321	6	5,327	5,324	3	
<b>Total Undist. Expend. - Child Study Teams</b>	<b>486,262</b>	<b>11,287</b>	<b>497,549</b>	<b>488,089</b>	<b>9,460</b>	
<b>Undist. Expend. - Improvement of Instructional Services</b>						
Salaries of Supervisor of Instruction	134,825		134,825	134,825		
Salaries of Other Professional Staff	28,980	(177)	28,803	18,840	9,963	
Salaries of Secretarial and Clerical Assistants	30,833	(1)	30,832	30,831	1	
Purchased Professional - Technical Services	12,380	(442)	11,938	8,282	3,656	
Other Purchased Services (400-500 series)	4,826	442	5,268	3,983	1,285	
Supplies and Materials	1,750		1,750	936	814	
<b>Total Undist. Expend. - Improvement of Inst. Services</b>	<b>219,594</b>	<b>(178)</b>	<b>219,416</b>	<b>197,697</b>	<b>21,719</b>	

Runson Board of Education Budgetary Comparison Schedule General Fund For the Year Ended June 30, 2022						
	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual	
<b>Undist. Expend. - Educational Media Serv./Sch. Library</b>						
Salaries	117,509		117,509	115,104	2,405	
Salaries of Technology Coordinators	197,906		197,906	192,089	5,817	
Purchased Professional - Technical Services	15,520	(963)	14,557	13,853	704	
Other Purchased Services (400-500 series)	20,588	12,579	33,167	25,533	7,634	
Supplies and Materials	21,748	174	21,922	13,532	8,390	
Other Objects	910		910	874	36	
<b>Total Undist. Expend. - Educational Media Serv./Sch. Library</b>	<b>374,181</b>	<b>11,790</b>	<b>385,971</b>	<b>360,985</b>	<b>24,986</b>	
<b>Undist. Expend. - Instructional Staff Training Serv.</b>						
Salaries of Other Professional Staff	1,340	(1)	1,339		1,339	
Salaries of Secretarial and Clerical Assistants	10,276		10,276	10,276		
Purchased Professionals - Educational Services	96,220	(23,224)	72,996	33,596	39,400	
Other Purchased Services (400-500 series)	12,192	(3,559)	8,633	3,464	5,169	
Supplies and Materials	2,897		2,897		2,897	
<b>Total Undist. Expend. - Instructional Staff Training Serv.</b>	<b>122,925</b>	<b>(26,784)</b>	<b>96,141</b>	<b>47,336</b>	<b>48,805</b>	
<b>Undist. Expend. - Supp. Serv. - General Administration</b>						
Salaries	268,343		268,343	266,813	1,530	
Legal Services	60,000	(2,277)	57,723	52,695	5,028	
Audit Fees	17,400	20,575	37,975	21,575	16,400	
Internal Control Audit Fees	4,830	425	5,255	4,835	420	
Purchased Technical Services	6,500	(1,998)	4,502	4,502		
Communications/Telephone	38,000		38,000	21,236	16,764	
BOE Other Purchased Services	8,800	(5,000)	3,800	375	3,425	
Other Purchased Services (400-500 series)	53,771	13,403	67,174	60,817	6,357	
General Supplies	2,397	56	2,453	2,264	189	
Misc Expenditures	7,805	701	8,506	8,386	120	
Judgments Against District	70,000	35,955	105,955	45,115	60,840	
BOE Membership Dues and Fees	7,500		7,500	6,971	529	
<b>Total Undist. Expend. - Supp. Serv. - General Administration</b>	<b>545,346</b>	<b>61,840</b>	<b>607,186</b>	<b>495,584</b>	<b>111,602</b>	
<b>Undist. Expend. - Support Serv. - School Administration</b>						
Salaries of Principals/Assistant Principals	296,408		296,408	296,406	2	
Salaries of Secretarial and Clerical Assistants	126,136		126,136	121,623	4,513	
Purchased Professional and Technical Services	28,000		28,000	24,682	3,318	
Other Purchased Services (400-500 series)	6,000		6,000	1,800	4,200	
Supplies and Materials	17,086	(18)	17,068	16,327	741	
Other Objects	3,789	18	3,807	2,914	893	
<b>Total Undist. Expend. - Support Serv. - School Administration</b>	<b>477,419</b>		<b>477,419</b>	<b>463,752</b>	<b>13,667</b>	

Rumson Board of Education Budgetary Comparison Schedule General Fund For the Year Ended June 30, 2022						
	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual	
<b>Undistributed Expenditures-Central Services</b>						
Salaries	265,821	1,013	266,834	266,834	307	
Purchased Professional Services	3,000	(1,013)	1,987	1,680	2,729	
Misc Pur Serv (400-500 series Other Resid Costs)	6,030		6,030	3,301	3,283	
Supplies and Materials	5,507		5,507	2,224	1,635	
Misc Exp.	2,500		2,500	865	7,954	
<b>Total Undistributed-Central Services</b>	<b>282,858</b>		<b>282,858</b>	<b>274,904</b>		
<b>Undistributed Expenditures-Admin, Info, Tech.</b>						
Salaries	30,236		30,236	27,754	2,482	
Purchased Professional Services	8,300	(2,800)	5,500	5,500	5,500	
Purchased Technical Services	14,345	2,800	17,145	17,145		
Other Purchased Services	6,191	1	6,192	6,192		
Supplies and Materials	10,145	(1)	10,144	7,636	4	
Other Objects	800		800	583	16,035	
<b>Total Undistributed Expenditures-Admin, Info, Tech.</b>	<b>70,017</b>		<b>70,017</b>	<b>53,982</b>		
<b>Undist. Expend. - Required Maint. for School Facilities</b>						
Cleaning, Repair and Maintenance Services	180,657	93,504	274,161	69,344	204,817	
Lead Retating of Drinking Water	6,000	17,493	23,493	18,097	5,396	
General Supplies	17,100	43,699	60,799	32,130	28,669	
Other Objects	4,900	7,076	11,976	11,875	101	
Required Maintenance Update						
<b>Undist. Expend. - Required Maint. for School Facilities</b>	<b>208,657</b>	<b>161,772</b>	<b>370,429</b>	<b>131,446</b>	<b>238,983</b>	
<b>Undist. Expend. - Custodial Services</b>						
Salaries	642,237	(48,767)	593,470	584,095	9,375	
Salaries of Non-Instructional Aides	103,570	23,770	127,340	127,340		
Purchased Professional and Technical Services	1,500	7,078	8,578	8,578		
Cleaning, Repair and Maintenance Services	17,900	18,369	36,269	32,990	3,279	
Lease Purch. Energy Savings Impr Prog	179,216	(72,500)	106,716	99,421	7,295	
Other Purchased Property Services	33,500	1,150	34,650	34,650		
Insurance	92,625	(2,988)	89,637	89,376	261	
General Supplies	46,300	2,322	48,622	48,378	244	
Energy (Natural Gas)	50,000	66,296	116,296	115,934	362	
Energy (Electricity)	80,000	24,764	104,764	104,724	40	
Other Objects	9,370	4,196	13,566	13,569	(3)	
<b>Total Undist. Expend. - Custodial Services</b>	<b>1,256,218</b>	<b>23,690</b>	<b>1,279,908</b>	<b>1,259,055</b>	<b>20,853</b>	

Ransom Board of Education Budgetary Comparison Schedule General Fund For the Year Ended June 30, 2022						
	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual	
<b>Undistributed Expenditures-Care &amp; Upkeep of Grounds</b>						
Salaries	43,570		43,570	43,570		
Purchased Professional and Technical Services	13,000	27,892	40,892	34,044	6,848	
Cleaning, Repair and Maintenance Services	54,000	37,457	91,457	91,457		
General Supplies	11,500	7,066	18,566	18,566		
<b>Undistributed Expenditures-Care &amp; Upkeep of Grounds</b>	<b>122,070</b>	<b>72,415</b>	<b>194,485</b>	<b>187,637</b>	<b>6,848</b>	
<b>Undistributed Expenditures-Security</b>						
Salaries	46,424		46,424	45,001	1,423	
Purchased Professional and Technical Services	68,580	(33,535)	35,045	35,045		
General Supplies	18,160	1,193	19,353	13,180	6,173	
<b>Undistributed Expenditures-Security</b>	<b>133,164</b>	<b>(32,342)</b>	<b>100,822</b>	<b>93,226</b>	<b>7,596</b>	
<b>Undist. Expend. - Student Transportation Services</b>						
Salaries of Non-Instructional Aides	39,000	(7,946)	31,054	27,855	3,199	
Other Purchased Prof. and Technical Serv.	4,650					
Contracted Services - Aid in Lieu of Payments-Non Public	18,360	13,640	32,000	16,000	16,000	
Contracted Services (Between Home & School)-Vendors	409,745	14,175	423,920	376,019	47,901	
Contracted Services (Special Ed. Students)-Vendors	4,800	4,800	9,600	1,125	8,475	
Contracted Services (Special Ed. Students)-Vendors	19,100	(15,564)	3,536		3,536	
Contracted Services (Special Ed. Students)-Joint	194,447	27,596	222,043	221,041	1,002	
General Supplies	500		500	40	460	
Other Objects	2,500		2,500		2,500	
Miscellaneous			6,151	6,151		
<b>Total Undist. Expend. - Student Transportation Services</b>	<b>693,102</b>	<b>31,901</b>	<b>726,504</b>	<b>648,231</b>	<b>78,273</b>	
<b>UNALLOCATED BENEFITS</b>						
Social Security Contributions	212,506	(13,327)	199,179	199,178	1	
Other Retirement Contributions-PERS	194,461	(2,413)	192,048	192,047	1	
Workmen's Compensation	107,500	332	107,832	107,832		
Health Benefits	3,448,471	105,093	3,553,564	3,553,563	1	
Tuition Reimbursement	20,000	(384)	19,616	19,616		
Other Employee Benefits	19,416	14,555	33,971	33,971		
Unused Sick Payment to Terminated or Retired Staff	21,956	(21,956)				
<b>TOTAL UNALLOCATED BENEFITS</b>	<b>4,024,310</b>	<b>81,900</b>	<b>4,106,210</b>	<b>4,106,207</b>	<b>3</b>	

Rumson Board of Education Budgetary Comparison Schedule General Fund For the Year Ended June 30, 2022						
	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual	
TPAF Post Retirement Pension (On-Behalf - Non-Budgeted)				3,099,136	(3,099,136)	
On-behalf TPAF Post Retirement Medical (non-budgeted)				734,299	(734,299)	
On-behalf TPAF NCGI Premium (non-budgeted)				43,724	(43,724)	
TPAF LTDI Contribution (On-Behalf - Non-Budgeted)				821	(821)	
Reimbursed TPAF Social Security Contributions (non-budgeted)				653,634	(653,634)	
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>				4,531,614	(4,531,614)	
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	4,024,310	81,900	4,106,210	8,637,821	(4,531,611)	
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	10,731,887	377,892	11,111,280	14,506,142	(3,394,862)	
<b>TOTAL GENERAL CURRENT EXPENSE</b>	19,266,913	289,572	19,556,485	22,675,236	(3,118,751)	
<b>CAPITAL OUTLAY</b>						
Equipment						
Support Services-Students-Regular		8,110	8,110	8,110		
Operation and Maintenance		59,161	59,161	57,096	2,065	
Undistributed Expended-Custodial Services	9,200	(9,200)				
Upkeep of Grounds		106,177	106,177	26,377	79,800	
<b>Total Equipment</b>	9,200	164,248	173,448	91,583	81,865	
<b>Facilities Acquisition and Construction Services</b>						
Architectural/Engineering Services						
Legal Services						
Architectural/Engineering Services						
Other Purchased Prof. and Tech. Services						
Construction Serv.	100,000	1,029,387	1,129,387	1,129,387		
Land and Improvements						
Assessment for Debt Service on SDA	21,418		21,418	21,418		
<b>Total Facilities Acquisition and Construction Services</b>	121,418	1,029,387	1,150,805	1,150,805		
<b>TOTAL CAPITAL OUTLAY</b>	130,618	1,193,635	1,324,253	1,242,388	81,865	
<b>TOTAL EXPENDITURES</b>	19,397,531	1,483,207	20,880,738	23,917,624	(3,036,886)	
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	(1,090,859)	(1,430,725)	(2,521,584)	(694,331)	1,827,253	

Rumson Board of Education Budgetary Comparison Schedule General Fund						
For the Year Ended June 30, 2022						
	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual	
Other Financing Sources (Uses):						
Operating Transfer Out:						
Capital Reserve - Transfer to Capital Projects Fund						
Total Other Financing Sources (Uses):						
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(1,090,859)	(1,430,725)	(2,521,584)	(694,331)	1,827,253	
Fund Balance, July 1			5,643,049	5,643,049		
Fund Balance, June 30	(1,090,859)	(1,430,725)	3,121,465	4,948,718	1,827,253	
Reconciliation of excess (deficiency) of revenues under expenditures: Adjustment for Prior Year Encumbrances		(1,230,725)	(1,230,725)	(1,230,725)		
Increase in Capital Reserve - Principal				500,000	500,000	
Increase in Maintenance Reserve - Principal				50,000	50,000	
Increase in Restricted Fund Balance - Unemployment	(20,000)	(200,000)	(220,000)	(220,000)		
Budgeted Withdrawal from Maintenance Reserve	(100,000)		(100,000)	(87,100)	12,900	
Budgeted Withdrawal from Capital Reserve - for Local Share	(970,859)		(970,859)	293,494	1,264,353	
Budgeted Fund Balances	(1,090,859)	(1,430,725)	(2,521,584)	(694,331)	1,827,253	
Reconciliation:						
Restricted Fund Balance:						
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures				945,812		
Reserved - Excess Surplus				904,661		
Maintenance Reserve				209,367		
Maintenance Reserve-Designated for Subsequent Year's Expenditures				355,000		
Capital Reserve				749,402		
Capital Reserve-Designated for Subsequent Year's Expenditures				733,000		
Unemployment Compensation				89,309		
Assigned Fund Balance:						
Year end Encumbrances				351,837		
Designated for Subsequent Year's Expenditures						
Unassigned Fund Balance				630,330		
Total				4,948,718		
Reconciliation to Governmental Funds Statement (GAAP):						
Last State Aid Payment not recognized on GAAP basis				(81,825)		
Fund Balance per Governmental Funds (GAAP)				4,866,893		



Runson School District  
 Budgetary Comparison Schedule  
 Special Revenue Fund  
 For the Year Ended June 30, 2022

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources	83,302	377,860	461,162	461,162	
State Sources	133,753	37,202	170,955	159,454	(11,501)
Federal Sources	752,650	107,102	859,752	859,752	
<b>Total Revenues</b>	<b>969,705</b>	<b>522,164</b>	<b>1,491,869</b>	<b>1,480,368</b>	<b>(11,501)</b>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Personnel Services - Salaries	104,700	(9,967)	94,733	94,733	
Salaries of Teachers	10,068	30,978	41,046	41,046	
Purchased Professional and Technical Services	15,895	41,032	56,927	56,927	
Other Purchased Services	145,234	79,877	225,111	225,111	
General Supplies	372,560	(153,479)	219,081	218,987	94
Textbooks	10,068	1,456	11,524	11,369	155
<b>Total Instruction</b>	<b>658,525</b>	<b>(10,103)</b>	<b>648,422</b>	<b>648,173</b>	<b>249</b>
<b>Support Services:</b>					
Personnel Services - Salaries	16,810	23,929	40,739	40,739	
Salaries of Other Professional Staff		9,542	9,542	9,542	
Employee Benefits		11,548	11,548	11,548	
Purchased Professional & Technical Services	151,813	(16,616)	135,197	135,191	6
Purchased Professional - Educational Services	16,098	(4,892)	11,206	11,206	
Supplies & Materials	43,157	343,860	387,017	386,653	364
Other Objects		54,232	54,232	43,350	10,882
Student Activities	83,302	88,194	171,496	186,671	(15,175)
<b>Total Support Services</b>	<b>311,180</b>	<b>509,797</b>	<b>820,977</b>	<b>824,900</b>	<b>(3,923)</b>
<b>Facilities Acquisition and Const. Serv.:</b>					
Construction Services		22,470	22,470	22,470	
<b>Total Facilities Acquisition and Const. Serv.</b>		<b>22,470</b>	<b>22,470</b>	<b>22,470</b>	
<b>Total Expenditures</b>	<b>969,705</b>	<b>522,164</b>	<b>1,491,869</b>	<b>1,495,543</b>	<b>(3,674)</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>					
Fund Balance, July 1					(15,175)
Fund Balance, June 30				136,657	
Recapitulation:				121,482	
Restricted:					
Student Activities				121,482	
<b>Total Fund Balance</b>				<b>121,482</b>	

**Rumson School District**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Note to Required Supplementary Information**  
**For the Year Ended June 30, 2022**

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

		General Fund	Special Revenue Fund
<b>Sources/inflows of resources</b>			
Actual amounts (budgetary basis) "revenue"			
from the budgetary comparison schedule	[C-1]&[C-2]	23,223,293	1,480,368
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
Add Prior Year Encumbrances			-
Less Current Year Encumbrances			
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		65,037	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year (GASB 33).		(81,825)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	23,206,505	1,480,368
<b>Uses/outflows of resources</b>			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule			
Differences - budget to GAAP	[C-1]&[C-2]	23,917,624	1,495,543
The district budgets for claims and compensated absences only to the extent expected to be paid, rather than on the modified accrual basis. <i>[Not applicable in this example]</i>			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.			
Add Prior Year Encumbrances			-
Less Current Year Encumbrances			
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.			
Net transfers (outflows) to general fund			
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	[B-2]	23,917,624	1,495,543

**REQUIRED SUPPLEMENTARY  
INFORMATION - PART III**

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

Fiscal Year Ending June 30,	District's Proportion		District's		District's Covered		District's		Plan Fiduciary Net Position as a percentage of the total Pension Liability
	Share of the Net Pension Liability (Asset)	Proportion of the Net Pension Liability (Asset)	Proportion Share of the Net Pension Liability (Asset)	Proportion Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll	District's Covered Payroll PERS Employee's	District's Covered Payroll PERS Employee's	Proportion Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll		
2015	0.0164744513%	\$ 3,084,468	\$ 1,075,530	286.79%			286.79%	42.74%	
2016	0.0165349470%	3,603,688	1,372,217	347.44%			347.44%	38.21%	
2017	0.0153094500%	4,534,221	1,853,370	417.76%			417.76%	40.14%	
2018	0.0151415187%	3,524,704	1,090,895	323.1%			323.1%	48.10%	
2019	0.0148296394%	2,919,882	1,013,161	263.39%			263.39%	53.60%	
2020	0.0153963363%	2,774,186	1,150,264	241.18%			241.18%	56.27%	
2021	0.0176470659%	2,877,775	1,211,135	237.61%			237.61%	58.32%	
2022	0.0155864120%	1,846,444	1,316,154	140.29%			140.29%	70.33%	

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

Exhibit L-2

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

Fiscal Year Ending June 30,	Contractually Required Contribution		Contributions in Relation to the Contractually Required Contributions		Contribution Deficiency (Excess)	District's PERS Covered- Employee Payroll	Contributions as a Percentage of PERS Covered- Employee Payroll
	\$		\$				
2015	151,996		151,996		-	1,075,530	14.13%
2016	14,523		141,523		-	1,037,217	13.64%
2017	136,007		136,007		-	1,066,370	12.53%
2018	140,270		140,270		-	1,063,895	12.86%
2019	147,507		14,507		-	1,013,161	13.25%
2020	190,476		150,476		-	1,120,264	13.08%
2021	196,888		196,888		-	1,211,135	16.26%
2022	182,535		182,535		-	1,316,154	13.87%

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

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

Fiscal Year Ending June 30,	District's Proportion	District's	State's	District's Covered	District's	Plan Fiduciary Net Position as a percentage of the total Pension Liability
	Share of the Net Pension Liability (Asset)	Proportion Share of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability Associated with the District (Asset)	Payroll - TPAF Employee's	Proportion Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll	
2015	0.0640243081%	\$ -	\$ 34,218,909	\$ 6,413,136	18.74%	33.64%
2016	0.035199318%	\$ -	\$ 40,147,309	6,632,631	16.52%	28.71%
2017	0.042008613%	\$ -	\$ 50,504,485	7,521,299	14.89%	22.33%
2018	0.066599835%	\$ -	\$ 44,904,050	7,781,120	17.33%	25.41%
2019	0.0712079373%	\$ -	\$ 45,300,960	8,221,616	18.15%	26.49%
2020	0.0718966631%	\$ -	\$ 44,123,661	8,406,800	19.05%	26.95%
2021	0.0735246005%	\$ -	\$ 48,415,065	8,791,769	18.16%	24.60%
2022	0.0735246005%	\$ -	\$ 39,029,377	9,173,913	23.51%	35.52%

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

**Rumson School District**  
**Note to Required Schedules of Supplementary Information - Part III**  
**For the fiscal year ended June 30, 2022**

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was no change in the discount rate of 7% for June 30, 2021 and 2020. Any change in the discount rate is considered to be a change in actuarial assumptions under GASB No. 68.

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was no change in the discount rate of 7% for June 30, 2021 and 2020. Any change in the discount rate is considered to be a change in actuarial assumptions under GASB No. 68.

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

	2018	2019	2020	2021	2022
<b>Total OPEB Liability</b>					
Service Costs	\$ 1,526,736	\$ 1,267,003	\$ 1,163,574	\$ 1,206,861	\$ 2,256,780
Interest on Total OPEB Liability	1,144,405	1,325,580	1,236,938	1,018,931	1,035,366
Change in Benefit Terms					(42,482)
Changes in Assumptions	(4,733,016)	(3,582,175)	421,664	8,186,064	39,376
Differences Between Expected and Actual Experience		(3,148,476)	(4,915,158)	6,878,678	(7,402,162)
Gross Benefit Payments	(837,537)	(834,701)	(868,126)	(780,183)	(815,578)
Contribution from the Member	30,840	28,849	25,734	23,647	26,470
<b>Net Changes in total Share of OPEB Liability</b>	<b>(2,868,572)</b>	<b>(4,943,920)</b>	<b>(2,935,374)</b>	<b>16,533,998</b>	<b>(4,902,231)</b>
<b>Total OPEB Liability - Beginning</b>	<b>39,028,338</b>	<b>36,159,766</b>	<b>31,215,846</b>	<b>28,280,472</b>	<b>44,814,470</b>
<b>Total OPEB Liability - Ending</b>	<b>\$ 36,159,766</b>	<b>\$ 31,215,846</b>	<b>\$ 28,280,472</b>	<b>\$ 44,814,470</b>	<b>\$ 39,912,239</b>
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	36,159,766	31,215,846	28,280,472	44,814,470	39,912,239
Total OPEB Liability - Ending	<u>\$ 36,159,766</u>	<u>\$ 31,215,846</u>	<u>\$ 28,280,472</u>	<u>\$ 44,814,470</u>	<u>\$ 39,912,239</u>
District's Covered Employee Payroll	<u>\$ 8,872,015</u>	<u>\$ 9,334,777</u>	<u>\$ 9,557,064</u>	<u>\$ 10,002,904</u>	<u>\$ 10,490,067</u>
Districts' Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%

**Notes to Schedule:**

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

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



**RUMSON SCHOOL DISTRICT**  
**Notes to Required Schedules of Supplementary Information OPEB Liability**  
**For the fiscal year ended June 30, 2022**

Change in benefit terms	Decrease in liability due to Employer's adopting Ch. 44 Provisions
Change in assumptions	Assumptions used in calculating the OPEB liability are presented in Note 8.

**Supplementary Schedules**

**SPECIAL REVENUE FUND**

Rumson School District  
 Special Revenue Fund  
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
 For the Year Ended June 30, 2022

	Total Brought Forward (Ex. E-1a)	ESSER II CARES					Total	
		Title I	Title II	Title IV	Emergency Relief Grant	Coronavirus Relief Fund		
					CRCSA LEARNING ACCEL.	CRCSA MENTAL HEALTH	ARP ESSER	Totals 2022
<b>REVENUES</b>								
Local Sources	461,162							461,162
State Sources	159,454							159,454
Federal Sources	325,344	92,324	11,093	5,557	33,955	266,193	70,757	859,752
<b>Total Revenues</b>	<b>945,960</b>	<b>92,324</b>	<b>11,093</b>	<b>5,557</b>	<b>33,955</b>	<b>266,193</b>	<b>70,757</b>	<b>1,480,368</b>
<b>EXPENDITURES:</b>								
<b>Instruction:</b>								
Personnel Services - Salaries	9,865	84,868						94,733
Salaries of Teachers	28,666				3,000	19,205		41,046
Purchased Professional and Technical Services	2,251,111					25,261		56,927
Other Purchased Services (400-500 series)	20,019					175,316		225,111
General Supplies	11,369							218,987
Textbooks								11,369
<b>Total Instruction</b>	<b>295,030</b>	<b>84,868</b>			<b>3,000</b>	<b>219,782</b>	<b>16,943</b>	<b>648,173</b>
<b>Support Services:</b>								
Personnel Services - Salaries			9,542					40,739
Salaries of Other Professional Staff			1,551					9,542
Employee Benefits		7,456						11,548
Purchased Professional & Technical Services	96,741					32,850		135,191
Purchased Professional - Educational Services	2,949			5,557		2,700		11,206
Supplies & Materials	322,902				30,955	10,861		386,653
Other Objects	34,372							43,350
Student Activities	186,671							186,671
<b>Total Support Services</b>	<b>643,635</b>	<b>7,456</b>	<b>11,093</b>	<b>5,557</b>	<b>30,955</b>	<b>46,411</b>	<b>53,814</b>	<b>824,900</b>
<b>Facilities Acquisition and Const. Serv.:</b>								
Construction Services	22,470							22,470
<b>Total Facilities Acquisition and Const. Serv.</b>	<b>22,470</b>							<b>22,470</b>
<b>Total Expenditures</b>	<b>961,135</b>	<b>92,324</b>	<b>11,093</b>	<b>5,557</b>	<b>33,955</b>	<b>266,193</b>	<b>70,757</b>	<b>1,495,543</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>(15,175)</b>							<b>(15,175)</b>
<b>Fund Balance, July 1</b>	<b>136,657</b>							<b>136,657</b>
<b>Fund Balance, June 30</b>	<b>121,482</b>							<b>121,482</b>

Ramson School District  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Year Ended June 30, 2022

	Total Brought Forward (Ex. E-1b)	IDEA PART B					Ch. 192 - Aux. Serv.			Total Carried Forward
		Basic	ARP Basic	Preschool	ARP Preschool	Non-Public Textbook	Compensatory Education	Non-Public Technology	Non-Public Security	
<b>REVENUES</b>										
Local Sources	461,162									461,162
State Sources	78,213									159,454
Federal Sources	22,365	260,045	26,244	11,253	5,437	11,369			33,236	325,344
<b>Total Revenues</b>	<b>561,740</b>	<b>260,045</b>	<b>26,244</b>	<b>11,253</b>	<b>5,437</b>	<b>11,369</b>			<b>33,236</b>	<b>945,960</b>
<b>EXPENDITURES:</b>										
<b>Instruction:</b>										
Personnel Services - Salaries	9,865									9,865
Salaries of Teachers										28,666
Purchased Professional and Technical Services		225,111								225,111
Other Purchased Services (400-500 series)			12,049							20,019
General Supplies						11,369				11,369
Textbooks										
<b>Total Instruction</b>	<b>9,865</b>	<b>225,111</b>	<b>12,049</b>			<b>11,369</b>				<b>295,030</b>
<b>Support services:</b>										
Personnel Services - Salaries										96,741
Salaries of Other Professional Staff										2,949
Employee Benefits	33,998	34,934	11,119	11,253	5,437					322,902
Purchased Professional & Technical Services			2,949							34,372
Purchased Professional - Educational Services									33,236	
Supplies & Materials	289,666									186,671
Other Objects	34,245		127							
Student Activities	186,671									
<b>Total support services</b>	<b>544,580</b>	<b>34,934</b>	<b>14,195</b>	<b>11,253</b>	<b>5,437</b>				<b>33,236</b>	<b>643,635</b>
<b>Facilities acquisition and const. serv.:</b>										
Construction Services	22,470									22,470
<b>Total facilities acquisition and const. serv.</b>	<b>22,470</b>									<b>22,470</b>
<b>Total Expenditures</b>	<b>576,915</b>	<b>260,045</b>	<b>26,244</b>	<b>11,253</b>	<b>5,437</b>	<b>11,369</b>			<b>33,236</b>	<b>961,135</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>(15,175)</b>									<b>(15,175)</b>
<b>Fund Balance, July 1</b>	<b>136,657</b>									<b>136,657</b>
<b>Fund Balance, June 30</b>	<b>121,482</b>									<b>121,482</b>

Rumson School District  
 Special Revenue Fund  
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
 For the Year Ended June 30, 2022

	Ch. 193 - Handicapped Services							Total Carried Forward		
	ARP After School	ARP Mental Health	Non-Public Supplemental Instruction	Non-Public Corrective Speech	Non-Public Exam & Classification	Non-Public Nursing	SDA GRANT		Other Local Projects	Student Activity Fund
REVENUES										
Local Sources	12,500	9,865	11,762	10,453	12,030	21,498	22,470	289,666	171,496	461,162
State Sources										78,215
Federal Sources										22,565
<b>Total Revenues</b>	<b>12,500</b>	<b>9,865</b>	<b>11,762</b>	<b>10,453</b>	<b>12,030</b>	<b>21,498</b>	<b>22,470</b>	<b>289,666</b>	<b>171,496</b>	<b>561,740</b>
EXPENDITURES:										
Instruction:										
Personnel Services - Salaries		9,865								9,865
Salaries of Teachers										-
Purchased Professional and Technical Services										-
Other Purchased Services (400-500 series)										-
General Supplies										-
Textbooks										-
<b>Total Instruction</b>		<b>9,865</b>								<b>9,865</b>
Support Services:										
Personnel Services - Salaries										-
Salaries of Other Professional Staff										-
Employee Benefits										-
Purchased Professional & Technical Services	12,500					21,498				33,998
Purchased Professional - Educational Services										-
Supplies & Materials			11,762	10,453	12,030			289,666		289,666
Other Objects										34,245
Student Activities									186,671	186,671
<b>Total Support Services</b>	<b>12,500</b>		<b>11,762</b>	<b>10,453</b>	<b>12,030</b>	<b>21,498</b>		<b>289,666</b>	<b>186,671</b>	<b>544,580</b>
Facilities Acquisition and Const. Serv.:										
Construction Services							22,470			22,470
<b>Total Facilities Acquisition and Const. Serv.</b>							<b>22,470</b>			<b>22,470</b>
<b>Total Expenditures</b>	<b>12,500</b>	<b>9,865</b>	<b>11,762</b>	<b>10,453</b>	<b>12,030</b>	<b>21,498</b>	<b>22,470</b>	<b>289,666</b>	<b>186,671</b>	<b>576,915</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)									(15,175)	(15,175)
Fund Balance, July 1									136,657	136,657
Fund Balance, June 30									121,482	121,482

**CAPITAL PROJECTS FUND**

**Rumson School District  
Capital Project Fund  
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis  
For the Year Ended June 30, 2022**

**Revenues and Other Financing Sources:**

Interest on Investments	\$ 3,342
Total revenues and other financing sources	3,342

**Expenditures and Other Financing Uses:**

Construction Services	10,779,282
Other Purchased Prof. and Tech. Services	228,293
Other Objects	542,910
Transfer to Other Funds	3,342
Total expenditures and other financing uses	11,553,827

Excess (deficiency) of revenues over (under) expenditures	(11,550,485)
---	--------------

Fund balance - beginning	11,650,917
--------------------------	------------

Fund balance - ending	\$ 100,432
-----------------------	------------



**Rumson School District  
Capital Project Fund  
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis  
Energy Conservation Measures - Deane-Porter and Forrestdale Schools  
From Inception and For the Year Ended For the Year Ended June 30, 2022**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Lease Proceeds and Transfers	1,629,690		1,629,690	1,629,690
Total revenues	<u>1,629,690</u>	<u>-</u>	<u>1,629,690</u>	<u>1,629,690</u>
<b>Expenditures and Other Financing Uses</b>				
Other Purchased Prof. and Tech. Services	8,500	5,000	13,500	13,500
Equipment Purchases	1,582,785		1,582,785	1,582,785
Other Objects			-	-
Total expenditures	<u>1,591,285</u>	<u>5,000</u>	<u>1,596,285</u>	<u>1,596,285</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u>38,405</u>	\$ <u>(5,000)</u>	\$ <u>33,405</u>	\$ <u>33,405</u>

**Additional project information:**

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

**Runson School District**  
**Capital Project Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis**  
**Additions, Renovations, Alterations and Improvements at Forrestdale and Deane-Porter School**  
**From Inception and For the Year Ended For the 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>				
Bonds Proceeds	25,743,000		25,743,000	25,743,000
Total revenues	<u>25,743,000</u>	<u>-</u>	<u>25,743,000</u>	<u>25,743,000</u>
<b>Expenditures and Other Financing Uses</b>				
Construction Services	12,345,583	10,779,282	23,124,865	23,124,865
Other Purchased Prof. and Tech. Services	1,738,792	223,293	1,962,085	1,962,085
Other Objects	46,113	542,910	589,023	589,023
Total expenditures	<u>14,130,488</u>	<u>11,545,485</u>	<u>25,675,973</u>	<u>25,675,973</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 11,612,512</u>	<u>\$ (11,545,485)</u>	<u>\$ 67,027</u>	<u>\$ 67,027</u>

**Additional project information:**

Project Number	NA
Project Date	NA
Bond Authorization Date	1/22/20
Bonds Authorized	\$25,743,000
Bonds Issued	\$25,743,000
Original Authorized Cost	\$25,743,000
Revised Authorized Cost	\$25,743,000
Percentage Decrease under Original Authorized Cost	0%
Percentage completion	NA
Original target completion date	NA
Revised target completion date	NA

**Rumson School District**  
**Capital Projects Fund**  
**Summary Schedule of Project Expenditures**  
**For the Fiscal Year Ended June 30, 2021**

Project Title/Issue	Approval Date	Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations June 30, 2021
			Prior Years	Current Year	
Additions, renovations, alterations and Improvements at Forrestdale School and Deane-Porter School	1/22/2020	25,743,000	14,130,488	11,545,485	67,027
Energy Conservation Measures - Deane-Porter and Forrestdale School	5/22/2019	1,629,690	1,591,285	5,000	33,405
Totals		\$ 27,372,690	\$ 15,721,773	\$ 11,550,485	\$ 100,432

**PROPRIETARY FUNDS**

**Rumson School District**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2022**

	<b>Business-Type Activities -</b>			<b>Total</b>
	<b>Enterprise Fund</b>			
	<b>Food Service Program</b>	<b>After School Program</b>	<b>Homework Club</b>	<b>Enterprise Fund</b>
<b>Current Assets:</b>				
Cash and Cash Equivalents	131,063	67,000	5,344	203,407
Accounts Receivable				-
Accounts Receivable	2,509			2,509
Inventory	2,116			2,116
Total Current Assets	135,688	67,000	5,344	208,032
<b>Noncurrent Assets:</b>				
<b>Capital Assets:</b>				
Equipment	229,910			229,910
Less Accumulated Depreciation	(206,018)			(206,018)
Total Capital Assets (Net of Accumulated Depreciation)	23,892	-	-	23,892
Total Assets	159,580	67,000	5,344	231,924
<b>LIABILITIES</b>				
<b>Current Liabilities:</b>				
Prepaid Revenue	22,408	-	-	22,408
Total Current Liabilities	22,408	-	-	22,408
Total Liabilities	22,408	-	-	22,408
<b>NET POSITION</b>				
Net investment in capital assets	23,892			23,892
Unrestricted	113,280	67,000	5,344	185,624
Total Net Position	137,172	67,000	5,344	209,516

**Rumson School District**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2022**

	<b>Business-Type Activities -</b>			<b>Total</b>
	<b>Enterprise Fund</b>			
	<b>Food Service</b>	<b>After School</b>	<b>Homework</b>	<b>Enterprise</b>
	<b>Program</b>	<b>Program</b>	<b>Club</b>	<b>Fund</b>
Operating Revenues:				
Charges for Services:				
Daily Sales	672,685			672,685
Miscellaneous	1,135	39,952	5,900	46,987
Operating Expenses:				
Supplies and Materials				-
Maintenance				-
Equipment Rental	11,010			11,010
Maintenance	18,553			18,553
Miscellaneous Expenses	176	34,864	11,978	47,018
Depreciation Expense	4,418			4,418
Insurance				-
Miscellaneous Expenses				-
Total Operating Expenses	<u>613,211</u>	<u>34,864</u>	<u>11,978</u>	<u>660,053</u>
Non-Operating revenues:				
Interest and investment revenue	<u>195</u>			<u>195</u>
Transfers In (Out)				
Change in Net Assets	60,804	5,088	(6,078)	59,814
Total Net Position—Beginning	<u>76,368</u>	<u>61,912</u>	<u>11,422</u>	<u>149,702</u>
Total Net Position—Ending	<u><u>137,172</u></u>	<u><u>67,000</u></u>	<u><u>5,344</u></u>	<u><u>209,516</u></u>

**Rumson School District**  
**Combining Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2022**

	<u>Food Service Program</u>	<u>After School Program</u>	<u>Homework Club</u>	<u>Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from Customers	662,913	39,952	5,900	708,765
Payments to Vendors	(609,236)	(34,864)	(11,978)	(656,078)
Net Cash Provided by (Used for) Operating Activities	<u>53,677</u>	<u>5,088</u>	<u>(6,078)</u>	<u>52,687</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest Income	195			195
Net Cash Provided by (Used for) Investing Activities	<u>195</u>	<u>-</u>	<u>-</u>	<u>195</u>
Net Increase (Decrease) in Cash and Cash Equivalents	53,872	5,088	(6,078)	52,882
Balances—Beginning of Year	77,191	61,912	11,422	150,525
Balances—End of Year	<u>131,063</u>	<u>67,000</u>	<u>5,344</u>	<u>203,407</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>				
Operating Income (Loss)	60,609	5,088	(6,078)	59,619
Adjustments to reconcile operating income (loss) to net cash provided by Adjustments to reconcile operating income (loss) to net cash				
Depreciation	4,418			4,418
Decrease/(Increase) in Accounts Receivable	(2,509)			(2,509)
Decrease/(Increase) in Inventory				-
(Decrease)/Increase in Inventory	(443)			(443)
(Decrease)/Increase in Prepaid Revenue	(8,398)			(8,398)
(Decrease)/Increase in Accounts Payable				-
Total Adjustments	<u>(6,932)</u>	<u>-</u>	<u>-</u>	<u>(6,932)</u>
Net Cash Provided by (Used for) Operating Activities	<u>53,677</u>	<u>5,088</u>	<u>(6,078)</u>	<u>52,687</u>

**LONG-TERM DEBT**



**Ramson School District  
General Long Term Debt Account Group  
Statement of Serial Bonds  
June 30, 2022**

ISSUE	Date of Issue	Amount of Issue	Annual Maturities Date	Amount	Interest Rate	Balance July 1, 2021	Issued	Retired	Balance June 30, 2022
2009 Serial Bonds	5/19/2009	\$ 1,257,000	2012/03	110,000	4.125%				
			2012/04	117,000	4.125%	332,000		105,000	227,000
2013 Refunding School Bonds	5/15/2013	4,535,000	9/01/2022	720,000	4.000%	1,435,000		715,000	720,000
2020 School Bonds	3/3/2020	25,743,000	7/15/2022	835,000	2.000%				
			7/15/2023	1,065,000	2.000%				
			7/15/2024	1,090,000	2.000%				
			7/15/2025	1,120,000	2.000%				
			7/15/2026	1,150,000	2.000%				
			7/15/2027	1,175,000	2.000%				
			7/15/2028	1,205,000	2.000%				
			7/15/2029	1,235,000	2.000%				
			7/15/2030	1,265,000	2.000%				
			7/15/2031	1,300,000	2.000%				
			7/15/2032	1,335,000	2.125%				
			7/15/2033	1,375,000	2.125%				
			7/15/2034	1,410,000	2.250%				
			7/15/2035	1,450,000	2.375%				
		7/15/2036	1,490,000	2.375%					
		7/15/2037	1,530,000	2.375%					
		7/15/2038	1,580,000	2.500%					
		7/15/2039	1,625,000	2.500%					
		7/15/2040	1,670,000	2.500%					
						25,743,000		838,000	24,905,000
						\$ 27,510,000		\$ 1,653,000	\$ 25,857,000

**Rumson School District**  
**General Long Term Debt Account Group**  
**Statement of Obligations Under Financed Purchase Agreements**  
**June 30, 2022**

ISSUE	Date of Issue	Amount of Issue	Date	Annual Maturities	Interest Rate	Balance July 1, 2021	Issued	Retired	Balance June 30, 2022	
Acquisition of Energy Conservation Equipment	6/27/2019	\$ 1,629,690	7/15/2022	43,932	2.560%					
			1/15/2023	43,931						
			7/15/2023	46,412						
			1/15/2024	46,412						
			7/15/2024	47,710						
			1/15/2025	47,709						
			7/15/2025	40,237						
			1/15/2026	40,237						
			7/15/2026	42,474						
			1/15/2027	42,475						
			7/15/2027	44,795						
			1/15/2028	44,795						
			7/15/2028	47,204						
			1/15/2029	47,204						
			7/15/2029	49,704						
			1/15/2030	49,704						
			7/15/2030	52,296						
		1/15/2031	52,296							
		7/15/2031	54,985							
		1/15/2032	54,985							
		7/15/2032	57,772							
		1/15/2033	57,773							
		7/15/2033	60,663							
		1/15/2034	60,663							
		7/15/2034	63,660							
		1/15/2035	63,660							
						1,446,783		143,094	1,303,689	
						\$ 1,446,783	-	143,094	\$ 1,303,689	

**Rumson School District  
Budgetary Comparison Schedule  
Debt Service Fund  
For the Year Ended June 30, 2022**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	1,651,507		1,651,507	1,651,507	-
State Sources:					
Debt Service Aid Type II	509,388		509,388	509,388	-
<b>Total Revenues</b>	<b>2,160,895</b>	-	<b>2,160,895</b>	<b>2,160,895</b>	-
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	571,218		571,218	571,218	-
Redemption of Principal	1,658,000		1,658,000	1,658,000	-
Total Regular Debt Service	2,229,218	-	2,229,218	2,229,218	-
<b>Total expenditures</b>	<b>2,229,218</b>	-	<b>2,229,218</b>	<b>2,229,218</b>	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(68,323)	-	(68,323)	(68,323)	-
Other Financing Sources:					
Operating Transfers In:					
Transfer from Capital Projects Fund				3,342	3,342
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(68,323)	-	(68,323)	(64,981)	3,342
Fund Balance, July 1	81,989		81,989	81,989	-
Fund Balance, June 30	13,666	-	13,666	17,008	3,342

**STATISTICAL SECTION**

## STATISTICAL SECTION (UNAUDITED)

### Introduction to the Statistical Section

#### Financial Trends

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

#### Revenue Capacity

- J-6 Assessed Value and Estimated Actual Value of Taxable Property
- J-7 Direct and Overlapping Property Tax Rates
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#### Debt Capacity

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- J-12 Direct and Overlapping Governmental Activities Debt
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- J-14 Demographic and Economic Statistics
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- J-16 Full-time Equivalent District Employees by Function/Program
- J-17 Operating Statistics
- J-18 School Building Information\*
- J-19 Schedule of Allowable Maintenance Expenditures by School Facility
- J-20 Insurance Schedule

## STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

### J SERIES

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changes over time.	<b>J-1 to J-5</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the district's most significant local revenue sources, the property tax.	<b>J-6 to J-9</b>
<b>Debt Capacity</b> 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.	<b>J-10 to J-13</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	<b>J-14 to J-15</b>
<b>Operating Information</b> 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.	<b>J-16 to J-20</b>

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2004; schedules presenting district-wide information include information beginning in that year.

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Governmental Activities</b>										
Invested in Capital Assets, Net of Related Debt	7,119,583	8,076,411	4,720,542	4,254,125	4,324,181	4,610,562	3,808,572	(18,564,523)	(5,708,227)	8,254,108
Restricted	2,417,359	1,955,546	1,765,187	2,155,894	2,489,215	3,086,417	3,413,641	28,415,357	16,893,138	4,557,310
Unrestricted	202,580	209,395	(3,039,544)	(3,297,369)	(3,591,275)	(3,717,104)	(2,433,650)	(3,861,485)	(3,989,817)	(3,645,336)
<b>Total Governmental Activities Net Assets</b>	<b>9,739,522</b>	<b>10,241,352</b>	<b>3,446,185</b>	<b>3,112,650</b>	<b>3,222,121</b>	<b>3,979,875</b>	<b>4,788,563</b>	<b>5,989,349</b>	<b>7,195,094</b>	<b>9,166,082</b>
<b>Business-type Activities</b>										
Invested in Capital Assets, Net of Related Debt	67,867	64,957	56,427	48,396	54,646	52,686	43,427	35,488	28,310	23,892
Restricted	90,076	124,116	132,610	174,894	102,688	52,656	116,341	129,256	121,392	185,624
Unrestricted	157,943	189,073	189,037	223,290	157,334	105,322	159,768	164,744	149,702	209,516
<b>Total Business-type Activities Net Assets</b>	<b>315,886</b>	<b>378,146</b>	<b>378,074</b>	<b>446,580</b>	<b>314,668</b>	<b>210,664</b>	<b>319,536</b>	<b>329,488</b>	<b>299,404</b>	<b>418,952</b>
<b>District-wide</b>										
Invested in Capital Assets, Net of Related Debt	7,187,450	8,141,368	4,776,969	4,302,521	4,378,827	4,663,248	3,851,999	(18,529,035)	(5,679,917)	8,278,000
Restricted	2,417,359	1,955,546	1,765,187	2,155,894	2,489,215	3,086,417	3,413,641	28,415,357	16,893,138	4,557,310
Unrestricted	292,656	333,511	(2,906,934)	(3,122,475)	(3,488,587)	(3,664,468)	(2,317,309)	(3,732,229)	(3,868,425)	(3,459,712)
<b>Total District Net Assets</b>	<b>9,897,465</b>	<b>10,450,425</b>	<b>3,635,222</b>	<b>3,335,940</b>	<b>3,379,455</b>	<b>4,085,197</b>	<b>4,948,331</b>	<b>6,154,093</b>	<b>7,344,796</b>	<b>9,375,598</b>

Source: CAFR Schedules A-1

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

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Expenses</b>										
Governmental Activities:										
Instruction:										
Regular	(5,073,182.07)	(5,248,664.42)	(5,015,205.00)	(5,301,714.00)	(5,356,025)	(5,693,759)	(5,859,216)	(6,040,962)	(7,420,311)	(6,767,970)
Special Education	(985,393.94)	(1,017,118.09)	(1,390,056.00)	(1,279,269.00)	(1,640,340)	(1,628,625)	(2,169,831)	(1,771,866)	(1,320,173)	(1,378,524)
Other Special Education	(55,892.53)	(58,068.14)	(54,378.00)	(189,771.00)	(303,653)	(224,234)	(297,062)	(462,935)	(271,415)	(672,224)
Other Instruction	(55,166.90)	(57,722.23)	(55,866.00)	(90,437.00)	(129,045)	(147,942)	(172,047)	(462,935)	(271,415)	(672,224)
Support Services:										
Tuition	(466,294.58)	(470,232.60)	(432,509.00)	(429,648.00)	(414,753)	(123,595)	(263,737)	(31,256)	(97,685)	(41,638)
Student & Instruction Related Services	(1,739,874.45)	(1,796,507.39)	(1,834,965.00)	(1,971,256.00)	(2,037,637)	(2,209,244)	(2,274,265)	(2,279,141)	(2,396,564)	(3,043,766)
School Administrative Services	(401,233.51)	(396,896.44)	(568,425.00)	(512,764.00)	(443,349)	(452,378)	(462,921)	(483,114)	(451,069)	(463,752)
General Administrative Services	(473,433.28)	(568,845.95)	(864,183.00)	(796,344.00)	(458,025)	(429,366)	(507,083)	(447,219)	(504,369)	(495,584)
Central Services	(316,016.04)	(301,781.92)	(254,286)	(254,286)	(254,286)	(267,195)	(269,137)	(285,205)	(268,817)	(274,904)
Admin. Info. Technology	(99,305.30)	(110,880.63)	(41,067)	(41,067)	(41,067)	(51,385)	(49,952)	(48,388)	(61,062)	(53,982)
Plant Operations and Maintenance	(1,050,906.15)	(1,124,753.87)	(1,166,708.00)	(1,132,554.00)	(1,106,738)	(1,048,452)	(1,252,321)	(1,412,097)	(1,198,053)	(1,671,364)
Pupil Transportation	(794,566.76)	(806,427.55)	(676,138.00)	(4,467,248.00)	(638,330)	(613,189)	(521,922)	(538,250)	(538,250)	(648,231)
Employee Benefits	(285,839.02)	(285,245.21)	(218,024.00)	(618,832.00)	(20,259)	(21,419)	(25,054)	(7,456,876)	(21,418)	(85,785)
Non-depreciable Capital Outlay	(3,929,197.33)	(3,709,577.25)	(4,636,758.00)	(572,724.00)	(178,444)	(9,248,932)	(8,173,000)	(315,554)	(9,016,533)	(9,017,775)
Interest on Long-term Debt	(172,268.41)	(537,189.00)			(620,234)	(537,019)	(502,771)	(478,079)	(461,376)	(540,951)
Unallocated Depreciation										
Amortization of Loss on Debt Issuance										
Total Governmental Activities Expenses	(15,898,370.27)	(16,487,910.69)	(16,913,215.00)	(18,296,736.00)	(21,911,482)	(22,849,379)	(22,963,658)	(22,034,614)	(24,588,835)	(25,697,162)
Business-type Activities:										
Food Service	(340,024.40)	(388,172.92)	(433,077.00)	(431,607.00)	(563,233)	(626,108)	(518,010)	(405,673)	(15,393)	(613,211)
Rumson After School Academy	(47,378.00)	(39,997.00)			(46,831)	(44,110)	(38,110)	(28,723)	(34,864)	(34,864)
Homework Club						(5,466)	(7,870)	(5,143)		(11,978)
Total Business-type Activities Expenses	(387,402.40)	(428,169.92)	(433,077.00)	(431,607.00)	(610,064)	(675,684)	(563,990)	(439,539)	(15,393)	(660,053)
Total District Expenses	(16,285,972.67)	(16,916,080.61)	(17,346,292.00)	(18,728,343.00)	(22,521,546)	(23,525,063)	(23,527,648)	(22,474,153)	(24,604,228)	(26,357,215)
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
Instruction	175,025.00	186,858.00	183,266.00	148,325.00	166,150	357,085	249,150	259,950	130,703	259,700
Operating Grants and Contributions	156,456.08	581,572.37	482,453.00	498,839.00	710,698	687,783	1,090,500	705,439	976,520	1,480,368
Capital Grants and Contributions										
Total Governmental Activities Program Revenues	331,481.08	768,430.37	665,719.00	647,164.00	876,848	1,044,868	1,339,650	965,389	1,107,223	1,740,068
Business-type Activities:										
Charges for Services:										
Food Service	377,355.27	418,592.26	431,493.00	465,645.00	516,390	575,808	565,029	400,748	132	673,820
Rumson After School Academy	47,378.00	39,997.00			53,620	50,690	41,669	33,583	80	39,952
Homework Club						9,300	10,980	9,621		5,900
Capital Grants										
Total Business-type Activities Program Revenues	424,733.27	458,589.26	431,493.00	465,645.00	570,010	635,798	617,678	443,952	212	719,672
Total District Program Revenues	756,214.35	1,227,019.63	1,097,212.00	1,112,809.00	1,446,858	1,680,666	1,957,328	1,409,341	1,107,435	2,459,740



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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Net (Expense)/Revenue</b>										
Governmental Activities	(15,567,089)	(15,719,480)	(16,247,496)	(17,649,572)	(21,034,634)	(21,804,511)	(21,624,008)	(21,069,225)	(23,481,612)	(23,957,094)
Business-type Activities	37,331	30,419	(1,584)	34,038	(40,054)	(39,886)	53,688	4,413	(15,181)	59,619
Total District-wide Net Expense	(15,529,758)	(15,689,061)	(16,249,080)	(17,615,534)	(21,074,688)	(21,844,397)	(21,570,320)	(21,064,812)	(23,496,793)	(23,897,475)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes	13,419,218.00	13,687,602.00	13,961,354.00	14,315,581.00	14,745,047	15,313,255	16,078,918	16,483,219	16,812,883	17,149,141
Taxes Levied for Debt Service	757,739.00	755,187.00	688,205.00	680,692.00	722,225	746,247	820,709	848,801	1,290,241	1,651,507
Unrestricted/Restricted Federal and State Aid	2,295,818.73	1,671,332.82	2,051,159.00	2,275,085.00	5,590,162	6,443,350	5,386,125	4,714,680	6,172,760	7,027,697
Investment Earnings	4,442.74	1,261.76	4,077.00	5,354.00			4	41,419	13,802	24,951
Miscellaneous Income	93,006.67	39,810.61	(70,129.00)	39,325.00	86,671	59,413	146,940	181,892	166,812	74,786
Transfers										
Total Governmental Activities	16,570,245.14	16,155,194.19	16,634,666.00	17,316,037.00	21,144,105	22,562,265	22,432,696	22,270,011	24,456,498	25,928,082
Business-type Activities:										
Investment Earnings	89.97	710.92	140.00	215.00		473	758	563	139	195
Total Business-type Activities	89.97	710.92	140.00	215.00		473	758	563	139	195
Total District-wide	16,570,335.11	16,155,905.11	16,634,806.00	17,316,252.00	21,144,105	22,562,738	22,433,454	22,270,574	24,456,637	25,928,277
<b>Change in Net Position</b>										
Governmental Activities	1,003,155.95	435,713.87	387,170.00	(333,535.00)	109,471	757,754	808,688	1,200,786	974,886	1,970,988
Business-type Activities	37,420.84	31,130.26	(1,444.00)	34,253.00	(40,054)	(39,413)	54,446	4,976	(15,042)	59,814
Total District	1,040,576.79	466,844.13	385,726.00	(299,282.00)	69,417	718,341	863,134	1,205,762	959,844	2,030,802

Source: CAFR, A-2

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

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>General Fund</b>										
Reserved										
Unreserved		1,813,639	1,642,940	2,094,713	2,481,623	2,969,253	3,392,075	4,456,856	3,782,572	3,966,551
Restricted	118,736	175,505	75,501	56,606	1,838	111,430	21,566	78,444	1,244,767	351,837
Assigned	412,588	387,098	424,753	405,482	408,932	355,394	430,429	419,696	547,337	548,505
Unassigned										
<b>Total General fund</b>	<b>2,386,382</b>	<b>2,376,242</b>	<b>2,143,194</b>	<b>2,556,801</b>	<b>2,892,413</b>	<b>3,436,077</b>	<b>3,844,070</b>	<b>4,954,996</b>	<b>5,574,676</b>	<b>4,866,893</b>
<b>All Other Governmental Funds</b>										
Reserved										
Restricted, Reported in:										
Special Revenue Fund	96,155	4,575	4,575	4,575	5,734	5,734	1,142,333	23,890,178	136,657	121,482
Capital Projects Fund	20	42,172	42,171				5,738	68,323	11,650,917	100,432
Debt Service Fund									81,989	17,008
Unreserved, Reported in:										
Capital Projects Fund	494,846	136,829								
Debt Service	69	35,000								
<b>Total Other Governmental Funds</b>	<b>591,090</b>	<b>218,576</b>	<b>46,746</b>	<b>4,575</b>	<b>5,734</b>	<b>5,734</b>	<b>1,148,071</b>	<b>23,958,501</b>	<b>11,869,563</b>	<b>238,922</b>

Source: CAFR B-1

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

**Borough of Rumson School District  
Governmental Fund Expenditures by Function  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
Unaudited**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues</b>										
Tax Levy	14,176,977	14,442,789	14,649,559	14,996,273	15,467,272	16,059,502	16,899,627	17,332,020	18,103,124	18,800,648
Other Local Revenue	272,555	227,931	240,480	200,081	421,505	520,627	868,796	603,253	639,498	820,599
State Sources	2,049,422	1,944,286	2,199,264	2,412,972	2,718,928	3,115,814	3,666,841	3,869,024	4,927,238	6,373,447
Federal Sources	402,853	308,619	334,348	360,952	367,656	400,628	415,457	383,770	509,459	859,752
<b>Total Revenues</b>	<b>16,901,787</b>	<b>16,923,625</b>	<b>17,423,651</b>	<b>17,970,278</b>	<b>18,975,361</b>	<b>20,096,571</b>	<b>21,850,701</b>	<b>22,188,067</b>	<b>24,179,319</b>	<b>26,854,446</b>
<b>Expenditures</b>										
Instruction:										
Regular	5,073,182	5,248,644	5,015,205	5,128,700	5,321,658	5,674,159	5,859,216	5,842,725	7,217,339	6,766,519
Special	985,394	1,019,118	1,390,056	1,279,269	1,640,340	1,628,625	2,169,831	1,771,866	1,320,173	1,378,524
Other	55,893	58,068	54,378	189,771	303,653	224,234	297,062	462,935	271,415	672,224
School Sponsored/Other Inst.	55,167	57,722	55,866	90,437	129,045	147,942	172,047			
Support Services:										
Tuition								31,256	97,685	41,638
Instruction										
Students	2,206,168	2,114,762	2,267,474	2,400,904	2,452,390	2,332,839	2,538,002	2,279,141	2,396,564	3,043,766
Instructional Staff										
General Administration	401,234	396,896	568,425	796,344	458,025	429,366	507,083	447,219	504,369	495,584
School Administration	473,433	568,846	864,183	512,764	443,349	452,378	462,921	483,114	451,069	463,752
Central Services	316,016	301,782			254,286	267,195	269,137	285,205	268,817	274,904
Admin. Information Technology	99,305	110,881			41,067	51,385	49,952	48,388	61,062	53,982
Operations and Maintenance	1,105,820	1,274,754	1,166,708	1,132,554	1,106,738	1,048,452	1,252,321	1,412,097	1,335,039	1,671,364
Student Transportation	794,567	806,428	676,138	716,879	638,330	613,189	563,659	521,922	538,250	648,231
Business and Other Support Services	3,929,197	3,673,027	4,091,635	4,379,599	4,833,039	5,678,837	6,303,919	6,493,618	7,692,584	8,637,821
Capital Outlay	141,436	648,303	588,439	137,474	194,550	162,486	623,191	3,040,005	12,394,770	12,815,343
Debt Service:										
Principal	555,000	570,000	590,000	605,000	620,000	665,000	715,000	770,000	790,000	1,658,000
Interest and Other Charges	319,201	234,513	239,926	222,071	202,120	176,820	146,720	120,220	540,300	571,218
<b>Total Governmental Fund Expenditures</b>	<b>16,511,015</b>	<b>17,083,744</b>	<b>17,568,433</b>	<b>17,591,766</b>	<b>18,638,390</b>	<b>19,552,907</b>	<b>21,930,061</b>	<b>24,009,711</b>	<b>35,879,436</b>	<b>39,192,870</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	390,774	(160,119)	(144,782)	378,512	336,771	543,664	(79,360)	(1,821,644)	(11,700,117)	(12,338,424)
<b>Other Financing Sources (Uses)</b>										
Operating Transfers In	594,020	100,000	25,239					61,981	13,666	3,342
Operating Transfers Out	(594,020)	(100,000)	(148,505)	(7,077)				(61,981)	(13,666)	(3,342)
Proceeds from Borrowing							1,629,690	25,743,000		
Proceeds from Refunding	5,155,338									
Payments to Escrow Agent	(5,155,338)									
<b>Total Other Financing Sources (Uses)</b>	<b>390,774</b>	<b>(160,119)</b>	<b>(268,048)</b>	<b>371,435</b>	<b>336,771</b>	<b>543,664</b>	<b>1,629,690</b>	<b>25,743,000</b>	<b>(11,700,117)</b>	<b>(12,338,424)</b>
<b>Net Changes in Fund Balance</b>										
Debt Service as a percentage of noncapital expenditures	5.34%	4.89%	4.89%	4.74%	4.46%	4.34%	4.04%	4.25%	5.66%	8.45%

Source: CAFR Schedule B-2

Note: Noncapital expenditures are total expenditures less capital outlay.

Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005.

Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

(1) Prior to 2014 special revenue fund instruction was classified as regular instruction, this was corrected in 2014 to special education instruction.

## Borough of Rumson School District

General Fund Other Local Revenue by Source  
Last Ten Fiscal Years  
Unaudited

<u>Fiscal Year Ended June 30,</u>	<u>Tuition</u>	<u>Interest Income</u>	<u>Miscellaneous</u>	<u>Total</u>
2013	175,025	4,443	93,067	272,535
2014	186,858	1,262	39,811	227,931
2015	183,266	4,077	53,137	240,480
2016	148,325	5,354	46,402	200,081
2017	166,150		86,671	252,821
2018	357,085		59,413	416,498
2019	249,150		146,940	396,090
2020	259,950		119,307	379,257
2021	103,500	12,554	154,394	270,448
2022	259,700	24,951	71,444	356,095

Source: District records.

Borough of Ramson School District  
 Assessed and Estimated Actual Value of Taxable Property  
 Last Ten Fiscal Years  
 Unaudited

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Res.	Ofarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax Exempt Property	Public Utilities	Net Assessed Valuation Taxable	Estimated Actual (County Equated) Value	Total Direct School Tax Rate
										a		b	b
2012	41,969,100	2,809,054,000	n/a	30,200	103,446,700	0	628,700	2,953,108,700	0	1,363,484	2,956,472,184	3,482,171,902	0.869
2013	54,489,000	2,377,576,100	n/a	36,800	99,895,900	0	628,700	2,912,416,500	0	1,277,630	2,913,694,130	3,441,790,050	0.903
2014	51,516,500	3,717,044,600	2,973,000	13,800	112,110,600	0	672,300	3,287,908,000	0	1,830,000	3,285,449,000	3,334,509,000	0.820
2015	47,011,900	3,192,119,600	7,361,700	25,000	80,679,000	0	313,338,400	3,354,335,600	0	1,054,732	3,355,860,832	3,385,349,190	0.818
2016	38,095,200	3,190,340,400	6,891,700	29,000	111,691,600	0	488,900	3,448,782,800	0	1,126,150	3,447,608,500	3,359,860,332	0.816
2017	35,813,400	3,286,040,000	6,898,500	25,600	110,281,900	0	1,028,700	3,447,248,300	0	1,128,274	3,446,122,574	3,279,789,415	0.845
2018	51,604,600	3,404,044,400	7,043,700	35,600	110,367,200	0	1,196,200	3,570,498,200	0	1,121,447	3,571,048,447	3,462,190,705	0.851
2019	46,192,200	3,799,100,000	19,209,000	9,000	146,106,800	0	1,060,000	3,676,764,700	0	1,137,771	3,677,902,471	3,724,234,999	0.850
2020	39,089,600	3,714,674,000	16,011,200	9,000	146,106,800	0	1,057,400	3,953,735,700	0	1,154,480	3,954,890,180	941,170,506	827
2021	37,194,900	3,832,861,700	19,918,900	10,200	145,210,700	0	1,102,200	4,036,298,600	0	1,239,257	4,037,537,857	3,974,777,200	0.831

Source: Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (air or market value) established by each County Board of Taxation.

Reassessment occurs when County Board of Taxation requests Treasury to order a reassessment.

(a) Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies.

(b) Tax rates are per \$100 of assessed value.

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

Assessment Year	<u>Overlapping Rates</u>				Total Direct and overlapping Tax Rate
	Total Direct School Tax Rate	Total Direct Regional School Tax Rate	Runson Borough	Monmouth County	
2012	0.480	0.389	0.342	0.301	1.512
2013	0.496	0.407	359	0.346	1.608
2014	0.446	0.374	0.322	0.315	1.457
2015	0.446	0.372	0.329	0.306	1.453
2016	0.448	0.368	0.327	0.289	1.432
2017	0.467	0.378	0.335	0.289	1.469
2018	0.473	0.378	0.333	0.298	1.482
2019	0.472	0.378	0.333	0.286	1.469
2020	0.460	0.367	325	0.281	1.433
2021	0.466	0.365	0.323	0.269	1.423

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

(a) The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the net valuation taxable.

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

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

	2022			2012		
	Taxable Assessed Value	Rank Optional	% of District's Net Assessed Valuation	Taxable Assessed Value	Rank Optional	% of District's Net Assessed Valuation
Rumson Country Club	47,560,200	1	1.18% Taxpayer #1	28,346,300	1	0.96%
Barley Point, Inc.	21,971,700	2	0.54% Taxpayer #2	12,161,500	2	0.41%
Clinton GRP LLC	13,726,400	3	0.34% Taxpayer #3	10,501,300	3	0.36%
Taxpayer #1	12,243,700	4	0.30% Taxpayer #4	9,499,200	4	0.32%
Taxpayer #2	10,756,600	5	0.27% Taxpayer #5	7,100,000	5	0.24%
Taxpayer #3	9,457,900	6	0.23% Taxpayer #6	7,000,000	6	0.24%
Taxpayer #4	8,600,500	7	0.21% Taxpayer #7	6,931,300	7	0.23%
Taxpayer #5	7,980,000	8	0.20% Taxpayer #8	6,450,000	8	0.22%
Taxpayer #6	7,683,700	9	0.19% Taxpayer #9	6,436,000	9	0.22%
Taxpayer #7	7,280,300	10	0.18% Taxpayer #10	5,700,000	10	0.19%
	<u>147,261,000</u>		<u>3.65%</u>	<u>100,125,600</u>		<u>3.39%</u>

Source: Municipal Tax Assessor's Office.

Borough of Rumson School District

School Tax Levies and Collections  
Last Ten Years  
Unaudited

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2013	14,176,977	14,176,977	100.00%	n/a
2014	14,442,789	14,442,789	100.00%	n/a
2015	14,649,559	14,649,559	100.00%	n/a
2016	14,996,273	14,996,273	100.00%	n/a
2017	15,467,271	15,467,271	100.00%	n/a
2018	16,059,502	16,059,502	100.00%	n/a
2019	16,899,627	16,899,627	100.00%	n/a
2020	17,332,020	17,332,020	100.00%	n/a
2021	18,103,124	18,103,124	100.00%	n/a
2022	18,800,648	18,800,648	100.00%	n/a

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

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



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

Fiscal Year Ended June 30,	Governmental Activities			Bond		Business-Type		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Certificates of Participation	Capital Leases	Anticipation Notes (BANs)	Capital Leases	Capital Leases				
2012	8,094,000	-	-	-	-	-	8,094,000	1.9%	1,142.41	
2013	7,092,000	-	-	-	-	-	7,092,000	1.9%	1,006.39	
2014	6,522,000	-	-	-	-	-	6,522,000	1.5%	931.05	
2015	5,932,000	-	-	-	-	-	5,932,000	1.3%	850.10	
2016	5,327,000	-	-	-	-	-	5,327,000	1.1%	769.13	
2017	4,707,000	-	-	-	-	-	4,707,000	1.0%	689.77	
2018	4,042,000	-	-	-	-	-	4,042,000	0.7%	596.52	
2019	3,327,000	-	1,629,690	-	-	-	4,956,690	0.9%	738.26	
2020	28,300,000	-	1,583,769	-	-	-	29,883,769	4.8%	4,104.91	
2021	27,510,000	-	1,746,783	-	-	-	28,956,783	N/A	N/A	
2022	25,852,000	-	1,303,689	-	-	-	27,155,689	N/A	N/A	

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

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

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

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding				Percentage of Actual Taxable Value <sup>a</sup> of Property	Net Valuation Taxable
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding			
2012	8,094,000	-	8,094,000	0.274%	2,956,472,184	
2013	7,092,000	-	7,092,000	0.240%	913,694,130	
2014	6,522,000	-	6,522,000	0.221%	2,285,349,130	
2015	5,937,000	-	5,932,000	0.204%	3,359,867,332	
2016	5,327,000	-	5,327,000	0.162%	3,358,730,600	
2017	4,707,000	-	4,707,000	0.140%	3,447,285,800	
2018	4,042,000	-	4,042,000	0.117%	3,440,042,300	
2019	3,327,000	-	3,327,000	0.970%	3,638,388,422	
2020	28,300,000	-	28,300,000	0.770%	677,902,471	
2021	27,510,000	-	27,510,000	0.690%	3,934,890,180	
2022	25,582,000	-	25,582,000	0.630%	4,037,537,857	

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

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

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

**Borough of Rumson School District  
Direct and Overlapping Governmental Activities Debt  
As of June 30, 2022  
Unaudited**

<u>Borough of Rumson</u>	<u>Net Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Borough of Rumson	\$ 8,499,826	100.000%	\$ 8,499,826
Monmouth County General Obligation Net Debt	469,997,108	3.060%	14,381,912
			<hr/>
Subtotal, overlapping debt			22,881,737
<b>Rumson School District Direct Debt</b>			<hr/>
			27,155,689
<b>Total direct and overlapping debt</b>			<hr/> <hr/>
			\$ 50,037,426

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

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

(a) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

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

Legal Debt Margin Calculation for Fiscal Year 2021

Equalized valuation basis

2021	4,036,298,600
2020	3,944,385,541
2019	\$ 3,851,628,640

[A] \$ 11,832,312,781

[A/3] \$ 3,944,104,260

[B]	118,323,128	a
[C]	27,155,689	
[B-C]	\$ 91,167,439	

Average equalized valuation of taxable property  
 Debt limit (3 % of average equalization value)  
 Total Net Debt Applicable to Limit  
 Legal debt margin

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Borough of Rumson:</b>										
Debt limit	\$ 102,708,174	\$ 101,412,826	\$ 100,392,707	\$ 100,161,012	\$ 101,021,976	\$ 102,259,538	\$ 105,280,664	\$ 109,532,835	\$ 114,713,330	\$ 118,323,128
Total net debt applicable to limit	7,092,000	6,522,000	5,932,000	5,327,000	4,707,000	4,042,000	3,327,000	29,883,769	28,956,783	27,155,689
Legal debt margin	\$ 95,616,174	\$ 94,890,826	\$ 94,460,707	\$ 94,834,012	\$ 96,314,976	\$ 98,217,538	\$ 101,953,664	\$ 79,649,066	\$ 85,756,547	\$ 91,167,439
Total net debt applicable to the limit as a percentage of debt limit	6.91%	6.43%	5.91%	5.32%	4.66%	3.95%	3.16%	27.28%	25.24%	22.95%

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation  
 (a) Limit set by NJSA 18A:24-19 for a K through S district; other % limits would be applicable for other district types.

## Borough of Rumson School District

Demographic and Economic Statistics  
Last Ten Fiscal Years  
Unaudited

<b>Fiscal Year Ended June 30,</b>	<b>Population (a)</b>	<b>Personal Income (b)</b>	<b>Per Capita Personal Income (c)</b>	<b>Unemployment Rate (d)</b>
2009	7,309	416,357,185	56,965	3.10%
2010	7,110	408,021,570	57,387	5.20%
2011	7,085	424,214,375	59,875	5.30%
2012	7,047	366,422,859	51,997	5.50%
2013	7,005	440,621,505	62,901	4.50%
2014	6,978	460,680,582	66,019	4.40%
2015	6,926	480,733,660	69,410	4.60%
2016	6,824	486,121,288	71,237	4.40%
2017	6,864	517,511,280	75,395	3.30%
2018	6,776	541,930,928	79,978	3.00%
2019	6,714	554,247,414	82,551	2.10%
2020	7,280	626,742,480	86,091	4.20%

**Source:**

- (a) Population information provided by the NJ Department of Labor and Workforce Development.
- (b) Personal income has been estimated based on the municipal population and per capita personal income presented
- (c) Per capita personal income from Bureau of Economic Analysis.  
Estimates for 2010-2020 reflect county population estimates available on DOE site.
- (d) Unemployment data provided by the NJ Dept. of Labor and Workforce Development April 2020

**Borough of Rumson School District**

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

**Information not available**

Source: Municipal Tax Assessor's Office.

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Instruction:										
Regular	65.00	66.00	67.00	67.00	67.00	73.00	77.00	77.00	77.00	76.00
Special Education	19.00	21.00	21.00	18.00	18.00	18.00	20.00	20.00	20.00	18.00
Other Special Instruction	3.00	3.00	3.00	12.00	12.00	13.00	11.00	11.00	11.00	11.00
Other Instruction	13.00	14.00	13.00	13.00	15.00	15.00	15.00	15.00	11.00	2.00
Support Services:										
Student & Instruction Related Services	6.00	6.00	6.00	15.00	16.00	16.00	16.00	10.00	10.00	10.00
Other Support Services	5.00	6.00	6.00	2.00	2.00	2.00	2.00	2.00	2.00	14.00
School Administrative Services	5.00	5.00	5.00	5.00	5.00	5.00	4.00	4.00	4.00	5.00
General Administrative Services	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	2.00	2.00
Central Services & Admin. Info. Technology								6.00	6.00	10.00
Plant Operations and Maintenance	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	11.00
Pupil Transportation								4.00	-	-
Total	130.00	135.00	135.00	146.00	149.00	156.00	159.00	163.00	153.00	159.00

BOROUGH OF RUMSON SCHOOL DISTRICT

Operating Statistics  
Last Ten Fiscal Years  
Unaudited

Fiscal Year Ended June 30,	Enrollment (a)	Operating Expenditures	Cost Per Pupil (b)	Percentage Change	Teaching Staff (c)	Pupil/Teacher Ratio	Average Daily Enrollment (d)	Average Daily Attendance (d)	% Change in Average Daily Enrollment	Student Attendance Percentage
2013	994.0	15,630,037	17,288	9.01%	87.0	11.4	1,005.0	964.4	1.46%	97.02%
2014	973.0	15,729,633	17,386	0.05%	90.0	10.8	976.5	935.4	-2.84%	96.14%
2015	972.0	16,411,288	18,320	5.37%	91.0	10.7	972.0	929.0	-0.46%	95.58%
2016	944.0	17,139,219	18,633	1.70%	94.0	10.0	964.1	926.9	-0.81%	96.13%
2017	981.0	17,106,931	19,305	1.04%	95.0	10.33	988	948.7	2.48%	96.02%
2018	1033.0	18,023,304	22,320	15.60%	101.0	11.70	1,036	991.4	5.00%	95.61%
2019	992.0	19,406,221	19,562	(12.36)%	99.6	10.03	999	955	-4.00%	95.80%
2020	1007.0	19,374,047	19,239	(1.66)%	102.0	9.80	1,004	960	0.54%	96.22%
2021	935.0	17,504,801	18,722	15.60%	109.0	8.58	933	906.0	-7.00%	96.90%
2022	914.0	18,143,622	19,851	5.68%	111.0	8.23	912	867.9	-2.25%	95.01%

Source:

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

Note:

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



**BOROUGH OF RUMSON SCHOOL DISTRICT**

School Building Information  
Last Ten Fiscal Years  
Unaudited

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Elementary:										
Square Feet	56,962	56,962	56,962	56,962	56,962	56,962	56,962	56,962	56,962	56,962
Capacity (students)	480	480	480	480	480	480	480	480	480	480
Enrollment	426	401	401	408	403	407	383	407	358	363
Middle										
Square Feet	91,924	91,924	91,924	91,924	91,924	91,924	91,924	91,924	91,924	91,924
Capacity (students)	720	720	720	720	720	720	720	720	720	720
Enrollment	568	575	575	555	578	626	609	600	575	551

Number of Schools at June 30, 2022

Elementary	1
Middle	1

Source: District Records

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

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

Exhibit J-19

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

School Facilities	Project #'s	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
FORRESTDALE	N/A	257,348	74,921	129,550	104,799	60,782	69,816	65,231	38,242	38,242	82,021
DEANE-PORTER	N/A	157,729	45,920	79,401	64,220	\$ 45,853	\$ 86,640	86,468	99,756	62,395	108,725
<b>Total School Facilities</b>		<u>415,077</u>	<u>120,841</u>	<u>208,951</u>	<u>169,019</u>	<u>106,635</u>	<u>156,456</u>	<u>151,699</u>	<u>137,998</u>	<u>100,637</u>	<u>190,746</u>

BOROUGH OF RUMSON SCHOOL DISTRICT

Insurance Schedule  
June 30, 2022  
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - NJSIG		
Blanket Buildings and Contents (special form coverage/replacement cost)	\$ 35,470,597	\$ 5,000
Extra Expense	Included in Business Income	5,000
Musical Instruments	Included in Blanket Bldg/Contents	5,000
Comprehensive General Liability	10,000,000	
Money and Securities	100,000 In/Out	1,000
Data Processing Equipment	1,000,000	1,000
Camera Equipment	Included in Blanket Bldg/Contents	5,000
Miscellaneous Property	Included in Blanket Bldg/Contents	5,000
Automobile Policy - NJSIG	10,000,000	1,000
Worker's Compensation - MOCSSIF/NJSIG	3,000,000	
Boiler Insurance - NJSIG	100,000,000	5,000
School Board Legal Liability - New Jersey		
School Boards Association Insurance Group	5,000,000	5,000
Student Accident and Athletic Account -Zurich	1,000,000	
Fidelity Bond Insurance		
Selective Insurance Company:		
Board Secretary	200,000	
Treasurer of School Monies	n/a	
Crime - Employee Dishonesty - NJSIG	500,000	1,000
Excess Workers Comp - Chubb	After 7 Days	
Flood		
Deanne-Porter	10,000	1,000
Forrestdale	10,000	1,000
Cyber Liability	1,000,000	25,000

Source: District Records

**SINGLE AUDIT SECTION**



**WIELKOTZ & COMPANY** LLC  
CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Borough of Rumson School District, in the County of Monmouth, New Jersey, as of and for the year ended June 30, 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 February 7, 2023.

***Internal Control Over Financial Reporting***

In planning and performing our audit on the financial statements, we considered the Borough of Rumson Board of Education's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Rumson Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Rumson Board of Education's internal control.



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

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

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

As part of obtaining reasonable assurance about whether the Borough of Rumson Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards or the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey which is described in the accompanying Schedule of Findings and Questioned Costs as finding No: 2022-01.

We noted certain matters that were required to be reported to the Board of Education of the Rumson Borough School District in the separate Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance dated February 7, 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Paul J. Cuva*

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

*Wielkotz & Company, LLC*

WIELKOTZ & COMPANY, LLC  
Certified Public Accountants  
Pompton Lakes, New Jersey

February 7, 2023





**WIELKOTZ & COMPANY** LLC  
CERTIFIED PUBLIC ACCOUNTANTS

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

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

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

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

We have audited the Board of Education of the Borough of Rumson School District in the County of Monmouth, New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplements* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Borough of Rumson Board of Education's major federal and state programs for the year ended June 30, 2022. The Borough of Rumson Board of Education'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 Borough of Rumson Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major 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; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and N.J. OMB Circular 15-08. Our



responsibilities under those standards and the Uniform Guidance and N.J. OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Borough of Rumson Board of Education 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 Borough of Rumson Board of Education'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 Borough of Rumson Board of Education'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 Borough of Rumson Board of Education'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 N.J. OMB Circular 15-08, 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 Borough of Rumson Board of Education's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance and N.J. OMB Circular 15-08, 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 Borough of Rumson Board of Education'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 Borough of Rumson Board of Education'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 N.J. OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of Borough of Rumson Board of Education's internal control over compliance. Accordingly, no such opinion is expressed.

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 and state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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.

Honorable President and  
Members of the Board of Education

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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 N.J. OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

*Paul J. Cuva*

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

*Wielkotsz & Company, LLC*

WIELKOTZ & COMPANY, LLC  
Certified Public Accountants  
Pompton Lakes, New Jersey

February 7, 2023

Borough of Rumson School District  
Schedule of Expenditures of Federal Awards  
for the Fiscal Year ended June 30, 2022

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period From To	Balance at June 30, 2021	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Accounts Receivable	Deferred Revenue	Balance at June 30, 2022	
														Due to Grantor	
<b>U.S. Department of Education</b>															
<b>Passed-through State Department of Education</b>															
<b>Special Revenue Fund:</b>															
<b>Title I, Part A</b>															
	84-010	S010A200030		78,281	7/1/2021 9/30/2022			105,243	(92,324)				12,919		
Title II, Part A Improving Teacher Quality	84-367A	S367A200029		14,278	7/1/2020 9/30/2021	(5,011)		5,011				(1,551)			
Title II, Part A Improving Teacher Quality	84-367A	S367A190029		12,645	7/1/2021 9/30/2022	(5,011)		9,542	(11,095)			(1,551)			
Title IV, Student Support and Academic Enrich.	84-424	S424A200031		10,000	7/1/2020 9/30/2021	(5,000)		5,000				(5,149)			
Title IV, Student Support and Academic Enrich.	84-424	S424A200031		10,000	7/1/2021 9/30/2022	(5,000)		408	(5,557)			(5,149)			
I.D.E.A. Part B, Basic Regular	84-027A	H027A00100		295,555	7/1/2020 9/30/2021	(22,356)		22,356				(10,533)			
I.D.E.A. Part B, Basic Regular	84-027A	H027A010100		281,911	7/1/2021 9/30/2022			249,512	(260,045)			(1,126)			
ARP IDEA BASIC	84-027X	H027X010100		63,648	3/13/2020 9/30/2024			25,118	(26,244)						
I.D.E.A. Part B, Preschool	84-173A	H173A010114		11,253	7/1/2021 9/30/2022			11,253	(11,253)						
ARP IDEA PRESCHOOL	84-173X	H173X010114		5,437	3/13/2020 9/30/2024	(22,356)		4,313	(5,437)			(1,124)			
								312,552	(302,979)			(12,783)			
<b>ESSER II</b>															
LEARNING ACCELERATION	84-425D	S425D010027		302,560	3/13/2020 9/30/2023	(25,520)		251,674	(266,193)			(40,039)			
MENTAL HEALTH	84-425D	S425D010027		25,000	3/13/2020 9/30/2023			23,503	(23,503)						
CARES Emergency Relief Grant	84-425D	S425D000027		45,000	3/13/2020 9/30/2023			29,499	(31,026)			(1,527)			
ARP ESSER	84-425U	S425U010027		679,985	3/13/2020 9/30/2024	18,926		37,038	(33,955)				22,009		
ARP Learning Enrichment	84-425U	S425U010027		40,000	3/13/2020 9/30/2024			53,413	(70,157)			(17,344)			
ARP Mental Health	84-425U	S425U0210027		45,000	3/13/2020 9/30/2024			7,248	(9,865)			(2,617)			
				45,000		(6,594)		12,500	(12,500)			(61,527)			
								414,875	(447,799)				22,009		
Total Special Revenue Fund						(38,941)		852,611	(859,752)			(81,010)			34,928
Total Federal Financial Awards						(38,941)		852,611	(859,752)			(81,010)			34,928

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

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

Borough of Rumson 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	Program or Award Amount	Grant Period		Deferred Revenue (Assets Receivable)	Due to Grantor	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances	Balance at June 30, 2022			MEMO
			From	To							(Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor	
<b>State Department of Education</b>														
General Fund:														
Special Education Categorical Aid	22-495-034-5120-089	643,971	7/1/2021	6/30/2022			643,971	(643,971)						
Transportation Aid	22-495-034-5120-014	112,978	7/1/2021	6/30/2022			112,978	(112,978)						\$643,971
Security Aid	22-495-034-5120-084	77,327	7/1/2021	6/30/2022	(244,891)		77,327	(77,327)						11,008
Extraordinary Aid	21-495-034-5120-044	244,891	7/1/2020	6/30/2021			244,891							7,534
Extraordinary Aid	22-495-034-5120-044	289,717	7/1/2021	6/30/2022				(289,717)						244,891
Non-Public Transportation Aid	21-495-034-5120-014	5,994	7/1/2020	6/30/2021	(5,994)		5,994							289,717
Non-Public Transportation Aid	22-495-034-5120-014	9,968	7/1/2021	6/30/2022				(9,968)						5,994
Secure Our Children Future Bond Act	22-495-034-5094-004	32,482	7/1/2021	6/30/2022				(32,482)						9,968
On-Behalf/Non-contributory Insurance	22-495-034-5094-002	43,724	7/1/2021	6/30/2022			43,724	(43,724)						52,482
On-Behalf/Teacher's Pension and Annuity Fund	22-495-034-5094-002	3,099,136	7/1/2021	6/30/2022			3,099,136	(3,099,136)						43,724
On-Behalf/TPAF Post Retirement Medical	22-495-034-5094-001	753,634	7/1/2021	6/30/2022			734,299	(734,299)						3,099,136
On-Behalf/TPAF Long-Term Disability Contributions	22-495-034-5094-004	821	7/1/2021	6/30/2022			821	(821)						734,299
Reimbursed TPAF Social Security Contributions	21-495-034-5094-003	621,442	7/1/2020	6/30/2021	(3,673)		3,673							821
Reimbursed TPAF Social Security Contributions	22-495-034-5094-003	653,634	7/1/2021	6/30/2022			621,823	(653,634)						621,442
Total General Fund					(254,538)		5,588,637	(5,718,057)			(383,978)			81,285
Special Revenue Fund:														6,590,384
N.J. Nonpublic Aid	22-100-034-5120-064	11,524	7/1/2021	6/30/2022			11,524	(11,569)						11,524
Auxiliary Services (Chapter 192):														
Compensatory Education	21-100-034-5120-067	30,482	7/1/2020	6/30/2021		10,643			10,643					30,482
Compensatory Education	22-100-034-5120-067	28,666	7/1/2021	6/30/2022			28,666	(28,666)						28,666
Nonpublic Handicapped Aid (Chapter 193):														
Supplementary Instructions	21-100-034-5120-066	24,284	7/1/2020	6/30/2021		8,370	14,868	(11,762)	8,370					24,284
Supplementary Instructions	22-100-034-5120-066	14,868	7/1/2021	6/30/2022			16,309	(12,030)	6,122					14,868
Examination & Classification	21-100-034-5120-066	25,460	7/1/2020	6/30/2021		6,122			6,122					25,460
Examination & Classification	22-100-034-5120-066	16,309	7/1/2021	6/30/2022			13,950	(10,453)	2,570					16,309
Corrective Speech	21-100-034-5120-066	17,317	7/1/2020	6/30/2021		2,570			2,570					17,317
Corrective Speech	22-100-034-5120-066	13,950	7/1/2021	6/30/2022			13,950	(10,453)	3,497					13,950
Nursing Services Aid	21-100-034-5120-070	21,012	7/1/2020	6/30/2021		55			55					21,012
Nursing Services Aid	22-100-034-5120-070	21,504	7/1/2021	6/30/2022			21,504	(21,498)	6					21,504
Security Aid	21-100-034-5120-509	36,050	7/1/2020	6/30/2021		550	33,600	(33,236)	550					33,600
Security Aid	22-100-034-5120-509	33,600	7/1/2021	6/30/2022			22,470	(22,470)	364					34,608
School Development Authority	22-470	22,470	7/1/2021	6/30/2022			8,064	(7,970)	94					22,470
Technology Initiative	22-100-034-5120-373	8,064	7/1/2021	6/30/2022										8,064
Total Special Revenue Fund					(254,538)		170,955	(159,454)	28,310					324,118
Debt Service Fund:														
Debt Service Aid	21-495-034-5120-017	509,388	7/1/2021	6/30/2022			509,388	(509,388)						509,388
Total Debt Service Fund							509,388	(509,388)						509,388
TOTAL STATE FINANCIAL ASSISTANCE					(254,538)	28,310	6,268,980	(6,386,899)	28,310		(383,978)		11,501	7,423,890
Less On-Behalf/TPAF Pension and Annuity Aid														
On-Behalf/Non-contributory Insurance	22-495-034-5094-004	43,724	7/1/2021	6/30/2022				(43,724)						(43,724)
On-Behalf/Teacher's Pension and Annuity Fund	22-495-034-5094-002	3,099,136	7/1/2021	6/30/2022				(3,099,136)						(1,612,677)
On-Behalf/TPAF Long-Term Disability Contributions	22-495-034-5094-004	821	7/1/2021	6/30/2022				(821)						(835)
On-Behalf/TPAF Post Retirement Medical	22-495-034-5094-001	734,299	7/1/2021	6/30/2022				(734,299)						(608,997)
TOTAL FOR STATE FINANCIAL ASSISTANCE DETERMINATION					(254,538)	28,310	6,268,980	(2,508,919)	28,310		(383,978)		11,501	9,688,724

**NOTE 1. GENERAL**

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

**NOTE 2. BASIS OF ACCOUNTING**

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

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

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$13,452) for the general fund and (-0-) for the special revenue fund. See *Note A* [the Notes to Required Supplementary Information] for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$	\$5,704,605	\$5,704,605
Special Revenue Fund	859,752	159,454	1,019,206
Debt Service Fund		<u>509,388</u>	<u>509,388</u>
Total Financial Awards	<u>\$859,752</u>	<u>\$6,384,948</u>	<u>\$7,233,199</u>

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

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

**NOTE 5. OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2022. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2022.

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

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

**NOTE 7. INDIRECT COST RATE**

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

**NOTE 8. SCHOOLWIDE PROGRAM FUNDS**

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

<u>Program</u>	<u>Total</u>
Title I, Part A: <i>Grants to Local Educational Agencies</i>	\$92,324
Title II, Part A: <i>Improving Teacher Quality State Grants</i>	11,093
Title IV: <i>Student Support and Academic Enrichment</i>	<u>5,557</u>
Total	<u>\$108,974</u>

**BOROUGH OF RUMSON 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**

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- |   |           |                   |
|---|-----------|-------------------|
| 1. Material weakness(es) identified?  | _____ yes | _____ <u>X</u> no |
| 2. Significant deficiencies identified that are not considered to be material weaknesses? | _____ yes | _____ <u>X</u> no |

Noncompliance material to basic financial statements noted? \_\_\_\_\_ yes \_\_\_\_\_ X no

**Federal Awards**

Internal Control over major programs:

- |   |           |                              |
|---|-----------|------------------------------|
| 1. Significant deficiencies identified that are not considered to be material weaknesses? | _____ yes | _____ <u>X</u> none reported |
| 2. Material weakness(es) identified?  | _____ yes | _____ <u>X</u> no            |

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of the Uniform Guidance? \_\_\_\_\_ yes \_\_\_\_\_ X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027/84.173</u>	<u>H027A180100/ H173A180114</u>	I.D.E.A. Cluster: <u>I.D.E.A. Part B Basic/Preschool</u>

Dollar threshold used to distinguish between type A and type B programs: \$750,000  
Auditee qualified as low-risk auditee? -132- \_\_\_\_\_ yes \_\_\_\_\_ X no



**BOROUGH OF RUMSON SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(continued)**

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

**State Awards**

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

Internal Control over major programs:

1. Material weakness(es) identified? \_\_\_\_\_ yes       X  no
2. Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ yes       X  none reported

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08, as applicable? \_\_\_\_\_ yes       X  no

Identification of major programs:

<b><u>State Grant/Project Number(s)</u></b>	<b><u>Name of State Program</u></b>
22-495-034-5094-003	Reimbursed TPAF Social Security Contributions
22-495-034-5120-044	Extraordinary Aid
22-495-034-5120-017	Debt Service Aid

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

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

**BOROUGH OF RUMSON SCHOOL DISTRICT  
SCHEDULE OF FINANCIAL, FEDERAL AND STATE FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

*Section II - Financial Statement Findings*

**Finding 2022-01**

**Condition:**

The Special Revenue Fund subsidiary ledger was not in agreement with the Board Secretary report.

**Criteria:**

All subsidiary ledgers should be reconciled to the Board Secretary report.

**Cause:**

The computer system entry's should be reviewed and compared to the expected results in order to determine if the proper data is being entered into the system.

**Effect:**

Incorrect balances were reflected in the Board Secretary report.

**Recommendation:**

That the Board Secretary report be reconciled monthly to the subsidiary ledger.

**Board Response:**

The Board Secretary will reconcile the Board Secretary report to the subsidiary ledger on a monthly basis.

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

Not Applicable

**BOROUGH OF RUMSON SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**Status of Prior Year Findings**

There were no prior year audit findings.