

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



**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

RUTHERFORD SCHOOL DISTRICT
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INTRODUCTORY SECTION

March 15, 2023

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

Dear Board Members:

The annual comprehensive financial report of the Rutherford School District (School District) for the fiscal year ended June 30, 2022 is hereby submitted. Responsibility for the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of various funds of the School District. All disclosures necessary to enable the reader to gain an understanding of the School District's financial activities have been included.

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

1 REPORTING ENTITY AND ITS SERVICES:

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

The School District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular, vocational and special education for students so classified. The School District completed the 2021-2022 fiscal year with an average daily enrollment of 2,435 students, which is 78 students less than the previous year's enrollment.

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

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

Average Daily Enrollment

Fiscal Year	Student Enrollment	Percent Change
2021-2022	2,435.1	(3.1%)
2020-2021	2,513.0	(3.6%)
2019-2020	2,607.0	0.2%
2018-2019	2,602.0	0.1%
2017-2018	2,599.0	3.4%
2016-2017	2,513.0	1.9%
2015-2016	2,466.0	(1.4%)
2014-2015	2,501.0	0.4%
2013-2014	2,491.0	0.0%
2012-2013	2,490.0	0.2%

2. ECONOMIC CONDITION AND OUTLOOK:

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

3. MAJOR INITIATIVES:

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

4. INTERNAL ACCOUNTING CONTROLS:

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

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

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

5. BUDGETARY CONTROLS:

In addition to internal accounting controls, the School District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual budget. Annual appropriation budgets are adopted for the general, special revenue and debt service funds. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as assignments of fund balance at June 30, 2022.

6. ACCOUNTING SYSTEM AND REPORTS:

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

7. CASH MANAGEMENT:

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

8. DEBT ADMINISTRATION:

At June 30, 2022, the District's outstanding debt issues included \$6,395,000 of Series 2016 school district refunding bonds and \$44,230,000 of Series 2019 school district bonds.

9. RISK MANAGEMENT:

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

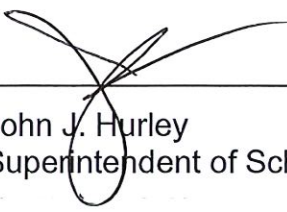
10. OTHER INFORMATION:

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


11. ACKNOWLEDGEMENTS:

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

Respectfully submitted,

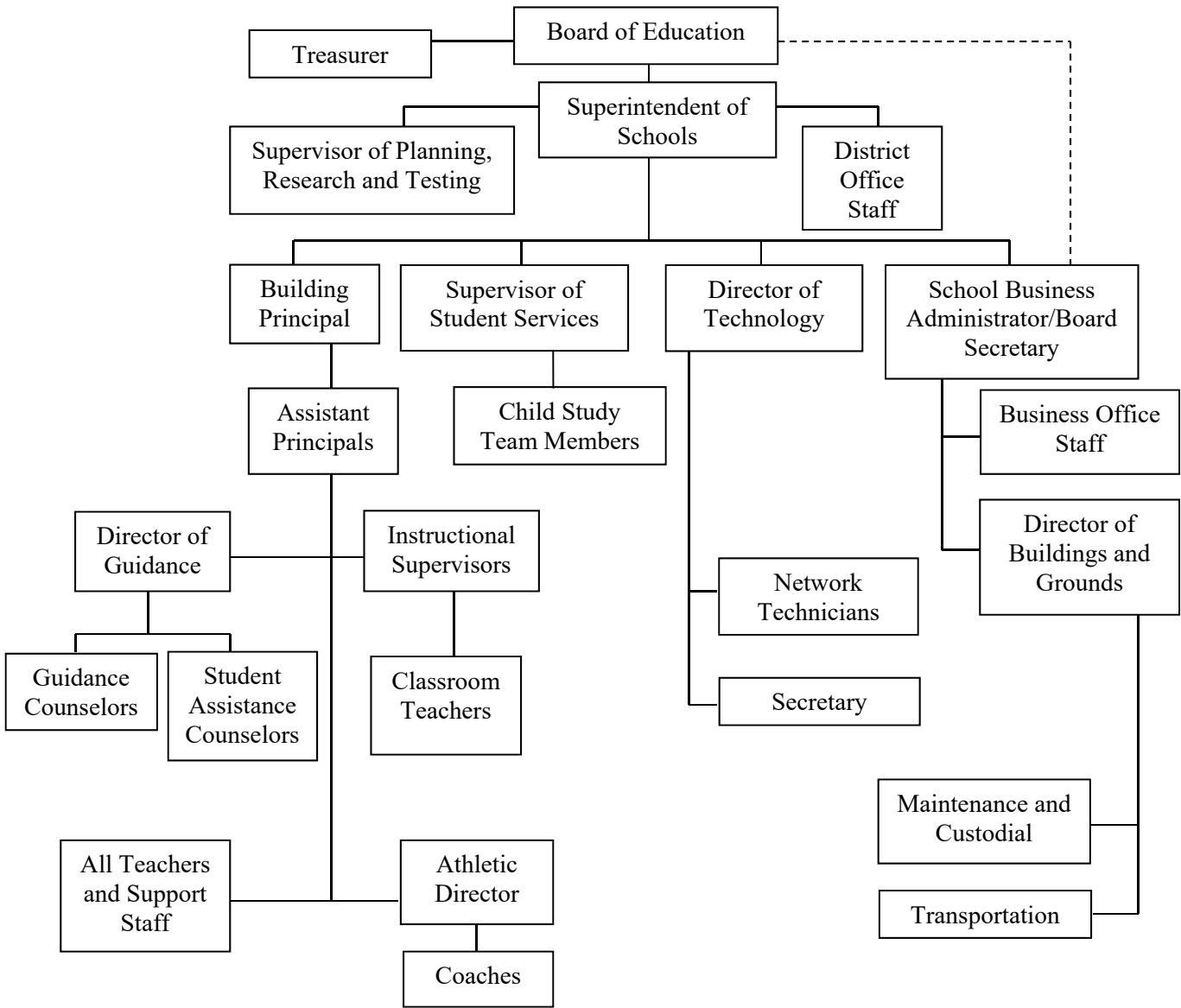


John J. Hurley
Superintendent of Schools



Joseph P. Kelly
Business Administrator/Board Secretary

ORGANIZATIONAL CHART



RUTHERFORD SCHOOL DISTRICT

ROSTER OF OFFICIALS

JUNE 30, 2022

<u>Members of the Board of Education</u>	<u>Term Expires December 31</u>
Dr. Sergio Alati, President	2024
Dennis Mazone, Vice President	2022
Christopher Conti	2022
James Bogosian	2023
Shelly Ahmed	2024
Diane Jones	2023
Greg Recine	2024
Dennis Healey	2023
James Sprayberry	2022

Other Officials

John J. Hurley, Superintendent

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

RUTHERFORD SCHOOL DISTRICT

BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

2022

ARCHITECT

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

AUDIT FIRM

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

ATTORNEY

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

OFFICIAL DEPOSITORIES

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

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Borough of Rutherford School District, in the County of Bergen, State of New Jersey, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

Change in Accounting Principle

As described in note 1 to the financial statements, during the fiscal year ended June 30, 2022, the School District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Consistency of Financial Statements

Because of the implementation of GASB Statement No. 87, the School District has determined that certain disclosures of long-term liabilities relating to capital leases in the prior fiscal year are now disclosed as financed purchases (note 7). Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Rutherford School District's basic financial statements. The combining statements and related major fund supporting statements and schedules, are presented for purposes of additional analysis, as required by the Office of School Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, are also presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and related major fund supporting statements and schedules, and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

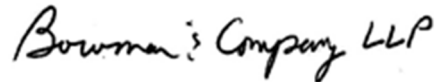
Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2023 on our consideration of the Borough of Rutherford School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Rutherford School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Rutherford School District's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



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

Voorhees, New Jersey
March 15, 2023

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and each major fund of the Borough of Rutherford School District, in the County of Bergen, State of New Jersey, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated March 15, 2023. Our report on the financial statements included an emphasis of matter paragraph describing the adoption of a new accounting principle and an additional paragraph on the consistency of financial statements resulting from the new accounting principle.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Borough of Rutherford School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Rutherford School District's internal control.

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

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

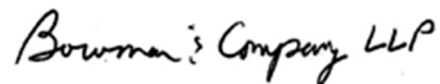
Report on Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



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

Voorhees, New Jersey
March 15, 2023

REQUIRED SUPPLEMENTARY INFORMATION
PART I

**Rutherford School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022**

As management of the Board of Education of the Borough of Rutherford, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The total assets and deferred outflows of resources of the School District exceeded its total liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$25,391,682 (net position).
- The School District's total net position increased by \$4,855,039 from the prior fiscal year.
- As of the close of the current fiscal year, the School District's governmental funds reported combined ending fund balances of \$22,210,704, a decrease of \$13,649,162 in comparison with the prior year, due to significant expenditures related to the capital projects fund.

Overview of the Basic Financial Statements

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

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

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

Government-Wide Financial Statements

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

Government-Wide Financial Statements (Cont'd)

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

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

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

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

Fund Financial Statements

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

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

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

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

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

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

Notes to the Basic Financial Statements

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

Other Information

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

Government-Wide Financial Analysis

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

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

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2023. Long-term liabilities such as long-term debt obligations and compensated absences payable will be liquidated from resources that will become available after fiscal year 2022.

Governmental Activities

The assets and deferred outflows of the government activities exceeded liabilities and deferred inflows by \$25,061,193 with an unrestricted deficit of (\$4,390,500). The unrestricted net position deficit balance was decreased due to the effect of pension related items, the accounting treatment for leases, accrued interest payable, the accounting treatment of the June state aid payments received in the subsequent fiscal year and state statutes that prohibit school districts from maintaining more than 4% of its general fund expenditures, with adjustments, as unassigned fund balance.

Business-Type Activities

The assets of the business-type activities exceeded the liabilities by \$330,489 with an unrestricted net position of \$330,489. The unrestricted net position increased by \$326,550 from the prior year. This increase is a result of realizing prior year unearned revenue for the before and after care program which began in fiscal year 2021.

Government-Wide Financial Analysis (Cont'd)

Table 1 provides a comparative schedule of the School District's net position for fiscal years ended June 30, 2022 and 2021.

TABLE 1						
NET POSITION						
	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current and Other Assets	\$ 23,557,925	\$ 37,991,316	\$ 938,908	\$ 258,031	\$ 24,496,833	\$ 38,249,347
Capital Assets	63,846,471	49,108,445			63,846,471	49,108,445
Total Assets	87,404,396	87,099,761	938,908	258,031	88,343,304	87,357,792
Deferred Outflow of Resources:						
Related to Pension	1,130,184	1,736,466			1,130,184	1,736,466
Deferred Loss on Refunding	74,121	85,598			74,121	85,598
Total Deferred Outflows of Resources	1,204,305	1,822,064	-	-	1,204,305	1,822,064
Long-term Liabilities Outstanding	55,630,961	62,344,626			55,630,961	62,344,626
Other Liabilities	4,483,549	2,816,255	608,419	254,092	5,091,968	3,070,347
Total Liabilities	60,114,510	65,160,881	608,419	254,092	60,722,929	65,414,973
Deferred Inflow of Resources - Related to Pensions	3,432,998	3,228,240			3,432,998	3,228,240
Net Position:						
Net Investment in Capital Assets	23,104,849	22,511,720			23,104,849	22,511,720
Restricted	6,346,844	5,161,045			6,346,844	5,161,045
Unrestricted (Deficit)	(4,390,500)	(7,140,061)	330,489	3,939	(4,060,011)	(7,136,122)
Total Net Position	\$ 25,061,193	\$ 20,532,704	\$ 330,489	\$ 3,939	\$ 25,391,682	\$ 20,536,643

In the Statement of Net Position, the School District's net investment in capital assets for its governmental and business-type activities as of June 30, 2022, totaled \$23,104,849 (net of related debt and accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, equipment and vehicles. The total increase in the District's capital assets for the current fiscal year was \$14,738,026, or a 30.01% increase. See Table 3, herein.

Government-Wide Financial Analysis (Cont'd)

Table 2 reflects the comparative schedule of changes in net position for fiscal years ended June 30, 2022 and 2021.

TABLE 2						
CHANGES IN NET POSITION						
	Governmental		Business-Type		Total	
	Activities		Activities			
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues:						
Program Revenues:						
Charges for Services	\$ 456,737	\$ 415,712	\$ 747,617	\$ 213,252	\$ 1,204,354	\$ 628,964
Operating Grants and Contributions	11,275,970	15,847,006			11,275,970	15,847,006
Capital Grants and Contributions	309,395	30,257			309,395	30,257
General Revenues:						
Property Taxes	47,395,622	46,144,384			47,395,622	46,144,384
Grants and Contributions Restricted and not Restricted to Programs	4,340,157	4,215,387			4,340,157	4,215,387
Other	146,694	396,472	968	697	147,662	397,169
Total Revenues	63,924,575	67,049,218	748,585	213,949	64,673,160	67,263,167
Expenses:						
Instruction	21,541,899	20,727,398			21,541,899	20,727,398
Support Services	36,414,527	41,837,323			36,414,527	41,837,323
Interest on Debt and Related Costs	1,414,660	2,019,763			1,414,660	2,019,763
Community Education Before and After Care				12,458		12,458
			343,558	206,924	343,558	206,924
Food Services			103,477	66,394	103,477	66,394
Total Expenses	59,371,086	64,584,484	447,035	285,776	59,818,121	64,870,260
Increase in Net Position before Transfers	4,553,489	2,464,734	301,550	(71,827)	4,855,039	2,392,907
Transfers	(25,000)	(111,397)	25,000	111,397		
Change in Net Position	4,528,489	2,353,337	326,550	39,570	4,855,039	2,392,907
Net Position (Deficit), July 1	20,532,704	18,179,367	3,939	(35,631)	20,536,643	18,143,736
Net Position, June 30	25,061,193	20,532,704	330,489	3,939	25,391,682	20,536,643
Net Position, June 30 (Restated)	\$ 25,061,193	\$ 20,532,704	\$ 330,489	\$ 3,939	\$ 25,391,682	\$ 20,536,643

Financial Analysis of the Governmental Funds

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

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

Financial Analysis of the Governmental Funds (Cont'd)

As of the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$22,210,704, a decrease of \$13,649,162 from the prior year. This decrease is a result of significant capital outlay expenditures related to the District's ongoing capital projects.

The unassigned fund balance for the School District at the end of the fiscal year is \$2,427,899. The assigned fund balance for the School District at the end of the fiscal year consists of \$2,561,331 assigned for encumbrances and \$300,000 designated for subsequent year's expenditures. The remainder of the fund balance is restricted to indicate that it is not available for new spending because it has already been committed as follows: 1) appropriated as a revenue source in subsequent years' budgets of \$500,000 and \$500,000 respectively; 2) restricted for capital reserve account and maintenance reserve account of \$3,321,209 and \$100,000 respectively; 3) restricted for unemployment compensation of \$168,413; 4) restricted for student activities and scholarships of \$269,507 and \$91,910 respectively; 5) restricted for debt service \$1 and 6) restricted for capital projects \$11,970,434.

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

General Fund Budgetary Highlights

During the fiscal year 2022, the School District amended its general fund budget as needed. The net change in the total budget modification primarily resulted from appropriation of unbudgeted extraordinary aid and SEMI revenues, and state aid reductions.

At the end of the current fiscal year, unassigned fund balance (budgetary basis) of the general fund was \$2,687,888 while total fund balance (budgetary basis) was \$9,878,853. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance (budgetary basis) and total fund balance (budgetary basis) to total general fund expenditures. Actual (budgetary basis) expenditures of the General Fund including other financing uses amounted to \$57,923,070. Unassigned fund balance (budgetary basis) represents 4.19% of expenditures while total fund balance (budgetary basis) represents 17.98% of that same amount.

Capital Projects Fund

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

Capital Asset and Debt Administration

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

TABLE 3		
Capital Assets		
	June 30, 2022	June 30, 2021
Capital Assets (Net of Depreciation):		
Land	\$ 7,502,700	\$ 7,502,700
Construction in Progress	33,629,711	18,007,592
Land Improvements	79,766	92,848
Building and Improvements	21,535,186	22,360,698
Motor Vehicles	293,414	326,408
Furniture, Fixtures and Equipment	805,694	818,199
Net Capital Assets	\$ 63,846,471	\$ 49,108,445

Capital Asset and Debt Administration (Cont'd)

During the fiscal year ended June 30, 2022, the School District had \$50,625,000 in serial bonds payable, which included \$44,230,000 for the aforementioned approved referendum. In addition, the School District had \$1,328,238 in compensated absences payable, as well as \$32,197 of pension deferral related to a previously approved deferral program of the Public Employee Retirement System and \$4,946,156 of net pension liability for the Public Employees Retirement System. This net pension liability occurred as a result of the implementation of GASB No. 68. In addition, the School District had financed purchases of 304,809.

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

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

Economic Factors and Next Year's Budgets and Rates

The following factors were considered and incorporated into the preparation of the School District's budget for the 2022-2023 fiscal year:

- In preparing the 2022-23 budget, the administration evaluates all planned expenditures annually to determine ongoing need. Salaries are budgeted in accordance with contract terms in effect for the budget year; benefits, utilities and other costs are estimated based on recent experience and other external factors; and capital projects are budgeted based on prioritized need and the best estimate available of project costs.
- For the general operating budget, the School District had a 2% tax levy increase for the 2022-23 budget year. The increase was primarily due to increases in special education costs, including costs to send students to out-of-district facilities, when appropriate services are not available in-district. Other cost drivers contributing to the increase were contracted salary increases, estimated increases to health benefits costs and utilities. In addition, in recognition of the district's aging facilities, amounts were budgeted for building repairs and certain capital projects. These expenditures are to be paid for by the mandated 2.0% cap on tax levy increases as well as certain allowable adjustments to the tax levy. In the future, any such allowable adjustments may not be available to the district for future needs.
- The Rutherford School District has committed itself to strong financial controls. The School District spends a lot of time monitoring its budget, scrutinizing spending requests, and has been implementing even stronger internal controls. The School District commits itself to constantly reviewing the ways in which it conducts business, and making improvements whenever possible, in order to meet future challenges and maximize instructional spending.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

RUTHERFORD SCHOOL DISTRICT

Statement of Net Position

June 30, 2022

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 6,112,728.94	\$ 935,378.39	\$ 7,048,107.33
Receivables, net	2,652,807.46	3,530.00	2,656,337.46
Restricted Cash and Cash Equivalents	14,792,388.85		14,792,388.85
Capital Assets, net (Note 6)	<u>63,846,470.58</u>		<u>63,846,470.58</u>
Total Assets	<u>87,404,395.83</u>	<u>938,908.39</u>	<u>88,343,304.22</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	1,130,184.00		1,130,184.00
Deferred Loss on Refunding	<u>74,121.46</u>		<u>74,121.46</u>
Total Deferred Outflows	<u>1,204,305.46</u>	<u>-</u>	<u>1,204,305.46</u>
LIABILITIES:			
Accounts Payable:			
Related to Pensions	548,197.00		548,197.00
Other	1,413,680.54	24,273.47	1,437,954.01
Payroll Deductions and Withholdings	35,618.03		35,618.03
Unemployment Compensation Claims Payable	87,949.57		87,949.57
Payable to State Government	74,439.00		74,439.00
Internal Balances	(524,670.81)	524,670.81	
Accrued Interest Payable	174,733.16		174,733.16
Unearned Revenue	260,204.65	59,475.00	319,679.65
Noncurrent Liabilities (Note 7):			
Due within One Year	2,413,398.29		2,413,398.29
Due beyond One Year	<u>55,630,960.89</u>		<u>55,630,960.89</u>
Total Liabilities	<u>60,114,510.32</u>	<u>608,419.28</u>	<u>60,722,929.60</u>
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	<u>3,432,998.00</u>		<u>3,432,998.00</u>
NET POSITION:			
Net Investment in Capital Assets	23,104,849.10		23,104,849.10
Restricted for:			
Debt Service	0.52		0.52
Capital Projects	4,417,012.71		4,417,012.71
Other Purposes	1,929,830.89		1,929,830.89
Unrestricted (Deficit)	<u>(4,390,500.25)</u>	<u>330,489.11</u>	<u>(4,060,011.14)</u>
Total Net Position	<u>\$ 25,061,192.97</u>	<u>\$ 330,489.11</u>	<u>\$ 25,391,682.08</u>

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

RUTHERFORD SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2022

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 16,787,687.71	\$ 133,811.00	\$ 36,622.42		\$ (16,617,254.29)		\$ (16,617,254.29)
Special Education	2,620,864.32		1,286,938.06	\$ 309,395.35	(1,024,530.91)		(1,024,530.91)
School Sponsored Activities	882,559.55				(882,559.55)		(882,559.55)
Other Instruction	1,250,787.50				(1,250,787.50)		(1,250,787.50)
Support Services:							
Tuition	4,353,849.36				(4,353,849.36)		(4,353,849.36)
Student and Instruction Related Services	5,201,961.24	322,925.61	277,162.63		(4,601,873.00)		(4,601,873.00)
School Administrative Services	2,986,221.80				(2,986,221.80)		(2,986,221.80)
Business Administrative Services	791,287.79				(791,287.79)		(791,287.79)
Central Services	832,105.30				(832,105.30)		(832,105.30)
Administrative Information Technology	355,213.17				(355,213.17)		(355,213.17)
Plant Operations and Maintenance	4,135,233.22				(4,135,233.22)		(4,135,233.22)
Pupil Transportation	1,652,826.55				(1,652,826.55)		(1,652,826.55)
Unallocated Benefits	14,702,664.68		9,675,246.61		(5,027,418.07)		(5,027,418.07)
Transfer to Charter School	12,901.00				(12,901.00)		(12,901.00)
Interest on Long-Term Debt	1,414,659.88				(1,414,659.88)		(1,414,659.88)
Unallocated Depreciation	1,390,262.68				(1,390,262.68)		(1,390,262.68)
Total Governmental Activities	59,371,085.75	456,736.61	11,275,969.72	309,395.35	(47,328,984.07)	-	(47,328,984.07)
Business-Type Activities:							
Food Service	103,477.22	73,845.09				\$ (29,632.13)	(29,632.13)
Before and After Care	343,557.93	673,772.32				330,214.39	330,214.39
Total Business-Type Activities	447,035.15	747,617.41	-	-	-	300,582.26	300,582.26
Total Government	\$ 59,818,120.90	\$ 1,204,354.02	\$ 11,275,969.72	\$ 309,395.35	(47,328,984.07)	300,582.26	(47,028,401.81)
General Revenues and Transfers:							
Taxes:							
Property Taxes, Levied for General Purposes, net					44,207,644.00		44,207,644.00
Taxes Levied for Debt Service					3,187,978.00		3,187,978.00
Federal and State Aid not Restricted					4,340,157.45		4,340,157.45
Transfers					(25,000.00)	25,000.00	
Miscellaneous Income					146,694.02	967.80	147,661.82
Total General Revenues and Transfers					51,857,473.47	25,967.80	51,883,441.27
Change in Net Position					4,528,489.40	326,550.06	4,855,039.46
Net Position - July 1					20,532,703.57	3,939.05	20,536,642.62
Net Position - June 30					\$ 25,061,192.97	\$ 330,489.11	\$ 25,391,682.08

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

FUND FINANCIAL STATEMENTS

RUTHERFORD SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 6,386,926.08	\$ 361,417.26	\$ 14,156,773.93	\$ 0.52	\$ 20,905,117.79
Receivables from Other Governments	1,148,020.25	527,466.52	977,320.69		2,652,807.46
Interfund Receivables	3,033,694.44				3,033,694.44
Total Assets	\$ 10,568,640.77	\$ 888,883.78	\$ 15,134,094.62	\$ 0.52	\$ 26,591,619.69
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 514,045.86	\$ 49,056.88	\$ 850,577.80		\$ 1,413,680.54
Interfunds Payable	23,524.78	172,415.99	2,313,082.86		2,509,023.63
Payroll Deductions and Withholdings	35,618.03				35,618.03
Unemployment Compensation Claims Payable	87,949.57				87,949.57
Payable to State Government		74,439.00			74,439.00
Unearned Revenue	28,650.00	231,554.65			260,204.65
Total Liabilities	689,788.24	527,466.52	3,163,660.66	-	4,380,915.42
Fund Balances:					
Restricted:					
Capital Reserve	3,321,208.71				3,321,208.71
Maintenance Reserve	100,000.00				100,000.00
Unemployment Compensation	168,413.63				168,413.63
Excess Surplus - Current Year	500,000.00				500,000.00
Excess Surplus - Designated for Subsequent Year's Expenditures	500,000.00				500,000.00
Capital Projects			11,970,433.96		11,970,433.96
Debt Service				\$ 0.52	0.52
Student Activities		269,507.58			269,507.58
Scholarships		91,909.68			91,909.68
Assigned:					
Designated for Subsequent Years' Expenditures	300,000.00				300,000.00
Other Purposes	2,561,331.11				2,561,331.11
Unassigned	2,427,899.08				2,427,899.08
Total Fund Balances	9,878,852.53	361,417.26	11,970,433.96	0.52	22,210,704.27
Total Liabilities and Fund Balances	\$ 10,568,640.77	\$ 888,883.78	\$ 15,134,094.62	\$ 0.52	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$112,571,847.08 and the accumulated depreciation is \$48,725,376.50.	63,846,470.58
Interest on long-term debt in the statement of activities is accrued, regardless of when due.	(174,733.16)
Deferred loss on refundings are not financial resources and therefore are not reported in the funds.	74,121.46
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(53,098,203.18)
Net Pension Liability	(4,946,156.00)
Accounts Payable related to the April 1, 2023 Required PERS pension contribution that is not to be liquidated with current financial resources.	(548,197.00)
Deferred Outflows of Resources - Related to Pensions	1,130,184.00
Deferred Inflows of Resources - Related to Pensions	(3,432,998.00)
Net Position of Governmental Activities	\$ 25,061,192.97

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

RUTHERFORD SCHOOL DISTRICT
 Governmental Funds
 Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Fiscal Year Ended June 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Tax Levy	\$ 44,207,644.00			\$ 3,187,978.00	\$ 47,395,622.00
Tuition Charges	133,811.00				133,811.00
Miscellaneous	146,694.02				146,694.02
Local Sources		\$ 369,317.99			369,317.99
State Sources	15,108,938.61	297,342.03		462,522.00	15,868,802.64
Federal Sources	29,135.27	1,552,713.23			1,581,848.50
Total Revenues	59,626,222.90	2,219,373.25	-	3,650,500.00	65,496,096.15
EXPENDITURES:					
Regular Instruction	16,751,629.17	29,501.58			16,781,130.75
Special Education Instruction	1,324,769.72	1,286,938.06			2,611,707.78
School Sponsored Activities	879,476.14				879,476.14
Other Instruction	1,246,417.61				1,246,417.61
Support Services and Undistributed Costs:					
Tuition	4,338,638.27				4,338,638.27
Student and Instruction Related Services	4,610,712.13	573,074.96			5,183,787.09
General Administration	849,625.12				849,625.12
School Administrative Services	2,958,813.30				2,958,813.30
Central Services	829,198.17				829,198.17
Administrative Information Technology	353,972.16				353,972.16
Plant Operations and Maintenance	4,038,296.14				4,038,296.14
Pupil Transportation	1,583,658.70				1,583,658.70
Unallocated Benefits	6,223,458.27				6,223,458.27
Reimbursed TPAF Pension and Social Security	11,246,767.61				11,246,767.61
Transfer of Funds to Charter Schools	12,901.00				12,901.00
Debt Service:					
Principal				2,130,000.00	2,130,000.00
Interest				1,520,500.00	1,520,500.00
Capital Outlay	674,736.10	309,395.35	\$ 15,347,778.46		16,331,909.91
Total Expenditures	57,923,069.61	2,198,909.95	15,347,778.46	3,650,500.00	79,120,258.02
Excess (Deficiency) of Revenues over (under) Expenditures	1,703,153.29	20,463.30	(15,347,778.46)	-	(13,624,161.87)
OTHER FINANCING SOURCES (USES):					
Operating Transfers Out - Enterprise Fund	(25,000.00)				(25,000.00)
Net Change in Fund Balances	1,678,153.29	20,463.30	(15,347,778.46)	-	(13,649,161.87)
Fund Balance - July 1	8,200,699.24	340,953.96	27,318,212.42	0.52	35,859,866.14
Fund Balance - June 30	\$ 9,878,852.53	\$ 361,417.26	\$ 11,970,433.96	\$ 0.52	\$ 22,210,704.27

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

RUTHERFORD SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Fiscal Year Ended June 30, 2022

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

Net Change in Fund Balances - Governmental Funds		\$ (13,649,161.87)
<p>Governmental funds report capital outlays 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.</p>		
Depreciation Expense	\$ (1,593,884.69)	
Capital Outlays	<u>16,331,909.91</u>	
		14,738,025.22
<p>The issuance of long-term debt (e.g., bonds and financed purchases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
		2,282,706.43
<p>In the statement of activities, certain operating expenses, (e.g., pensions, compensated absences and interest on debt), are measured by the amounts incurred during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). This amount is the net effect of these differences in the treatment of these items.</p>		
		<u>1,156,919.62</u>
Change in Net Position of Governmental Activities		<u><u>\$ 4,528,489.40</u></u>

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

RUTHERFORD SCHOOL DISTRICT
Proprietary Funds
Statement of Net Position
June 30, 2022

	Business Type Activities - Enterprise Funds			<u>Total</u>
	<u>Food Service</u>	<u>Before and After Care</u>	<u>Summer Music Program</u>	
ASSETS:				
Current Assets:				
Cash and Cash Equivalents	\$ 25,196.15	\$ 906,213.58	\$ 3,968.66	\$ 935,378.39
Accounts Receivable:				
Other		3,530.00		3,530.00
Interfunds Accounts Receivable:				
Due General Fund			23,524.78	23,524.78
Total Assets	<u>25,196.15</u>	<u>909,743.58</u>	<u>27,493.44</u>	<u>962,433.17</u>
LIABILITIES:				
Current Liabilities:				
Accounts Payable	21,986.95	2,286.52		24,273.47
Interfunds Accounts Payable:				
Due General Fund		548,195.59		548,195.59
Unearned Revenue		59,475.00		59,475.00
Total Liabilities	<u>21,986.95</u>	<u>609,957.11</u>	<u>-</u>	<u>631,944.06</u>
NET POSITION:				
Unrestricted	<u>3,209.20</u>	<u>299,786.47</u>	<u>27,493.44</u>	<u>330,489.11</u>
Total Net Position	<u>\$ 3,209.20</u>	<u>\$ 299,786.47</u>	<u>\$ 27,493.44</u>	<u>\$ 330,489.11</u>

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

RUTHERFORD SCHOOL DISTRICT
Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended June 30, 2022

	Business Type Activities - Enterprise Funds			<u>Total</u>
	<u>Food Service</u>	<u>Before and After Care</u>	<u>Summer Music Program</u>	
OPERATING REVENUES:				
Charges for Services:				
Daily Sales - Non-Reimbursable Programs:				
School Lunch Program	\$ 73,845.09			\$ 73,845.09
Fees for Enrollment		\$ 673,772.32		673,772.32
Total Operating Revenues	73,845.09	673,772.32	-	747,617.41
OPERATING EXPENSES:				
Salaries		303,648.03		303,648.03
Employee Benefits		23,229.07		23,229.07
Other Purchased Services	890.00			890.00
Supplies and Materials		16,680.83		16,680.83
Cost of Sales - Non-Reimbursable Programs	102,572.22			102,572.22
Miscellaneous Expenditures	15.00			15.00
Total Operating Expenses	103,477.22	343,557.93	-	447,035.15
Operating Income (Loss)	(29,632.13)	330,214.39	-	300,582.26
NONOPERATING REVENUES (EXPENSES):				
Interest Revenue	48.51	919.29		967.80
Net Income (Loss) Before Contributions and Transfers	(29,583.62)	331,133.68	-	301,550.06
CONTRIBUTIONS AND TRANSFERS:				
Operating Transfers In - General Fund	25,000.00			25,000.00
Change in Net Position	(4,583.62)	331,133.68	-	326,550.06
Net Position (Deficit) - July 1	7,792.82	(31,347.21)	\$ 27,493.44	3,939.05
Net Position - June 30	\$ 3,209.20	\$ 299,786.47	\$ 27,493.44	\$ 330,489.11

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

RUTHERFORD SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2022

	Business Type Activities - Enterprise Funds			Total
	Food Service	Before and After Care	Summer Music Program	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from Customers	\$ 73,845.09	\$ 681,416.42		\$ 755,261.51
Payments to Employees		(303,648.03)		(303,648.03)
Payments for Employee Benefits		(23,229.07)		(23,229.07)
Payments to Suppliers and Other Operating Payments	(93,983.33)	(14,394.31)		(108,377.64)
Net Cash Provided by (Used for) Operating Activities	(20,138.24)	340,145.01	-	320,006.77
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Subsidies and Transfers to (from) Other Funds	25,000.00	341,271.41		366,271.41
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and Dividends	48.51	919.29		967.80
Net Increase (Decrease) in Cash and Cash Equivalents	4,910.27	682,335.71	-	687,245.98
Cash and Cash Equivalents - July 1	20,285.88	223,877.87	\$ 3,968.66	248,132.41
Cash and Cash Equivalents - June 30	\$ 25,196.15	\$ 906,213.58	\$ 3,968.66	\$ 935,378.39
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating Income (Loss)	\$ (29,632.13)	\$ 330,214.39	-	\$ 300,582.26
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used for) Operating Activities:				
(Increase) Decrease in Accounts Receivable, net		6,369.10		6,369.10
Increase (Decrease) in Accounts Payable	9,493.89	2,286.52		11,780.41
Increase (Decrease) in Unearned Revenue		1,275.00		1,275.00
Total Adjustments	9,493.89	9,930.62	-	19,424.51
Net Cash Provided by (Used for) Operating Activities	\$ (20,138.24)	\$ 340,145.01	\$ -	\$ 320,006.77

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

RUTHERFORD SCHOOL DISTRICT
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2022

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Description of the Financial Reporting Entity

The School District is a Type II district located in the County of Bergen, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades pre-K through 12 at its five schools. The School District has an approximate enrollment at June 30, 2022 of 2,634.

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

Component Units

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

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

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

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

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

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

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

Government-wide and Fund Financial Statements

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

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. It is the policy of the School District to not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

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

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

The School District reports the following major governmental funds:

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

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

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

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

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

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

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

Proprietary funds are used to account for the School District's ongoing organizations and activities, which are operated and financed in a manner similar to those found in the private sector. The measurement focus is upon the determination of net income. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All items not meeting this definition are reported as nonoperating revenues and expenses.

The School District reports the following major proprietary funds:

Enterprise Funds

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

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

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

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

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes.

Budgets / Budgetary Control

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

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

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

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

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

The budget, as detailed on exhibit C-1, exhibit C-2, and exhibit I-3, includes all amendments to the adopted budget, if any.

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

Encumbrances

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

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

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

Cash, Cash Equivalents and Investments

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

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

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

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

Inventories

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

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

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

Tuition Receivable

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

Prepaid Expenses

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2022. The School District had no prepaid expenses for the fiscal year ended June 30, 2022.

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

Short-Term Interfund Receivables / Payables

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

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

Capital assets represent the cumulative amount of capital assets used by the School District. Purchased capital assets are recorded as expenditures in the governmental fund financial statements and are capitalized at cost on the government-wide statement of net position and proprietary fund statement of net position. Intangible right to use assets (lease assets) are recorded as expenditures in the governmental fund financial statements. Lease assets are measured on the government-wide statement of net position and proprietary fund statement of net position at the amount of the initial measurement of the related lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. In the case of gifts or contributions, such capital assets are recorded at acquisition value at the time received.

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

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

The School District does not possess any infrastructure assets.

Deferred Outflows of Resources and Deferred Inflows of Resources

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

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

Tuition Payable

Tuition charges for the fiscal years ended June 30, 2022 and 2021 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

Unearned Revenue

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Accrued Salaries and Wages**

Certain School District employees who provide services to the School District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. There were no accrued salaries and wages for the School District as of June 30, 2022.

Compensated Absences

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

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

Accrued Liabilities and Long-Term Obligations

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

Bond Discounts / Premiums

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Net Position**

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

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

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

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

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

Fund Balance

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

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

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

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

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

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

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

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

Interfund Activity

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

Accounting Estimates

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

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

The School District implemented the following GASB Statement for the fiscal year ended June 30, 2022:

Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

Because of the implementation of GASB Statement No. 87, the School District has determined that lease agreements in the prior fiscal year formerly reported and / or disclosed have now been reported and disclosed in accordance with the Statement.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Impact of Recently Issued Accounting Principles (Cont'd)****Recently Issued Accounting Pronouncements**

The GASB has issued the following Statement that will become effective for the School District for fiscal years ending after June 30, 2024:

Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Statement will become effective for the School District in the fiscal year ending June 30, 2025. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the School District.

Note 2: CASH AND CASH EQUIVALENTS

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

As of June 30, 2022, the School District's bank balances of \$23,965,096.65 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 23,540,472.10
Uninsured and Uncollateralized	<u>424,624.55</u>
Total	<u>\$ 23,965,096.65</u>

Note 3: CAPITAL RESERVE ACCOUNT

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

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

Note 3: CAPITAL RESERVE ACCOUNT (CONT'D)

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

Beginning Balance, July 1, 2021		\$ 3,619,197.74
Increased by:		
Interest Earnings	\$ 6,818.11	
Deposits:		
Board Resolution (June 27, 2022)	636,933.80	
Transfer from Capital Outlay	<u>41,335.06</u>	
		<u>685,086.97</u>
		4,304,284.71
Decreased by:		
Withdrawals:		
Budgeted Transfer to Capital Outlay		<u>983,076.00</u>
Ending Balance, June 30, 2022		<u>\$ 3,321,208.71</u>

The June 30, 2022 LRFP balance of local support costs of uncompleted projects at June 30, 2022 is 22,620,892.00. The withdrawals from the capital reserve were for use in a Department of Education approved facilities projects, consistent with the School District's LRFP.

Note 4: TRANSFERS FROM CAPITAL RESERVE TO CAPITAL OUTLAY

During the fiscal year ended June 30, 2022, the School District transferred \$983,076.00 to the capital outlay accounts. The transfer was made from the capital reserve account to supplement a capital project previously approved by the voters in the budget certified for taxes pursuant to N.J.A.C. 6A:23A-8.4.

Note 5: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2022 consisted of accounts (fees for services) and intergovernmental awards / grants. All receivables are considered collectible in full due to the stable condition of federal and state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey.

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

<u>Description</u>	<u>Governmental Funds</u>			<u>Total Governmental Activities</u>	<u>Business Type Activities - Proprietary Fund</u>	<u>Total Business-Type Activities</u>	<u>Total</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>		<u>Before and After Care Fund</u>		
Federal Awards		\$ 361,499.03		\$ 361,499.03			\$ 361,499.03
State Awards	\$ 1,148,020.25	165,967.49	\$ 977,320.69	2,291,308.43			2,291,308.43
Provided Services					\$ 3,530.00	\$ 3,530.00	3,530.00
Total	<u>\$ 1,148,020.25</u>	<u>\$ 527,466.52</u>	<u>\$ 977,320.69</u>	<u>\$ 2,652,807.46</u>	<u>\$ 3,530.00</u>	<u>\$ 3,530.00</u>	<u>\$ 2,656,337.46</u>

Note 6: CAPITAL ASSETS

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

	<u>Balance July 1, 2021</u>	<u>Increases</u>	<u>Balance June 30, 2022</u>
Governmental Activities:			
Capital Assets, not being Depreciated:			
Land	\$ 7,502,700.00		\$ 7,502,700.00
Construction in Progress	18,007,591.58	\$ 15,622,119.91	33,629,711.49
Total Capital Assets, not being Depreciated	<u>25,510,291.58</u>	<u>15,622,119.91</u>	<u>41,132,411.49</u>
Capital Assets, being Depreciated:			
Land Improvements	960,112.50		960,112.50
Buildings and Improvements	64,428,160.02	491,464.00	64,919,624.02
Furniture, Fixtures and Equipment	4,452,770.40	40,877.00	4,493,647.40
Motor Vehicles	888,602.67	177,449.00	1,066,051.67
Total Capital Assets, being Depreciated	<u>70,729,645.59</u>	<u>709,790.00</u>	<u>71,439,435.59</u>
Total Capital Assets, Cost	<u>96,239,937.17</u>	<u>16,331,909.91</u>	<u>112,571,847.08</u>
Less Accumulated Depreciation for:			
Land Improvements	(867,264.40)	(13,083.21)	(880,347.61)
Buildings and Improvements	(42,067,461.73)	(1,316,975.96)	(43,384,437.69)
Furniture, Fixtures and Equipment	(3,634,571.43)	(73,871.74)	(3,708,443.17)
Motor Vehicles	(562,194.25)	(189,953.78)	(752,148.03)
Total Accumulated Depreciation	<u>(47,131,491.81)</u>	<u>(1,593,884.69)</u>	<u>(48,725,376.50)</u>
Total Capital Assets, being Depreciated, Net	<u>23,598,153.78</u>	<u>(884,094.69)</u>	<u>22,714,059.09</u>
Governmental Activities Capital Assets, Net	<u>\$ 49,108,445.36</u>	<u>\$ 14,738,025.22</u>	<u>\$ 63,846,470.58</u>

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

Governmental Activities:	
Regular Instruction	\$ 40,192.40
Other Administrative Services	17,035.02
Plant Operations and Maintenance	82,778.98
Pupil Transportation	63,615.61
Unallocated	1,390,262.68
Total Depreciation Expense - Governmental Activities	<u>\$ 1,593,884.69</u>

Note 7: LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2022, the following changes occurred in long-term obligations for governmental activities:

	<u>Balance</u> <u>July 1, 2021</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2022</u>	<u>Due within</u> <u>One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 52,755,000.00		\$ (2,130,000.00)	\$ 50,625,000.00	\$ 2,175,000.00
Add Amounts:					
Issuance Premiums	905,247.30		(97,287.84)	807,959.46	
Total Bonds Payable	<u>53,660,247.30</u>	<u>-</u>	<u>(2,227,287.84)</u>	<u>51,432,959.46</u>	<u>2,175,000.00</u>
Other Liabilities:					
Financed Purchases	457,515.85		(152,706.43)	304,809.42	135,736.58
Net Pension Liability	1,182,197.75	\$ 3,111,201.00	(5,169,464.00)	(876,065.25)	
Pension (PERS) Payment Deferral	40,246.00		(8,049.20)	32,196.80	8,049.20
Compensated Absences	7,004,419.00	175,842.65	(29,802.90)	7,150,458.75	94,612.51
Total Other Liabilities	<u>8,684,378.60</u>	<u>3,287,043.65</u>	<u>(5,360,022.53)</u>	<u>6,611,399.72</u>	<u>238,398.29</u>
Governmental Activities Long-Term Liabilities	<u>\$ 62,344,625.90</u>	<u>\$ 3,287,043.65</u>	<u>\$ (7,587,310.37)</u>	<u>\$ 58,044,359.18</u>	<u>\$ 2,413,398.29</u>

The bonds payable are generally liquidated by the debt service fund, while financed purchases, net pension liability, pension deferral, and compensated absences are liquidated by the general fund.

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

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

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

Principal and interest due on bonds outstanding is as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 2,175,000.00	\$ 1,451,800.00	\$ 3,626,800.00
2024	2,180,000.00	1,381,300.00	3,561,300.00
2025	2,215,000.00	1,309,975.00	3,524,975.00
2026	2,215,000.00	1,238,625.00	3,453,625.00
2027	2,225,000.00	1,167,087.50	3,392,087.50
2028-2032	11,015,000.00	4,769,562.50	15,784,562.50
2033-2037	11,000,000.00	3,344,000.00	14,344,000.00
2038-2042	11,000,000.00	1,812,250.00	12,812,250.00
2043-2045	6,600,000.00	297,000.00	6,897,000.00
Total	<u>\$ 50,625,000.00</u>	<u>\$ 16,771,600.00</u>	<u>\$ 67,396,600.00</u>

Bonds Authorized but not Issued - As of June 30, 2022, the School District had no authorizations to issue additional bonded debt.

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

Financed Purchases - The School District's payments on financed purchases are budgeted and paid from the general fund on an annual basis.

As of June 30, 2022, the School District is financing (19) copy machines with a total cost of \$331,080.00. The agreement terms range from five to six years with varying interest rates. The final maturity of the financed purchases ranges from October 20, 2022 to December 20, 2024.

As of June 30, 2022, the School District is financing (1,250) laptop computers with a total cost of \$439,201.90. The agreement terms range from four to five years with varying interest rates. The final maturity of the financed purchases ranges from August 25, 2022 to October 1, 2024.

The following is a schedule of the remaining future minimum payments under the financed purchases, and the present value of the net minimum payments at June 30, 2022:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 135,736.58	\$ 6,075.80	\$ 141,812.38
2024	112,888.63	3,142.75	116,031.38
2025	<u>56,184.21</u>	<u>729.24</u>	<u>56,913.45</u>
Total	<u>\$ 304,809.42</u>	<u>\$ 9,947.79</u>	<u>\$ 314,757.21</u>

Financed purchases are depreciated in a manner consistent with the School District's depreciation policy for owned assets.

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

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

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

Note 7: LONG-TERM LIABILITIES (CONT'D)**Public Employees' Retirement System (PERS) Payment Deferral (Cont'd) –**

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Deferral</u> <u>Payment</u>	<u>Interest</u>	<u>Total</u> <u>Projected</u> <u>Payment</u>
2023	\$ 8,049.20	\$ 2,656.24	\$ 10,705.44
2024	8,049.20	1,992.18	10,041.38
2025	8,049.20	1,328.12	9,377.32
2026	8,049.20	664.06	8,713.26
Total	<u>\$ 32,196.80</u>	<u>\$ 6,640.60</u>	<u>\$ 38,837.40</u>

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

Note 8: PENSION PLANS

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

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

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

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

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

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

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

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of P.L. 2007, c. 92 and P.L. 2007, c. 103, and expanded under the provisions of P.L. 2008, c. 89 and P.L. 2010, c. 1. The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

Vesting and Benefit Provisions

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

The following represents the membership tiers for TPAF:

Tier Definition

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 before age 65 with 30 years or more of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

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

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service.

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

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

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

Contributions

Teachers' Pension and Annuity Fund - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2021. The State's contribution is based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. For fiscal year 2021, the State's pension contribution was less than the actuarial determined amount.

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

The School District's contractually required contribution rate for the fiscal year ended June 30, 2022 was 24.78% of the School District's covered payroll, of which 0.00% of payroll was required from the School District and 100.00% of payroll was required from the State of New Jersey. The School District was not required to contribute to the pension plan during the fiscal year ended June 30, 2022 because of the 100.00% special funding situation with the State of New Jersey.

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

Teachers' Pension and Annuity Fund (Cont'd) - Based on the most recent TPAF measurement date of June 30, 2021, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2022 was \$5,418,888.00 and was paid by April 1, 2022. School District employee contributions to the Plan during the fiscal year ended June 30, 2022 were \$1,647,925.47.

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate was 7.50% in State fiscal year 2021. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2022 was 17.80% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2021, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2022 was \$488,965.00, and was paid by April 1, 2022. School District employee contributions to the Plan during the fiscal year ended June 30, 2022 were \$232,175.70.

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with P.L. 2007, C. 92, and P.L. 2007, C. 103, Plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District contributes 3% of the employees' base salary, for each pay period.

For the fiscal year ended June 30, 2022, employee contributions totaled \$74,660.89, and the School District recognized pension expense, which equaled the required contributions, of \$55,051.77. There were no forfeitures during the fiscal year.

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

Pension Liability - At June 30, 2022, the School District was not required to report a liability for its proportionate share of the net pension liability for TPAF because of the 100% special funding situation by the State of New Jersey.

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

School District's Proportionate Share of Net Pension Liability	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	88,897,083.00
	<u>\$ 88,897,083.00</u>

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)****Teachers' Pension and Annuity Fund (Cont'd)**

Pension Liability (Cont'd) - 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 July 1, 2020. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2021. For the June 30, 2021 measurement date, the School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At the June 30, 2021 measurement date, the School District proportion was 0.00% due to the 100% special funding situation with the State of New Jersey; however, the State's proportionate share of the TPAF net pension liability associated with the School District was 0.1849126045%, which was an increase of 0.0031226077% from its proportion measured as of June 30, 2020.

Pension (Benefit) Expense - For the fiscal year ended June 30, 2022, the State's proportionate share of the pension (benefit) expense, associated with the School District, calculated by the Plan as of June 30, 2021 measurement date, was \$2,091,787.00. This on-behalf expense has been recognized by the School District in the government-wide financial statements.

Public Employees' Retirement System

Pension Liability - At June 30, 2022, the School District reported a liability of \$4,946,156.00 for its proportionate share of the net pension liability for PERS. 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 July 1, 2020. The total pension liability was calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2021. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2021 measurement date, the School District's proportion was 0.0417520473%, which was a decrease of 0.0012003900% from its proportion measured as of June 30, 2020.

Pension (Benefit) Expense - For the fiscal year ended June 30, 2022, the School District recognized pension (benefit) expense of \$(699,026.00), in the government-wide financial statements. This pension expense was based on the pension plan's June 30, 2021 measurement date.

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

Deferred Outflows and Inflows of Resources - At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 78,007.00	\$ 35,409.00
Changes of Assumptions	25,760.00	1,760,864.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	1,302,947.00
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	478,220.00	333,778.00
School District Contributions Subsequent to the Measurement Date	<u>548,197.00</u>	<u>-</u>
	<u>\$ 1,130,184.00</u>	<u>\$ 3,432,998.00</u>

Deferred outflows of resources in the amount of \$548,197.00 will be included as a reduction of the net pension liability in the subsequent fiscal year, June 30, 2023. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30,</u>	
2023	\$ (1,119,994.00)
2024	(1,113,790.00)
2025	(148,853.00)
2026	(461,904.00)
2027	<u>(6,470.00)</u>
	<u>\$ (2,851,011.00)</u>

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	5.21	-
June 30, 2020	5.16	-
June 30, 2021	-	5.13
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
June 30, 2021	5.13	-
Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2017	-	5.00
June 30, 2018	-	5.00
June 30, 2019	-	5.00
June 30, 2020	-	5.00
June 30, 2021	-	5.00
Changes in Proportion		
Year of Pension Plan Deferral:		
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16
June 30, 2021	5.13	5.13

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

The net pension liabilities were measured as of June 30, 2021 and the total pension liabilities used to calculate the net pension liability were determined by an actuarial valuation as of July 1, 2020. The total pension liabilities were calculated using updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2021. The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

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

⁽¹⁾ based on years of service

For TPAF, pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

For PERS, pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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

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

Best estimates of arithmetic rates of return for each major asset class included in TPAF's and PERS' target asset allocation as of the June 30, 2021 measurement date are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
	<u>100.00%</u>	

Discount Rate -

Teachers' Pension and Annuity Fund - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.16% as of the June 30, 2021 measurement date based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers would be based on 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 projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to projected benefit payments in determining the total pension liability.

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

Public Employees' Retirement System - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.16% as of the June 30, 2021 measurement date based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity would 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 projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of Proportionate Share of Net Pension Liability to Changes in the Discount Rate

Teachers' Pension and Annuity Fund (TPAF) - As previously mentioned TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2021, the Plan's measurement date, attributable to the School District is \$0.00. The following, however, presents the net pension liability of the State as of June 30, 2021 (Plan's measurement date), attributable to the School District, calculated using the discount rate of 7.00% as well as what the State's net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	<u>105,180,098.00</u>	<u>88,897,083.00</u>	<u>75,220,373.00</u>
	<u>\$ 105,180,098.00</u>	<u>\$ 88,897,083.00</u>	<u>\$ 75,220,373.00</u>

Public Employees' Retirement System (PERS) - The following presents the School District's proportionate share of the net pension liability at June 30, 2021, the Plan's measurement date, calculated using a discount rate of 7.00%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's Proportionate Share of the Net Pension Liability	<u>\$ 6,735,661.00</u>	<u>\$ 4,946,156.00</u>	<u>\$ 3,427,507.00</u>

Note 8: PENSION PLANS (CONT'D)**Pension Plan Fiduciary Net Position**

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

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

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

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

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

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

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

Employees Covered by Benefit Terms - At June 30, 2021, the OPEB Plan's measurement date, the entire State Health Benefit Local Education Retired Employees OPEB Plan consisted of the following members.

Active Plan Members	213,901
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	150,427
Inactive Plan Members Entitled to but Not Yet Receiving Benefit Payments	-
	<u>364,328</u>

Total Non-Employer OPEB Liability

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

The State's proportionate share of the net OPEB liability associated with the School District as of June 30, 2022 was \$93,497,922.00. Since the OPEB liability associated with the School District is 100% attributable to the State, the OPEB liability will be referred to as the total non-employer OPEB liability.

The total non-employer OPEB liability was measured as of June 30, 2021, and was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. For the June 30, 2021 measurement date, the State's proportionate share of the non-employer OPEB liability associated with the School District was 0.1558100017%, which was an increase of 0.0014144572% from its proportion measured as of June 30, 2020.

Actuarial Assumptions and Other Inputs - The actuarial assumptions and other inputs vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation at June 30, 2020, which was rolled forward to June 30, 2021, used the following actuarial assumptions, applied to all periods in the measurement:

Salary Increases -

	<u>TPAF/ABP</u> *	<u>PERS</u> *	<u>PFRS</u> *
Salary Increases:			
Through 2026	1.55 - 4.45%	2.00 - 6.00%	3.25 - 15.25% *
Thereafter	1.55 - 5.65%	3.00 - 7.00%	Not Applicable

* based on service years

Inflation Rate - 2.50%.

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

Mortality Rates - Current and future retiree healthy mortality rates were based on the PUB-2010 "General" classification and PUB-2010 Health "Teachers" classification headcount-weighted mortality tables with fully generational mortality improvement projections from the central year using Scale MP-2021.

Disabled 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.

Experience Studies - The actuarial assumptions used in the June 30, 2020 valuation, which was rolled forward to June 30, 2021, were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018, July 1, 2014 - June 30, 2018, and July 1, 2013 - June 30, 2018 for TPAF, PERS, and PFRS, respectively.

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

Discount Rate - The discount rate for June 30, 2021 measurement date 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.

Changes in the Total Non-Employer OPEB Liability

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

Balance at June 30, 2021		\$ 104,695,561.00
Changes for the Year:		
Service Cost	\$ 5,287,001.00	
Interest Cost	2,425,435.00	
Changes in Benefit Terms	(99,517.00)	
Difference between Expected and Actual Experience	(17,054,244.00)	
Changes in Assumptions	92,243.00	
Member Contributions	62,006.00	
Gross Benefit Payments	<u>(1,910,563.00)</u>	
Net Changes		<u>(11,197,639.00)</u>
Balance at June 30, 2022		<u>\$ 93,497,922.00</u>

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

Benefit changes: the change in liability for the measurement period from June 30, 2020 to June 30, 2021 is due to employers adopting Chapter 44 provisions.

Differences between expected and actual experience reflect a decrease in liability for the measurement period from June 30, 2020 to June 30, 2021 due to changes in the census.

Changes in assumptions reflect an increase in the liability for the measurement period from June 30, 2020 to June 30, 2021 is due to the combined effect of the decrease in the assumed discount rate from 2.21% as of June 30, 2020 to 2.16% as of June 30, 2021; and changes in the trend, salary scale, and updated mortality projection scale.

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2021, associated with the School District, using a discount rate of 2.16%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used is as follows:

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 111,995,833.00</u>	<u>\$ 93,497,922.00</u>	<u>\$ 78,931,928.00</u>

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Healthcare Cost Trend Rates - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2021, associated with the School District, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used is as follows:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 75,686,872.00</u>	<u>\$ 93,497,922.00</u>	<u>\$ 117,416,846.00</u>

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

OPEB Expense - For the fiscal year ended June 30, 2022, the School District recognized \$6,001,300.00 in OPEB expense and revenue, in the government-wide financial statements, for the State's proportionate share of the OPEB Plan's OPEB expense, associated with the School District. This expense and revenue was based on the OPEB Plan's June 30, 2021 measurement date.

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

Deferred Outflows and Inflows of Resources - In accordance with GASBS No. 75, the School District's proportionate share of the OPEB liability is zero. As such, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources by the School District; however, at June 30, 2022, the State's proportionate share of the total non-employer OPEB liability's deferred outflows of resources and deferred inflows of resources, associated with School District, from the following sources are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between Expected and Actual Experience	\$ 14,094,396.00	\$ 28,060,389.00
Changes of Assumptions	15,860,737.00	10,031,456.00
Changes in Proportion	<u>2,823,565.00</u>	<u>-</u>
	<u>\$ 32,778,698.00</u>	<u>\$ 38,091,845.00</u>

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

Fiscal Year Ending <u>June 30,</u>	
2023	\$ (1,401,990.00)
2024	(1,401,990.00)
2025	(1,401,990.00)
2026	(1,401,990.00)
2027	(872,533.00)
Thereafter	<u>1,167,346.00</u>
	<u>\$ (5,313,147.00)</u>

Note 10: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2022, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance were \$7,725,226.00, \$108,992.00, \$1,830,390.00, and \$2,859.00, respectively.

Note 11: RISK MANAGEMENT

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

New Jersey Unemployment Compensation Insurance - The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the School District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The School District is billed quarterly for amounts due to the State.

The following is a summary of the activity of the School District's unemployment claims for the current and previous two fiscal years:

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Employee</u> <u>Contributions</u>	<u>Interest</u> <u>Income</u>	<u>Claims</u> <u>Incurred</u>	<u>Ending Balance</u>	
				<u>Claims</u> <u>Payable</u>	<u>Restricted</u> <u>Fund</u> <u>Balance</u>
2022	\$ 45,467.01			\$ 87,949.57	\$ 168,413.63
2021	42,482.56			42,482.56	168,413.63
2020	41,760.07	\$ 554.42	\$ 45,575.60		168,413.63

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

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

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

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

Note 12: DEFERRED COMPENSATION

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

- Lincoln National
- Lincoln Investment Planning
- MassMutual Ascend
- Met Life
- Vanguard Group
- AXA Equitable
- Security Benefits

Note 13: COMPENSATED ABSENCES

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

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

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2022, the liability for compensated absences reported on the government-wide statement of net position was \$1,328,237.50.

Note 14: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfunds - The composition of interfund balances as of June 30, 2022 is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 3,033,694.44	\$ 23,524.78
Special Revenue		172,415.99
Capital Projects		2,313,082.86
Before and After Care		548,195.59
Summer Music Program	<u>23,524.78</u>	
Totals	<u>\$ 3,057,219.22</u>	<u>\$ 3,057,219.22</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2023, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

Transfers -

<u>Transfer Out:</u>	<u>Transfer In:</u>
	<u>Food Service Fund</u>
General Fund	<u>\$ 25,000.00</u>
Total Transfers	<u>\$ 25,000.00</u>

The General Fund transferred \$25,000.00 during the fiscal year to supplement the funding of the School District's Food Service operations.

Note 15: CONTINGENCIES

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

Litigation - The School District is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the School District, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements. However, one particular legal proceeding may be material if the outcome is unfavorable to the School District, but the probability cannot yet be determined.

Note 16: CONCENTRATIONS

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

Note 17: COMMITMENTS

The School District had multiple construction projects ongoing as of the fiscal year ended June 30, 2022 that are to continue into the subsequent fiscal year. These projects, which are related to the capital projects fund, are as follows:

<u>Contract</u>	<u>Commitment Date</u>	<u>Amount Outstanding</u>
PES Addition and Renovations	07-13-20	\$ 1,387,890.36
UMS Gym Addition and Alterations	01-08-21	668,106.11
RHS Mortimer Wing Renovations	02-01-21	1,576,796.41
PES Upgrades to PA Systems	05-26-21	20,675.62
RHS Pool Roof Renovations	07-02-21	363,972.29
Kindergarten Center Roof Replacement	07-06-21	165,303.52
Kindergarten Center Retaining Wall	02-16-22	140,011.66
LES Equipment and Renovations	02-17-22	577,729.56
WES Boiler Renovations	03-01-22	150,615.44
UMS Gym Roofing Renovations	04-11-22	404,107.52
LES Roofing Renovations	04-11-22	511,237.97
Total		<u>\$ 5,966,446.46</u>

Note 18: FUND BALANCES**NONSPENDABLE**

As stated in note 1, the nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The School District does not have any non-spendable fund balances as of June 30, 2022.

Note 18: FUND BALANCES (CONT'D)**RESTRICTED**

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

General Fund

For Capital Reserve Account - As of June 30, 2022, the balance in the capital reserve account is \$3,321,208.71. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

For Maintenance Reserve Account - As of June 30, 2022, the balance in the maintenance reserve account is \$100,000.00. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

For Unemployment Compensation - Pursuant to N.J.S.A. 43:21-7.3(g), the School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method" (see note 10). As a result, there exists at June 30, 2022 a restricted fund balance from employer contributions in the amount of \$168,413.63 for future unemployment claims.

For Excess Surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation. New Jersey school districts are required to restrict general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2022 is \$500,000.00. Additionally, \$500,000.00 of excess fund balance generated during 2020-2021 has been restricted and designated for utilization in the 2022-2023 budget.

Special Revenue Fund

For Student Activities - In accordance with N.J.A.C. 6A:23A-16.12(c), each school district shall ensure through adoption of a formal board policy that all financial and bookkeeping controls are adequate to ensure appropriate fiscal accountability and sound business practices for funds collected for student activities. As such, borrowing from student activity funds is prohibited. The balance of these funds as of June 30, 2022 is \$269,507.58.

For Scholarships - The School District reports fund balance resulting from the receipt of an endowment to be used for scholarships for future teachers. These funds are required to be used as restricted by the donor. The balance of these funds as of June 30, 2022 is \$91,909.68.

Capital Projects Fund - As of June 30, 2022, the balance in the capital projects fund is \$11,970,433.96, which is restricted for approved projects.

Debt Service Fund - In accordance with N.J.A.C. 6A:23A-8.6, a district board of education shall appropriate annually all debt service fund balances in the budget certified for taxes unless expressly authorized and documented by the voters in a bond referendum. The School District has \$0.52 of debt service fund balance at June 30, 2022.

Note 18: FUND BALANCES (CONT'D)**COMMITTED**

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

ASSIGNED

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

General Fund

For Subsequent Year's Expenditures - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2023 \$300,000.00 of general fund balance at June 30, 2022.

Other Purposes - As of June 30, 2022, the School District had \$2,561,331.11 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

UNASSIGNED

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

General Fund - As of June 30, 2022, \$2,427,899.08 of general fund balance was unassigned.

Note 19: SUBSEQUENT EVENTS**Authorization of Debt**

On September 12, 2022, the School District entered into an agreement for (15) photocopiers for use throughout the School District. The agreement runs for a five year term with an interest rate of 3.5%. A \$1.00 purchase option is available to the School District at the end of the five year term.

COVID-19

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

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the School District's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the School District is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2023.

REQUIRED SUPPLEMENTARY INFORMATION
PART II

BUDGETARY COMPARISON SCHEDULES

RUTHERFORD SCHOOL DISTRICT
 General Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 44,207,644.00		\$ 44,207,644.00	\$ 44,207,644.00	
Tuition From Other LEAs Within the State	154,000.00		154,000.00		\$ (154,000.00)
Tuition From Other Sources	822,000.00		822,000.00	133,811.00	(688,189.00)
Tuition From Summer School	58,100.00		58,100.00		(58,100.00)
Interest Earned on Capital Reserve Funds	1,000.00		1,000.00		(1,000.00)
Unrestricted Miscellaneous Revenues	80,000.00		80,000.00	146,694.02	66,694.02
Total - Local Sources	45,322,744.00	-	45,322,744.00	44,488,149.02	(834,594.98)
State Sources:					
Categorical Special Education Aid	1,656,819.00		1,656,819.00	1,656,819.00	
Equalization Aid	815,410.00		815,410.00	815,410.00	
Categorical Security Aid	133,835.00		133,835.00	133,835.00	
Categorical Transportation Aid	209,359.00		209,359.00	209,359.00	
Extraordinary Aid	250,000.00		250,000.00	1,070,836.00	820,836.00
On-Behalf TPAF Pension Contributions (non-budgeted):					
Post Retirement Medical				1,830,390.00	1,830,390.00
Teacher's Pension and Annuity Fund				7,725,226.00	7,725,226.00
TPAF Non-Contributory Insurance				108,992.00	108,992.00
Long-Term Disability Insurance				2,859.00	2,859.00
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,579,300.61	1,579,300.61
Total - State Sources	3,065,423.00	-	3,065,423.00	15,133,026.61	12,067,603.61
Federal Sources:					
Special Education Medicaid Initiative	30,146.00		30,146.00	29,135.27	(1,010.73)
Total - Federal Sources	30,146.00	-	30,146.00	29,135.27	(1,010.73)
Total Revenues	48,418,313.00	-	48,418,313.00	59,650,310.90	11,231,997.90

(Continued)

RUTHERFORD SCHOOL DISTRICT
 General Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool	\$ 129,086.00	\$ (6,775.00)	\$ 122,311.00	\$ 122,311.00	
Kindergarten	661,665.00	(4,101.06)	657,563.94	657,563.94	
Grades 1-5	5,326,550.00	(104,693.02)	5,221,856.98	5,210,353.98	\$ 11,503.00
Grades 6-8	4,323,146.00	(70,638.51)	4,252,507.49	4,238,597.49	13,910.00
Grades 9-12	5,386,129.00	(48,860.57)	5,337,268.43	5,324,218.43	13,050.00
Regular Programs - Home Instruction:					
Salaries of Teachers	50,000.00	(33,684.05)	16,315.95	16,315.95	
Purchased Professional - Educational Services	21,363.25	(14,106.80)	7,256.45	6,357.45	899.00
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	279,498.00	(17,579.75)	261,918.25	261,918.25	
Purchased Professional - Educational Services	25,000.00	(25,000.00)			
Other Purchased Services	354,799.22	(93,688.11)	261,111.11	223,103.47	38,007.64
General Supplies	741,631.02	(8,469.99)	733,161.03	625,877.69	107,283.34
Textbooks	58,781.00	(12,055.41)	46,725.59	44,787.55	1,938.04
Other Objects	500.00	(500.00)			
Total Regular Programs	17,358,148.49	(440,152.27)	16,917,996.22	16,731,405.20	186,591.02
Special Education - Instruction:					
Learning and / or Language Disabilities:					
Salaries of Teachers	320,854.00	(10,092.00)	310,762.00	310,762.00	
Other Salaries for Instruction	213,696.00	(44,311.79)	169,384.21	169,384.21	
Purchased Professional - Educational Services	425,659.51	65,305.20	490,964.71	474,182.50	16,782.21
General Supplies	4,000.00	1,599.94	5,599.94	5,316.24	283.70
Textbooks	1,000.00		1,000.00		1,000.00
Total Learning and / or Language Disabilities	965,209.51	12,501.35	977,710.86	959,644.95	18,065.91
Multiple Disabilities:					
Salaries of Teachers	257,507.00	(1,571.00)	255,936.00	185,876.04	70,059.96
Other Salaries for Instruction	169,435.00	(123,733.45)	45,701.55	45,701.55	
General Supplies	6,581.40	88.00	6,669.40	5,747.03	922.37
Textbooks	2,500.00	(88.00)	2,412.00		2,412.00
Total Multiple Disabilities	436,023.40	(125,304.45)	310,718.95	237,324.62	73,394.33

(Continued)

RUTHERFORD SCHOOL DISTRICT
 General Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Resource Room / Resource Center:					
General Supplies	\$ 265.34	\$ 4,481.68	\$ 4,747.02	\$ 3,940.25	\$ 806.77
Preschool Disabilities - Full-Time:					
Salaries of Teachers	61,673.00	(9,369.00)	52,304.00	52,304.00	
Other Salaries for Instruction	77,728.00	(6,172.10)	71,555.90	71,555.90	
Total Preschool Disabilities - Full-Time	139,401.00	(15,541.10)	123,859.90	123,859.90	-
Total Special Education - Instruction	1,540,899.25	(123,862.52)	1,417,036.73	1,324,769.72	92,267.01
Basic Skills/Remedial - Instruction					
Salaries of Teachers	869,079.00	(20,530.28)	848,548.72	848,548.72	
Bilingual Education - Instruction:					
Salaries of Teachers	147,402.00	250.00	147,652.00	147,402.00	250.00
School Sponsored Cocurricular Activities - Instruction:					
Salaries	140,000.00	2,135.98	142,135.98	142,135.98	
Transfer to Cover Deficit (Agency Funds)	58,000.00		58,000.00	58,000.00	
Total School Sponsored Cocurricular Activities - Instruction	198,000.00	2,135.98	200,135.98	200,135.98	-

RUTHERFORD SCHOOL DISTRICT
 General Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
School Sponsored Athletics - Instruction:					
Salaries	\$ 576,144.00	\$ (50,511.75)	\$ 525,632.25	\$ 450,382.25	\$ 75,250.00
Purchased Services	138,000.00	(27,447.00)	110,553.00	110,553.00	
Supplies and Materials	107,400.86	27,447.00	134,847.86	118,404.91	16,442.95
Total School Sponsored Athletics - Instruction	<u>821,544.86</u>	<u>(50,511.75)</u>	<u>771,033.11</u>	<u>679,340.16</u>	<u>91,692.95</u>
Before/After School Programs - Instruction:					
Other Salaries of Instruction	256,000.00	(75,858.73)	180,141.27		180,141.27
Supplies & Materials	50,000.00		50,000.00		50,000.00
Salaries	148,200.00	(24,293.24)	123,906.76		123,906.76
Total Before/After School Programs - Instruction	<u>454,200.00</u>	<u>(100,151.97)</u>	<u>354,048.03</u>	<u>-</u>	<u>354,048.03</u>
Summer School - Instruction:					
Other Salaries of Instruction	75,000.00	21,959.50	96,959.50	96,959.50	
General Supplies		10,423.69	10,423.69	5,848.69	4,575.00
Total Summer School - Instruction	<u>75,000.00</u>	<u>32,383.19</u>	<u>107,383.19</u>	<u>102,808.19</u>	<u>4,575.00</u>
Other Instructional Alternative Education Program - Instruction:					
Salaries	85,376.00	4,073.00	89,449.00	89,449.00	
Other Salaries of Instruction	96,415.00	(40,956.20)	55,458.80	53,958.80	1,500.00
General Supplies	7,922.91		7,922.91	4,250.90	3,672.01
Total Other Instructional Alternative Education Program - Instruction	<u>189,713.91</u>	<u>(36,883.20)</u>	<u>152,830.71</u>	<u>147,658.70</u>	<u>5,172.01</u>
Total Other Instruction	<u>2,754,939.77</u>	<u>(173,308.03)</u>	<u>2,581,631.74</u>	<u>2,125,893.75</u>	<u>455,737.99</u>
Total Instruction	<u>21,653,987.51</u>	<u>(737,322.82)</u>	<u>20,916,664.69</u>	<u>20,182,068.67</u>	<u>734,596.02</u>
Undistributed Expenditures - Instruction:					
Tuition to Other LEA's Within State - Special	1,209,220.00	(567,549.60)	641,670.40	637,770.40	3,900.00
Tuition to County Voc. School Dist. - Regular	567,126.00	32,248.40	599,374.40	570,920.00	28,454.40
Tuition to County Voc. School Dist. - Special	346,896.00	(7,630.00)	339,266.00	292,076.50	47,189.50
Tuition to CSSD and Regional Day Schools	236,550.00	(77,582.00)	158,968.00	153,400.00	5,568.00
Tuition to Private Schools for the Disabled - Within State	2,384,791.38	304,889.76	2,689,681.14	2,657,366.43	32,314.71
Tuition - Other	2,975.00	1,015,831.11	1,018,806.11	27,104.94	991,701.17
Total Undistributed Expenditures - Instruction	<u>4,747,558.38</u>	<u>700,207.67</u>	<u>5,447,766.05</u>	<u>4,338,638.27</u>	<u>1,109,127.78</u>

(Continued)

RUTHERFORD SCHOOL DISTRICT
 General Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Attendance and Social Work:					
Salaries	\$ 75,482.00	\$ (2,096.00)	\$ 73,386.00	\$ 73,386.00	
Salaries of Drop-Out Prevention Officer/Coordina	1,000.00	(1,000.00)			
Total Undistributed Expenditures - Attendance and Social Work	<u>76,482.00</u>	<u>(3,096.00)</u>	<u>73,386.00</u>	<u>73,386.00</u>	<u>-</u>
Undistributed Expenditures - Health Services:					
Salaries	509,413.00	15,704.01	525,117.01	525,117.01	
Supplies and Materials	11,576.62	(2,204.09)	9,372.53	4,375.29	\$ 4,997.24
Total Undistributed Expenditures - Health Services	<u>520,989.62</u>	<u>13,499.92</u>	<u>534,489.54</u>	<u>529,492.30</u>	<u>4,997.24</u>
Undistributed Expenditures - Speech, OT, PT & Related Services:					
Salaries	360,714.00	(1,386.36)	359,327.64	359,327.64	
Supplies and Materials	4,311.13	(1.84)	4,309.29	3,106.83	1,202.46
Total Undistributed Expenditures - Speech, OT, PT & Related Services	<u>365,025.13</u>	<u>(1,388.20)</u>	<u>363,636.93</u>	<u>362,434.47</u>	<u>1,202.46</u>
Undistributed Expenditures - Other Support Services - Students - Extraordinary Services:					
Salaries	814,916.00	(264,582.96)	550,333.04	549,833.04	500.00
Purchased Professional - Educational Services	924,285.95	(47,403.00)	876,882.95	581,182.14	295,700.81
Total Undistributed Expenditures - Other Support Services -Students	<u>1,739,201.95</u>	<u>(311,985.96)</u>	<u>1,427,215.99</u>	<u>1,131,015.18</u>	<u>296,200.81</u>
Undistributed Expenditures - Guidance:					
Salaries of Other Professional Staff	898,553.00	(65,534.67)	833,018.33	833,018.33	
Salaries of Secretarial and Clerical Assistants	108,397.00	(0.04)	108,396.96	108,396.96	
Supplies and Materials	2,200.00	(50.00)	2,150.00	654.54	1,495.46
Other Objects	55,187.00	(15,192.95)	39,994.05	33,056.05	6,938.00
Total Undistributed Expenditures - Guidance	<u>1,064,337.00</u>	<u>(80,777.66)</u>	<u>983,559.34</u>	<u>975,125.88</u>	<u>8,433.46</u>

(Continued)

RUTHERFORD SCHOOL DISTRICT
 General Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Child Study Teams:					
Salaries of Other Professional Staff	\$ 872,930.00	\$ (62,117.58)	\$ 810,812.42	\$ 810,812.42	
Salaries of Secretarial and Clerical Assistants	56,540.00	3,620.67	60,160.67	60,160.67	
Other Purchased Services (400-500 Series)	6,000.00		6,000.00		\$ 6,000.00
Supplies and Materials	19,392.39	(6,194.92)	13,197.47	11,973.17	1,224.30
Total Undistributed Expenditures - Child Study Teams	954,862.39	(64,691.83)	890,170.56	882,946.26	7,224.30
Undistributed Expenditures - Improvement of Instructional Services:					
Purchased Professional Services	2,000.00		2,000.00		2,000.00
Other Purchased Services	10,225.00	(140.00)	10,085.00	1,115.24	8,969.76
Supplies and Materials	2,000.00		2,000.00		2,000.00
Total Undistributed Expenditures - Improvement of Instructional Services	14,225.00	(140.00)	14,085.00	1,115.24	12,969.76
Undistributed Expenditures - Educational Media Services / School Library:					
Salaries	491,661.00	(57,048.53)	434,612.47	434,362.47	250.00
Salaries of Technology Coordinators	167,716.00	2,122.88	169,838.88	169,838.88	
Supplies and Materials	51,312.43	(11,332.15)	39,980.28	30,646.40	9,333.88
Other Objects	17,000.00	1,949.05	18,949.05	18,949.05	
Total Undistributed Expenditures - Educational Media Services / School Library	727,689.43	(64,308.75)	663,380.68	653,796.80	9,583.88
Undistributed Expenditures - Instructional Staff Training Services:					
Purchased Professional - Educational Services	2,000.00	(2,000.00)			
Other Objects	2,000.00	2,000.00	4,000.00	1,400.00	2,600.00
Total Undistributed Expenditures - Instructional Staff Training Services	4,000.00	-	4,000.00	1,400.00	2,600.00

RUTHERFORD SCHOOL DISTRICT
 General Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Support Services - General Administration:					
Salaries	\$ 272,753.00	\$ 12,232.96	\$ 284,985.96	\$ 278,562.96	\$ 6,423.00
Legal Services	40,000.00	75,000.00	115,000.00	97,798.74	17,201.26
Audit Fees	37,000.00	10,700.00	47,700.00	47,700.00	
Architectural / Engineering Services	15,650.00	(5,650.00)	10,000.00	1,497.88	8,502.12
Other Purchased Professional Services	158,760.00	(12,412.35)	146,347.65	127,269.97	19,077.68
Communications / Telephone	120,500.00	(25,405.61)	95,094.39	93,937.24	1,157.15
Board of Education Other Purchased Services	2,000.00	(1,101.70)	898.30	898.30	
Miscellaneous Purchased Services	5,618.60	16,533.47	22,152.07	14,146.66	8,005.41
General Supplies	22,463.34	(1,084.30)	21,379.04	14,418.18	6,960.86
Board of Education Member Dues/Fees	19,000.00	(265.55)	18,734.45	18,734.45	
	<u>693,744.94</u>	<u>68,546.92</u>	<u>762,291.86</u>	<u>694,964.38</u>	<u>67,327.48</u>
Total Undistributed Expenditures - Support Services - General Administration					
Undistributed Expenditures - Support Services - School Administration:					
Salaries of Principals / Assistant Principals / Prog Dir	1,274,955.00	21,243.52	1,296,198.52	1,296,198.52	
Salaries of Other Professional Staff	888,962.00	10,812.74	899,774.74	899,774.74	
Salaries of Secretarial and Clerical Assistants	602,969.00	(4,772.04)	598,196.96	593,296.96	4,900.00
Unused Vacation Payment to Terminated/Retired Staff		4,479.00	4,479.00	4,479.00	4,479.00
Other Purchased Services (400-500 Series)	40,010.85	492.65	40,503.50	39,206.12	1,297.38
Supplies and Materials	91,872.72	34,692.24	126,564.96	57,696.28	68,868.68
Other Objects	107,489.13	(8,807.60)	98,681.53	72,640.68	26,040.85
	<u>3,006,258.70</u>	<u>58,140.51</u>	<u>3,064,399.21</u>	<u>2,958,813.30</u>	<u>105,585.91</u>
Total Undistributed Expenditures - Support Services - School Administration					
Undistributed Expenditures - Central Services:					
Salaries	701,066.00	12,372.04	713,438.04	702,971.34	10,466.70
Purchased Technical Services	101,900.73	37,624.73	139,525.46	110,198.68	29,326.78
Miscellaneous Purchased Services	3,500.00	695.00	4,195.00	3,383.93	811.07
Supplies and Materials	12,257.38	673.14	12,930.52	10,908.22	2,022.30
Miscellaneous Expenditures	2,386.26		2,386.26	1,736.00	650.26
	<u>821,110.37</u>	<u>51,364.91</u>	<u>872,475.28</u>	<u>829,198.17</u>	<u>43,277.11</u>
Total Undistributed Expenditures - Central Services					

(Continued)

RUTHERFORD SCHOOL DISTRICT
 General Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Administrative Information Technology:					
Salaries	\$ 252,192.00	\$ 2,932.32	\$ 255,124.32	\$ 255,124.32	
Purchased Technical Services	16,200.00	(761.00)	15,439.00	9,639.00	\$ 5,800.00
Other Purchased Services (400-500 Series)	2,400.00	(1,300.00)	1,100.00	436.45	663.55
Other Objects	97,555.98		97,555.98	81,651.30	15,904.68
	<u>368,347.98</u>	<u>871.32</u>	<u>369,219.30</u>	<u>346,851.07</u>	<u>22,368.23</u>
Total Undistributed Expenditures - Administrative Information Technology					
Undistributed Expenditures - Required Maintenance for School Facilities:					
Salaries	428,175.00	7,470.02	435,645.02	421,913.36	13,731.66
Unused Vacation Payment to Terminated/Retired Staff		12,652.00	12,652.00		12,652.00
Cleaning, Repair and Maintenance Services	482,936.43	221,583.31	704,519.74	507,004.92	197,514.82
General Supplies	160,922.70	2,183.88	163,106.58	141,693.28	21,413.30
Other Objects	11,138.00	(3,338.02)	7,799.98	1,773.83	6,026.15
	<u>1,083,172.13</u>	<u>240,551.19</u>	<u>1,323,723.32</u>	<u>1,072,385.39</u>	<u>251,337.93</u>
Total Undistributed Expenditures - Required Maintenance for School Facilities					
Undistributed Expenditures - Custodial Services:					
Salaries	786,741.00	25,905.70	812,646.70	788,732.64	23,914.06
Unused Vacation Payment to Terminated/Retired Staff		5,300.00	5,300.00		5,300.00
Salaries of Non Instructional Aides	175,000.00	(10,229.37)	164,770.63	164,770.63	
Cleaning, Repair and Maintenance Services	890,576.00	(940.32)	889,635.68	889,635.68	
Other Purchased Property Services	59,700.00	6,347.50	66,047.50	65,410.97	636.53
Insurance	165,000.00	39,979.00	204,979.00	204,979.00	
General Supplies	171,040.66	(66,781.54)	104,259.12	88,779.93	15,479.19
Energy (Natural Gas)	245,471.53	(6,956.48)	238,515.05	181,886.86	56,628.19
Energy (Electricity)	624,251.81	17,660.37	641,912.18	521,489.65	120,422.53
	<u>3,117,781.00</u>	<u>10,284.86</u>	<u>3,128,065.86</u>	<u>2,905,685.36</u>	<u>222,380.50</u>
Total Undistributed Expenditures - Custodial Services					
Undistributed Expenditures - Care and Upkeep of Grounds:					
Cleaning, Repair and Maintenance Services	74,401.00	3,629.00	78,030.00	68,580.00	9,450.00

(Continued)

RUTHERFORD SCHOOL DISTRICT
 General Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2022

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
EXPENDITURES (CONT'D):					
Current Expense (Cont'd):					
Undistributed Expenditures - Security:					
General Supplies	\$ 4,000.00	\$ (4,000.00)			
Undistributed Expenditures - Student Transportation Services:					
Salaries of Non-Instructional Aides	56,255.00	3,267.86	\$ 59,522.86	\$ 59,272.86	\$ 250.00
Salaries for Pupil Transportation (Between Home and School) - Regular	91,130.00	(31,332.57)	59,797.43	59,797.43	
Salaries for Pupil Transportation (Between Home and School)-Special Ed	232,462.00	43,131.58	275,593.58	275,379.43	214.15
Salaries for Pupil Transportation (Other than Bet. Home and School)	55,000.00	(55,000.00)			
Cleaning, Repair, & Maintenance Services	82,395.88	(7,562.00)	74,833.88	59,560.53	15,273.35
Contracted Services (Special Education Students) - Vendors	932,545.50	168,985.62	1,101,531.12	1,100,431.12	1,100.00
General Supplies	43,082.70	(400.68)	42,682.02	29,217.33	13,464.69
Total Undistributed Expenditures - Student Transportation Services	1,492,871.08	121,089.81	1,613,960.89	1,583,658.70	30,302.19
Unallocated Benefits:					
Social Security Contributions	505,000.00	18,596.84	523,596.84	502,875.15	20,721.69
Other Retirement Contributions - PERS	430,000.00	78,635.00	508,635.00	508,635.00	
Other Retirement Contributions - DCRP	20,000.00	(20,000.00)			
Other Retirement Contributions - Regular	75,000.00	(76.48)	74,923.52	55,475.29	19,448.23
Unemployment Compensation		810.00	810.00	810.00	
Workers' Compensation	175,000.00	(17,077.00)	157,923.00	157,923.00	
Health Benefits	5,756,385.00	(333,557.33)	5,422,827.67	4,776,140.71	646,686.96
Tuition Reimbursement	40,000.00		40,000.00	19,563.85	20,436.15
Other Employee Benefits	235,000.00	4,135.76	239,135.76	202,035.27	37,100.49
Total Unallocated Benefits	7,236,385.00	(268,533.21)	6,967,851.79	6,223,458.27	744,393.52
On-Behalf TPAF Pension Contributions (non-budgeted):					
Post Retirement Medical (non-budgeted)				1,830,390.00	(1,830,390.00)
Teacher's Pension and Annuity Fund (non-budgeted)				7,725,226.00	(7,725,226.00)
TPAF Non-Contributory Insurance (non-budgeted)				108,992.00	(108,992.00)
Long-Term Disability Insurance				2,859.00	(2,859.00)
Reimbursed TPAF Social Security Contributions (non-budgeted)				1,579,300.61	(1,579,300.61)
Total On-Behalf Contributions	-	-	-	11,246,767.61	(11,246,767.61)
Current Expense (Cont'd):					
Total Undistributed Expenditures	28,112,443.10	469,264.50	28,581,707.60	36,879,712.65	(8,298,005.05)
Total Current Expense	49,766,430.61	(268,058.32)	49,498,372.29	57,061,781.32	(7,563,409.03)

(Continued)

RUTHERFORD SCHOOL DISTRICT
 General Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
EXPENDITURES (CONT'D):					
Capital Outlay:					
Equipment:					
Regular Program Kindergarten	\$ 399,000.00	\$ (399,000.00)			
Regular Program Grades 1-5	108,604.25	1,398,801.24	\$ 1,507,405.49	\$ 607,171.71	\$ 900,233.78
Regular Program Grades 9-12	312,848.44	114,729.67	427,578.11	45,747.44	381,830.67
Regular Program Grades 6-8		12,212.40	12,212.40		12,212.40
Administrative Information Technology	43,550.00	(7,253.99)	36,296.01	1,250.00	35,046.01
Required Maintenance for School Facilities	66,378.00	(9,000.00)	57,378.00	57,219.50	158.50
Custodial Services	44,000.00	(12,000.00)	32,000.00	31,602.64	397.36
Total Equipment	<u>974,380.69</u>	<u>1,098,489.32</u>	<u>2,072,870.01</u>	<u>742,991.29</u>	<u>1,329,878.72</u>
Facilities Acquisition and Construction Services:					
Architectural / Engineering Services	1,697.01		1,697.01		1,697.01
Construction Services	30,270.00		30,270.00	30,270.00	
Assessment for Debt Service on SDA Funding	75,126.00		75,126.00	75,126.00	
Total Facilities Acquisition and Construction Services	<u>107,093.01</u>	<u>-</u>	<u>107,093.01</u>	<u>105,396.00</u>	<u>1,697.01</u>
Interest Deposit to Capital Reserve	<u>1,000.00</u>		<u>1,000.00</u>		<u>1,000.00</u>
Total Capital Outlay	<u>1,082,473.70</u>	<u>1,098,489.32</u>	<u>2,180,963.02</u>	<u>848,387.29</u>	<u>1,332,575.73</u>
Transfer of Funds to Charter Schools	<u>12,901.00</u>		<u>12,901.00</u>	<u>12,901.00</u>	
Total Expenditures	<u>50,861,805.31</u>	<u>830,431.00</u>	<u>51,692,236.31</u>	<u>57,923,069.61</u>	<u>(6,230,833.30)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,443,492.31)</u>	<u>(830,431.00)</u>	<u>(3,273,923.31)</u>	<u>1,727,241.29</u>	<u>5,001,164.60</u>
OTHER FINANCING SOURCES (USES):					
Transfer to Food Service Fund - Board Contribution		<u>(25,000.00)</u>	<u>(25,000.00)</u>	<u>(25,000.00)</u>	

(Continued)

RUTHERFORD SCHOOL DISTRICT
 General Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ (2,443,492.31)	\$ (855,431.00)	\$ (3,298,923.31)	\$ 1,702,241.29	\$ 5,001,164.60
Fund Balances - July 1	<u>2,443,492.31</u>		<u>2,443,492.31</u>	<u>8,436,600.24</u>	<u>5,993,107.93</u>
Fund Balances - June 30	<u>\$ -</u>	<u>\$ (855,431.00)</u>	<u>\$ (855,431.00)</u>	<u>\$ 10,138,841.53</u>	<u>\$ 10,994,272.53</u>
Recapitulation:					
Restricted:					
Capital Reserve				\$ 3,321,208.71	
Maintenance Reserve				100,000.00	
Excess Surplus - Current Year				500,000.00	
Excess Surplus - Designated for Subsequent Year's Expenditures				500,000.00	
Unemployment Compensation				168,413.63	
Assigned:					
For Subsequent Year's Expenditures				300,000.00	
Encumbrances				2,561,331.11	
Unassigned				<u>2,687,888.08</u>	
				10,138,841.53	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				<u>(259,989.00)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 9,878,852.53</u>	

RUTHERFORD SCHOOL DISTRICT
Special Revenue Fund
Required Supplementary Information
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
REVENUES:					
Local Sources:					
Student Activity Fund Revenue		\$ 565,419.91	\$ 565,419.91	\$ 322,925.61	\$ (242,494.30)
Scholarship Revenue		108,229.62	108,229.62	9,769.96	(98,459.66)
Other Revenue from Local Sources		43,227.75	43,227.75	36,696.91	(6,530.84)
	-	716,877.28	716,877.28	369,392.48	(347,484.80)
State Sources:					
State Grants Through Intermediate Sources	\$ 129,547.00	15,734.00	145,281.00	102,577.49	(42,703.51)
Other Restricted Entitlements		122,202.00	122,202.00	112,545.35	(9,656.65)
Nonpublic Aid	250,000.00	(30,703.00)	219,297.00	136,821.68	(82,475.32)
	379,547.00	107,233.00	486,780.00	351,944.52	(134,835.48)
Federal Sources:					
Title I, Part A		257,092.00	257,092.00	216,580.29	(40,511.71)
Title I SI-A		16,824.00	16,824.00	16,823.12	(0.88)
Title II, Part A	225,000.00	(172,145.00)	52,855.00	51,249.50	(1,605.50)
Title III				753.16	753.16
Title III Immigrant		7,656.00	7,656.00		(6,990.00)
Title IV		16,243.00	16,243.00	15,792.00	(451.00)
IDEA Part B	450,000.00	173,818.00	623,818.00	528,165.00	(95,653.00)
IDEA Preschool		22,977.00	22,977.00	21,565.00	(1,412.00)
ARP - IDEA Basic		117,218.00	117,218.00	108,312.00	(8,906.00)
ARP - IDEA Preschool		10,009.00	10,009.00	10,009.00	
ARP - ESSER III		1,518,000.00	1,518,000.00	49,782.68	(1,468,217.32)
ARP - Evidence Based Summer		40,000.00	40,000.00	3,210.00	(36,790.00)
ARP - Evidence Based Beyond the School Day		40,000.00	40,000.00		(40,000.00)
ARP - Accelerated Learning		209,866.00	209,866.00		(209,866.00)
ARP - Mental Health		45,000.00	45,000.00		(45,000.00)
CRRSA Act - ESSER II		250,839.39	250,839.39	70,405.73	(180,433.66)
CRRSA Act - Learning Acceleration		17,113.26	17,113.26	9,573.46	(7,539.80)
CRRSA Act - Mental Health		45,000.00	45,000.00		(45,000.00)
Digital Divide		126.48	126.48	126.48	
Coronavrius Relief Act		6,705.03	6,705.03	11.79	(6,693.24)
CARES Act - ESSER I		58,594.90	58,594.90	26,606.00	(31,988.90)
Total Federal Sources	675,000.00	2,680,937.06	3,355,937.06	1,129,631.21	(2,226,305.85)
Total Revenues	1,054,547.00	3,505,047.34	4,559,594.34	1,850,968.21	(2,708,626.13)

(Continued)

RUTHERFORD SCHOOL DISTRICT
Special Revenue Fund
Required Supplementary Information
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers		\$ 139,900.00	\$ 139,900.00	\$ 56,450.00	\$ 83,450.00
Purchased Professional and Technical Services	\$ 73,981.66	247,001.36	320,983.02	98,805.40	222,177.62
Other Purchased Services	414,786.51	261,465.49	676,252.00	654,913.50	21,338.50
Supplies and Materials	25,160.82	531,020.71	556,181.53	120,790.83	435,390.70
Other Objects		1,000.00	1,000.00		1,000.00
Total Instruction	<u>513,928.99</u>	<u>1,180,387.56</u>	<u>1,694,316.55</u>	<u>930,959.73</u>	<u>763,356.82</u>
Support Services:					
Salaries of Other Professional Staff	7,473.91	68,091.09	75,565.00	14,674.00	60,891.00
Personal Services - Employee Benefits		23,951.00	23,951.00		23,951.00
Purchased Professional and Technical Services	186,071.01	216,858.99	402,930.00	102,051.47	300,878.53
Other Purchased Services	217,526.09	(143,318.59)	74,207.50	56,604.50	17,603.00
Supplies and Materials		97,932.43	97,932.43	29,584.77	68,347.66
Scholarships Awarded		108,229.62	108,229.62	16,319.94	91,909.68
Student Activities		565,419.91	565,419.91	295,912.33	269,507.58
Total Support Services	<u>411,071.01</u>	<u>937,164.45</u>	<u>1,348,235.46</u>	<u>515,147.01</u>	<u>833,088.45</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment		222,266.00	222,266.00	221,820.68	445.32
Noninstructional Equipment	129,547.00	1,165,229.33	1,294,776.33	162,577.49	1,132,198.84
Total Facilities Acquisition and Construction Services	<u>129,547.00</u>	<u>1,387,495.33</u>	<u>1,517,042.33</u>	<u>384,398.17</u>	<u>1,132,644.16</u>
Total Expenditures	<u>1,054,547.00</u>	<u>3,505,047.34</u>	<u>4,559,594.34</u>	<u>1,830,504.91</u>	<u>2,729,089.43</u>

(Continued)

RUTHERFORD SCHOOL DISTRICT
Special Revenue Fund
Required Supplementary Information
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	\$ 20,463.30	\$ 20,463.30
Fund Balance, July 1				340,953.96	340,953.96
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ 361,417.26	\$ 361,417.26
Recapitulation:					
Restricted:					
Scholarships				\$ 91,909.68	
Student Activities				269,507.58	
Total Fund Balance				\$ 361,417.26	

RUTHERFORD SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Note to RSI
 For the Fiscal Year Ended June 30, 2022

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 59,650,310.90	\$ 1,850,968.21
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		368,405.04
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	235,901.00	
State aid payment is recognized as revenue for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(259,989.00)</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 59,626,222.90</u>	<u>\$ 2,219,373.25</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 57,923,069.61	\$ 1,830,504.91
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		<u>368,405.04</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 57,923,069.61</u>	<u>\$ 2,198,909.95</u>

REQUIRED SUPPLEMENTARY INFORMATION
PART III

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

	Measurement Date Ending June 30,				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
School District's Proportion of the Net Pension Liability	0.0417520473%	0.0429524373%	0.0406292579%	0.0390003018%	0.0408840436%
School District's Proportionate Share of the Net Pension Liability	\$ 4,946,156.00	\$ 7,004,419.00	\$ 7,320,776.00	\$ 7,678,965.00	\$ 9,517,152.00
School District's Covered Payroll (Plan Measurement Period)	\$ 3,122,940.00	\$ 3,124,524.00	\$ 3,010,068.00	\$ 2,841,376.00	\$ 2,890,152.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	158.38%	224.18%	243.21%	270.26%	329.30%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.33%	58.32%	56.27%	53.60%	48.10%

	Measurement Date Ending June 30,			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.0408109893%	0.0443618578%	0.0415390576%	0.0433912226%
School District's Proportionate Share of the Net Pension Liability	\$ 12,087,044.00	\$ 9,958,348.00	\$ 7,777,248.00	\$ 8,292,925.00
School District's Covered Payroll (Plan Measurement Period)	\$ 2,907,516.00	\$ 3,246,116.00	\$ 3,004,876.00	\$ 3,161,352.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	415.72%	306.78%	258.82%	262.32%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%	48.72%

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

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

	Fiscal Year Ended June 30,				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually Required Contribution	\$ 548,197.00	\$ 488,965.00	\$ 469,878.00	\$ 395,203.00	\$ 387,927.00
Contributions in Relation to the Contractually Required Contribution	<u>(548,197.00)</u>	<u>(488,965.00)</u>	<u>(469,878.00)</u>	<u>(395,203.00)</u>	<u>(387,927.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll (Fiscal Year)	\$ 3,080,284.00	\$ 3,134,922.00	\$ 2,931,487.00	\$ 2,899,308.00	\$ 2,825,854.00
Contributions as a Percentage of School District's Covered Payroll	17.80%	15.60%	16.03%	13.63%	13.73%

	Fiscal Year Ended June 30,			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 378,747.00	\$ 362,559.00	\$ 381,393.00	\$ 342,442.00
Contributions in Relation to the Contractually Required Contribution	<u>(378,747.00)</u>	<u>(362,559.00)</u>	<u>(381,393.00)</u>	<u>(342,442.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll (Fiscal Year)	\$ 2,686,744.00	\$ 2,727,403.00	\$ 2,712,947.00	\$ 2,922,617.00
Contributions as a Percentage of School District's Covered Payroll	14.10%	13.29%	14.06%	11.72%

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

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

	<u>Measurement Date Ending June 30,</u>				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability Associated with the School District	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the School District	<u>88,897,083.00</u>	<u>119,706,526.00</u>	<u>112,277,508.00</u>	<u>119,124,311.00</u>	<u>121,683,972.00</u>
	<u>\$ 88,897,083.00</u>	<u>\$ 119,706,526.00</u>	<u>\$ 112,277,508.00</u>	<u>\$ 119,124,311.00</u>	<u>\$ 121,683,972.00</u>
School District's Covered Payroll (Plan Measurement Period)	\$24,788,744.00	\$23,694,116.00	\$23,083,788.00	\$22,592,288.00	\$22,720,348.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	358.62%	505.22%	486.39%	527.28%	535.57%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	35.52%	24.60%	26.95%	26.49%	25.41%

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

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

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

This schedule is not applicable.

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

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

RUTHERFORD SCHOOL DISTRICT
Notes to Required Supplementary Information - Part III
For the Fiscal Year Ended June 30, 2022

Teachers' Pension and Annuity Fund (TPAF)

Changes in Benefit Terms:

None.

Changes in Assumptions:

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2021	7.00%	2017	4.25%
2020	5.40%	2016	3.22%
2019	5.60%	2015	4.13%
2018	4.86%	2014	0.0468

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2021	7.00%	2017	7.00%
2020	7.00%	2016	7.65%
2019	7.00%	2015	7.90%
2018	7.00%	2014	0.079

The mortality assumption was updated upon direction from the Division of Pensions and Benefits.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms:

The June 30, 2021 measurement date included one change to the plan provisions. Chapter 140, P.L. 2021 reopened the Worker's Compensation Judges (WCJ) Part of PERS and transferred WCJs from the Defined Contribution Retirement Program (DCRP) and regular part of PERS into the WCJ Part of PERS.

Changes in Assumptions:

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2021	7.00%	2017	5.00%
2020	7.00%	2016	3.98%
2019	6.28%	2015	4.90%
2018	5.66%	2014	5.39%

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2021	7.00%	2017	7.00%
2020	7.00%	2016	7.65%
2019	7.00%	2015	7.90%
2018	7.00%	2014	0.079

The mortality assumption was updated upon direction from the Division of Pensions and Benefits.

REQUIRED SUPPLEMENTARY INFORMATION
PART IV

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

	Measurement Date Ending June 30,				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total Non-Employer OPEB Liability - State's Proportionate Share of the Total OPEB Liability Associated with the School District					
Changes for the Year:					
Service Cost	\$ 5,287,001.00	\$ 2,880,505.00	\$ 2,677,766.00	\$ 2,990,540.00	\$ 3,618,763.00
Interest Cost	2,425,435.00	2,311,229.00	2,793,623.00	2,938,194.00	2,533,581.00
Changes in Benefit Terms	(99,517.00)				
Difference between Expected and Actual Experience	(17,054,244.00)	18,116,232.00	(10,941,541.00)	(5,554,903.00)	
Changes in Assumptions	92,243.00	19,124,281.00	954,703.00	(8,084,888.00)	(10,549,402.00)
Member Contributions	62,006.00	55,245.00	58,264.00	65,111.00	68,217.00
Gross Benefit Payments	(1,910,563.00)	(1,822,664.00)	(1,965,553.00)	(1,883,901.00)	(1,852,583.00)
Net Change in Total Non-Employer OPEB Liability	(11,197,639.00)	40,664,828.00	(6,422,738.00)	(9,529,847.00)	(6,181,424.00)
Total Non-Employer OPEB Liability - Beginning of Fiscal Year	104,695,561.00	64,030,733.00	70,453,471.00	79,983,318.00	86,164,742.00
Total Non-Employer OPEB Liability - End of Fiscal Year	<u>\$ 93,497,922.00</u>	<u>\$ 104,695,561.00</u>	<u>\$ 64,030,733.00</u>	<u>\$ 70,453,471.00</u>	<u>\$ 79,983,318.00</u>
School District's Covered Payroll (Plan Measurement Period)	<u>\$ 24,444,650.00</u>	<u>\$ 23,978,980.00</u>	<u>\$ 23,012,319.00</u>	<u>\$ 22,394,329.00</u>	<u>\$ 21,860,509.00</u>
State's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District as a Percentage of Covered Payroll	382.49%	436.61%	278.25%	314.60%	365.88%

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

RUTHERFORD SCHOOL DISTRICT
Notes to Required Supplementary Information - Part IV
For the Fiscal Year Ended June 30, 2022

Changes in Benefit Terms:

The actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021, included changes due to employers adopting Chapter 44 provisions.

Changes in Assumptions:

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

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2021	2.16%	2018	3.87%
2020	2.21%	2017	3.58%
2019	3.50%		

In addition to changes in the discount rate, other factors that affected the valuation of the net OPEB liability included changes in trend update, mortality projection scale update, and salary scale.

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

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

RUTHERFORD SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2022

	E.S.E.A.							Total Brought Forward
	Total	Title I - A	Title I SIA - Part A	Title II - A	Title III	Title III Immigrant	Title IV - A	
REVENUES:								
Local Sources	\$ 369,392.48							\$ 369,392.48
State Sources	351,944.52							351,944.52
Federal Sources	1,129,631.21	\$ 216,580.29	\$ 16,823.12	\$ 51,249.50	\$ 753.16	\$ 666.00	\$ 15,792.00	827,767.14
Total Revenues	1,850,968.21	216,580.29	16,823.12	51,249.50	753.16	666.00	15,792.00	1,549,104.14
EXPENDITURES:								
Instruction:								
Salaries of Teachers	56,450.00	29,880.00						26,570.00
Purchased Professional and Technical Services	98,805.40						13,845.00	84,960.40
Other Purchased Services	654,913.50		4,212.50					650,701.00
Supplies and Materials	120,790.83	11,920.29	4,760.62		753.16	666.00		102,690.76
Total Instruction	930,959.73	41,800.29	8,973.12	-	753.16	666.00	13,845.00	864,922.16
Support Services:								
Salaries of Other Professional Staff	14,674.00			2,145.00				12,529.00
Purchased Professional and Technical Services	102,051.47		2,850.00				1,947.00	97,254.47
Other Purchased Services	56,604.50	7,500.00		49,104.50				
Supplies and Materials	29,584.77		5,000.00					24,584.77
Scholarships Awarded	16,319.94							16,319.94
Student Activities	295,912.33							295,912.33
Total Support Services	515,147.01	7,500.00	7,850.00	51,249.50	-	-	1,947.00	446,600.51
Facilities Acquisition and Construction Services:								
Instructional Equipment	221,820.68	167,280.00						54,540.68
Noninstructional Equipment	162,577.49							162,577.49
Total Facilities Acquisition and Construction Services	384,398.17	167,280.00	-	-	-	-	-	217,118.17
Total Expenditures	1,830,504.91	216,580.29	16,823.12	51,249.50	753.16	666.00	15,792.00	1,528,640.84
Excess (Deficiency) of Revenues Over (Under) Expenditures	20,463.30	-	-	-	-	-	-	20,463.30
Fund Balance, July 1	340,953.96							340,953.96
Fund Balance, June 30	\$ 361,417.26	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 361,417.26

RUTHERFORD SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2022

	Total Carried Forward	I.D.E.A., Part B				Local Recreation Improvement Grant	SDA Grant	Total Brought Forward
		Basic	Preschool Incentive	A.R.P. Basic	A.R.P. Preschool			
REVENUES:								
Local Sources	\$ 369,392.48							\$ 369,392.48
State Sources	351,944.52					\$ 60,000.00	\$ 52,545.35	239,399.17
Federal Sources	827,767.14	\$ 528,165.00	\$ 21,565.00	\$ 108,312.00	\$ 10,009.00			159,716.14
Total Revenues	1,549,104.14	528,165.00	21,565.00	108,312.00	10,009.00	60,000.00	52,545.35	768,507.79
EXPENDITURES:								
Instruction:								
Salaries of Teachers	26,570.00							26,570.00
Purchased Professional and Technical Services	84,960.40							84,960.40
Other Purchased Services	650,701.00	510,815.00	21,565.00	108,312.00	10,009.00			
Supplies and Materials	102,690.76							102,690.76
Total Instruction	864,922.16	510,815.00	21,565.00	108,312.00	10,009.00	-	-	214,221.16
Support Services:								
Salaries of Other Professional Staff	12,529.00							12,529.00
Purchased Professional and Technical Services	97,254.47	17,350.00						79,904.47
Other Purchased Services								
Supplies and Materials	24,584.77							24,584.77
Scholarships Awarded	16,319.94							16,319.94
Student Activities	295,912.33							295,912.33
Total Support Services	446,600.51	17,350.00	-	-	-	-	-	429,250.51
Facilities Acquisition and Construction Services:								
Instructional Equipment	54,540.68						52,545.35	1,995.33
Noninstructional Equipment	162,577.49					60,000.00		102,577.49
Total Facilities Acquisition and Construction Services	217,118.17	-	-	-	-	60,000.00	52,545.35	104,572.82
Total Expenditures	1,528,640.84	528,165.00	21,565.00	108,312.00	10,009.00	60,000.00	52,545.35	748,044.49
Excess (Deficiency) of Revenues Over (Under) Expenditures	20,463.30	-	-	-	-	-	-	20,463.30
Fund Balance, July 1	340,953.96							340,953.96
Fund Balance, June 30	\$ 361,417.26	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 361,417.26

RUTHERFORD SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2022

	Total Carried Forward	CARES Act ESSER I	CRRSA Act		ARP Act		Coronavirus Relief Fund	Total Brought Forward
			ESSER II	Learning Acceleration	ESSER III	Evidence Based Summer		
REVENUES:								
Local Sources	\$ 369,392.48							\$ 369,392.48
State Sources	239,399.17							239,399.17
Federal Sources	159,716.14	\$ 26,606.00	\$ 70,405.73	\$ 9,573.46	\$ 49,782.68	\$ 3,210.00	\$ 11.79	126.48
Total Revenues	768,507.79	26,606.00	70,405.73	9,573.46	49,782.68	3,210.00	11.79	608,918.13
EXPENDITURES:								
Instruction:								
Salaries of Teachers	26,570.00	3,900.00	14,722.00	4,738.00		3,210.00		
Purchased Professional and Technical Services	84,960.40				29,194.00			55,766.40
Other Purchased Services								
Supplies and Materials	102,690.76		42,167.24	4,198.46				56,325.06
Total Instruction	214,221.16	3,900.00	56,889.24	8,936.46	29,194.00	3,210.00	-	112,091.46
Support Services:								
Salaries of Other Professional Staff	12,529.00	7,800.00	4,729.00					
Purchased Professional and Technical Services	79,904.47		13.00	637.00	19,696.19			59,558.28
Other Purchased Services								
Supplies and Materials	24,584.77	14,906.00	8,774.49		892.49		11.79	
Scholarships Awarded	16,319.94							16,319.94
Student Activities	295,912.33							295,912.33
Total Support Services	429,250.51	22,706.00	13,516.49	637.00	20,588.68	-	11.79	371,790.55
Facilities Acquisition and Construction Services:								
Instructional Equipment	1,995.33							1,995.33
Noninstructional Equipment	102,577.49							102,577.49
Total Facilities Acquisition and Construction Services	104,572.82	-	-	-	-	-	-	104,572.82
Total Expenditures	748,044.49	26,606.00	70,405.73	9,573.46	49,782.68	3,210.00	11.79	588,454.83
Excess (Deficiency) of Revenues Over (Under) Expenditures	20,463.30	-	-	-	-	-	-	20,463.30
Fund Balance, July 1	340,953.96							340,953.96
Fund Balance, June 30	\$ 361,417.26	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 361,417.26

RUTHERFORD SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2022

	Auxiliary Services (Ch. 192)			Handicapped Services (Ch. 193)				Total Brought Forward
	Total Carried Forward	Compensatory Education	Home Instruction	Supplementary Instruction	Examination/Classification	Corrective Speech		
REVENUES:								
Local Sources	\$ 369,392.48							\$ 369,392.48
State Sources	239,399.17	\$ 896.00	\$ 3,390.00	\$ 21,352.05	\$ 34,702.65	\$ 1,125.30	\$ 102,577.49	75,355.68
Federal Sources	126.48							126.48
Total Revenues	608,918.13	896.00	3,390.00	21,352.05	34,702.65	1,125.30	102,577.49	444,874.64
EXPENDITURES:								
Instruction:								
Salaries of Teachers								
Purchased Professional and Technical Services	55,766.40	896.00	3,390.00	21,352.05	29,003.05	1,125.30		
Other Purchased Services								
Supplies and Materials	56,325.06							56,325.06
Total Instruction	112,091.46	896.00	3,390.00	21,352.05	29,003.05	1,125.30	-	56,325.06
Support Services:								
Salaries of Other Professional Staff								
Purchased Professional and Technical Services	59,558.28				5,699.60			53,858.68
Other Purchased Services								
Supplies and Materials								
Scholarships Awarded	16,319.94							16,319.94
Student Activities	295,912.33							295,912.33
Total Support Services	371,790.55	-	-	-	5,699.60	-	-	366,090.95
Facilities Acquisition and Construction Services:								
Instructional Equipment	1,995.33							1,995.33
Noninstructional Equipment	102,577.49						102,577.49	
Total Facilities Acquisition and Construction Services	104,572.82	-	-	-	-	-	102,577.49	1,995.33
Total Expenditures	588,454.83	896.00	3,390.00	21,352.05	34,702.65	1,125.30	102,577.49	424,411.34
Excess (Deficiency) of Revenues Over (Under) Expenditures	20,463.30	-	-	-	-	-	-	20,463.30
Fund Balance, July 1	340,953.96							340,953.96
Fund Balance, June 30	\$ 361,417.26	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 361,417.26

RUTHERFORD SCHOOL DISTRICT
 Special Revenue Fund
 Combining Schedule of Revenues and Expenditures - Budgetary Basis
 For the Fiscal Year Ended June 30, 2022

	N.J. Nonpublic						Rutherford Education Foundation	Total Brought Forward
	Total Carried Forward	Textbook Aid	Nursing	Security	Technology	Nonpublic Digital Divide		
REVENUES:								
Local Sources	\$ 369,392.48						\$ 36,696.91	\$ 332,695.57
State Sources	75,355.68	\$ 12,651.00	\$ 21,056.00	\$ 32,802.68	\$ 8,846.00			
Federal Sources	126.48					\$ 126.48		
Total Revenues	444,874.64	12,651.00	21,056.00	32,802.68	8,846.00	126.48	36,696.91	332,695.57
EXPENDITURES:								
Instruction:								
Salaries of Teachers								
Purchased Professional and Technical Services								
Other Purchased Services								
Supplies and Materials	56,325.06	12,651.00			8,846.00	126.48	34,701.58	
Total Instruction	56,325.06	12,651.00	-	-	8,846.00	126.48	34,701.58	-
Support Services:								
Salaries of Other Professional Staff								
Purchased Professional and Technical Services	53,858.68		21,056.00	32,802.68				
Other Purchased Services								
Supplies and Materials								
Scholarships Awarded	16,319.94							16,319.94
Student Activities	295,912.33							295,912.33
Total Support Services	366,090.95	-	21,056.00	32,802.68	-	-	-	312,232.27
Facilities Acquisition and Construction Services:								
Instructional Equipment	1,995.33						1,995.33	
Noninstructional Equipment								
Total Facilities Acquisition and Construction Services	1,995.33	-	-	-	-	-	1,995.33	-
Total Expenditures	424,411.34	12,651.00	21,056.00	32,802.68	8,846.00	126.48	36,696.91	312,232.27
Excess (Deficiency) of Revenues Over (Under) Expenditures	20,463.30	-	-	-	-	-	-	20,463.30
Fund Balance, July 1	340,953.96							340,953.96
Fund Balance, June 30	\$ 361,417.26	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 361,417.26

RUTHERFORD SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2022

	Total Carried Forward	Scholarship Fund	Student Activity Fund
REVENUES:			
Local Sources	\$ 332,695.57	\$ 9,769.96	\$ 322,925.61
EXPENDITURES:			
Support Services:			
Scholarships Awarded	16,319.94	16,319.94	
Student Activities	295,912.33		295,912.33
Total Expenditures	312,232.27	16,319.94	295,912.33
Excess (Deficiency) of Revenues Over (Under) Expenditures	20,463.30	(6,549.98)	27,013.28
Fund Balance - July 1	340,953.96	98,459.66	242,494.30
Fund Balance - June 30	\$ 361,417.26	\$ 91,909.68	\$ 269,507.58

CAPITAL PROJECTS FUND

RUTHERFORD SCHOOL DISTRICT
 Capital Projects Fund
 Summary Schedule of Project Expenditures
 For the Fiscal Year Ended June 30, 2022

<u>Project Title / Issue</u>	<u>Original Date</u>	<u>Appropriations</u>	<u>Expenditures To Date</u>		<u>Unexpended Balance June 30, 2022</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Rutherford High School Renovations	06-10-19	\$ 11,263,157.73	\$ 4,111,418.35	\$ 4,033,751.10	\$ 3,117,988.28
Lincoln School Addition	06-10-19	1,508,772.14	937,825.63	21,218.78	549,727.73
Pierrepont Addition and Renovation	06-10-19	18,220,927.22	6,719,981.73	6,514,830.62	4,986,114.87
Kindergarten Center Renovation	06-10-19	2,738,091.29	2,145,334.83	153,959.74	438,796.72
Union School Addition and Renovation	06-10-19	<u>11,599,529.62</u>	<u>4,097,705.04</u>	<u>4,624,018.22</u>	<u>2,877,806.36</u>
Total		<u><u>\$ 45,330,478.00</u></u>	<u><u>\$ 18,012,265.58</u></u>	<u><u>\$ 15,347,778.46</u></u>	<u><u>\$ 11,970,433.96</u></u>

RUTHERFORD SCHOOL DISTRICT
 Capital Projects Fund
 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balances
 For the Fiscal Year Ended June 30, 2022

Expenditures and Other Financing Uses:

Purchased Professional and Technical Services	\$ 736,698.15	
Construction Services	14,530,189.08	
Equipment	<u>80,891.23</u>	
 Total Expenditures		 <u>\$ 15,347,778.46</u>
 Net Change in Fund Balance		 (15,347,778.46)
 Fund Balance - July 1		 <u>27,318,212.42</u>
 Fund Balance - June 30		 <u><u>\$ 11,970,433.96</u></u>

RUTHERFORD SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 Rutherford High School Renovations
 For the Fiscal Year Ended June 30, 2022

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Bond Proceeds and Transfers	\$ 14,935,047.00	\$ (3,672,047.27)	\$ 11,262,999.73	\$ 11,262,999.73
Transfer from Capital Reserve	158.00		158.00	158.00
	14,935,205.00	(3,672,047.27)	11,263,157.73	11,263,157.73
Expenditures and Other Financing Uses:				
Legal Services	25,984.30		25,984.30	35,931.15
Purchased Professional and Technical Services	1,613,103.74	251,609.57	1,864,713.31	2,578,529.54
Construction Services	2,388,419.27	3,782,141.53	6,170,560.80	8,532,664.67
Equipment	83,911.04		83,911.04	116,032.37
	4,111,418.35	4,033,751.10	8,145,169.45	11,263,157.73
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 10,823,786.65</u>	<u>\$ (7,705,798.37)</u>	<u>\$ 3,117,988.28</u>	<u>\$ -</u>
Designated for Subsequent Years' Expenditures Encumbered			\$ 1,360,287.50 <u>1,757,700.78</u>	
			<u>\$ 3,117,988.28</u>	
Additional Project Information:				
Project Number	4600-050-19-1000			
Grant Date	N/A			
Bond Authorization Date	09/24/19			
Bonds Authorized	\$ 11,262,999.73			
Bonds Issued	11,262,999.73			
Original Authorized Cost	14,935,205.00			
Additional Authorized Costs	(3,672,047.27)			
Revised Authorized Cost	11,263,157.73			
Percentage Increase over Original Authorized Cost	-24.59%			
Percentage Completion	72%			
Original Target Completion Date	09/01/22			
Revised Target Completion Date	09/01/22			

RUTHERFORD SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 Lincoln School Addition
 For the Fiscal Year Ended June 30, 2022

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Bond Proceeds and Transfers	\$ 1,595,118.00	\$ (86,362.86)	\$ 1,508,755.14	\$ 1,508,755.14
Transfer from Capital Reserve	17.00		17.00	17.00
	1,595,135.00	(86,362.86)	1,508,772.14	1,508,772.14
Total Revenues	1,595,135.00	(86,362.86)	1,508,772.14	1,508,772.14
Expenditures and Other Financing Uses:				
Legal Services	12,182.54		12,182.54	19,165.62
Purchased Professional and Technical Services	175,003.06	21,218.78	196,221.84	308,696.91
Construction Services	734,318.95		734,318.95	1,155,233.23
Equipment	16,321.08		16,321.08	25,676.38
	937,825.63	21,218.78	959,044.41	1,508,772.14
Total Expenditures	937,825.63	21,218.78	959,044.41	1,508,772.14
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 657,309.37</u>	<u>\$ (107,581.64)</u>	<u>\$ 549,727.73</u>	<u>\$ -</u>
Designated for Subsequent Years' Expenditures Encumbered			\$ 33,194.62 <u>516,533.11</u>	
			<u>\$ 549,727.73</u>	
Additional Project Information:				
Project Number	4600-070-19-1000			
Grant Date	N/A			
Bond Authorization Date	09/24/19			
Bonds Authorized	\$ 1,508,755.14			
Bonds Issued	1,508,755.14			
Original Authorized Cost	1,595,135.00			
Additional Authorized Costs	(86,362.86)			
Revised Authorized Cost	1,508,772.14			
Percentage Increase over Original Authorized Cost	-5.41%			
Percentage Completion	64%			
Original Target Completion Date	12/31/21			
Revised Target Completion Date	09/30/22			

RUTHERFORD SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 Pierrepont Addition and Renovation
 For the Fiscal Year Ended June 30, 2022

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Bond Proceeds and Transfers	\$ 15,915,335.00	\$ 2,305,424.22	\$ 18,220,759.22	\$ 18,220,759.22
Transfer from Capital Reserve	168.00		168.00	168.00
	15,915,503.00	2,305,424.22	18,220,927.22	18,220,927.22
Expenditures and Other Financing Uses:				
Legal Services	27,728.30		27,728.30	38,174.73
Purchased Professional and Technical Services	1,769,846.60	200,235.47	1,970,082.07	2,712,295.50
Construction Services	4,922,406.83	6,251,434.97	11,173,841.80	15,383,501.69
Equipment		63,160.18	63,160.18	86,955.30
	6,719,981.73	6,514,830.62	13,234,812.35	18,220,927.22
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 9,195,521.27</u>	<u>\$ (4,209,406.40)</u>	<u>\$ 4,986,114.87</u>	<u>\$ -</u>
Designated for Subsequent Years' Expenditures Encumbered			\$ 3,118,498.44 <u>1,867,616.43</u>	
			<u>\$ 4,986,114.87</u>	
Additional Project Information:				
Project Number	4600-080-19-1000			
Grant Date	N/A			
Bond Authorization Date	09/24/19			
Bonds Authorized	\$ 18,220,759.22			
Bonds Issued	18,220,759.22			
Original Authorized Cost	15,915,503.00			
Additional Authorized Costs	2,305,424.22			
Revised Authorized Cost	18,220,927.22			
Percentage Increase over Original Authorized Cost	14.49%			
Percentage Completion	73%			
Original Target Completion Date	09/30/22			
Revised Target Completion Date	09/30/22			

RUTHERFORD SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 Kindergarten Center Renovation
 For the Fiscal Year Ended June 30, 2022

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Bond Proceeds and Transfers	\$ 2,199,912.00	\$ 538,156.29	\$ 2,738,068.29	\$ 2,738,068.29
Transfer from Capital Reserve	23.00		23.00	23.00
	2,199,935.00	538,156.29	2,738,091.29	2,738,091.29
Expenditures and Other Financing Uses:				
Legal Services	17,744.37		17,744.37	21,130.70
Purchased Professional and Technical Services	274,321.52	23,287.19	297,608.71	354,404.27
Construction Services	1,853,268.94	130,672.55	1,983,941.49	2,362,556.32
	2,145,334.83	153,959.74	2,299,294.57	2,738,091.29
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 54,600.17	\$ 384,196.55	\$ 438,796.72	\$ -
Designated for Subsequent Years' Expenditures Encumbered			\$ 277,630.64 161,166.08	
			\$ 438,796.72	
Additional Project Information:				
Project Number	4600-090-19-1000			
Grant Date	N/A			
Bond Authorization Date	09/24/19			
Bonds Authorized	\$ 2,738,068.29			
Bonds Issued	2,738,068.29			
Original Authorized Cost	2,199,935.00			
Additional Authorized Costs	538,156.29			
Revised Authorized Cost	2,738,091.29			
Percentage Increase over Original Authorized Cost	24.46%			
Percentage Completion	84%			
Original Target Completion Date	09/30/22			
Revised Target Completion Date	09/30/22			

RUTHERFORD SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 Union School Addition and Renovation
 For the Fiscal Year Ended June 30, 2022

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Bond Proceeds and Transfers	\$ 10,684,588.00	\$ 914,829.62	\$ 11,599,417.62	\$ 11,599,417.62
Transfer from Capital Reserve	112.00		112.00	112.00
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	10,684,700.00	914,829.62	11,599,529.62	11,599,529.62
Expenditures and Other Financing Uses:				
Legal Services	26,887.79		26,887.79	35,759.64
Purchased Professional and Technical Services	1,208,093.08	240,347.14	1,448,440.22	1,926,365.32
Construction Services	2,862,724.17	4,365,940.03	7,228,664.20	9,613,823.10
Equipment		17,731.05	17,731.05	23,581.56
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	4,097,705.04	4,624,018.22	8,721,723.26	11,599,529.62
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 6,586,994.96</u>	<u>\$ (3,709,188.60)</u>	<u>\$ 2,877,806.36</u>	<u>\$ -</u>
Designated for Subsequent Years' Expenditures Encumbered			\$ 1,594,117.64 <hr/> 1,283,688.72 <hr/>	
			<u>\$ 2,877,806.36</u>	
Additional Project Information:				
Project Number	4600-100-19-1000			
Grant Date	N/A			
Bond Authorization Date	09/24/19			
Bonds Authorized	\$ 11,599,417.62			
Bonds Issued	11,599,417.62			
Original Authorized Cost	10,684,700.00			
Additional Authorized Costs	914,829.62			
Revised Authorized Cost	11,599,529.62			
Percentage Increase over Original Authorized Cost	8.56%			
Percentage Completion	75%			
Original Target Completion Date	07/31/22			
Revised Target Completion Date	07/31/22			

PROPRIETARY FUNDS

RUTHERFORD SCHOOL DISTRICT
Proprietary Funds
Business-Type Activities - Enterprise Funds
Combining Statement of Net Position
June 30, 2022

	<u>Food Service</u>	<u>Before and After Care</u>	<u>Summer Music Program</u>	<u>Total</u>
ASSETS:				
Current Assets:				
Cash and Cash Equivalents	\$ 25,196.15	\$ 906,213.58	\$ 3,968.66	\$ 935,378.39
Accounts Receivable:				
Other		3,530.00		3,530.00
Interfund Accounts Receivable:				
Due General Fund			23,524.78	23,524.78
	<u>25,196.15</u>	<u>909,743.58</u>	<u>27,493.44</u>	<u>962,433.17</u>
Total Assets				
	<u>25,196.15</u>	<u>909,743.58</u>	<u>27,493.44</u>	<u>962,433.17</u>
LIABILITIES:				
Current Liabilities:				
Accounts Payable	21,986.95	2,286.52		24,273.47
Interfund Accounts Payable:				
Due General Fund		548,195.59		548,195.59
Unearned Revenue		59,475.00		59,475.00
	<u>21,986.95</u>	<u>609,957.11</u>	<u>-</u>	<u>631,944.06</u>
Total Liabilities				
	<u>21,986.95</u>	<u>609,957.11</u>	<u>-</u>	<u>631,944.06</u>
NET POSITION:				
Unrestricted	<u>3,209.20</u>	<u>299,786.47</u>	<u>27,493.44</u>	<u>330,489.11</u>
Total Net Position	<u>\$ 3,209.20</u>	<u>\$ 299,786.47</u>	<u>\$ 27,493.44</u>	<u>\$ 330,489.11</u>

RUTHERFORD SCHOOL DISTRICT
Proprietary Funds
Business-Type Activities - Enterprise Funds
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2022

	<u>Food Service</u>	<u>Before and After Care</u>	<u>Summer Music Program</u>	<u>Total</u>
OPERATING REVENUES:				
Charges for Services:				
Daily Sales - Non-Reimbursable Programs				
School Lunch Program	\$ 73,845.09			\$ 73,845.09
Fees for Enrollment		\$ 673,772.32		673,772.32
Total Operating Revenues	<u>73,845.09</u>	<u>673,772.32</u>	<u>-</u>	<u>747,617.41</u>
OPERATING EXPENSES:				
Salaries		303,648.03		303,648.03
Employee Benefits		23,229.07		23,229.07
Other Purchased Services	890.00			890.00
Supplies and Materials		16,680.83		16,680.83
Cost of Sales - Non-Reimbursable Programs	102,572.22			102,572.22
Miscellaneous Expenditures	15.00			15.00
Total Operating Expenses	<u>103,477.22</u>	<u>343,557.93</u>	<u>-</u>	<u>447,035.15</u>
Operating Income (Loss)	<u>(29,632.13)</u>	<u>330,214.39</u>	<u>-</u>	<u>300,582.26</u>
NONOPERATING REVENUES (EXPENSES):				
Interest Revenue	48.51	919.29		967.80
Net Income (Loss) Before Contributions and Transfers	<u>(29,583.62)</u>	<u>331,133.68</u>	<u>-</u>	<u>301,550.06</u>
CONTRIBUTIONS AND TRANSFERS:				
Operating Transfers In - General Fund	25,000.00			25,000.00
Change in Net Position	<u>(4,583.62)</u>	<u>331,133.68</u>	<u>-</u>	<u>326,550.06</u>
Net Position (Deficit) - July 1	7,792.82	(31,347.21)	\$ 27,493.44	3,939.05
Net Position - June 30	<u>\$ 3,209.20</u>	<u>\$ 299,786.47</u>	<u>\$ 27,493.44</u>	<u>\$ 330,489.11</u>

RUTHERFORD SCHOOL DISTRICT
Proprietary Funds
Business-Type Activities - Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2022

	<u>Food Service</u>	<u>Before and After Care</u>	<u>Summer Music Program</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from Customers	\$ 73,845.09	\$ 681,416.42		\$ 755,261.51
Payments to Employees		(303,648.03)		(303,648.03)
Payments for Employee Benefits		(23,229.07)		(23,229.07)
Payments to Suppliers and Other Operating Payments	(93,983.33)	(14,394.31)		(108,377.64)
Net Cash Provided by (Used for) Operating Activities	<u>(20,138.24)</u>	<u>340,145.01</u>	<u>-</u>	<u>320,006.77</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Subsidies and Transfers (to) from Other Funds	<u>25,000.00</u>	<u>341,271.41</u>		<u>366,271.41</u>
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>25,000.00</u>	<u>341,271.41</u>	<u>-</u>	<u>366,271.41</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest and Dividends	<u>48.51</u>	<u>919.29</u>		<u>967.80</u>
Net Cash Provided by (Used for) Investing Activities	<u>48.51</u>	<u>919.29</u>	<u>-</u>	<u>967.80</u>
Net Increase (Decrease) in Cash and Cash Equivalents	4,910.27	682,335.71	-	687,245.98
Cash and Cash Equivalents - July 1	<u>20,285.88</u>	<u>223,877.87</u>	<u>\$ 3,968.66</u>	<u>248,132.41</u>
Cash and Cash Equivalents - June 30	<u>\$ 25,196.15</u>	<u>\$ 906,213.58</u>	<u>\$ 3,968.66</u>	<u>\$ 935,378.39</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating Income (Loss)	<u>\$ (29,632.13)</u>	<u>\$ 330,214.39</u>	<u>-</u>	<u>\$ 300,582.26</u>
Adjustments to Reconcile Operating (Income) Loss to Net Cash Provided by (Used) for Operating Activities:				
(Increase) Decrease in Accounts Receivable		6,369.10		6,369.10
Increase (Decrease) in Accounts Payable	9,493.89	2,286.52		11,780.41
Increase (Decrease) in Unearned Revenue		1,275.00		1,275.00
Total Adjustments	<u>9,493.89</u>	<u>9,930.62</u>	<u>-</u>	<u>19,424.51</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (20,138.24)</u>	<u>\$ 340,145.01</u>	<u>\$ -</u>	<u>\$ 320,006.77</u>

LONG-TERM DEBT

RUTHERFORD SCHOOL DISTRICT
 Debt Service Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 3,187,978.00		\$ 3,187,978.00	\$ 3,187,978.00	
State Sources:					
Debt Service Aid Type II	462,522.00		462,522.00	462,522.00	
Total Revenues	3,650,500.00	-	3,650,500.00	3,650,500.00	-
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	1,520,500.00		1,520,500.00	1,520,500.00	
Redemption of Principal	2,130,000.00		2,130,000.00	2,130,000.00	
Total Expenditures	3,650,500.00	-	3,650,500.00	3,650,500.00	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance - July 1	0.52		0.52	0.52	
Fund Balance - June 30	\$ 0.52	\$ -	\$ 0.52	\$ 0.52	\$ -

STATISTICAL SECTION

Financial Trends Information

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

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

	Fiscal Year Ended June 30,									
	2022	2021*	2020	2019	2018	2017	2016	2015	2014	2013
Governmental Activities:										
Net Investment in Capital Assets	\$ 23,104,849.10	\$ 22,511,720.24	\$ 22,029,183.19	\$ 23,108,914.17	\$ 22,740,283.11	\$ 22,166,781.41	\$ 21,403,452.04	\$ 20,897,836.68	\$ 20,625,161.35	\$ 19,717,622.77
Restricted	6,346,844.12	5,161,043.85	4,210,876.28	2,645,023.10	2,051,588.13	2,646,796.53	1,731,693.00	1,395,848.53	2,141,004.53	1,150,345.16
Unrestricted (Deficit)	<u>(4,390,500.25)</u>	<u>(7,140,060.52)</u>	<u>(8,597,727.13)</u>	<u>(9,135,672.84)</u>	<u>(9,227,745.96)</u>	<u>(9,267,947.29)</u>	<u>(8,310,791.83)</u>	<u>(7,690,555.55)</u>	<u>387,649.97</u>	<u>1,685,314.49</u>
Total Governmental Activities Net Position	<u>\$ 25,061,192.97</u>	<u>\$ 20,532,703.57</u>	<u>\$ 17,642,332.34</u>	<u>\$ 16,618,264.43</u>	<u>\$ 15,564,125.28</u>	<u>\$ 15,545,630.65</u>	<u>\$ 14,824,353.21</u>	<u>\$ 14,603,129.66</u>	<u>\$ 23,153,815.85</u>	<u>\$ 22,553,282.42</u>
Business-type Activities:										
Net Investment in Capital Assets			\$ 1,653.18	\$ 2,098.98						
Unrestricted	\$ 330,489.11	\$ 3,939.05	<u>(37,283.83)</u>	<u>34,993.06</u>	\$ 98,554.06	\$ 120,934.37	\$ 107,688.66	\$ 75,201.90	\$ 66,567.74	\$ 68,259.07
Total Business-type Activities Net Position	<u>\$ 330,489.11</u>	<u>\$ 3,939.05</u>	<u>\$ (35,630.65)</u>	<u>\$ 37,092.04</u>	<u>\$ 98,554.06</u>	<u>\$ 120,934.37</u>	<u>\$ 107,688.66</u>	<u>\$ 75,201.90</u>	<u>\$ 66,567.74</u>	<u>\$ 68,259.07</u>
District-wide:										
Net Investment in Capital Assets	\$ 23,104,849.10	\$ 22,511,720.24	\$ 22,030,836.37	\$ 23,111,013.15	\$ 22,740,283.11	\$ 22,166,781.41	\$ 21,403,452.04	\$ 20,897,836.68	\$ 20,625,161.35	\$ 19,717,622.77
Restricted	6,346,844.12	5,161,043.85	4,210,876.28	2,645,023.10	2,051,588.13	2,646,796.53	1,731,693.00	1,395,848.53	2,141,004.53	1,150,345.16
Unrestricted (Deficit)	<u>(4,060,011.14)</u>	<u>(7,136,121.47)</u>	<u>(8,635,010.96)</u>	<u>(9,100,679.78)</u>	<u>(9,129,191.90)</u>	<u>(9,147,012.92)</u>	<u>(8,203,103.17)</u>	<u>(7,615,353.65)</u>	<u>454,217.71</u>	<u>1,753,573.56</u>
Total District-wide Net Position	<u>\$ 25,391,682.08</u>	<u>\$ 20,536,642.62</u>	<u>\$ 17,606,701.69</u>	<u>\$ 16,655,356.47</u>	<u>\$ 15,662,679.34</u>	<u>\$ 15,666,565.02</u>	<u>\$ 14,932,041.87</u>	<u>\$ 14,678,331.56</u>	<u>\$ 23,220,383.59</u>	<u>\$ 22,621,541.49</u>

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

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

Source: Exhibit A-1

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

	Fiscal Year Ended June 30,									
	2022	2021*	2020	2019	2018	2017	2016	2015	2014	2013
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 16,787,687.71	\$ 16,482,572.69	\$ 16,452,636.18	\$ 15,494,990.89	\$ 15,288,081.29	\$ 15,822,562.09	\$ 15,876,660.92	\$ 14,214,861.94	\$ 13,953,793.27	\$ 13,395,762.51
Special Education	2,620,864.32	2,240,673.50	2,160,580.95	2,118,030.45	1,958,703.64	2,489,648.85	2,137,432.68	3,777,952.43	3,715,093.08	3,662,520.50
Other Instruction	1,250,787.50	1,179,167.78	1,279,576.35	1,956,344.75	1,871,341.45	1,168,503.57	1,221,912.46	1,296,619.10	1,272,722.38	1,389,254.86
School Sponsored Activities	882,559.55	824,983.91	798,704.59							
Support Services:										
Tuition	4,353,849.36	4,366,901.21	4,495,421.48	4,407,493.41	4,385,168.35	4,228,235.89	4,881,580.58	4,044,262.39	3,547,315.97	3,208,561.02
Student and Instruction Related Services	5,201,961.24	5,167,679.41	4,921,725.93	4,788,643.99	4,578,137.89	4,205,925.60	4,098,505.08	3,817,689.65	3,661,410.34	3,550,790.16
School Administrative Services	2,986,221.80	2,841,967.64	2,801,718.68	2,670,735.85	2,616,395.75	1,772,973.28	1,798,633.52	1,755,395.44	1,723,655.19	1,722,138.65
Business Administrative Services	791,287.79	666,366.94	845,871.14	869,365.48	887,700.42	879,177.13	866,513.28	891,976.98	904,601.46	768,711.58
Central Services	832,105.30	801,711.08	767,266.54	794,895.99	722,329.35	641,365.25	637,805.56	624,097.25	627,599.31	589,481.85
Administrative Information Technology	355,213.17	314,362.48	189,935.38							
Plant Operations and Maintenance	4,135,233.22	3,995,355.29	3,645,682.80	3,911,553.31	3,775,470.57	3,641,088.19	3,549,956.20	3,721,935.76	3,722,393.48	3,707,280.11
Pupil Transportation	1,652,826.55	1,585,350.07	1,537,502.21	1,573,147.03	1,485,769.70	1,424,136.13	1,212,499.98	974,599.65	1,150,018.74	892,579.73
Unallocated Benefits	14,702,664.68	20,729,820.06	16,334,290.81	18,279,486.84	21,437,669.62	20,138,105.13	16,159,168.47	13,737,655.00	8,308,704.97	9,057,894.21
Transfer to Charter School	12,901.00	12,240.00	11,860.00	35,106.00	10,915.00	19,647.00				
Interest on Long-term Debt	1,414,659.88	2,019,763.14	388,203.33	405,359.34	443,613.45	325,248.49	622,555.17	661,655.17	700,064.54	837,951.54
Unallocated Depreciation	1,390,262.68	1,355,569.49	1,332,355.67	1,313,484.61	1,285,111.65	1,242,418.93	1,246,906.53	1,188,041.97	1,150,164.10	1,078,205.59
Debt Issuance Costs			280,690.85			240,200.00				
Loss on Retirement of Capital Assets							37,655.31	13,673.58	123,988.86	
Total Governmental Activities Expenses	59,371,085.75	64,584,484.69	58,244,022.89	58,618,637.94	60,746,408.13	58,239,235.53	54,347,785.74	50,720,416.31	44,561,525.69	43,861,132.31
Business-type Activities:										
Food Service	103,477.22	66,393.96	74,155.80	106,231.85	104,634.88	93,557.73	95,958.52	86,108.77	67,226.11	55,831.30
Community Education		12,457.93	108,306.22	12,982.34	21,164.30	93,244.45	91,329.22	94,802.53	98,316.29	98,168.12
Before and After Care	343,557.93	206,924.18								
Summer Music Program			12,000.00	105,606.59	92,546.73	10,785.70	7,500.00	7,500.00	5,000.00	5,000.00
Total Business-type Activities Expense	447,035.15	285,776.07	194,462.02	224,820.78	218,345.91	197,587.88	194,787.74	188,411.30	170,542.40	158,999.42
Total District Expenses	\$ 59,818,120.90	\$ 64,870,260.76	\$ 58,438,484.91	\$ 58,843,458.72	\$ 60,964,754.04	\$ 58,436,823.41	\$ 54,542,573.48	\$ 50,908,827.61	\$ 44,732,068.09	\$ 44,020,131.73
Program Revenues:										
Governmental Activities:										
Operating Grants and Contributions	\$ 11,275,969.72	\$ 15,847,006.39	\$ 11,129,417.71	\$ 12,908,575.28	\$ 15,744,766.83	\$ 14,808,765.17	\$ 11,305,759.51	\$ 9,105,738.60	\$ 4,257,681.39	\$ 4,701,478.29
Charges for Services	456,736.61	415,711.54	416,286.22	452,835.00	196,287.89	180,779.00	12,969.00	11,853.00		
Capital Grants and Contributions	309,395.35	30,257.00	16,760.00		3,290.00				308,281.00	
Total Governmental Activities Program Revenues	12,042,101.68	16,292,974.93	11,562,463.93	13,361,410.28	15,944,344.72	14,989,544.17	11,318,728.51	9,117,591.60	4,565,962.39	4,701,478.29
Business-type activities:										
Charges for Services:										
Food Service	\$ 73,845.09	\$ 37,192.05	\$ 56,683.50	\$ 74,569.35	\$ 73,917.60	\$ 66,950.07	\$ 63,999.25	\$ 53,767.78	\$ 42,749.95	\$ 53,607.12
Before and After Care	673,772.32	175,190.40								
Summer Music Program			15,581.00	47,891.50	91,905.00	16,822.00	5,194.78	7,500.00	6,200.00	1,610.00
Community Education		869.30	24,157.98	15,855.00	15,143.00	102,061.52	97,925.79	104,641.96	106,641.12	113,646.58
Total Business-type Activities Program Revenues	747,617.41	213,251.75	96,422.48	138,315.85	180,965.60	185,833.59	167,119.82	165,909.74	155,591.07	168,863.70
Total District Program Revenues	\$ 12,789,719.09	\$ 16,506,226.68	\$ 11,658,886.41	\$ 13,499,726.13	\$ 16,125,310.32	\$ 15,175,377.76	\$ 11,485,848.33	\$ 9,283,501.34	\$ 4,721,553.46	\$ 4,870,341.99
Net (Expense)/Revenue:										
Governmental Activities	\$ (47,328,984.07)	\$ (48,291,509.76)	\$ (46,681,558.96)	\$ (45,257,227.66)	\$ (44,802,063.41)	\$ (43,249,691.36)	\$ (43,029,057.23)	\$ (41,602,824.71)	\$ (39,995,563.30)	\$ (39,159,654.02)
Business-type Activities	300,582.26	(72,524.32)	(98,039.54)	(86,504.93)	(37,380.31)	(11,754.29)	(27,667.92)	(22,501.56)	(14,951.33)	9,864.28
Total District-wide Net Expense	\$ (47,028,401.81)	\$ (48,364,034.08)	\$ (46,779,598.50)	\$ (45,343,732.59)	\$ (44,839,443.72)	\$ (43,261,445.65)	\$ (43,056,725.15)	\$ (41,625,326.27)	\$ (40,010,514.63)	\$ (39,149,789.74)

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

	Fiscal Year Ended June 30,									
	2022	2021*	2020	2019	2018	2017	2016	2015	2014	2013
General Revenues and Other Changes in Net Position:										
Total Governmental Activities	\$ 51,857,473.47	\$ 50,644,846.71	\$ 47,705,626.87	\$ 46,311,366.81	\$ 44,820,558.04	\$ 43,970,968.80	\$ 43,250,280.78	\$ 41,345,063.52	\$ 40,299,817.81	\$ 39,231,285.84
Total Business-type Activities	25,967.80	112,094.02	25,316.85	25,042.91	15,000.00	25,000.00	60,154.68	31,135.72	13,260.00	12,375.00
Total District-wide	<u>\$ 51,883,441.27</u>	<u>\$ 50,756,940.73</u>	<u>\$ 47,730,943.72</u>	<u>\$ 46,336,409.72</u>	<u>\$ 44,835,558.04</u>	<u>\$ 43,995,968.80</u>	<u>\$ 43,310,435.46</u>	<u>\$ 41,376,199.24</u>	<u>\$ 40,313,077.81</u>	<u>\$ 39,243,660.84</u>
Change in Net Position:										
Governmental Activities	\$ 4,528,489.40	\$ 2,353,336.95	\$ 2,353,336.95	\$ 1,024,067.91	\$ 1,054,139.15	\$ 18,494.63	\$ 721,277.44	\$ 221,223.55	\$ (257,761.19)	\$ 304,254.51
Business-type Activities	326,550.06	39,569.70	39,569.70	(72,722.69)	(61,462.02)	(22,380.31)	13,245.71	32,486.76	8,634.16	(1,691.33)
Total District	<u>\$ 4,855,039.46</u>	<u>\$ 2,392,906.65</u>	<u>\$ 2,392,906.65</u>	<u>\$ 951,345.22</u>	<u>\$ 992,677.13</u>	<u>\$ (3,885.68)</u>	<u>\$ 734,523.15</u>	<u>\$ 253,710.31</u>	<u>\$ (249,127.03)</u>	<u>\$ 302,563.18</u>

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

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

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

Source: Exhibit A-2

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

	Fiscal Year Ended June 30,									
	<u>2022</u>	<u>2021*</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Fund:										
Restricted	\$ 4,589,622.34	\$ 4,819,611.37	\$ 4,210,398.28	\$ 2,586,096.19	\$ 1,846,955.47	\$ 2,551,645.91	\$ 1,202,428.42	\$ 703,601.26	\$ 1,305,665.64	\$ 1,141,331.16
Assigned	2,861,331.11	928,416.31	680,659.20	128,322.13	315,056.27	225,832.42	35,383.62	330,749.83	290,499.82	1,257,387.48
Unassigned	<u>2,427,899.08</u>	<u>2,452,671.56</u>	<u>1,259,162.23</u>	<u>1,289,733.57</u>	<u>1,131,016.66</u>	<u>915,183.55</u>	<u>1,345,261.38</u>	<u>1,410,130.31</u>	<u>1,190,367.58</u>	<u>1,188,137.41</u>
Total General Fund	<u>\$ 9,878,852.53</u>	<u>\$ 6,150,219.71</u>	<u>\$ 4,004,151.89</u>	<u>\$ 3,293,028.40</u>	<u>\$ 3,692,661.88</u>	<u>\$ 2,583,073.42</u>	<u>\$ 2,444,481.40</u>	<u>\$ 2,786,533.04</u>	<u>\$ 3,586,856.05</u>	<u>\$ 3,478,892.00</u>
All Other Governmental Funds:										
Restricted	\$ 12,331,851.74	\$ 27,659,166.90	\$ 41,891,681.21	\$ 58,926.91	\$ 204,632.66	\$ 95,150.62	\$ 529,264.58	\$ 692,147.27	\$ 835,338.89	\$ 9,014.00
Unassigned (Deficit), Reported in: Capital Projects Fund								(100,660.70)		
Total All Other Governmental Funds	<u>\$ 12,331,851.74</u>	<u>\$ 41,891,681.21</u>	<u>\$ 58,926.91</u>	<u>\$ 204,632.66</u>	<u>\$ 95,150.62</u>	<u>\$ 529,264.58</u>	<u>\$ 591,486.57</u>	<u>\$ 835,338.89</u>	<u>\$ 9,014.00</u>	<u>\$ 9,013.00</u>

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

Source: Exhibit B-1

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

	Fiscal Year Ended June 30,									
	2022	2021*	2020	2019	2018	2017	2016	2015	2014	2013
REVENUES:										
Tax Levy	\$ 47,395,622.00	\$ 46,144,384.00	\$ 43,821,107.00	\$ 42,704,062.00	\$ 41,531,633.00	\$ 40,533,916.00	\$ 39,690,240.00	\$ 38,156,764.00	\$ 37,262,106.00	\$ 36,602,970.00
Tuition Charges	133,811.00	208,440.22	385,526.22	403,265.00	196,287.89	180,779.00	12,969.00	11,853.00		
Transportation			30,760.00	49,570.00						
Miscellaneous	146,694.02	396,472.08	446,143.51	190,977.00	138,521.29	164,882.65	75,012.64	105,208.72	79,304.81	49,870.63
Local Sources	369,317.99	272,948.52								
State Sources	15,868,802.64	13,045,093.08	10,822,353.00	10,405,701.55	9,359,332.30	8,631,462.24	8,360,636.44	7,338,751.03	6,919,975.53	7,051,959.59
Federal Sources	1,581,848.50	1,119,892.55	873,148.07	888,815.54	718,295.28	786,398.08	762,530.89	642,693.09	617,653.86	632,075.70
Total Revenue	65,496,096.15	61,187,230.45	56,379,037.80	54,642,391.09	51,944,069.76	50,297,437.97	48,901,388.97	46,255,269.84	44,879,040.20	44,336,875.92
EXPENDITURES:										
Regular Instruction	16,781,130.75	16,537,270.40	16,381,243.26	15,534,814.76	15,425,204.04	15,888,881.85	15,576,999.79	13,798,522.40	13,197,156.38	13,573,427.19
Special Education Instruction	2,611,707.78	2,242,703.99	2,133,932.06	2,117,517.43	1,953,093.41	2,486,837.57	2,130,599.27	3,788,633.89	3,715,093.08	3,662,520.50
School Sponsored Activities	879,476.14	825,731.51	788,853.27							
Other Instruction	1,246,417.61	1,180,236.34	1,263,793.88	1,955,870.89	1,871,341.45	1,168,503.57	1,221,912.46	1,296,619.10	1,272,722.38	1,389,254.86
Support Services:										
Tuition	4,338,638.27	4,370,858.48	4,480,210.50	4,406,425.84	4,385,168.35	4,228,235.89	4,881,580.58	4,044,262.39	3,547,315.97	3,208,561.02
Student and Instruction Related Services	5,183,787.09	5,172,362.34	4,905,072.49	4,787,484.10	4,578,137.89	4,205,925.60	4,098,505.08	3,817,689.65	3,661,410.34	3,550,790.16
General Administration	849,625.12	725,940.42	843,009.00	952,077.70	881,158.68	861,478.11	843,465.23	1,499,806.26	1,487,629.90	1,556,130.06
School Administrative Services	2,958,813.30	2,825,872.06	2,820,012.32	2,670,088.95	2,616,395.75	1,772,973.28	1,798,633.52	1,755,395.44	1,723,655.19	1,722,138.65
Central Services	829,198.17	802,437.59	764,670.37							
Administrative Information Technology	353,972.16	314,647.35	334,166.50							
Plant Operations and Maintenance	4,038,296.14	3,913,906.78	3,545,521.48	3,808,656.19	3,686,686.84	3,551,067.50	3,523,414.29	3,679,707.78	3,916,400.00	3,546,743.78
Pupil Transportation	1,583,658.70	1,515,053.87	1,515,468.69	1,567,360.58	1,479,331.01	1,418,199.82	1,253,485.73	978,282.08	1,133,943.99	869,056.73
Unallocated Benefits	6,223,458.27	6,445,424.97	6,504,129.62							
Reimbursed TPAF Pension and Social Security	11,246,767.61	8,715,752.28	7,067,333.40							
Other Support Services				14,161,595.90	13,111,480.17	11,394,600.58	10,765,330.23	9,504,917.20	8,316,754.17	8,953,254.61
Transfer to Charter School	12,901.00	12,240.00	11,860.00	35,106.00	10,915.00	19,647.00				
Capital Outlay	16,331,909.91	15,248,109.59	3,374,775.18	648,349.01	945,742.43	1,059,236.70	1,832,250.88	1,698,576.89	1,543,785.86	619,771.31
Bond Issuance Costs			280,690.85							
Debt Service:										
Principal	2,130,000.00	995,000.00	945,000.00	910,000.00	840,000.00	940,000.00	920,000.00	920,000.00	890,000.00	885,000.00
Interest and Other Charges	1,520,500.00	2,173,794.48	385,100.00	496,626.00	570,679.00	601,376.00	565,350.00	604,450.00	642,275.00	679,887.50
Total Expenditures	79,120,258.02	74,017,342.45	58,344,842.87	54,051,973.35	52,355,334.02	49,596,963.47	49,411,527.06	47,386,863.08	45,048,142.26	44,216,536.37
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,624,161.87)	(12,830,112.00)	(1,965,805.07)	590,417.74	(411,264.26)	700,474.50	(510,138.09)	(1,131,593.24)	(169,102.06)	120,339.55
OTHER FINANCING SOURCES (USES):										
Proceeds from Borrowing			45,330,000.00			11,115,000.00				
Payment to Refunded Debt Escrow Agent						(12,147,722.50)				
Premium on Sale of Bonds			280,690.85			1,032,722.50				
Assets Acquired Under Capital Lease		223,740.00	358,936.34		495,625.93		646,662.80	576,825.00	208,363.94	
Transfers In			670,916.19	132,942.37	633,062.44	63,312.00	702,993.84	721,036.78	617,417.00	
Transfers Out	(25,000.00)	(112,697.06)	(695,916.19)	(157,942.37)	(648,062.44)	(88,312.00)	(763,148.52)	(752,172.50)	(630,677.00)	(12,375.00)
Total Other Financing Sources (Uses)	(25,000.00)	111,042.94	45,944,627.19	(25,000.00)	480,625.93	(25,000.00)	586,508.12	545,689.28	195,103.94	(12,375.00)
Net Change in Fund Balances	\$ (13,649,161.87)	\$ (12,719,069.06)	\$ 43,978,822.12	\$ 565,417.74	\$ 69,361.67	\$ 675,474.50	\$ 76,370.03	\$ (585,903.96)	\$ 26,001.88	\$ 107,964.55
Debt Service as a Percentage of Non-capital Expenditures	5.81%	5.39%	2.42%	2.63%	2.74%	3.18%	3.12%	3.34%	3.52%	3.59%

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

Source: Exhibit B-2

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

	Fiscal Year Ended June 30,									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Interest on Investments	\$ 79,273.78	\$ 318,154.41	\$ 310,856.18	3,319.34						
Tuition										8,878.80
Prior Year Tuition Settlement	225.00	2,945.00	2,475.00	3,733.99						
Prior Year Refunds	40,167.17	9,162.94	4,632.25	\$ 52,396.60	\$ 139.32	\$ 46,964.64	\$ 5,056.30	\$ 38,558.75	41,810.66	
FEMA Reimbursement									1,665.00	
E-Rate Reimbursement			21,217.40	12,666.80						
YMCA Childcare Program			25,000.00	25,000.00						
Rentals						560.00				14,375.00
Void Checks		1,316.15	2,558.63	901.49	1,619.51	16,911.13				6.00
Sale of Assets	4,223.00					832.50	2,750.00		100.00	
Recycling		4,360.00								
Vending Commission			3,204.05	3,005.26	2,476.90	1,886.71	74.97	116.57	337.65	
Anti-Bully Program									1,075.00	
Courtesy Bussing					37,300.00					
Insurance Settlements		53,413.30								
SDA Reimbursement - Prior Year			6,958.84		60,019.08					
Swim Association	20,374.00	5,659.00								
Miscellaneous	2,431.07	1,461.28	3,160.90	6,084.17	4,586.48	526.10	2.00	5.00	164.50	189.83
Total Miscellaneous Revenues	\$ 146,694.02	\$ 396,472.08	\$ 380,063.25	\$ 107,107.65	\$ 106,141.29	\$ 67,681.08	\$ 7,883.27	\$ 38,680.32	\$ 45,152.81	\$ 23,449.63

Source: District Records

Revenue Capacity Information

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

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

Year Ended Dec. 31	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (1)	Net Valuation Taxable	Tax-Exempt Property	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate (2)
2022	\$ 17,196,900.00	\$ 2,175,940,200.00	\$ 317,974,800.00	\$ 105,828,300.00	\$ 110,277,800.00	\$ 2,727,218,000.00	\$ 10,392,277.00	\$ 2,737,610,277.00	\$ 178,979,800.00	\$ 3,198,707,483.00	\$ 1.750
2021	25,173,800.00	2,168,412,800.00	319,635,800.00	87,535,000.00	110,257,800.00	2,711,015,200.00	10,619,080.00	2,721,634,280.00	168,925,100.00	3,164,838,694.00	1.716
2020	24,617,800.00	2,164,236,400.00	322,242,900.00	87,535,000.00	110,257,800.00	2,708,889,900.00	10,316,027.00	2,719,205,927.00	168,117,400.00	3,090,357,912.00	1.672
2019	21,542,900.00	2,161,542,700.00	325,576,500.00	86,409,000.00	110,457,800.00	2,705,528,900.00	10,663,071.00	2,716,191,971.00	195,000,200.00	2,967,218,670.00	1.592
2018	21,521,100.00	2,157,806,300.00	326,310,000.00	86,409,000.00	110,547,100.00	2,702,593,500.00	10,445,726.00	2,713,039,226.00	215,251,800.00	2,989,245,512.00	1.551
2017	20,459,000.00	2,156,867,600.00	327,313,300.00	86,409,000.00	110,547,100.00	2,701,596,000.00	10,827,790.00	2,712,423,790.00	215,218,700.00	2,874,852,984.00	1.516
2016	21,133,300.00	2,160,845,000.00	329,136,500.00	86,559,000.00	110,890,400.00	2,708,564,200.00	11,448,192.00	2,720,012,392.00	214,581,000.00	2,768,178,701.00	1.475
2015	22,367,100.00	2,169,598,500.00	325,036,800.00	87,212,400.00	111,316,900.00	2,715,531,700.00	10,838,761.00	2,726,370,461.00	214,129,200.00	2,586,267,186.00	1.428
2014	22,816,700.00	2,183,090,700.00	330,511,200.00	87,212,400.00	111,438,200.00	2,735,069,200.00	10,743,509.00	2,745,812,709.00	213,937,500.00	2,557,125,783.00	1.373
2013	23,542,400.00	2,213,768,300.00	336,421,900.00	87,262,500.00	112,236,900.00	2,773,232,000.00	11,418,057.00	2,784,650,057.00	213,470,200.00	2,582,081,757.00	1.327

(1) Taxable Value of Machinery, Improvements and Equipment of Telephone, Telegraph and Messenger System Companies
 (2) Tax Rates are per \$100 of Assessed Valuation

Source: Municipal Tax Assessor

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

Year Ended <u>Dec. 31</u>	<u>District Direct Rate</u>			<u>Overlapping Rates</u>			<u>Total Direct and Overlapping Tax Rate</u>
	<u>Basic Rate</u>	<u>General Obligation Debt Service</u>	<u>Total Direct Tax Rate</u>	<u>Borough of Rutherford</u>	<u>Local Library</u>	<u>Bergen County</u>	
2021	\$ 1.632	\$ 0.118	\$ 1.750	\$ 0.896	\$ 0.039	\$ 0.284	\$ 2.969
2020	1.612	0.104	1.716	0.917		0.293	2.926
2019	1.621	0.051	1.672	0.859	0.038	0.282	2.851
2018	1.542	0.050	1.592	0.844	0.036	0.267	2.739
2017	1.501	0.050	1.551	0.845	0.037	0.268	2.701
2016	1.461	0.055	1.516	0.847	0.035	0.265	2.663
2015	1.420	0.055	1.475	0.845	0.034	0.250	2.604
2014	1.371	0.057	1.428	0.846	0.031	0.228	2.533
2013	1.317	0.056	1.373	0.832	0.031	0.218	2.454
2012	1.270	0.057	1.327	0.811	0.031	0.213	2.382

Source: Municipal Tax Collector

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

<u>Taxpayer</u>	<u>2022</u>			<u>2013</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
Meadows Landmark, LLC	\$ 83,500,000.00	1	3.05%	\$ 83,500,000.00	1	3.00%
Citigroup Technology Inc.	39,200,000.00	2	1.43%	39,200,000.00	2	1.41%
Hastings Village Inc.	30,376,200.00	3	1.11%	30,376,200.00	3	1.09%
Friederich & Weill, Co-Trustees	27,000,000.00	4	0.99%	27,000,000.00	4	0.97%
235 Veterans Blvd.	18,395,800.00	5	0.67%			
AVR Realty Co. LLC	18,239,600.00	6	0.67%			
Volvo Car USA LLC	11,775,400.00	7	0.43%	11,775,400.00	8	0.42%
359 Veterans Blvd. LLC	11,060,000.00	8	0.40%	11,600,000.00	9	0.42%
Verizon % Duff Phelps	10,392,277.00	9	0.38%			
Unionford LLC % Future Investments	8,450,000.00	10	0.31%			
Linque-HC Partners LLC				8,998,800.00	10	0.32%
Moody National Meadowlands				18,239,600.00	5	0.66%
Bell Atlantic Verizon				14,807,649.00	6	0.53%
BRE/ESA Properties				12,382,500.00	7	0.44%
Total	<u>\$ 258,389,277.00</u>		<u>9.44%</u>	<u>\$ 257,880,149.00</u>		<u>9.26%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	School District Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy (1)		Collections in Subsequent Years
		Amount	Percentage of Levy	
2022	\$ 47,395,622.00	\$ 47,395,622.00	100.00%	-
2021	46,144,384.00	46,144,384.00	100.00%	-
2020	43,821,107.00	43,821,107.00	100.00%	-
2019	42,704,062.00	42,704,062.00	100.00%	-
2018	41,531,633.00	41,531,633.00	100.00%	-
2017	40,533,916.00	40,533,916.00	100.00%	-
2016	39,690,240.00	39,690,240.00	100.00%	-
2015	38,156,764.00	38,156,764.00	100.00%	-
2014	37,262,106.00	37,262,106.00	100.00%	-
2013	36,602,970.00	36,602,970.00	100.00%	-

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

Source: District Records

Debt Capacity Information

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

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

Fiscal Year Ended <u>June 30,</u>	<u>Governmental Activities (1)</u>		Total <u>District Debt</u>	Percentage of Personal <u>Income (2)</u>	<u>Per Capita (3)</u>
	General Obligation <u>Bonds</u>	Financed <u>Purchases</u>			
2022	\$ 50,625,000.00	\$ 304,809.42	\$ 50,929,809.42	Unavailable	Unavailable
2021	52,755,000.00	457,515.85	53,212,515.85	Unavailable	2,847.11
2020	53,750,000.00	448,805.62	54,198,805.62	3.24%	2,976.48
2019	9,365,000.00	452,039.49	9,817,039.49	0.61%	536.36
2018	10,275,000.00	833,196.30	11,108,196.30	0.71%	604.13
2017	11,115,000.00	751,335.44	11,866,335.44	0.79%	642.50
2016	12,950,000.00	1,069,837.01	14,019,837.01	0.97%	761.04
2015	13,870,000.00	555,080.80	14,425,080.80	1.01%	781.76
2014	14,790,000.00	208,363.95	14,998,363.95	1.11%	819.00
2013	15,680,000.00		15,680,000.00	1.20%	857.49

Sources:

(1) District Records

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

(3) Per capita calculation based upon population information provided by the NJ Department of Labor.

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable (2)	Per Capita (3)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding (1)		
2022	\$ 50,625,000.00	-	\$ 50,625,000.00	1.85%	Unavailable
2021	52,755,000.00	-	52,755,000.00	1.94%	2,822.63
2020	53,750,000.00	-	53,750,000.00	1.98%	2,951.84
2019	9,365,000.00	-	9,365,000.00	0.34%	511.66
2018	10,275,000.00	-	10,275,000.00	0.38%	558.82
2017	11,115,000.00	-	11,115,000.00	0.41%	601.82
2016	12,950,000.00	-	12,950,000.00	0.48%	702.96
2015	13,870,000.00	-	13,870,000.00	0.51%	751.68
2014	14,790,000.00	-	14,790,000.00	0.54%	807.62
2013	15,680,000.00	-	15,680,000.00	0.56%	857.49

Sources:

- (1) District Records
- (2) Net Assessed Valuation provided by Abstract of Ratables, County Board of Taxation
- (3) Per capita calculation based upon population information provided by the NJ Department of Labor.

RUTHERFORD SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2021
Unaudited

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Rutherford Borough</u>
Municipal Debt (1):				
Rutherford School District	\$ 51,655,000.00	\$ 51,655,000.00		
Rutherford Borough	<u>27,255,109.22</u>		\$ 27,255,109.22	\$ 27,255,109.22
	<u>78,910,109.22</u>	<u>51,655,000.00</u>	<u>27,255,109.22</u>	<u>27,255,109.22</u>
Overlapping Debt Apportioned to the Municipality:				
County of Bergen (2):				
General:				
Bonds	574,718,802.00	105,019,862.00	469,698,940.00	7,984,881.98 (4)
Notes	127,500,000.00		127,500,000.00	2,167,500.00 (4)
Loan Agreements	55,000.00		55,000.00	935.00
Bonds Issued by Other Public Bodies Guaranteed by the County	<u>553,605,000.00</u>	<u>533,615,000.00</u> (3)	<u>19,990,000.00</u>	<u>339,830.00</u> (4)
	<u>1,255,878,802.00</u>	<u>638,634,862.00</u>	<u>617,243,940.00</u>	<u>10,493,146.98</u>
	<u>\$ 1,334,788,911.22</u>	<u>\$ 690,289,862.00</u>	<u>\$ 644,499,049.22</u>	<u>\$ 37,748,256.20</u>

Sources:

- (1) 2021 Annual Debt Statement
- (2) County's 2021 Audit Report
- (3) Deductible in accordance with N.J.S. 40:37A-80.
- (4) Such debt is allocated as a proportion of the Borough's share of the total 2021 Equalized Value, which is 1.70%.
 The source for this computation was the 2021 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.

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

Legal Debt Margin Calculation for Fiscal Year 2022:

Equalized Valuation Basis (1):	
2021	\$ 3,179,703,495
2020	3,145,482,931
2019	<u>3,074,814,070</u>
[A]	<u>\$ 9,400,000,496</u>
Average equalized valuation of taxable property	[A/3] <u>\$ 3,133,333,499</u>
Debt limit (4% of average equalization value) (2)	[B] \$ 125,333,340
Net bonded school debt (3)	[C] <u>50,625,000</u>
Legal Debt Margin	[B-C] <u>\$ 74,708,340</u>

	Fiscal Year Ended June 30,									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Debt Limit	\$ 125,333,340	\$ 122,302,139	\$ 120,050,864	\$ 117,330,173	\$ 114,813,576	\$ 109,711,184	\$ 105,859,851	\$ 103,482,261	\$ 104,896,232	\$ 108,507,416
Total Net Debt Applicable to Limit (3)	<u>50,625,000</u>	<u>52,755,000</u>	<u>53,750,000</u>	<u>9,365,000</u>	<u>10,275,000</u>	<u>11,115,000</u>	<u>12,950,000</u>	<u>13,870,000</u>	<u>14,790,000</u>	<u>15,680,000</u>
Legal Debt Margin	<u>\$ 74,708,340</u>	<u>\$ 69,547,139</u>	<u>\$ 66,300,864</u>	<u>\$ 107,965,173</u>	<u>\$ 104,538,576</u>	<u>\$ 98,596,184</u>	<u>\$ 92,909,851</u>	<u>\$ 89,612,261</u>	<u>\$ 90,106,232</u>	<u>\$ 92,827,416</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	40.39%	43.13%	44.77%	7.98%	8.95%	10.13%	12.23%	13.40%	14.10%	14.45%

Sources:

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

Demographic and Economic Information

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

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

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2021	18,690	Unavailable	Unavailable	5.4%
2020	18,209	\$ 1,674,718,148.00	\$ 91,972.00	8.4%
2019	18,303	1,615,075,023.00	88,241.00	2.7%
2018	18,387	1,566,406,917.00	85,191.00	3.1%
2017	18,469	1,496,432,256.00	81,024.00	3.7%
2016	18,422	1,452,316,792.00	78,836.00	3.7%
2015	18,452	1,426,763,996.00	77,323.00	4.1%
2014	18,313	1,353,019,379.00	73,883.00	4.9%
2013	18,286	1,303,535,796.00	71,286.00	7.8%
2012	18,225	1,308,062,925.00	71,773.00	8.8%

Sources:

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

Operating Information

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

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

<u>Function/Program</u>	<u>Fiscal Year Ended June 30,</u>									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Instruction:										
Regular	178	177	173	173	169	169	173	171	172	170
Special Education	62	62	58	58	55	55	53	53	52	51
Support Services:										
Student & Instruction Related Services	56	55	55	53	43	43	42	42	42	42
School Administrative Services	22	22	22	22	22	22	21	21	22	21
General & Business Administrative Services	2	2	2	2	2	2	2	2	2	2
Plant Operations and Maintenance	18	18	18	18	18	18	19	19	19	19
Pupil Transportation	9	9	9	8	8	7	6	6	5	7
Business and Other Support Services	10	10	10	10	10	10	9	9	9	9
Total	357	355	347	344	327	326	325	323	323	321

Source: District Personnel Records

RUTHERFORD SCHOOL DISTRICT
 Operating Statistics
 Last Ten Fiscal Years
Unaudited

Fiscal Year Ended <u>June 30.</u>	<u>Enrollment</u>	<u>Operating Expenditures</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil/Teacher Ratio</u>			<u>Average Daily Enrollment (ADE)</u>	<u>Average Daily Attendance (ADA)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
						<u>Elementary</u>	<u>Middle School</u>	<u>Senior High School</u>				
2022	2,634	\$ 59,137,848.11	\$ 22,451.73	5.92%	265	1:16	1:16	1:16	2,435	2,313	-3.10%	94.99%
2021	2,623	55,600,438.38	21,197.27	7.73%	262	1:16	1:16	1:16	2,513	2,300	-3.42%	91.52%
2020	2,726	53,639,967.69	19,677.17	3.27%	253	1:17	1:17	1:17	2,602	2,472	0.00%	95.00%
2019	2,729	51,996,998.34	19,053.50	-1.03%	253	1:17	1:17	1:17	2,602	2,472	0.12%	95.00%
2018	2,597	49,998,912.59	19,252.57	6.55%	267	1:16	1:16	1:16	2,599	2,469	3.42%	95.00%
2017	2,551	46,093,926.18	18,068.96	6.13%	267	1:12	1:10	1:10	2,513	2,395	1.91%	95.30%
2016	2,594	44,163,836.19	17,025.38	1.45%	225	1:12	1:11	1:09	2,466	2,366	-5.15%	95.94%
2015	2,501	41,972,081.40	16,782.12	-0.54%	225	1:12	1:11	1:09	2,600	2,470	0.54%	95.00%
2014	2,491	42,031,877.56	16,873.50	5.25%	225	1:12	1:11	1:09	2,586	2,456	3.86%	94.97%
2013	2,490	39,920,609.00	16,032.37	2.77%	223	1:12	1:11	1:09	2,490	2,400	0.20%	96.39%

Sources: District Records

RUTHERFORD SCHOOL DISTRICT
 School Building Information
 Last Ten Fiscal Years
Unaudited

	Fiscal Year Ended June 30,									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District Building:										
<u>Elementary:</u>										
Washington Elementary (1912)										
Square Feet	45,100	45,100	45,100	45,100	45,100	45,100	45,100	45,100	45,100	45,100
Capacity (students)	304	304	304	304	304	304	304	304	304	304
Enrollment	295	312	314	326	334	305	265	279	337	333
Lincoln (1912)										
Square Feet	46,700	46,700	46,700	46,700	46,700	46,700	46,700	46,700	46,700	46,700
Capacity (students)	350	350	350	350	350	350	350	350	350	350
Enrollment	508	491	524	491	487	487	451	474	381	384
Pierrepont Elementary School (1906)										
Square Feet	72,500	72,500	72,500	72,500	72,500	72,500	72,500	72,500	72,500	72,500
Capacity (students)	533	533	533	533	533	533	533	533	533	533
Enrollment	578	579	580	595	626	638	516	516	510	506
<u>Middle School:</u>										
Union Middle School (1926)										
Square Feet	70,700	70,700	70,700	70,700	70,700	70,700	70,700	70,700	70,700	70,700
Capacity (students)	530	530	530	530	530	530	530	530	530	530
Enrollment	369	406	432	424	398	396	477	484	500	492
<u>High School:</u>										
Rutherford High School (1922)										
Square Feet	148,600	148,600	148,600	148,600	148,600	148,600	148,600	148,600	148,600	148,600
Capacity (students)	775	775	775	775	775	775	775	775	775	775
Enrollment	729	724	743	757	735	734	749	748	770	778

Number of Schools at June 30, 2022:

Elementary = 3
 Middle School = 1
 High School = 1

Source: District Records

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

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

School Facilities*:	Fiscal Year Ended June 30,									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
High School	\$ 241,657.21	\$ 252,547.40	\$ 220,834.16	\$ 293,040.74	\$ 327,020.67	\$ 334,565.52	\$ 326,644.64	\$ 346,091.03	\$ 325,368.24	\$ 432,869.63
Union	104,495.12	123,380.55	112,956.12	121,557.23	157,759.80	150,100.34	196,946.74	167,932.32	349,961.47	181,337.48
Pierrepont	116,735.54	116,450.65	104,426.14	119,263.44	198,657.06	158,769.09	159,365.65	165,367.39	130,419.40	191,932.67
Washington	74,714.32	90,867.75	59,661.94	82,466.06	104,910.57	125,405.56	105,227.74	115,935.38	82,533.25	176,789.95
Lincoln	80,548.58	84,134.20	93,853.99	93,444.23	133,204.91	103,934.68	102,653.46	128,158.43	89,523.60	187,804.94
Kindergarten Center	67,847.55	68,476.93	82,470.65	26,865.53	35,335.38	47,367.26	31,725.86	34,059.43	70,564.26	38,033.61
Administration	386,387.07	296,692.47	283,620.33	289,866.69			1,819.47	6,705.47	16,652.43	12,841.76
Total School Facilities	\$ 1,072,385.39	\$ 1,032,549.95	957,823.33	\$ 1,026,503.92	\$ 956,888.39	\$ 920,142.45	\$ 924,383.56	\$ 964,249.45	\$ 1,065,022.65	\$ 1,221,610.04

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

Source: District Records

RUTHERFORD SCHOOL DISTRICT

Insurance Schedule

June 30, 2022

Unaudited

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

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

Source: District Records

SINGLE AUDIT SECTION

Exhibit K-2

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Borough of Rutherford School District's, in the County of Bergen, State of New Jersey, compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2022. The School District's major federal and state programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

In our opinion, the Borough of Rutherford School District, in the County of Bergen, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 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; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards, the Uniform Guidance, and State of New Jersey Circular 15-08-OMB, are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America; *Government Auditing Standards*; the Office of School Finance, Department of Education, State of New Jersey; Uniform Guidance; and State of New Jersey Circular 15-08-OMB, 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 judgement made by a reasonable user of the report on compliance about the School District's compliance with the requirements of each major federal and state program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and State of New Jersey Circular 15-08-OMB, but not for the purpose of expressing an opinion on the effectiveness of the School District'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

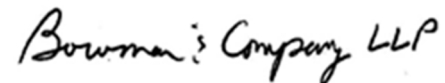
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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.

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



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

Voorhees, New Jersey
March 15, 2023

RUTHERFORD SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards - Schedule A
 For the Fiscal Year Ended June 30, 2022

Federal Grantor/ Pass-through Grantor / Program Title	Federal Assistance Listing Number	Additional Award Identification	Federal FAIN Number	Pass-Through Entity Identifying Number	Program or Award Amount	Grant Period	
						From	To
General Fund:							
U.S. Department of Health and Human Services:							
Passed-through the State Department of Education:							
Special Education Medicaid Initiative Cluster	93.778	N/A	2205NJ5MAP	Unavailable	\$ 29,135.27	07-01-21	06-30-22
Total General Fund							
Special Revenue Fund:							
U.S. Department of Education:							
Passed-through State Department of Education:							
E.S.S.A.:							
Title I Grants to Local Educational Agencies	84.010	N/A	S010A210030	ESEA460022	97,027.00	07-01-21	09-30-22
Title I Grants to Local Educational Agencies	84.010	N/A	S010A200030	ESEA460021	213,128.00	07-01-20	09-30-21
Total Title I Grants to Local Educational Agencies							
Title I, SIA Part A Grants to Local Educational Agencies	84.010	N/A	S010A210030	ESEA460022	16,800.00	07-01-21	09-30-22
Title I, SIA Part A Grants to Local Educational Agencies	84.010	N/A	S010A200030	ESEA460021	25,900.00	07-01-20	09-30-21
Total Title I, Part SI A							
Supporting Effective Instruction State Grants (Title II)	84.367	N/A	S367A210029	ESEA460022	35,661.00	07-01-21	09-30-22
Supporting Effective Instruction State Grants (Title II)	84.367	N/A	S367A200029	ESEA460021	46,592.00	07-01-20	09-30-21
Total Supporting Effective Instruction State Grants							
English Language Acquisition Grants (Title III Immigrant)	84.365	N/A	S365A210030	ESEA460022	N/A	07-01-21	09-30-22
English Language Acquisition Grants (Title III Immigrant)	84.365	N/A	S365A200030	ESEA460021	N/A	07-01-20	09-30-21
Total English Language Acquisition Grants							
Student Support and Academic Enrichment Grant (Title IV)	84.424	N/A	S424A210031	ESEA460022	15,042.00	07-01-21	09-30-22
Student Support and Academic Enrichment Grant (Title IV)	84.424	N/A	S424A200031	ESEA460021	13,475.00	07-01-20	09-30-21
Total Title IV, Part A							
Education Stabilization Fund:							
Elementary and Secondary School Emergency Relief (ESSER) Fund:							
CARES Act - ESSER I	84.425	84.425D, COVID-19	S425D200027	Unavailable	173,130.00	03-13-20	09-30-22
CRRSA Act - ESSER II	84.425	84.425D, COVID-19	S425D210027	Unavailable	675,437.00	03-13-20	09-30-23
CRRSA Act - Learning Acceleration	84.425	84.425D, COVID-19	S425D210027	Unavailable	43,346.00	03-13-20	09-30-23
CRRSA Act - Mental Health	84.425	84.425D, COVID-19	S425D210027	Unavailable	45,000.00	03-13-20	09-30-23
Total Elementary and Secondary School Emergency Relief Fund							
American Rescue Plan - Elementary and Secondary School Emergency Relief:							
ARP - ESSER III	84.425	84.425U, COVID-19	S425U210027	Unavailable	1,518,000.00	03-13-20	09-30-24
ARP - Accelerated Learning	84.425	84.425U, COVID-19	S425U210027	Unavailable	209,866.00	03-13-20	09-30-24
ARP - Evidence Based Summer Learning and Enrichment	84.425	84.425U, COVID-19	S425U210027	Unavailable	40,000.00	03-13-20	09-30-24
ARP - Evidence Based Comprehensive Beyond the School Day	84.425	84.425U, COVID-19	S425U210027	Unavailable	40,000.00	03-13-20	09-30-24
ARP - NJTSS Mental Health	84.425	84.425U, COVID-19	S425U210027	Unavailable	45,000.00	03-13-20	09-30-24
Total American Rescue Plan - Elementary and Secondary School Emergency Relief							
Total Education Stabilization Fund							
Coronavirus Relief Fund:							
School Reopening and Remote Learning	21.019	COVID-19	SLT0228	Unavailable	78,924.00	08-26-20	12-30-20
CARES Act (Bergen County)	21.019	COVID-19	Unavailable	Unavailable	44,011.50	08-26-20	12-30-20
Bridging the Digital Divide (Nonpublic)	21.019	COVID-19	SLT0228	Unavailable	14,573.00	07-16-20	10-31-20
Total Coronavirus Relief Fund							
Individuals with Disabilities Act (IDEA):							
Special Education Cluster:							
ARP Basic	84.027	84.027X, COVID-19	H027X210100	Unavailable	117,218.00	07-01-21	09-30-22
ARP Preschool	84.173	84.173X, COVID-19	H173X210114	Unavailable	10,009.00	07-01-21	09-30-22
Special Education Grants to States	84.027	N/A	H027A210030	FT460022	552,818.00	07-01-21	09-30-22
Special Education Grants to States	84.027	N/A	H027A200030	FT460021	592,166.00	07-01-20	09-30-21
Special Education Preschool Grants	84.173	N/A	H173A210030	PS460022	21,565.00	07-01-21	09-30-22
Special Education Preschool Grants	84.173	N/A	H173A200030	PS460021	21,626.00	07-01-20	09-30-21
Total Special Education Cluster (IDEA)							
Total Passed-through State Department of Education							
Passed-through Wood-Ridge School District Consortium:							
E.S.S.A.:							
English Language Acquisition Grants (Title III)	84.365	N/A	S365A210030	ESEA460022	6,195.00	07-01-21	09-30-22
English Language Acquisition Grants (Title III)	84.365	N/A	S365A200030	ESEA460021	4,963.00	07-01-20	09-30-21
Total Passed-through Wood-Ridge School District Consortium							
Total Special Revenue Fund							
Total Federal Financial Assistance							

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

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

Balance June 30, 2021	Carryover / (Walkover) Amount	Cash Received	Adjustments (A)	Budgetary Expenditures			Passed Through to Subrecipients	Repayment of Prior Years' Balances	Balance at June 30, 2022		
				Pass-Through Funds	Direct Funds	Total Budgetary Expenditures			(Accounts Receivable)	Unearned Revenue	Due to Grantor
		\$ 29,135.27		\$ 29,135.27		\$ 29,135.27					
-	-	29,135.27	-	29,135.27	-	29,135.27	-	-	-	-	-
\$ (34,169.68)		34,929.00		216,580.29		216,580.29			\$ (222,163.00)	\$ 40,511.71	
(34,169.68)	-	34,135.00	\$ 34.68						(222,163.00)	40,511.71	-
(10,577.43)		16,822.00	0.12	16,823.12		16,823.12			(1.00)		
(10,577.43)	-	10,578.00	(0.57)						(1.00)	-	-
(4,256.14)		42,013.00		51,249.50		51,249.50			(10,842.00)	1,605.50	
(4,256.14)	-	4,256.00	0.14						(10,842.00)	1,605.50	-
	\$ 7,656.00	666.00	(7,656.00)	666.00		666.00			(6,990.00)	6,990.00	
-	(7,656.00)										
		666.00	-	666.00		666.00			(6,990.00)	6,990.00	-
(10,623.00)		6,500.00		15,792.00		15,792.00			(9,743.00)	451.00	
(10,623.00)	-	10,623.00							(9,743.00)	451.00	-
(11,750.56)		38,357.00		26,606.00		26,606.00			(11,911.00)	11,911.44	
(441,778.63)		382,928.00	17,181.02	70,405.73		70,405.73			(292,509.00)	180,433.66	
(28,941.74)		30,888.00	2,709.00	9,573.46		9,573.46			(12,458.00)	7,539.80	
(44,500.00)			44,500.00						(45,000.00)	45,000.00	
(526,970.93)	-	452,173.00	64,390.02	106,585.19		106,585.19			(361,878.00)	244,884.90	-
				49,782.68		49,782.68			(1,518,000.00)	1,468,217.32	
				3,210.00		3,210.00			(209,866.00)	209,866.00	
									(40,000.00)	36,790.00	
									(40,000.00)	40,000.00	
									(45,000.00)	45,000.00	
-	-	-	-	52,992.68		52,992.68			(1,852,866.00)	1,799,873.32	-
(526,970.93)	-	452,173.00	64,390.02	159,577.87		159,577.87			(2,214,744.00)	2,044,758.22	-
11.79			6,693.24	11.79		11.79				6,693.24	
4,646.26			15,431.20							20,077.46	
126.48				126.48		126.48					
4,784.53	-	-	22,124.44	138.27		138.27			-	26,770.70	-
		108,312.00		108,312.00		108,312.00			(8,906.00)	8,906.00	
		10,009.00		10,009.00		10,009.00			(113,003.00)	95,653.00	
(89,109.00)	71,000.00	439,815.00		528,165.00		528,165.00			(1,412.00)	1,412.00	
(21,626.00)	(71,000.00)	175,565.00	(15,456.00)	21,565.00		21,565.00					
		21,565.00									
		21,626.00									
(110,735.00)	-	776,892.00	(15,456.00)	668,051.00		668,051.00			(123,321.00)	105,971.00	-
(692,547.65)	-	1,389,587.00	71,092.83	1,128,878.05		1,128,878.05			(2,587,804.00)	2,227,058.13	-
(4,877.04)		4,877.04		753.16		753.16			(753.16)		
(4,877.04)	-	4,877.04	-	753.16		753.16			(753.16)	-	-
(697,424.69)	-	1,394,464.04	71,092.83	1,129,631.21		1,129,631.21			(2,588,557.16)	2,227,058.13	-
\$ (697,424.69)	\$ -	\$ 1,423,599.31	\$ 71,092.83	\$ 1,158,766.48	\$ -	\$ 1,158,766.48	\$ -	\$ -	\$ (2,588,557.16)	\$ 2,227,058.13	\$ -

RUTHERFORD SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance - Schedule B
 For the Fiscal Year Ended June 30, 2022

State Grantor/ Program or Cluster Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2021		
			From	To	Unearned Revenue/ (Accounts Receivable)	Due to Grantor	
General Fund:							
New Jersey State Department of Education:							
Current Expense:							
State Aid - Public:							
Equalization Aid	495-034-5120-078	\$ 815,410.00	07-01-21	06-30-22			
Equalization Aid	495-034-5120-078	815,410.00	07-01-20	06-30-21	\$	(70,578.03)	
Categorical Aid Special Education Aid	495-034-5120-089	1,656,819.00	07-01-21	06-30-22			
Categorical Aid Special Education Aid	495-034-5120-089	1,566,834.00	07-01-20	06-30-21		(135,617.73)	
Categorical Aid Security Aid	495-034-5120-084	133,835.00	07-01-21	06-30-22			
Categorical Aid Security Aid	495-034-5120-084	133,835.00	07-01-20	06-30-21		(11,584.12)	
Total State Aid - Public						(217,779.88)	-
Transportation Aid:							
Categorical Transportation Aid	495-034-5120-014	209,359.00	07-01-21	06-30-22			
Categorical Transportation Aid	495-034-5120-014	209,359.00	07-01-20	06-30-21		(18,121.12)	
Total Transportation Aid						(18,121.12)	-
Extraordinary Aid							
Extraordinary Aid	495-034-5120-044	1,070,836.00	07-01-21	06-30-22			
Extraordinary Aid	495-034-5120-044	1,105,431.00	07-01-20	06-30-21		(1,105,431.00)	
Total Extraordinary Aid						(1,105,431.00)	-
Reimbursed TPAF Social Security Contributions							
Reimbursed TPAF Social Security Contributions	495-034-5094-003	1,579,300.61	07-01-21	06-30-22			
Reimbursed TPAF Social Security Contributions	495-034-5094-003	1,518,776.28	07-01-20	06-30-21		(75,905.14)	
Total Reimbursed TPAF Social Security Contributions						(75,905.14)	-
On-Behalf T.P.A.F. Pension Contributions - Post-Retirement							
Medical (non-budgeted)	495-034-5094-001	1,830,390.00	07-01-21	06-30-22			
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)	495-034-5094-002	7,725,226.00	07-01-21	06-30-22			
On-Behalf T.P.A.F. Non-contributory Insurance	495-034-5094-004	108,992.00	07-01-21	06-30-22			
On-Behalf T.P.A.F. Pension Contributions - Long-Term Disability Insurance (non-budgeted)	495-034-5094-004	2,859.00	07-01-21	06-30-22			
Total On-Behalf TPAF Pension Contributions (non-budgeted)						-	-
Total General Fund						(1,417,237.14)	-
Special Revenue Fund:							
New Jersey Department of Education:							
Nonpublic Aid:							
Nursing Services	100-034-5120-070	24,192.00	07-01-21	06-30-22			
Textbook Aid (Ch. 194, L. 1977)	100-034-5120-064	12,905.00	07-01-21	06-30-22			
Textbook Aid (Ch. 194, L. 1977)	100-034-5120-064	20,465.00	07-01-20	06-30-21		\$	4,069.00
Total Textbook Aid (Ch. 194, L. 1977)						-	4,069.00
Technology Initiative Aid	100-034-5120-373	9,030.00	07-01-21	06-30-22			
Security Aid	100-034-5120-509	37,800.00	07-01-21	06-30-22			
Security Aid	100-034-5120-509	58,625.00	07-01-20	06-30-21			75.00
Total Security Aid						-	75.00
Auxiliary Services (Ch. 192, L. 1977)							
Compensatory Education	100-034-5120-067	17,020.00	07-01-21	06-30-22			
Compensatory Education	100-034-5120-067	21,773.00	07-01-20	06-30-21			15,677.00
English as a Second Language	100-034-5120-067	914.00	07-01-21	06-30-22			
Home Instruction	100-034-5120-067	3,390.00	07-01-21	06-30-22			
Home Instruction	100-034-5120-067	2,777.00	07-01-20	06-30-21		(2,777.00)	
Total Auxiliary Services (Ch. 192, L. 1977)						(2,777.00)	15,677.00
Handicapped Services (Ch. 193, L. 1977)							
Corrective Speech	100-034-5120-066	13,950.00	07-01-21	06-30-22			
Corrective Speech	100-034-5120-066	10,937.00	07-01-20	06-30-21			5,924.00
Examination and Classification	100-034-5120-066	62,926.00	07-01-21	06-30-22			
Examination and Classification	100-034-5120-066	44,773.00	07-01-20	06-30-21			27,181.00
Supplementary Instruction	100-034-5120-066	37,170.00	07-01-21	06-30-22			
Supplementary Instruction	100-034-5120-066	27,523.00	07-01-20	06-30-21			2,428.00
Total Handicapped Services (Ch. 193, L. 1977)						-	35,533.00
Local Recreation Improvement Grant	Unavailable	60,000.00	07-01-21	06-30-22			
School Security Grant	Unavailable	145,281.00	07-01-20	06-30-22			
Capital Maintenance and Emergent Project Grant	Unavailable	62,202.00	07-01-21	Completion			
Total Special Revenue Fund						(2,777.00)	55,354.00

Carryover/ Walkover Amount	Cash Received	Adjustments (A)	Budgetary Expenditures	Passed Through to Subrecipients	Repayment of Prior Years' Balances	Balance at June 30, 2022			Memo Only	
						(Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2022	Cumulative Total Expenditures
	\$ 740,111.32		\$ 815,410.00			\$ (75,298.68)			\$ (75,298.68)	\$ 815,410.00
	70,578.03									
	1,503,820.78		1,656,819.00			(152,998.22)			(152,998.22)	1,656,819.00
	135,617.73									
	121,476.07		133,835.00			(12,358.93)			(12,358.93)	133,835.00
	11,584.12									
-	2,583,188.05	-	2,606,064.00	-	-	(240,655.83)	-	-	(240,655.83)	2,606,064.00
	190,025.83		209,359.00			(19,333.17)			(19,333.17)	209,359.00
	18,121.12									
-	208,146.95	-	209,359.00	-	-	(19,333.17)	-	-	(19,333.17)	209,359.00
	1,105,431.00		1,070,836.00			(1,070,836.00)				1,070,836.00
-	1,105,431.00	-	1,070,836.00	-	-	(1,070,836.00)	-	-		1,070,836.00
	1,502,116.36		1,579,300.61			(77,184.25)				1,579,300.61
	75,905.14									
-	1,578,021.50	-	1,579,300.61	-	-	(77,184.25)	-	-		1,579,300.61
	1,830,390.00		1,830,390.00							1,830,390.00
	7,725,226.00		7,725,226.00							7,725,226.00
	108,992.00		108,992.00							108,992.00
	2,859.00		2,859.00							2,859.00
-	9,667,467.00	-	9,667,467.00	-	-					9,667,467.00
-	15,142,254.50	-	15,133,026.61	-	-	(1,408,009.25)	-	-	(259,989.00)	15,133,026.61
	21,056.00		21,056.00							21,056.00
	12,905.00		12,651.00		\$ 4,069.00			\$ 254.00		12,651.00
-	12,905.00	-	12,651.00	-	4,069.00			254.00		12,651.00
	9,030.00		8,846.00					184.00		8,846.00
	32,900.00	\$ (0.32)	32,802.68		75.00			97.00		32,802.68
-	32,900.00	(0.32)	32,802.68	-	75.00			97.00		32,802.68
	17,020.00		896.00		15,677.00			16,124.00		896.00
	914.00		3,390.00			(3,390.00)		914.00		3,390.00
	2,777.00									
-	20,711.00	-	4,286.00	-	15,677.00	(3,390.00)	-	17,038.00		4,286.00
	13,950.00		1,125.00		5,924.00			12,825.00		1,125.00
	62,926.00		34,703.00		27,181.00			28,223.00		34,703.00
	37,170.00		21,352.00		2,428.00			15,818.00		21,352.00
-	114,046.00	-	57,180.00	-	35,533.00			56,866.00		57,180.00
			60,000.00			(60,000.00)				60,000.00
	15,702.00	(15,702.00)	102,577.49			(129,579.00)	\$ 27,001.51			102,577.49
	62,202.00		52,545.35					9,656.65		52,545.35
-	288,552.00	(15,702.32)	351,944.52	-	55,354.00	(192,969.00)	36,658.16	74,439.00		351,944.52

(Continued)

RUTHERFORD SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance - Schedule B
For the Fiscal Year Ended June 30, 2022

State Grantor/ Program or Cluster Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2021	
			From	To	Unearned Revenue/ (Accounts Receivable)	Due to Grantor
Capital Projects Fund:						
New Jersey Economic Development Authority:						
School Development Authority	4600-090-14-1006	\$ 180,590.00	01-06-14	Completion	\$ (180,590.00)	
School Development Authority	4600-050-14-1002	127,691.00	01-06-14	Completion	(112,680.34)	
School Development Authority	4600-050-14-1004	322,559.00	01-06-14	Completion	(300,448.00)	
School Development Authority	4600-050-14-1003	116,594.00	01-06-14	Completion	(65,537.35)	
School Development Authority	4600-050-14-1009	119,924.00	01-06-14	Completion	(119,924.00)	
School Development Authority	4600-050-14-1010	266,884.00	01-06-14	Completion	(198,141.00)	
Total Capital Projects Fund					(977,320.69)	-
Debt Service Fund:						
State Department of Education:						
Debt Service Aid	495-034-5120-075	462,522.00	07-01-21	06-30-22		
Total State Financial Assistance					(2,397,334.83)	\$ 55,354.00
Less: State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:						
General Fund (Non-Cash Assistance):						
New Jersey Department of Education:						
On-Behalf Contributions:						
On-Behalf T.P.A.F. Pension Contributions - Post-Retirement						
Medical (non-budgeted)	495-034-5094-001	1,830,390.00	07-01-21	06-30-22		
On-Behalf T.P.A.F. Pension Contributions - Normal Cost (non-budgeted)	495-034-5094-002	7,725,226.00	07-01-21	06-30-22		
On-Behalf T.P.A.F. Non-contributory Insurance	495-034-5094-004	108,992.00	07-01-21	06-30-22		
On-Behalf T.P.A.F. Pension Contributions - Long-Term Disability Insurance (non-budgeted)	495-034-5094-004	2,859.00	07-01-21	06-30-22		
Total On-Behalf TPAF Pension Contributions (non-budgeted)					-	-
Total State Financial Assistance					\$ (2,397,334.83)	\$ 55,354.00

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

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

Carryover/ Walkover Amount	Cash Received	Adjustments (A)	Budgetary Expenditures	Passed Through to Subrecipients	Repayment of Prior Years' Balances	Balance at June 30, 2022			Memo Only	
						(Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2022	Cumulative Total Expenditures
						\$ (180,590.00)			\$ 180,590.00	
						(112,680.34)			112,680.34	
						(300,448.00)			300,448.00	
						(65,537.35)			65,537.35	
						(119,924.00)			119,924.00	
						(198,141.00)			198,141.00	
-	-	-	-	-	-	(977,320.69)	-	-	-	977,320.69
	\$ 462,522.00		\$ 462,522.00							462,522.00
-	15,893,328.50	\$ (15,702.32)	15,947,493.13	-	\$ 55,354.00	(2,578,298.94)	\$ 36,658.16	\$ 74,439.00	\$ (259,989.00)	16,924,813.82
	1,830,390.00		1,830,390.00							1,830,390.00
	7,725,226.00		7,725,226.00							7,725,226.00
	108,992.00		108,992.00							108,992.00
	2,859.00		2,859.00							2,859.00
-	9,667,467.00	-	9,667,467.00	-	-	-	-	-	-	9,667,467.00
\$ -	\$ 6,225,861.50	\$ (15,702.32)	\$ 6,280,026.13	\$ -	\$ 55,354.00	\$ (2,578,298.94)	\$ 36,658.16	\$ 74,439.00	\$ (259,989.00)	\$ 7,257,346.82

RUTHERFORD SCHOOL DISTRICT

Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2022

Note 1: BASIS OF PRESENTATION

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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Note 3: INDIRECT COST RATE

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

Note 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$24,088.00 for the general fund and \$368,405.04 for the special revenue fund. See exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

Awards and financial assistance revenues reported in the School District's basic financial statements on a GAAP basis with a reconciliation to the budgetary basis reported on the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 29,135.27	\$ 15,108,938.61	\$ 15,138,073.88
Special Revenue	1,552,713.23	297,342.03	1,850,055.26
Debt Service		462,522.00	462,522.00
	<u>1,581,848.50</u>	<u>15,868,802.64</u>	<u>17,450,651.14</u>
GAAP Basis Revenues			
GAAP Adjustments:			
State Aid Payments	-	24,088.00	24,088.00
Encumbrances	(423,082.02)	54,602.49	(368,479.53)
	<u>(423,082.02)</u>	<u>78,690.49</u>	<u>(344,391.53)</u>
Total Awards and Financial Assistance Expended	<u>\$ 1,158,766.48</u>	<u>\$ 15,947,493.13</u>	<u>\$ 17,106,259.61</u>

Note 5: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

Note 6: ADJUSTMENTS

Amounts reported in the column entitled "adjustments" represent favorable differences incurred in the liquidation of encumbrances charged as budgetary basis expenditures in fiscal year 2021-2022, cancelation of grant appropriations, and minor rounding adjustments.

Note 7: REIMBURSED AND ON-BEHALF PAYMENTS

During the fiscal year ended June 30, 2022, the School District was the recipient of federal and state assistance that represented either a reimbursement to the School District or payments made on-behalf of the School District. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year. Lastly, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance related to TPAF members.

Note 8: MAJOR PROGRAMS

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

RUTHERFORD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2022

Section 1- Summary of Auditor's Results

Financial Statements

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

Federal Awards

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

Identification of major programs:

Table with 3 columns: Assistance Listing Number(s), FAIN Number(s), Name of Federal Program or Cluster. Rows include Special Education Cluster, IDEA grants, and American Rescue Plan programs.

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

Auditee qualified as low-risk auditee? x yes no

RUTHERFORD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2022

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

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? ___ yes ___ x no

Significant deficiency(ies) identified? ___ yes ___ x none reported

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

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

Identification of major programs:

GMIS Number(s)

Name of State Program

Table with 2 columns: GMIS Number(s) and Name of State Program. Rows include State Aid - Public, Equalization Aid, Categorical Aid Special Education Aid, Categorical Aid Security Aid, and Debt Service Aid Type II.

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

Auditee qualified as low-risk auditee? ___ x ___ yes ___ no

RUTHERFORD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2022

Section 2- Schedule of Financial Statement Findings

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

None.

RUTHERFORD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2022

Section 3- Schedule of Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, material instances of noncompliance, including questioned costs, and significant instances of abuse related to the audit of major Federal programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

None.

RUTHERFORD SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2022

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

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

None.

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

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

FINANCIAL STATEMENT FINDINGS

None.

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE PROGRAMS

None.