

**SCHOOL DISTRICT OF THE
BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2023**

BOARD OF EDUCATION

BOROUGH OF RUMSON

STATE OF NEW JERSEY

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2023

PREPARED BY

RUMSON BOARD OF EDUCATION

BOARD SECRETARY'S OFFICE

OUTLINE OF ACFR

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INTRODUCTORY SECTION



December 5, 2023

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

Dear Board Members:

The Annual Comprehensive Financial Report (ACFR) of the Rumson School District (District) for the fiscal year ended June 30, 2023 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

1. REPORTING ENTITY AND ITS SERVICES:

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

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

Resident Enrollment		
Oct. 15 Year	Student Enrollment	Percent Change
2022	907	(.76)%
2021	914	(2.24)%
2020	935	(7.00)%
2019	1,007	1.00%
2018	951	(4.30)%
2017	994	5.30
2016	944	(2.88)%
2015	972	(.001)%
2014	973	(1.11)%
2013	984	(.001)%

2. ECONOMIC CONDITION AND OUTLOOK:

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

There was a slight decrease in enrollment from fiscal year 2021.

3. MAJOR INITIATIVES:

The 2022-2023 Budget contained funding for a Director of Guidance, continued professional development and program development to support academic and social-emotional initiatives, the continuation of a Class III Officer on campus via a Shared Services Agreement with the Rumson Police Department, additional technology and the continuation of prior year initiatives. Despite the pandemic, Students continue to score well above the national averages on New Jersey Student Learning Assessment.

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

The District continues to use a combination of maintenance and capital reserve money's to renovate blocks of classrooms. In the summer of 2023 Grades 1,3 and 4 were completed.

4. INTERNAL ACCOUNTING CONTROLS:

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

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

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

5. BUDGETARY CONTROLS:

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line items basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance as of June 30, 2023.

6. ACCOUNTING SYSTEMS AND REPORTS:

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

7. DEBT ADMINISTRATION:

As of June 30, 2023, the District had \$24,187,000 of outstanding school bonds and \$1,215,826 in capital leases for solar panels outstanding.

8. CASH MANAGEMENT:

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

9. RISK MANAGEMENT:

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

10. OTHER INFORMATION:

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

11. ACKNOWLEDGEMENTS:

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

Respectfully submitted,

John Bormann

Denise McCarthy

John Bormann, Superintendent

Denise McCarthy

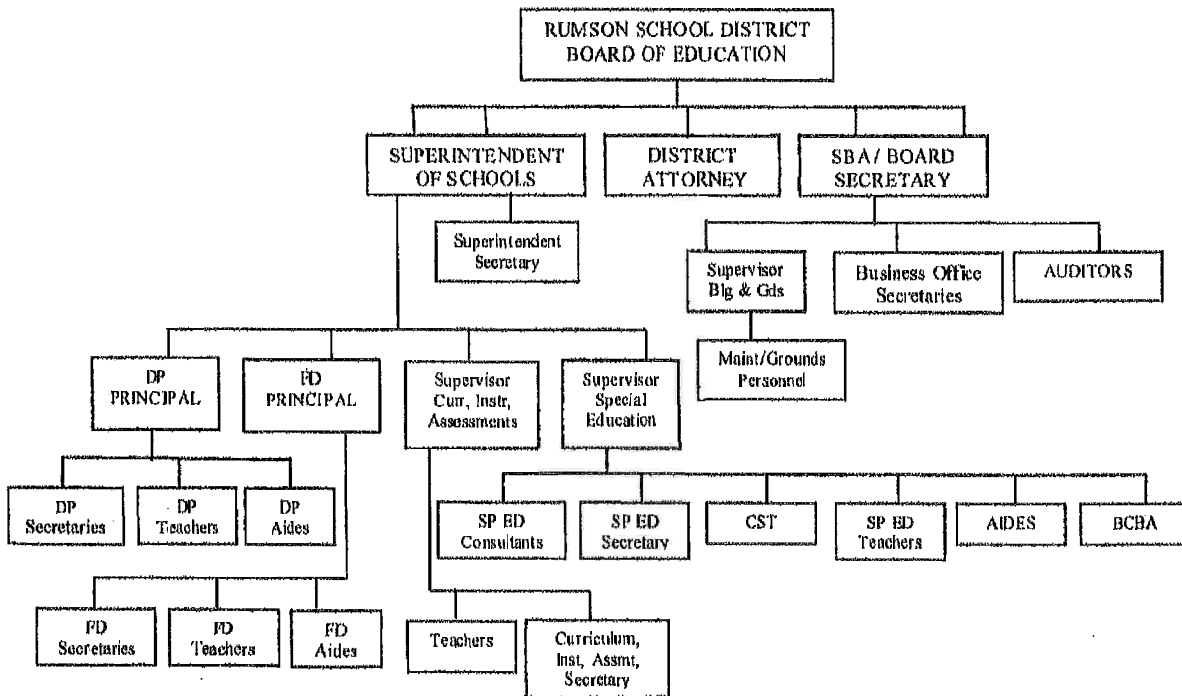
Business Administrator/Board Secretary

POLICY

RUMSON BOROUGH BOARD OF EDUCATION

ADMINISTRATION
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ORGANIZATIONAL CHART

1110 ORGANIZATIONAL CHART



Adopted: 28 November 2012

Revised:



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

ROSTER OF OFFICIALS

JUNE 30, 2023

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Charles Jones, President	2024
Kim Swain, Vice President	2023
Curran Scoble	2023
Kara Markiewicz	2023
Jamie McManus	2024
Linda James Smith	2024
Lauren Finney	2025
Gillian Sahadi	2025
Carolyn DeSena	2025

Other Officials

John Bormann, Superintendent

Denise McCarthy, School Business Administrator/Board Secretary

Dennis McKeever, Esq. Solicitor

RUMSON BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

Audit Firm

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

Attorney

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

Official Depositories

TD Bank
Red Bank, NJ

Lakeland Bank
Rumson, NJ

FINANCIAL SECTION



WIELKOTZ & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA
MATTHEW B. WIELKOTZ, CPA, PSA
PAUL J. CUVA, CPA, RMA, PSA
JAMES J. CERULLO, CPA, RMA, PSA
KARI FERGUSON, CPA, RMA, CMFO, PSA
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Board of Education of the Borough of Rumson School District, in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities and each major fund of the Borough of Rumson Board of Education, in the County of Monmouth, State of New Jersey, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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



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

Emphasis of Matter

Prior Period Restatement

The District restated capital assets and accumulated depreciation as a result of an extensive inventory and updating of their fixed asset accounting system. Additionally the District added the Stem Agriculture Club to the enterprise fund as an adjustment to the June 30, 2023 net position. These resulting adjustments and restatements are discussed in Note 18 to the financial statements.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey and Government Auditing Standards, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

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



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

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

Other Matters

Required Supplementary Information

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



Honorable President and
Members of the Board of Education
Page 4.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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



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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2023 on our consideration of the Borough of Rumson Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Rumson Board of Education's internal control over financial reporting and compliance.

Paul J. Cuva

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

Wielkocz & Company, LLC

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

December 5, 2023



**REQUIRED SUPPLEMENTARY
INFORMATION - PART I**

**RUMSON SCHOOL DISTRICT
RUMSON, NEW JERSEY**

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

The discussion and analysis of the Rumson School District’s financial performance provides an overall review of the School District’s financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the District’s financial performance as a whole and should not be interpreted as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the District’s revenues and expenditures by program for the General Fund, Special Revenue Fund, Capital Projects Fund, Debt Service and Enterprise Fund.

FINANCIAL HIGHLIGHTS

- In total, net position increased \$1,136,706. Net position of governmental activities increased \$1,067,811 while net position of business-type activity increased by \$68,895.
- General revenues accounted for \$24,108,449 revenue or 92 percent of all District revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$2,146,926 or 8 percent of total revenues of \$26,255,375.
- The School District had \$25,183,380 in expenses related to governmental activities; only \$2,146,926 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$24,104,265 were adequate to provide for these programs.

USING THIS ANNUAL REPORT

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

District-Wide Financial Statements

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

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

**RUMSON SCHOOL DISTRICT
RUMSON, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

USING THIS ANNUAL REPORT, (continued)

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

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

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

Fund Financial Statements

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

Governmental Funds

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

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

**RUMSON SCHOOL DISTRICT
RUMSON, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

USING THIS ANNUAL REPORT, (continued)

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

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

Proprietary Funds

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

Notes to the Financial Statements

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

Other Information

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

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

**RUMSON SCHOOL DISTRICT
RUMSON, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS

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

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

The School District's net position is \$8,964,189 at June 30, 2023. Of this amount, (\$3,486,110) was in unrestricted balances. Restricted items of net position are reported separately to show legal constraints that limit the School District's ability to use those items for day-to-day operations. Our analysis below focuses on the net position (Table 1) and change in net position (Table 2) of the School District.

Table 1

**Net Position
June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>Restated 2022</u>	<u>2023</u>	<u>Restated 2022</u>	<u>2023</u>	<u>Restated 2022</u>
Assets						
Current and Other Assets	5,172,079	5,495,785	283,183	210,851	5,455,262	5,706,636
Capital Assets	<u>33,366,059</u>	<u>33,907,135</u>	<u>19,696</u>	<u>22,476</u>	<u>33,385,755</u>	<u>33,929,611</u>
Total Assets	<u>38,538,138</u>	<u>39,402,920</u>	<u>302,879</u>	<u>233,327</u>	<u>38,841,017</u>	<u>39,636,247</u>
Deferred Outflow of Resources	<u>1,039,058</u>	<u>635,034</u>	_____	_____	<u>1,039,058</u>	<u>635,034</u>
Liabilities						
Current Liabilities	2,184,703	2,614,283	22,408	30,806	2,207,111	2,645,089
Noncurrent Liabilities	<u>27,993,514</u>	<u>28,279,926</u>	_____	_____	<u>27,993,514</u>	<u>28,279,926</u>
Total Liabilities	<u>30,178,217</u>	<u>30,894,209</u>	<u>22,408</u>	<u>30,806</u>	<u>30,200,625</u>	<u>30,925,015</u>
Deferred inflows of Resources	<u>714,612</u>	<u>1,542,357</u>	_____	_____	<u>714,612</u>	<u>1,542,357</u>
Net Position						
Invested in Capital Assets-						
Net of Debt	7,963,233	6,704,590	19,696	22,476	7,982,929	6,727,066
Restricted	4,207,252	4,557,310			4,207,252	4,557,310
Unrestricted	<u>(3,486,110)</u>	<u>(3,645,336)</u>	<u>260,118</u>	<u>188,443</u>	<u>(3,225,992)</u>	<u>(3,456,893)</u>
Total Net Position	<u>8,684,375</u>	<u>7,616,564</u>	<u>279,814</u>	<u>210,919</u>	<u>8,964,189</u>	<u>7,827,483</u>

**RUMSON SCHOOL DISTRICT
RUMSON, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 2 below shows the changes in net position for fiscal year 2023 compared to 2022.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<u>Revenues</u>						
Program Revenues:						
Charges for Services and Sales	350,967	259,700	836,989	719,672	1,187,956	979,372
Operating Grants and Contributions	1,795,959	1,480,368			1,795,959	1,480,368
General Revenues:						
Taxes:						
Property taxes, levied for:						
General purposes	17,492,124	17,149,141			17,492,124	17,149,141
Debt Service	1,787,979	1,651,507			1,787,979	1,651,507
Federal and State Aid	4,508,913	7,027,697			4,508,913	7,027,697
Miscellaneous Income	<u>315,249</u>	<u>99,737</u>	<u>4,184</u>	<u>195</u>	<u>319,433</u>	<u>99,932</u>
Total Revenues and Transfers	<u>26,251,191</u>	<u>27,668,150</u>	<u>841,173</u>	<u>719,867</u>	<u>27,092,364</u>	<u>28,388,017</u>

**RUMSON SCHOOL DISTRICT
RUMSON, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<u>Functions/Program Expenses</u>						
Instruction						
Regular	7,407,565	6,767,970			7,407,565	6,767,970
Special Education	1,524,389	1,378,524			1,524,389	1,378,524
Other Instruction	696,327	672,224			696,327	672,224
Support Services:						
Tuition	58,247	41,638			58,247	41,638
Student & Instruction Related Services	3,228,997	3,043,766			3,228,997	3,043,766
School Administrative Services	463,565	463,752			463,565	463,752
General Administrative Services	420,047	495,584			420,047	495,584
Central Services	260,934	274,904			260,934	274,904
Admin. Info. Technology	60,402	53,982			60,402	53,982
Plant Operations and Maintenance	1,904,517	1,671,364			1,904,517	1,671,364
Pupil Transportation	618,249	648,231			618,249	648,231
Unallocated Benefits	6,973,914	9,017,775			6,973,914	9,017,775
Capital Outlay - Undepreciable	21,418	85,785			21,418	85,785
Interest on Long-Term Debt	444,440	540,712			444,440	540,712
Unallocated depreciation	1,100,369	540,951			1,100,369	540,951
Enterprise Fund	<u> </u>	<u> </u>	<u>772,278</u>	<u>660,053</u>	<u>772,278</u>	<u>660,053</u>
Total Expenses	<u>25,183,380</u>	<u>25,697,162</u>	<u>772,278</u>	<u>660,053</u>	<u>25,955,658</u>	<u>26,357,215</u>
Increase or (Decrease) in Net Position	<u>1,067,811</u>	<u>1,970,988</u>	<u>68,895</u>	<u>59,814</u>	<u>1,136,706</u>	<u>2,030,802</u>

**RUMSON SCHOOL DISTRICT
RUMSON, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Governmental and Business- Activities

As reported in the Statement of Activities the cost of all of our governmental and business-type activities this year was \$25,955,658. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was \$19,280,103 because some of the cost was paid by those who benefitted from the programs \$1,187,956 by other governments and organizations who subsidized certain programs with grants and contributions \$6,304,872 and by miscellaneous sources \$319,433.

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

- ✓ Program expenses exceeded revenues by \$68,895.
- ✓ Miscellaneous revenues totaled \$4,184 and \$836,989 in charges from sales.

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS

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

During the fiscal year ended June 30, 2023, the School District amended the budgets of these major governmental funds several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- TPAF, which is the state's contribution to the pension fund and post retirement medical benefits and TPAF social security reimbursements, is neither a revenue item nor an expenditures item to the District but is required to be reflected in the governmental funds financial statements.
- The special revenue fund original budget increased by \$417,082. This was the result of an increase in federal and state grants awarded.

General Fund

The general fund actual revenue was \$24,100,949. That amount is \$5,241,472 above the final amended budget of \$18,859,477. The variance between the actual revenues and final budget was largely the result of non-budgeted on-behalf payments of \$4,715,249 for TPAF social security reimbursements and on-behalf pension and post retirement medical benefits payments and a \$288,116 excess in tuition and miscellaneous anticipated revenues and \$238,107 excess in other state aids.

**RUMSON SCHOOL DISTRICT
RUMSON, NEW JERSEY**

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS, (continued)

General Fund, (continued)

The actual expenditures of the general fund were \$24,459,393 which is \$3,234,269 above the final amended budget of \$21,225,124. The variance between the actual expenditures and final budget was due to excess non-budget on-behalf State TPAF social security, pension and medical retirement payments of \$4,715,249 and \$1,480,980 of unexpended budgeted funds.

Special Revenue Fund

The special revenue fund actual revenue was \$1,795,959. That amount is greater than the original budget estimate of \$1,397,076 and \$398,883 less than the final amended budget of \$1,795,959.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The School District as of June 30, 2023 had a revaluation of their Capital Assets which resulted in a prior period adjustment in reducing the Capital Assets by \$1,550,934.

At the end of fiscal year 2023 the School District had \$46,611,239 invested in sites, buildings and equipment, and of this amount, \$13,225,484 in depreciation has been taken over the years. We currently have a net book value of \$33,385,755. Total additions for the year were \$559,293. Total depreciation for the year was \$1,103,149 Table 3 shows fiscal year 2023 balances compared to 2022.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	3,078,463	3,078,463			3,078,463	3,078,463
Site Improvements	198,894	220,236			198,894	220,236
Buildings and Sites	29,548,682	30,084,864			29,548,682	30,084,864
Equipment	<u>540,020</u>	<u>523,572</u>	<u>19,696</u>	<u>22,476</u>	<u>559,716</u>	<u>546,048</u>
	<u>33,366,059</u>	<u>33,907,135</u>	<u>19,696</u>	<u>22,476</u>	<u>33,385,755</u>	<u>33,929,611</u>

Debt Administration

At June 30, 2023, the District had \$29,268,339 of outstanding debt. Of this amount, \$1,094,813 is for compensated absences; \$24,187,000 of General Obligation Bonds for school construction; \$2,770,700 for the net pension obligation for PERS; and \$1,215,826 for obligations under financed purchases agreements.

**RUMSON SCHOOL DISTRICT
RUMSON, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(CONTINUED)**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

Many factors were considered by the District during the process of developing the 2023-2024 budget. The primary factors were the District's projected student population and the services that are required to be provided by the District, as well as increasing salary and benefit costs.

REQUESTS FOR INFORMATION

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

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

**Rumson School District
Statement of Net Position
June 30, 2023**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	3,162,416	279,125	3,441,541
Receivables, net	519,356	1,078	520,434
Inventory		2,980	2,980
Restricted assets:			
Cash and cash equivalents	1,490,305		1,490,305
Land	3,078,463		3,078,463
Other Capital Assets, net	30,287,596	19,696	30,307,292
Total Assets	<u>38,538,136</u>	<u>302,879</u>	<u>38,841,015</u>
DEFERRED OUTFLOW OF RESOURCES:			
Pension related	1,039,058		1,039,058
Total Deferred Outflow of Resources	<u>1,039,058</u>	<u>-</u>	<u>1,039,058</u>
LIABILITIES			
Accounts payable	331,848		331,848
Accrued interest on bonds	221,804		221,804
Payable to federal and state government	12,525		12,525
Deferred revenue	343,701	23,065	366,766
Noncurrent liabilities:			
Due within one year	1,274,825		1,274,825
Due beyond one year	27,993,514		27,993,514
Total liabilities	<u>30,178,217</u>	<u>23,065</u>	<u>30,201,282</u>
DEFERRED INFLOW OF RESOURCES:			
Pension related	<u>714,602</u>		<u>714,602</u>
NET POSITION			
Net investment in capital assets	7,963,233	19,696	7,982,929
Restricted for:			
Capital Projects	1,145,448		1,145,448
Unemployment Compensation	101,636		101,636
Debt Service	48,365		48,365
Other Purposes	2,793,328		2,793,328
Student Activities	118,475		118,475
Unrestricted	<u>(3,486,110)</u>	<u>260,118</u>	<u>(3,225,992)</u>
Total net position	<u><u>8,684,375</u></u>	<u><u>279,814</u></u>	<u><u>8,964,189</u></u>

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

**Runson School District
Statement of Activities
For the Year Ended June 30, 2023**

Functions/Programs	Expenses	Indirect Expenses Allocation	Charges for Services	Program Revenues			Net (Expense) Revenue and Changes in Net Assets				
				Operating Grants and Contributions	Capital Grants and Contributions	Total	Governmental Activities	Business-type Activities	Total		
Governmental activities:											
Instruction:											
Regular	7,407,565		350,967	819,423		(6,237,175)		(6,237,175)			(6,237,175)
Special education	1,524,389					(1,524,389)		(1,524,389)			(1,524,389)
Other instruction	696,327					(696,327)		(696,327)			(696,327)
Support services:											
Tuition	58,247			976,536		(58,247)		(58,247)			(58,247)
Student & instruction related services	3,228,997					(2,252,461)		(2,252,461)			(2,252,461)
School administrative services	463,565					(463,565)		(463,565)			(463,565)
General administrative services	420,047					(420,047)		(420,047)			(420,047)
Central Services	260,934					(260,934)		(260,934)			(260,934)
Admin. Info. Technology	60,402					(60,402)		(60,402)			(60,402)
Plant operations and maintenance	1,904,517					(1,904,517)		(1,904,517)			(1,904,517)
Pupil transportation	618,249					(618,249)		(618,249)			(618,249)
Employee Benefits	6,973,914					(6,973,914)		(6,973,914)			(6,973,914)
Capital outlay-undepreciable	21,418					(21,418)		(21,418)			(21,418)
Interest on long-term debt	444,440					(444,440)		(444,440)			(444,440)
Unallocated depreciation	1,100,369					(1,100,369)		(1,100,369)			(1,100,369)
Total governmental activities	25,183,380	-	350,967	1,795,959	-	(23,036,454)		(23,036,454)			(23,036,454)
Business-type activities:											
Food Service	727,512		781,591			54,079		54,079			54,079
Runson After School Program	44,628		51,658			7,030		7,030			7,030
Homework Club	138					(138)		(138)			(138)
Stem Agriculture Club			3,740			3,740		3,740			3,740
Total business-type activities	772,278		836,989	-	-	64,711		64,711			64,711
Total primary government	25,955,658		1,187,956	1,795,959	-	(23,036,454)		(23,036,454)			(22,971,743)
General revenues:											
Property Taxes Levied for:											
General Purposes						17,492,124		17,492,124			17,492,124
Debt Service						1,787,979		1,787,979			1,787,979
Federal and State aid not restricted						4,092,109		4,092,109			4,092,109
State aid restricted						387,951		387,951			387,951
Interest and investment earnings - restricted						57,349		57,349			57,349
Miscellaneous Income						257,900	4,184	262,084			262,084
Total general revenues, special items, extraordinary items and transfers						24,075,412	4,184	24,079,596			24,079,596
Change in Net Position						1,038,958	68,895	1,107,853			1,107,853
Net Position—beginning prior to restatement						9,166,082	209,516	9,375,598			9,375,598
Prior Period Adjustment restatement of Fixed Assets						(1,549,518)	1,403	(1,548,115)			(1,548,115)
Net Position—beginning after restatement						7,616,564	210,919	7,827,483			7,827,483
Net Position—ending						8,655,522	279,814	8,935,336			8,935,336

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

FUND FINANCIAL STATEMENTS

**Rumson School District
Balance Sheet
Governmental Funds
June 30, 2023**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	2,700,908	361,997	51,146	48,365	3,162,416
Receivables from Other Governments	374,190	94,602			468,792
Other Receivables	38,039	12,525			50,564
Restricted Cash and Cash Equivalents	1,490,305				1,490,305
Total Assets	<u>4,603,442</u>	<u>469,124</u>	<u>51,146</u>	<u>48,365</u>	<u>5,172,077</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	17,198	22,923			40,121
Payable to Federal and State Government		12,525			12,525
Deferred Revenue	28,500	315,201			343,701
Payroll Deductions and Withholdings Payable	42,367				42,367
Unemployment Compensation Claims Payable	18,304				18,304
Total Liabilities	<u>106,369</u>	<u>350,649</u>			<u>457,018</u>
Fund Balances:					
Restricted for:					
Excess Surplus - Current Year	953,754				953,754
Excess Surplus-prior year-Designated for Subsequent Year's Expenditures	950,774				950,774
Maintenance Reserve-Designated for Subsequent Year's Expenditures	60,250				60,250
Maintenance Reserve	234,117				234,117
Capital Reserve	740,602				740,602
Capital Reserve-Designated for Subsequent Year's Expenditures	353,700				353,700
Unemployment Compensation	101,636				101,636
Debt Service				48,365	48,365
Capital Projects			51,146		51,146
Student Activities		118,475			118,475
Assigned to:					
Year end encumbrances	594,433				594,433
Designated for Subsequent Year's Expenditures					
Unassigned:					
General Fund	507,807				507,807
Total Fund Balances	<u>4,497,073</u>	<u>118,475</u>	<u>51,146</u>	<u>48,365</u>	<u>4,715,059</u>
Total Liabilities and Fund Balances	<u>4,603,442</u>	<u>469,124</u>	<u>51,146</u>	<u>48,365</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$46,504,771 and the accumulated depreciation is \$13,138,712.	33,366,059
Deferred outflow of resources	1,039,058
Deferred inflow of resources	(714,602)
Accounts payable for PERS payment subsequent to the measurement date.	(231,056)
Interest on Long-term debt accrued	(221,804)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.	<u>(29,268,339)</u>
Net position of governmental activities	<u>8,684,375</u>

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

Rumson School District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources:					
Local Tax Levy	17,492,124			1,787,979	19,280,103
Tuition	350,967				350,967
Other Unrestricted Miscellaneous Revenues	257,900				257,900
Other Restricted Miscellaneous Revenues	12,326	709,410	-	45,023	766,759
Total - Local Sources	<u>18,113,317</u>	<u>709,410</u>	<u>-</u>	<u>1,833,002</u>	<u>20,655,729</u>
State Sources	5,944,274	162,955		387,951	6,495,180
Federal Sources	3,129	923,594			926,723
Total Revenues	<u>24,060,720</u>	<u>1,795,959</u>	<u>-</u>	<u>2,220,953</u>	<u>28,077,632</u>
EXPENDITURES					
Current:					
Regular Instruction	6,461,953	819,423			7,281,376
Special Education Instruction	1,524,389				1,524,389
Other Instruction	696,327				696,327
Support Services and Undistributed Costs:					
Tuition	58,247				58,247
Student & Instruction Related Services	2,234,279	994,718			3,228,997
General Administrative Services	420,047				420,047
School Administrative Services	463,565				463,565
Central Services	260,934				260,934
Admin. Info. Technology	60,402				60,402
Plant Operations and Maintenance	1,992,380				1,992,380
Pupil Transportation	618,249				618,249
Employee Benefits	9,137,196				9,137,196
Debt Service:					
Principal				1,665,000	1,665,000
Interest and Other Charges				524,596	524,596
Capital Outlay	531,425	-	49,286		580,711
Total Expenditures	<u>24,459,393</u>	<u>1,814,141</u>	<u>49,286</u>	<u>2,189,596</u>	<u>28,512,416</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(398,673)</u>	<u>(18,182)</u>	<u>(49,286)</u>	<u>31,357</u>	<u>(434,784)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-				-
Transfers out	-	-			-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>(398,673)</u>	<u>(18,182)</u>	<u>(49,286)</u>	<u>31,357</u>	<u>(434,784)</u>
Fund Balance—July 1,	<u>4,866,893</u>	<u>136,657</u>	<u>100,432</u>	<u>17,008</u>	<u>5,120,990</u>
Fund Balance—June 30	<u>4,468,220</u>	<u>118,475</u>	<u>51,146</u>	<u>48,365</u>	<u>4,686,206</u>

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

**Rumson School District
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2023**

Total net change in fund balances - governmental funds (from B-2)		(434,784)
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.		
	Depreciation expense	(1,100,369)
	Depreciable Capital outlays	<u>559,293</u>
		(541,076)
Repayment of long-term debt is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. In the current year, these amounts consist of:		
	Principal Payments on Bonds	1,665,000
	Capital lease principal	87,863
Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.		
	Bond Proceeds	
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
	(Increase)/Decrease in compensated absences payable	(126,189)
In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The change in accrued interest is an addition to the reconciliation.		
	Prior Year Accrued Interest	239,928
	Current Year Accrued Interest	(221,804)
	Bond Premium/Discount	62,032
Pension Deferrals		
District pension contributions are reported as expenditures in the governmental funds when made. However, per GASB No. 68 they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.		
	District Pension Contributions	231,522
	Add: Pension Expense	<u>(76,466)</u>
	Decrease in Pension Expense	307,988
Per GASB No. 68 Non-employer contributing entities are required to record an increases in revenue and expense for On-behalf TPAF pension payments paid by the State of New Jersey on the Statement of Activities that are in excess of those amounts reported in the fund financial statements		
	Decrease in On-behalf State Aid TPAF Pension	(2,129,346)
	Decrease in On-behalf TPAF Pension Expense	<u>2,129,346</u>
Per GASB No. 75 Non-employer contributing entities are required to record an increases in revenue and expense for On-behalf TPAF medical payments paid by the State of New Jersey on the Statement of Activities that are in excess of those amounts reported in the fund financial statements		
	Increase in On-behalf State Aid TPAF Medical Expense	274,052
	Increase in On-behalf TPAF Medical Expense	<u>(274,052)</u>
Change in net assets of governmental activities		<u><u>1,038,958</u></u>

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

**Rumson School District
Statement of Net Position
Proprietary Funds
June 30, 2023**

	Business-Type Activities - Enterprise Fund				
	Food Service Program	After School Program	Homework Club	Stem Agriculture Club	Total Enterprise Fund
ASSETS					
Current Assets:					
Cash and Cash Equivalents	193,330	74,030	5,206	6,559	279,125
Accounts Receivable	1,078				1,078
Inventory	2,980				2,980
Total Current Assets	197,388	74,030	5,206	6,559	283,183
Noncurrent Assets:					
Capital Assets:					
Equipment	106,468				106,468
Less Accumulated Depreciation	(86,772)				(86,772)
Total Capital Assets (Net of Accumulated Depreciation)	19,696	-	-	-	19,696
Total Assets	217,084	74,030	5,206	6,559	302,879
LIABILITIES					
Current Liabilities:					
Prepaid Revenue	23,065				23,065
Total Current Liabilities	23,065	-	-	-	23,065
Total Liabilities	23,065	-	-	-	23,065
NET POSITION					
Net investment in capital assets	19,696				19,696
Unrestricted	174,323	74,030	5,206	6,559	260,118
Total Net Position	194,019	74,030	5,206	6,559	279,814

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

Rumson School District
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2023

Business-Type Activities -
Enterprise Fund

	Food Service Program	After School Program	Homework Club	Stem Agriculture Club	Total Enterprise Fund
Operating Revenues:					
Charges for Services:					
Daily Sales	781,591				781,591
Miscellaneous		51,658		3,740	55,398
Total Operating Revenues	781,591	51,658	-	3,740	836,989
Operating Expenses:					
Salaries	303,309	41,698	138		345,145
Other Employee Benefits	55,755				55,755
Cost of Sales	307,691				307,691
Supplies and Materials	6,542	2,930			9,472
Management Fee	15,000				15,000
Equipment Rental	7,814				7,814
Maintenance	11,579				11,579
Insurance	17,000				17,000
Miscellaneous Expenses	42				42
Depreciation Expense	2,780				2,780
Total Operating Expenses	727,512	44,628	138	-	772,278
Operating Income (Loss)	54,079	7,030	(138)	3,740	64,711
Non-Operating revenues:					
Interest and investment revenue	4,184				4,184
Change in Net Assets	58,263	7,030	(138)	3,740	68,895
Total Net Position—Beginning	137,172	67,000	5,344	2,819	212,335
Prior period adjustments	(1,416)			2,819	1,403
Total Net Position—Beginning Restated	135,756	67,000	5,344	2,819	210,919
Total Net Position—Ending	194,019	74,030	5,206	6,559	279,814

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

Rumson School District
Combining Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Food Service Program	After School Program	Homework Club	Stem Agriculture Club	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers	783,679	51,658	-	3,740	839,077
Payments to Vendors	(725,596)	(44,628)	(138)		(770,362)
Net Cash Provided by (Used for) Operating Activities	<u>58,083</u>	<u>7,030</u>	<u>(138)</u>	<u>3,740</u>	<u>68,715</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Income	4,184				4,184
Net Cash Provided by (Used for) Investing Activities	<u>4,184</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,184</u>
Net Increase (Decrease) in Cash and Cash Equivalents	62,267	7,030	(138)	3,740	72,899
Total Net Position—Beginning	131,063	67,000	5,344		203,407
Prior Period Adjustment				2,819	2,819
Balances—Beginning of Year-Restated	131,063	67,000	5,344	2,819	206,226
Balances—End of Year	<u>193,330</u>	<u>74,030</u>	<u>5,206</u>	<u>6,559</u>	<u>279,125</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	54,079	7,030	(138)	3,740	64,711
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	2,780				2,780
Decrease/(Increase) in Accounts Receivable	1,431				1,431
(Decrease)/Increase in Inventory	(864)				(864)
(Decrease)/Increase in Prepaid Revenue	657				657
Total Adjustments	<u>4,004</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,004</u>
Net Cash Provided by (Used for) Operating Activities	<u>58,083</u>	<u>7,030</u>	<u>(138)</u>	<u>3,740</u>	<u>68,715</u>

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

NOTES TO THE FINANCIAL STATEMENTS

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

A. Description of the School District and Reporting Entity:

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

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

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

B. Basis of Presentation:

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

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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

District-wide Financial Statements:

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

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

Fund Financial Statements:

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

GOVERNMENTAL FUNDS

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

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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

GOVERNMENTAL FUNDS, (continued)

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

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

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

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

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

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

PROPRIETARY FUNDS

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

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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

PROPRIETARY FUNDS, (continued)

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

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

FIDUCIARY FUNDS

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

C. Measurement Focus:

District-wide Financial Statements

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

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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

C. Measurement Focus: (continued)

Fund Financial Statements

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

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

D. Basis of Accounting:

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

Revenues - Exchange and Non-exchange Transactions

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

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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

D. Basis of Accounting: (continued)

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

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

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

Expenses/Expenditures

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

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

E. Budgets/Budgetary Control:

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

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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

E. Budgets/Budgetary Control: (continued)

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

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

F. Encumbrances:

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

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

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

G. Cash, Cash Equivalents and Investments:

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

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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

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

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

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

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

H. Tuition Revenues/Receivable:

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

I. Inventories:

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

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

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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

J. Prepaid Items:

Payments made to vendors for services that will benefit periods beyond June 30, 2023, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

K. Short-Term Interfund Receivables/Payables:

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

L. Capital Assets:

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

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

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

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

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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

M. Compensated Absences:

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

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

N. Deferred Revenue:

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

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

O. Accrued Liabilities and Long-term Obligations:

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

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

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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

P. Accounting and Financial Reporting for Pensions:

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

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

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

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

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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

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

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

Q. Deferred Outflows/Inflows of Resources

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

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

R. Fund Balances:

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

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

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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

R. Fund Balances: (continued)

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

S. Net Position:

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

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

T. Operating Revenues and Expenses:

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

U. Extraordinary and Special Items:

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

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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

V. Allocation of Indirect Expenses:

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

W. Use of Estimates:

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

X. Allowance for Uncollectible Accounts:

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

Y. New Accounting Standards:

During fiscal year 2023, the District adopted the following GASB Statement:

GASB Statement No. 96, Subscription-Based Information Technology, which improves financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs. The District did not have any subscription-based information technology arrangements that rose to an amount that required disclosure. The District will review new SBITA's annually to determine proper disclosure.

Z. Recently Issued Accounting Pronouncements:

The GASB has issued the following Statement that will become effective for the School District for fiscal years ending June 30, 2024 or 2025:

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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

Z. Recently Issued Accounting Pronouncements: (continued)

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 although earlier application is encouraged. 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 AND INVESTMENTS:

As of June 30, 2023, cash and cash equivalents of the Board consisted of the following:

Checking/Money Market Accounts	\$3,429,953
State of New Jersey Cash Management Fund	<u>1,531,437</u>
	<u>\$4,961,390</u>

During the period ended June 30, 2023, the Board did not hold any investments. The carrying amount of the Board’s cash and cash equivalents at June 30, 2023 was \$4,961,390 and the bank balance was \$5,417,497. The entire balance was covered by federal depository insurance and the collateral pool maintained by the banks as required by New Jersey statutes.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Board’s policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based on banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments (established in New Jersey Statutes 18A:20-37) are treated as cash equivalents. As of June 30, 2023, \$0 of the Board’s bank balance of \$5,417,497 was exposed to custodial credit risk.

Interest Rate Risk

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

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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

Credit Risk

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

New Jersey Cash Management Fund

All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investments’s existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the “Other-than-State” participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis. As of June 30, 2023, the District has \$1,531,437 on deposit with the New Jersey Cash Management Fund.

NOTE 3. RECEIVABLES:

Receivables at June 30, 2023, consisted of accounts receivable, interfund and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial <u>Statements</u>	Enterprise Fund	District Wide Financial <u>Statements</u>
State Aid	\$374,190	\$	\$374,190
Federal Aid	94,602		94,602
Other	<u>50,564</u>	<u>1,078</u>	<u>51,642</u>
	<u>\$519,356</u>	<u>\$1,078</u>	<u>\$520,434</u>

NOTE 4. INTERFUND BALANCES AND TRANSFERS:

The District had no interfund balances as of June 30, 2023.

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 5. CAPITAL ASSETS:

Capital asset activity for the fiscal year ended June 30, 2023 was as follows:

	Restated Balance <u>6/30/22</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>6/30/23</u>
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$3,078,463	\$	\$	\$3,078,463
Total Capital Assets, Not Being Depreciated	<u>3,078,463</u>			<u>3,078,463</u>
Capital Assets Being Depreciated				
Site Improvements	570,069			570,069
Buildings and Sites	40,641,544	435,449		41,076,993
Equipment	<u>1,655,402</u>	<u>123,844</u>	_____	<u>1,779,246</u>
Total Capital Assets, Being Depreciated	<u>42,867,015</u>	<u>559,293</u>	_____	<u>43,426,308</u>
Less Accumulated Depreciation:				
Site Improvements	(349,833)	(21,342)		(371,175)
Buildings and Sites	(10,556,680)	(971,631)		(11,528,311)
Equipment	<u>(1,131,830)</u>	<u>(107,396)</u>	_____	<u>(1,239,226)</u>
Total Accumulated Depreciation	<u>(12,038,343)</u>	<u>(1,100,369)</u>	_____	<u>(13,138,712)</u>
Total Capital Assets, Being Depreciated, Net	<u>30,828,672</u>	<u>(541,076)</u>	_____	<u>30,287,596</u>
Governmental Activities Capital Assets, Net	<u>\$33,907,135</u>	<u>(\$541,076)</u>	<u>\$</u>	<u>\$33,366,059</u>
	Restated Balance <u>6/30/22</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>6/30/23</u>
Business-Type Activity				
Equipment	\$106,468	\$	\$	\$106,468
Totals	<u>106,468</u>	_____	_____	<u>106,468</u>
Less Accumulated Depreciation				
Equipment	(83,992)	(2,780)		(86,772)
Total Accumulated Depreciation	<u>(83,992)</u>	<u>(2,780)</u>	_____	<u>(86,772)</u>
Business-Type Activity Capital Assets, Net	<u>\$22,476</u>	<u>(\$2,780)</u>	<u>\$</u>	<u>\$19,696</u>

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

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 6. LONG-TERM DEBT OBLIGATIONS:

Changes in long-term obligations for the fiscal year ended June 30, 2023 are as follows:

	<u>Balance</u> <u>6/30/22</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>6/30/23</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
Obligations Under Financed Purchases	\$1,303,689	\$	\$87,863	\$1,215,826	\$92,825
Compensated Absences Payable	968,624	126,189		1,094,813	
Net Pension Obligation	1,846,444	924,256		2,770,700	
Bonds Payable	25,852,000		1,665,000	24,187,000	1,182,000
Bond Premium	<u>62,032</u>	<u> </u>	<u>62,032</u>	<u>0</u>	<u> </u>
	<u>\$30,032,789</u>	<u>\$1,050,445</u>	<u>\$1,814,895</u>	<u>\$29,268,339</u>	<u>\$1,274,825</u>

A. Bonds Payable:

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

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

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

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

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

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

A. Bonds Payable: (continued)

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

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

Schedule of Payments

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023-2024	1,182,000	488,702	1,670,702
2024-2025	1,090,000	461,326	1,551,326
2025-2026	1,120,000	439,226	1,559,226
2026-2027	1,150,000	416,526	1,566,526
2027-2028	1,175,000	393,276	1,568,276
2028-2040	<u>18,470,000</u>	<u>2,680,423</u>	<u>21,150,423</u>
	<u>\$24,187,000</u>	<u>\$4,879,479</u>	<u>\$29,066,479</u>

B. Bonds and Notes Authorized But Not Issued:

As of June 30, 2023, the District had no authorized but not issued bonds.

C. Financed Purchases Payable:

The District has financed purchase agreements for energy conservation measures equipment under a financed purchase agreement. The financed purchase is for a term of fifteen years. The following is a schedule of the future minimum financed purchase payments under the financed purchase, and the present value of the net minimum financed purchase payments at June 30, 2023:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	92,825	30,531	123,356
2025	95,419	28,139	123,558
2026	80,474	25,791	106,265
2027	84,949	23,702	108,651
2028	89,591	21,498	111,089
Thereafter	<u>772,568</u>	<u>78,097</u>	<u>850,665</u>
	<u>\$1,215,826</u>	<u>\$207,758</u>	<u>\$1,423,584</u>

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 7. PENSION PLANS:

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

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

Benefits Provided

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

The following represents the membership tiers for TPAF:

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

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 7. PENSION PLANS: (continued)

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

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

Benefits Provided

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

The following represents the membership tiers for PERS:

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

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 7. PENSION PLANS: (continued)

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

Defined Contribution Retirement Program

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

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

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

Contributions Requirements Fund Based Statements

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

<u>Year</u>	<u>PERS</u>	<u>DCRP</u>
<u>Ending</u> 6/30/23	\$231,522	\$8,262
6/30/22	182,535	9,513
6/30/21	196,888	12,372

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 7. PENSION PLANS: (continued)

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

<u>Year</u> <u>Ending</u>	<u>Pension</u> <u>Contributions</u>	<u>Post-Retirement</u> <u>Medical</u> <u>Contributions</u>	<u>NCGI</u> <u>Premium</u>	<u>Long-Term</u> <u>Disability</u> <u>Insurance</u>
6/30/23	3,131,244	833,982	43,442	934
6/30/22	3,099,136	734,299	43,724	821
6/30/21	2,359,921	753,634	44,901	975

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$705,647 during the year ended June 30, 2023 for the employer’s share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13.

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

Public Employees Retirement System (PERS)

At June 30, 2023, the District had a liability of \$2,770,700 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2022, the District's proportion was .0183594912 percent, which was an decrease of .002773 percent from its proportion measured as of June 30, 2021.

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 7. PENSION PLANS: (continued)

For the year ended June 30, 2023, the District recognized pension expense of (\$76,466) . At June 30, 2023, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$19,998	\$17,635
Changes of assumptions	8,585	
Net difference between projected and actual earnings on pension plan investments	114,677	414,883
Changes in proportion and differences between District contributions and proportionate share of contributions	664,742	282,084
District contributions subsequent to the measurement date	<u>231,056</u>	<u> </u>
Total	<u>\$1,039,058</u>	<u>\$714,602</u>

The \$231,056 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2023, the plan measurement date is June 30, 2022) will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2023	(\$237,668)
2024	(121,084)
2025	(59,050)
2026	128,825
2027	(283)

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.04, 5.13, 5.16, 5.21, 5.63, and 5.48 years for 2022, 2021, 2020, 2019, 2018 and 2017 amounts, respectively.

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 7. PENSION PLANS: (continued)

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2022 and June 30, 2021 are as follows:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Collective deferred outflows of resources	\$1,660,772,008	\$1,164,738,169
Collective deferred inflows of resources	3,236,303,905	8,339,123,762
Collective net pension liability	15,219,184,020	11,846,499,172
District's Proportion	.0183594912%	.0155864120%

Actuarial Assumptions

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

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75 - 6.55%
	Based on years of service
Investment Rate of Return	7.00 Percent

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. It is likely that future experience will not exactly conform to these assumptions.

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 7. PENSION PLANS: (continued)

Mortality Rates

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

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 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%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

**Borough of Rumson School District
 Notes to the Basic Financial Statements
 for the fiscal year ended June 30, 2023**

NOTE 7. PENSION PLANS: (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2022 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2022		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's proportionate share of the pension liability	\$3,598,683	\$2,770,700	\$2,117,147

Pension Plan Fiduciary Net Position

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

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 7. PENSION PLANS: (continued)

Teachers Pensions and Annuity Fund (TPAF)

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

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2023 was as follows:

Net Pension Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>38,841,737</u>
	<u>\$38,841,737</u>

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 rolled forward to June 30, 2022. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2021, the proportion of the TPAF net pension liability associated with the District was .0752828318%.

For the year ended June 30, 2023, the District recognized on-behalf pension expense and revenue of \$1,045,340 for contributions provided by the State in the District-Wide Financial Statements.

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 7. PENSION PLANS: (continued)

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75 - 5.65% based on years of service
Investment Rate of Return	7.00%

Mortality Rates

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

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 7. PENSION PLANS: (continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2022 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%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	1.68%
Cash Equivalents	4.00%	3.38%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 7. PENSION PLANS: (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

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

NOTE 8. POST-RETIREMENT BENEFITS:

General Information about the OPEB Plan

Plan Description and Benefits Provided

State Health Benefit State Retired Employees Plan

Pension and Other Postemployment Benefits (OPEB) Obligations in Fiscal Year 2022 the State funded the various defined benefit pension systems at 108 percent of the full actuarially determined contributions. Employer contributions to the pension plans are calculated per the requirements of the governing State statutes using generally accepted actuarial procedures and practices. The actuarial funding method used to determine the State's contribution is a matter of State law. Any change to the funding method requires the approval of the State Legislature and the Governor. The amount the State actually contributes to the pension plans may differ from the actuarially determined contributions of the pension plans because the State's contribution to the pension plans is subject to the appropriation of the State Legislature and actions by the Governor. GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers to recognize their proportionate share of the collective net pension liability. Under the new statement, the calculation of the pension liability was changed to a more conservative methodology and each employer was allocated a proportional share of the pension plans' net pension liability. The State's share of the net pension liability, based on a measurement date of June 30, 2021, which is required to be recorded on the financial statements, is \$75.1 billion. The Fiscal Year 2023 projected aggregate State contribution to the pension plans of \$6.8 billion represents 104 percent of the actuarially determined contribution. The State provides post-retirement medical (PRM) benefits for certain State and other retired employees meeting the service credit eligibility requirements. In Fiscal Year 2022, the State paid PRM benefits for 161,238 State and local

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 8. POST-RETIREMENT BENEFITS: (continued)

retirees. The State funds post-retirement medical benefits on a "pay-as-you-go" basis, which means that the State does not pre-fund, or otherwise establish a reserve or other pool of assets against the PRM expenses that the State may incur in future years. For Fiscal Year 2022, the State contributed \$1.9 billion to pay for "pay-as-you-go" PRM benefit costs incurred by covered populations, a slight increase from \$1.8 billion in Fiscal Year 2021. The State has appropriated \$2.1 billion in Fiscal Year 2023 as the State's contribution to fund increases in prescription drugs and medical claims costs. In accordance with the provisions of GASB Statement NO. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State is required to quantify and disclose its obligations to pay Other Postemployment Benefits (OPEB) to retired plan members. This new standard supersedes the previously issued guidance, GASB Statement No. 45, Accounting and Financial Reporting for postemployment Benefits Other Than Pensions, effective for Fiscal Year 2018. The State is now required to accrue a liability in all instances where statutory language names the State as the legal obligor for benefit payments. The Fiscal Year 2022 State OPEB liability to provide these benefits is \$88.9 billion, a decrease of \$12.7 billion, or 12.5 percent from the \$101.6 billion liability recorded in Fiscal Year 2021. Additional information on Pensions and OPEB can be accessed on the Division of Pensions & Benefits Financial Reports webpage: <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Total OPEB Liability

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability of the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education. Note that actual numbers will be published in the NJ State ACFR on the Office of Management and Budget's Financial Publications webpage: nj.gov/treasury/omb/fr.shtml.

The portion of the OPEB Liability that was associated with the District recognized at June 30, 2023 was as follows:

OPEB Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>33,775,224</u>
	<u>\$33,775,224</u>

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 8. POST-RETIREMENT BENEFITS: (continued)

Actual Assumptions and Other Imputes

The total OPEB liability in the June 30, 2022 actuarial valuation reported by the State in the State's Report of Total Nonemployer OPEB Liability for the State Health Benefit Local Education Retired Employee's Plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>TPAF/ABP</u>	<u>PERS</u>
Salary increases: Through 2026	2.75 - 4.45% based on service years	2.75 - 6.55% based on service years

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP). “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of the TPAF, PERS and PFRS actuarial experience studies prepared for July 1, 2018 to June 30, 2021.

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 8. POST-RETIREMENT BENEFITS: (continued)

(a) Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

(b) Discount Rate

The discount rate used to measure the total for OPEB liability for June 30, 2022 was 3.54%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

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

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

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

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

For the year ended June 30, 2023, the board of education/board of trustees recognized on-behalf OPEB expense of \$1,108,034 in the district-wide financial statements as determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75 and in which there is a special funding situation.

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

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 9. DEFERRED COMPENSATION:

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

Planconnect

NOTE 10. COMPENSATED ABSENCES:

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

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

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefit accrue to employees. As of June 30, 2023, a liability existed for compensated absences in the Food Service Fund in the amount of \$-0-.

NOTE 11. RISK MANAGEMENT:

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

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

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 11. RISK MANAGEMENT: (continued)

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

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

<u>Fiscal Year</u>	Employee Contributions/ Interest Earnings/ District <u>Contributions</u>	Amount <u>Reimbursed</u>	Ending <u>Balance</u>
2022-2023	\$20,180	\$7,803	\$119,940
2021-2022	17,679	287	107,563
2020-2021	21,262	4,815	90,171

NOTE 12. CAPITAL RESERVE ACCOUNT:

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

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

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 12. CAPITAL RESERVE ACCOUNT: (continued)

The activity of the capital reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning balance, July 1, 2022	\$1,482,402
Deposits:	
Transfer Per Board Resolution	150,000
Budgeted Withdrawal	<u>(538,100)</u>
Ending balance, June 30, 2023	<u>\$1,094,302</u>

NOTE 14. MAINTENANCE RESERVE ACCOUNT:

A maintenance reserve account was established by Board of Education resolution adopted June 29, 2010. The account is maintained in the general fund. The maintenance reserve account is used to accumulated funds for the required maintenance of a facility in accordance with the EFCRA (N.J.S.A. 18A:7G-9). EFCFA requires that upon district completion of a school facilities project, the district must submit a plan for the maintenance of that facility. All such plans must include a provision for a maintenance reserve fund. The activity of the maintenance reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning balance, July 1, 2022	\$544,367
Deposits:	
Transfer Per Board Resolution - June 15, 2023	250,000
Budgeted Withdrawal	<u>(500,000)</u>
Ending balance, June 30, 2023	<u>\$294,367</u>

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 15. FUND BALANCE APPROPRIATED:

General Fund [Exhibit B-1] - Of the \$4,497,073 General Fund fund balance at June 30, 2023, \$594,433 is reserved for encumbrances; \$294,367 has been legally established as a maintenance reserve in accordance with N.J.S.A. 18A:7G-9 as amended by P.L. 2004, c.73; \$0 has been legally established as an emergency reserve in accordance with N.J.S.A. 18A:7F-41c(1); \$1,904,528 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 950,774) of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2023); \$1,094,302 has been reserved in the Capital Reserve Account; \$101,636 is reserved for Unemployment Compensation; \$0 has been appropriated and included as anticipated revenue for the year ending June 30, 2023; and \$507,807 is unreserved and undesignated.

Debt Service Fund - The Debt Service Fund fund balance at June 30, 2023 of \$48,365 is restricted for the payment of debt service.

NOTE 16. CALCULATION OF EXCESS SURPLUS:

In accordance with *N.J.S.A.* 18A:7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance — Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2023 is \$1,904,528 of which \$953,754 is the result of current year operations.

NOTE 17. INVENTORY:

Inventory in the Food Service Fund at June 30, 2023 consisted of the following:

Supplies	<u>\$2,980</u>
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**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2023**

NOTE 18. PRIOR PERIOD ADJUSTMENT:

During the year the District conducted an inventory and appraisal of its fixed assets which resulted in adjustments to its June 30, 2022 financial statements. In addition the District added the reporting of its Stem Agriculture Club to the Enterprise Fund as follows:

	Balance June 30, 2022 as Previously <u>Reported</u>	Retroactive <u>Adjustments</u>	Balance June 30, 2022 as <u>Restated</u>
<u>Statement of Changes in Net Position:</u>			
Food Service Fund and Business-type Activities	\$209,516	\$1,403	\$210,919

	Balance June 30, 2022 as Previously <u>Reported</u>	Retroactive <u>Adjustments</u>	Balance June 30, 2022 as <u>Restated</u>
<u>Statement of Net Activities - Governmental Activities:</u>			
Net Position - Ending	\$9,166,082	\$(1,549,578)	\$7,616,564

NOTE 19. CONTINGENT LIABILITIES:

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

NOTE 20. SUBSEQUENT EVENTS:

The District has evaluated subsequent events through December 5, 2023, the date which the financial statements were available to be issued and no additional items were noted for disclosure.

**REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

BUDGETARY COMPARISON SCHEDULES

Runson Board of Education Budgetary Comparison Schedule General Fund For the Year Ended June 30, 2023						
	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual	
REVENUES:						
Local Sources:						
Local Tax Levy	17,492,124		17,492,124	17,492,124		
Tuition	243,900		243,900	350,967	107,067	
Unrestricted Miscellaneous Revenues	89,177		89,177	257,900	168,723	
Other Restricted Miscellaneous Revenues				12,326	12,326	
Total - Local Sources	17,825,201		17,825,201	18,113,317	288,116	
State Sources:						
Categorical Transportation Aid	112,978		112,978	112,978		
Categorical Security Aid	77,327		77,327	77,327		
Categorical Special Education Aid	763,125		763,125	763,125		
Extraordinary Aid	80,846		80,846	280,583	199,737	
Additional Non-Public Transportation Aid				6,388	6,388	
TPAF Post Retirement Pension (On-Behalf - Non-Budgeted)				3,131,244	3,131,244	
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				833,982	833,982	
TPAF NCGI Premium (On-Behalf - Non-Budgeted)				43,442	43,442	
TPAF LTDI Contribution (On-Behalf - Non-Budgeted)				934	934	
TPAF Social Security (Reimbursed - Non-Budgeted)				705,647	705,647	
Total - State Sources	1,034,276		1,034,276	5,955,650	4,921,374	
Federal Sources:						
Corona Virus Relief Fund				28,853	28,853	
FEMA Covid Relief Fund				3,129	3,129	
Total- Federal Sources				31,982	31,982	
TOTAL REVENUES	18,859,477		18,859,477	24,100,949	5,241,472	

Rumson Board of Education Budgetary Comparison Schedule General Fund For the Year Ended June 30, 2023						
	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual	
EXPENDITURES:						
Current Expense:						
Regular Programs - Instruction						
Preschool Salaries of Teachers	119,221		119,221	117,084	2,137	
Kindergarten - Salaries of Teachers	518,792	19,111	537,903	536,681	1,222	
Grades 1-5 - Salaries of Teachers	2,903,579	(108,973)	2,794,606	2,758,145	36,461	
Grades 6-8 - Salaries of Teachers	2,230,097	20,537	2,250,634	2,250,634		
Regular Programs - Home Instruction:						
Salaries of Teachers	10,066	7,443	17,509	16,445	1,064	
Purchased Professional-Educational Services	7,033	8,545	15,578	12,507	3,071	
Regular Programs - Undistributed Instruction						
Other Salaries for Instruction	150,798	(19,035)	131,763	129,987	1,776	
Purchased Professional-Educational Services	406,453	(6,743)	399,710	334,736	64,974	
Other Purchased Services (400-500 series)	26,766	18,738	45,504	41,815	3,689	
General Supplies	162,961	39,712	202,673	186,050	16,623	
Textbooks	15,199	976	16,175	15,986	189	
Other Objects	9,890	(2,201)	7,689	7,481	208	
Other Undistributed Instruction	54,436	54,436	54,402	54,402	34	
TOTAL REGULAR PROGRAMS - INSTRUCTION	6,560,855	32,546	6,593,401	6,461,953	131,448	
Special Education Instruction - Multiple Disabilities						
Salaries of Teachers	65,002	54,415	119,417	114,554	4,863	
Other salaries for instruction						
Purchased Professional-Educational Service	1,449	1,449	1,449	1,449		
General Supplies	2,662	2,662	2,662	1,420	1,242	
Total Multiple Disabilities	69,113	54,415	123,528	115,974	7,554	
Special Education Instruction - Resource Room/Resource Center						
Salaries of Teachers	1,406,423	(77,472)	1,328,951	1,295,446	33,505	
Other Salaries for Instruction	32,905	(6,124)	26,781	14,436	12,345	
Purchased Professional-Educational Services	93,960	10,937	104,897	95,296	9,601	
General Supplies	3,898	3,898	3,898	3,237	661	
Textbooks						
Total Resource Room/Resource Center	1,537,186	(72,659)	1,464,527	1,408,415	56,112	
TOTAL SPECIAL EDUCATION - INSTRUCTION	1,606,299	(18,244)	1,588,055	1,524,389	63,666	
Basic Skills/Remedial - Instruction						
Salaries of Teachers	560,135	23,756	583,891	583,891		
General Supplies	1,605		1,605	1,516	89	
Total Basic Skills/Remedial - Instruction	561,740	23,756	585,496	585,407	89	

Ramson Board of Education Budgetary Comparison Schedule General Fund For the Year Ended June 30, 2023						
	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual	
School-Sponsored Cocurricular Activities - Instruction						
Salaries of Teachers	77,385	(26,433)	50,952	40,239	10,713	
Supplies and Materials	3,155	611	3,766	2,072	1,694	
Other Objects	2,028		2,028	35	1,993	
Total School-Sponsored Cocurricular Activities - Instruction	82,568	(25,822)	56,746	42,346	14,400	
School-Sponsored Athletics - Instruction						
Salaries	52,734	12,517	65,251	56,215	9,036	
Purchased Services (300-500 series)	6,234	1,536	7,770	7,770		
Supplies and Materials	4,000	(26)	3,974	3,677	297	
Other Objects	1,435	109	1,544	912	632	
Total School-Athletics - Instruction	64,403	14,136	78,539	68,574	9,965	
Total Instructional Programs - Instruction	708,711	12,070	720,781	696,327	24,454	
TOTAL INSTRUCTION	8,875,865	26,372	8,902,237	8,682,669	219,568	
Undistributed Expenditures - Instruction:						
Tuition to Private Schools for the Disabled - Within State	131,965	(13,196)	118,769	58,247	60,522	
Tuition to Private Schools for the Disabled - Other LEAS Outside of State						
Tuition Other						
Total Undistributed Expenditures - Instruction:	131,965	(13,196)	118,769	58,247	60,522	
Undist. Expend. - Attendance & Social Work						
Salaries	12,822	7,127	19,949	17,268	2,681	
Total Undist. Expend. - Attendance & Social Work	12,822	7,127	19,949	17,268	2,681	

Rumson Board of Education Budgetary Comparison Schedule General Fund For the Year Ended June 30, 2023						
	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual	
Undist. Expend. - Health Services						
Salaries	170,521	(5,363)	165,158	162,631	2,527	
Purchased Professional and Technical Services	14,110	(2,398)	11,712	9,850	1,862	
Other Purchased Services (400-500 series)	2,151	605	2,756	2,206	550	
Supplies and Materials	18,735	(380)	18,355	8,200	10,155	
Total Undistributed Expenditures - Health Services	205,517	(7,536)	197,981	182,887	15,094	
Undist. Expend. - Speech, OT, PT-Health Services						
Salaries	169,891	225,249	395,140	395,140		
Purchased Professional - Educational Services	314,531	(170,943)	143,588	110,025	33,563	
Supplies and Materials	1,852	1,852	3,704	1,270	582	
Total Undist. Expend. - Speech, OT, PT-Health Services	486,274	54,306	540,580	506,435	34,145	
Undist. Expend. - Other Supp. Serv. Students - Extra. Serv.						
Salaries	137,947	(55,879)	82,068	80,622	1,446	
Purchased Professional - Educational Services	25,000		25,000	25,000		
Total Undist. Expend. - Other Supp. Serv. Students - Extra. Serv.	162,947	(55,879)	107,068	80,622	26,446	
Undist. Expend. - Guidance						
Salaries of Other Professional Staff	325,545	1,560	327,105	327,105		
Salaries of Secretarial and Clerical Assistants	10,642		10,713	10,713		
Purchased Professional - Educational Services	9,200	1,090	10,290	10,290		
Other Purchased Services (400-500 series)	4,400	(1,365)	3,035	1,057	1,978	
Supplies and Materials	12,800	(3,822)	8,978	2,343	6,635	
Total Undist. Expend. - Guidance	362,587	(2,466)	360,121	351,508	8,613	
Undist. Expend. - Child Study Teams						
Salaries of Other Professional Staff	417,809	(153,861)	263,948	262,521	1,427	
Salaries of Secretarial and Clerical Assistants	59,244		59,060	59,060	184	
Other Salaries		151,896	151,896	151,896		
Other Purchased Services (400-500 series)	25,522	(12,083)	13,439	12,394	1,045	
Purchased Professional - Educational Services	8,708	18,064	26,772	26,769	3	
Supplies and Materials	6,008	(4)	6,004	5,755	249	
Misc Pur Serv (400-500 series O/than Resid Costs)						
Total Undist. Expend. - Child Study Teams	517,291	4,012	521,303	518,395	2,908	
Undist. Expend. - Improvement of Instructional Services						
Salaries of Supervisor of Instruction	139,548		139,548	139,474	74	
Salaries of Other Professional Staff	34,900	(444)	34,456	27,790	6,666	
Salaries of Secretarial and Clerical Assistants	31,929	301	32,230	32,230		
Purchased Professional - Educational Services	12,380	(6,000)	6,380	5,782	582	
Other Purchased Services (400-500 series)	5,334		5,334	3,004	2,330	
Supplies and Materials	1,750	(928)	822	409	413	
Other Purchased Professional and Technical Services						
Total Undist. Expend. - Improvement of Inst. Services	225,841	(7,071)	218,770	208,689	10,081	

Rumson Board of Education						
Budgetary Comparison Schedule						
General Fund						
For the Year Ended June 30, 2023						
	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual	
Undist. Expend. - Educational Media Serv./Sch. Library						
Salaries	120,081	1	120,082	118,352	1,730	
Salaries of Technology Coordinators	204,944	7,038	211,982	205,851	6,131	
Purchased Professional - Technical Services	15,520	(6,513)	9,007	9,007		
Other Purchased Services (400-500 series)	23,576	(6,000)	17,576	12,026	5,550	
Supplies and Materials	17,848	(9,259)	8,589	4,748	3,841	
Other Objects	910		910	686	224	
Total Undist. Expend. - Educational Media Serv./Sch. Library	382,879	(14,733)	368,146	350,670	17,476	
Undist. Expend. - Instructional Staff Training Serv.						
Salaries of Other Professional Staff	27,388		27,388	3,017	24,371	
Salaries of Secretarial and Clerical Assistants	10,641	71	10,712	10,712		
Purchased Professionals - Educational Services	38,328		38,328	284	38,044	
Other Purchased Services (400-500 series)	12,220	(2,940)	9,280	2,493	6,787	
Supplies and Materials	4,750	(335)	4,415	1,299	3,116	
Total Undist. Expend. - Instructional Staff Training Serv.	93,327	(3,204)	90,123	17,805	72,318	
Undist. Expend. - Supp. Serv. - General Administration						
Salaries	276,310	(3,042)	273,268	273,268		
Legal Services	60,000	(420)	59,580	12,609	46,971	
Audit Fees	17,750	16,400	34,150	22,300	11,850	
Internal Control Audit Fees	4,830	840	5,670	4,875	795	
Purchased Technical Services	6,500	(885)	5,615	3,915	2,000	
Communications/Telephone	28,000		28,000	17,792	10,208	
BOE Other Purchased Services	8,800	(5,000)	3,800	515	3,285	
Other Purchased Services (400-500 series)	58,418	17,740	76,158	69,529	6,629	
General Supplies	2,397	22	2,419	2,128	291	
Misc Expenditures	7,805		7,805	6,145	1,660	
Judgements Against District						
BOE Membership Dues and Fees	7,500		7,500	6,971	529	
Total Undist. Expend. - Supp. Serv. - General Administration	478,310	25,955	504,265	420,047	84,218	
Undist. Expend. - Support Serv. - School Administration						
Salaries of Principals/Assistant Principals	306,806		306,806	306,640	166	
Salaries of Secretarial and Clerical Assistants	110,703		110,703	109,672	1,031	
Purchased Professional and Technical Services	32,000	(6,083)	25,917	25,917		
Other Purchased Services (400-500 series)	6,000	(392)	5,608	1,020	4,588	
Supplies and Materials	14,686	(230)	14,456	13,024	1,432	
Other Objects	12,889		12,889	7,292	5,597	
Total Undist. Expend. - Support Serv. - School Administration	483,084	(6,705)	476,379	463,565	12,814	

Rumson Board of Education Budgetary Comparison Schedule General Fund For the Year Ended June 30, 2023						
	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual	
Undistributed Expenditures-Central Services						
Salaries	242,941	6,448	249,389	249,389		
Purchased Professional Services	2,000	3,358	5,358	4,847	511	
Misc Pur Serv (400-500 series O/han Resid Costs)	4,600	(2,103)	2,497	2,497		
Supplies and Materials	5,507	(2,067)	3,440	3,397	43	
Misc Exp.	1,000		1,000	804	196	
Total Undistributed-Central Services	256,048	-5,636	261,684	260,934	750	
Undistributed Expenditures-Admin. Info. Tech.						
Salaries	41,240	(298)	40,942	32,953	7,989	
Purchased Technical Services	22,645	(4,695)	17,950	17,950		
Other Purchased Services	3,533	2,647	6,180	6,180		
Supplies and Materials	7,345	(3,618)	3,727	2,670	1,057	
Other Objects	800	-	800	649	151	
Misc Expenditures			97		97	
Total Undistributed Expenditures-Admin. Info. Tech.	75,563	(5,867)	69,696	60,402	9,294	
Undist. Expend. - Required Maint. for School Facilities						
Cleaning, Repair and Maintenance Services	436,561	-436,561				
Lead Testing of Drinking Water	6,000	14,809	20,809	16,399	4,410	
General Supplies	35,000	26,951	61,951	48,277	13,674	
Other Objects	12,200	(4,700)	7,500	1,608	5,892	
Required Maintenance Update		581,105	581,105	298,449	282,656	
Undist. Expend. - Required Maint. for School Facilities	489,761	181,604	671,365	364,733	306,632	
Undist. Expend. - Custodial Services						
Salaries	712,380	(25,095)	687,285	626,379	60,906	
Salaries of Non-Instructional Aides	115,388	1,095	116,483	116,483		
Purchased Professional and Technical Services	2,050		2,050	345	1,705	
Cleaning, Repair and Maintenance Services	32,500	(4,443)	28,057	15,739	12,318	
Lease Purch. Energy Savings Impr Prog	102,347	18,328	120,675	120,675		
Other Purchased Property Services	33,000	2,863	35,863	35,863		
Insurance	109,888	(1,300)	108,588	107,204	1,384	
General Supplies	41,000	135	41,135	39,748	1,387	
Energy (Natural Gas)	58,500	58,831	117,331	113,228	4,103	
Energy (Electricity)	89,000	53,220	142,220	139,184	3,036	
Other Objects	11,020	1,164	12,184	12,184		
Total Undist. Expend. - Custodial Services	1,307,073	104,798	1,411,871	1,327,032	84,839	

Rumson Board of Education						
Budgetary Comparison Schedule						
General Fund						
For the Year Ended June 30, 2023						
	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual	
Undistributed Expenditures-Care & Upkeep of Grounds						
Salaries	47,070		47,070	47,046	24	
Purchased Professional and Technical Services	13,000	38,504	51,504	48,501	3,003	
Cleaning, Repair and Maintenance Services	52,000	(29,799)	22,201	15,698	6,503	
General Supplies	11,500	(2,394)	9,106	9,106		
Undistributed Expenditures-Care & Upkeep of Grounds	123,570	6,311	129,881	120,351	9,530	
Undistributed Expenditures-Security						
Salaries	48,004	(174)	47,830	46,137	1,693	
Purchased Professional and Technical Services	68,580	64,135	132,715	131,745	970	
General Supplies	2,395	(13)	2,382	2,382		
Undistributed Expenditures-Security	118,979	63,948	182,927	180,264	2,663	
Undist. Expend. - Student Transportation Services						
Salaries of Non Instructional Aides	8,388		8,388	7,610	778	
Salaries for Pupil Trans.(Between Home & School)	19,918		19,918	16,605	3,313	
Other Purchased Prof. and Technical Serv.	5,642	700	6,342	6,342		
Contracted Services - Aid in Lieu of Payments-Non Public	32,000	15,250	47,250	11,753	35,497	
Contract Services (Between Home & School)-Vendors	415,053	750	415,803	384,084	31,719	
Contract Services (Other Than Between Home & School)-Vendors	5,800		5,800	1,350	4,450	
Contracted Services (Special Ed. Students)-Vendors	20,200		20,200	14,140	6,060	
Contracted Services (Special Ed. Students)-Joint	235,621		235,621	176,365	59,256	
General Supplies	500		500	500		
Other Objects	1,000	(700)	300		300	
Miscellaneous						
Total Undist. Expend. - Student Transportation Services	744,122	16,000	760,122	618,249	141,873	
UNALLOCATED BENEFITS						
Social Security Contributions	190,264	18,034	208,298	208,298		
Other Retirement Contributions-PERS	214,894	24,890	239,784	239,784		
Workmen's Compensation	115,524	8,451	123,975	123,975		
Health Benefits	3,955,039	(144,534)	3,810,505	3,810,505		
Tuition Reimbursement	20,000	(767)	19,233	6,675	12,558	
Other Employee Benefits	19,416	14,093	33,509	32,710	799	
Unused Sick Payment to Terminated or Retired Staff	19,909	(19,909)				
TOTAL UNALLOCATED BENEFITS	4,535,046	(99,742)	4,435,304	4,421,947	13,357	

Rumson Board of Education						
Budgetary Comparison Schedule						
General Fund						
For the Year Ended June 30, 2023						
	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual	
TPAF Post Retirement Pension (On-Behalf- Non-Budgeted)				3,131,244	(3,131,244)	
On-behalf TPAF Post Retirement Medical (non-budgeted)				833,982	(833,982)	
On-behalf TPAF NCGI Premium (non-budgeted)				43,442	(43,442)	
TPAF LTDI Contribution (On-Behalf- Non-Budgeted)				934	(934)	
Reimbursed TPAF Social Security Contributions (non-budgeted)				705,647	(705,647)	
TOTAL ON-BEHALF CONTRIBUTIONS				4,715,249	(4,715,249)	
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	4,535,046	(99,742)	4,435,304	9,137,196	(4,701,892)	
TOTAL UNDISTRIBUTED EXPENDITURES	11,193,006	253,298	11,446,304	15,245,299	(3,798,995)	
TOTAL GENERAL CURRENT EXPENSE	20,068,871	279,670	20,348,541	23,927,968	(3,579,427)	
CAPITAL OUTLAY						
Equipment						
Support Services-Students-Regular						
Operation and Maintenance			60,918	5,266	55,652	
Undistributed Expended-Custodial Services	50,000	(50,000)				
Upkeep of Grounds			62,669		62,669	
Other			118,578	118,578		
Total Equipment	50,000	192,165	242,165	123,844	118,321	
Facilities Acquisition and Construction Services						
Architectural/Engineering Services						
Legal Services						
Architectural/Engineering Services						
Other Purchased Prof. and Tech. Services	23,000	(23,000)				
Construction Serv.	710,000	(97,000)	613,000	386,163	226,837	
Land and Improvements						
Assessment for Debt Service on SDA	21,418		21,418	21,418		
Total Facilities Acquisition and Construction Services	754,418	(120,000)	634,418	407,581	226,837	
TOTAL CAPITAL OUTLAY	804,418	72,165	876,583	531,425	345,158	
TOTAL EXPENDITURES	20,873,289	351,835	21,225,124	24,459,393	(3,234,269)	
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,013,812)	(351,835)	(2,365,647)	(358,444)	2,007,203	

Rumson Board of Education Budgetary Comparison Schedule General Fund For the Year Ended June 30, 2023					
	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Other Financing Sources (Uses):					
Operating Transfer Out:					
Capital Reserve - Transfer to Capital Projects Fund					
Total Other Financing Sources (Uses):					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(2,013,812)	(351,835)	(2,365,647)	(358,444)	2,007,203
Fund Balance, July 1			4,948,718	4,948,718	
Fund Balance, June 30	(2,013,812)	(351,835)	2,583,071	4,590,274	2,007,203
Reconciliation of excess (deficiency) of revenues under expenditures:					
Adjustment for Prior Year Encumbrances		(351,835)	(351,835)	(351,835)	
Increase in Capital Reserve - Principal					
Increase in Maintenance Reserve - Principal				12,326	12,326
Increase in Restricted Fund Balance - Unemployment	(335,000)		(335,000)	(335,000)	
Budgeted Withdrawal from Maintenance Reserve	(733,000)		(733,000)	(538,100)	194,900
Budgeted Withdrawal from Capital Reserve - for Local Share	(945,812)		(945,812)	854,165	1,799,977
Budgeted Fund Balances	(2,013,812)	(351,835)	(2,365,647)	(358,444)	2,007,203
Reconciliation:					
Restricted Fund Balance:					
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures				950,774	
Reserved - Excess Surplus				953,754	
Maintenance Reserve				234,117	
Capital Reserve				60,250	
Capital Reserve-Designated for Subsequent Year's Expenditures				740,602	
Unemployment Compensation				353,700	
Assigned Fund Balance:				101,636	
Year end Encumbrances				594,433	
Designated for Subsequent Year's Expenditures				601,008	
Unassigned Fund Balance				4,590,274	
Total					
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payment not recognized on GAAP basis				(93,201)	
Fund Balance per Governmental Funds (GAAP)				4,497,073	

**Rumson School District
Budgetary Comparison Schedule
Special Revenue Fund
For the Year Ended June 30, 2023**

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	141,806	567,604	709,410	709,410	
State Sources	148,485	14,470	162,955	162,955	
Federal Sources	1,106,785	(183,191)	923,594	923,594	
Total Revenues	1,397,076	398,883	1,795,959	1,795,959	
EXPENDITURES:					
Instruction:					
Personnel Services - Salaries	62,625	83,437	146,062	146,062	
Salaries of Teachers	19,487	19,487	19,487	19,487	
Purchased Professional and Technical Services	8,000	53,415	61,415	61,415	
Other Purchased Services	47,000	(24,306)	22,694	22,694	
General Supplies	877,433	(319,140)	558,293	558,293	
Textbooks		11,472	11,472	11,472	
Total Instruction	995,058	(175,635)	819,423	819,423	
Support Services:					
Personnel Services - Salaries	35,045	35,045	35,045	35,045	
Salaries of Other Professional Staff	769	769	769	769	
Employee Benefits	31,659	31,659	31,659	31,659	
Purchased Professional & Technical Services	19,002	160,359	179,361	179,361	
Purchased Professional - Educational Services	234,531	13,377	247,908	247,908	
Supplies & Materials	148,485	146,374	146,374	146,374	
Other Objects	(104,691)	(104,691)	43,794	43,794	
Student Activities	309,808	309,808	309,808	309,808	
Total Support Services	402,018	592,700	994,718	994,718	
Facilities Acquisition and Const. Serv.:					
Construction Services					
Total Facilities Acquisition and Const. Serv.					
Total Expenditures	1,397,076	417,065	1,814,141	1,814,141	
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)		(18,182)	(18,182)	(18,182)	
Fund Balance, July 1				136,657	
Fund Balance, June 30				118,475	
Recapitulation: Restricted: Student Activities				118,475	
Total Fund Balance				118,475	

**Rumson School District
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information
For the Year Ended June 30, 2023**

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

		General Fund	Special Revenue Fund
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue"			
from the budgetary comparison schedule	[C-1]&[C-2]	24,100,949	1,795,959
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
Add Prior Year Encumbrances			-
Less Current Year Encumbrances			
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		81,825	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year (GASB 33).		(93,201)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	24,089,573	1,795,959
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	24,459,393	1,814,141
Differences - budget to GAAP			
The district budgets for claims and compensated absences only to the extent expected to be paid, rather than on the modified accrual basis. <i>[Not applicable in this example]</i>			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.			
Add Prior Year Encumbrances			-
Less Current Year Encumbrances			
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.			
Net transfers (outflows) to general fund			
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	24,459,393	1,814,141

**REQUIRED SUPPLEMENTARY
INFORMATION - PART III**

Exhibit L-1

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

Fiscal Year Ending June30,	District's Proportion Share of the Net Pension Liability (Asset)		District's Proportion Share of the Net Pension Liability (Asset)		District's Covered Payroll PERS Employee's	District's Proportion Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll		Plan Fiduciary Net Position as a percentage of the total Pension Liability
2015	0.0164744513%	\$	3,084,468	\$	1,075,530	286.79%	42.74%	
2016	0.0165349470%		3,603,688		1,037,217	347.44%	38.21%	
2017	0.0153094500%		4,534,221		1,085,370	417.76%	40.14%	
2018	0.0151415187%		3,524,704		1,090,895	323.10%	48.10%	
2019	0.0148296394%		2,919,882		1,113,161	262.31%	53.60%	
2020	0.0153963363%		2,774,186		1,150,264	241.18%	56.27%	
2021	0.0176470659%		2,877,775		1,211,135	237.61%	58.32%	
2022	0.0155864120%		1,846,444		1,316,154	140.29%	62.91%	
2023	0.0183594912%		2,770,700		1,431,105	193.61%	58.47%	

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

Exhibit L-2

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

Fiscal Year Ending June 30,	Contractually Required Contribution		Contributions in Relation to the Contractually Required Contributions		Contribution Deficiency (Excess)	District's PERS Covered- Employee Payroll	Contributions as a Percentage of PERS Covered- Employee Payroll
	Contractually Required Contribution	Contractually Required Contribution	Contractually Required Contributions	Contractually Required Contributions			
2015	\$ 151,996	\$ 151,996	\$ 151,996	\$ -	-	1,075,530	14.13%
2016	141,523	141,523	141,523	-	-	1,037,217	13.64%
2017	136,007	136,007	136,007	-	-	1,085,370	12.53%
2018	140,270	140,270	140,270	-	-	1,090,895	12.86%
2019	147,507	147,507	147,507	-	-	1,113,161	13.25%
2020	150,476	150,476	150,476	-	-	1,150,264	13.08%
2021	196,888	196,888	196,888	-	-	1,211,135	16.26%
2022	182,535	182,535	182,535	-	-	1,316,154	13.87%
2023	231,522	231,522	231,522	-	-	1,431,105	16.18%

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

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

Fiscal Year Ending June 30,	District's Proportionate Share of the Net Pension Liability (Asset)		District's Proportionate Share of the Net Pension Liability (Asset) Associated with the District (Asset)		District's Covered Payroll - TPAF Employee's		District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll		Plan Fiduciary Net Position as a percentage of the total Pension Liability
	District's Proportionate Share of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered Payroll - TPAF Employee's	District's Covered Payroll - TPAF Employee's	District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll	
2015	0.0640243081%	\$ -	\$ 34,218,909	\$ -	6,413,136	\$ -	18.74%	18.74%	33.64%
2016	0.0635199318%	\$ -	\$ 40,147,309	\$ -	6,632,631	\$ -	16.52%	16.52%	28.71%
2017	0.0642008613%	\$ -	\$ 50,504,485	\$ -	7,521,299	\$ -	14.89%	14.89%	22.33%
2018	0.0665998935%	\$ -	\$ 44,904,050	\$ -	7,781,120	\$ -	17.33%	17.33%	25.41%
2019	0.0712079373%	\$ -	\$ 45,300,960	\$ -	8,221,616	\$ -	18.15%	18.15%	26.49%
2020	0.0718966631%	\$ -	\$ 44,123,661	\$ -	8,406,800	\$ -	19.05%	19.05%	26.95%
2021	0.0735246005%	\$ -	\$ 48,415,065	\$ -	8,791,769	\$ -	18.16%	18.16%	24.60%
2022	0.0811840333%	\$ -	\$ 39,029,377	\$ -	9,173,913	\$ -	23.51%	23.51%	35.52%
2023	0.0752828318%	\$ -	\$ 38,841,737	\$ -	9,852,509	\$ -	25.37%	25.37%	32.29%

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

Rumson School District
Note to Required Schedules of Supplementary Information - Part III
For the fiscal year ended June 30, 2023

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was no change in the discount rate of 7% for June 30, 2022 and 2021. Any change in the discount rate is considered to be a change in actuarial assumptions under GASB No. 68.

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was no change in the discount rate of 7% for June 30, 2022 and 2021. Any change in the discount rate is considered to be a change in actuarial assumptions under GASB No. 68.

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

	2018	2019	2020	2021	2022	2023
Total OPEB Liability						
Service Costs	\$ 1,526,736	\$ 1,267,003	\$ 1,163,574	\$ 1,206,861	\$ 2,256,780	\$ 1,941,238
Interest on Total OPEB Liability	1,144,405	1,325,580	1,236,938	1,018,931	1,035,366	895,081
Change in Benefit Terms					(42,482)	
Changes in Assumptions	(4,733,016)	(3,582,175)	421,664	8,186,064	39,376	(9,060,507)
Differences Between Expected and Actual Experience		(3,148,476)	(4,915,158)	6,878,678	(7,402,162)	946,334
Gross Benefit Payments	(837,537)	(834,701)	(868,126)	(780,183)	(815,578)	(886,604)
Contribution from the Member	30,840	28,849	25,734	23,647	26,470	28,443
Net Changes in total Share of OPEB Liability	<u>(2,868,572)</u>	<u>(4,943,920)</u>	<u>(2,935,374)</u>	<u>16,533,998</u>	<u>(4,902,231)</u>	<u>(6,136,015)</u>
Total OPEB Liability - Beginning	<u>39,028,338</u>	<u>36,159,766</u>	<u>31,215,846</u>	<u>28,280,472</u>	<u>44,814,470</u>	<u>39,912,239</u>
Total OPEB Liability - Ending	<u>\$ 36,159,766</u>	<u>\$ 31,215,846</u>	<u>\$ 28,280,472</u>	<u>\$ 44,814,470</u>	<u>\$ 39,912,239</u>	<u>\$ 33,776,224</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	36,159,766	31,215,846	28,280,472	44,814,470	39,912,239	33,776,224
Total OPEB Liability - Ending	<u>\$ 36,159,766</u>	<u>\$ 31,215,846</u>	<u>\$ 28,280,472</u>	<u>\$ 44,814,470</u>	<u>\$ 39,912,239</u>	<u>\$ 33,776,224</u>
District's Covered Employee Payroll	<u>\$ 8,872,015</u>	<u>\$ 9,334,777</u>	<u>\$ 9,557,064</u>	<u>\$ 10,002,904</u>	<u>\$ 10,490,067</u>	<u>\$ 11,283,614</u>
Districts' Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%

Notes to Schedule:

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

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

RUMSON SCHOOL DISTRICT
Notes to Required Schedules of Supplementary Information OPEB Liability
For the fiscal year ended June 30, 2023

Change in benefit terms Decrease in liability due to Employer's adopting Ch. 44 Provisions

Change in assumptions Assumptions used in calculating the OPEB liability are presented
in Note 8.

Supplementary Schedules

SPECIAL REVENUE FUND

Rumson School District
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2023

	Total Brought Forward (Ex. E-1a)	Title I	Title II	Title IV	ESSER II CARES				Totals 2023	
					Emergency Relief Grant	ARP ACCEL. LEARNING	CRRSA LEARNING ACCEL.	CRRSA MENTAL HEALTH		ARP ESSER
REVENUES										
Local Sources	709,410									709,410
State Sources	162,955									162,955
Federal Sources	409,938	72,289	14,598	19,634	16,964	16,100	1,497	11,351	361,223	923,594
Total Revenues	1,282,303	72,289	14,598	19,634	16,964	16,100	1,497	11,351	361,223	1,795,959
EXPENDITURES:										
Instruction:										
Personnel Services - Salaries	79,910	43,300		7,400	15,452					146,062
Salaries of Teachers	19,487									19,487
Purchased Professional and Technical Services	38,742				784				21,889	61,415
Other Purchased Services (400-500 series)	22,694									22,694
General Supplies	434,728				183		1,497	2,600	119,285	558,293
Textbooks	11,472									11,472
Total Instruction	607,033	43,300		7,400	16,419		1,497	2,600	141,174	819,423
Support Services:										
Personnel Services - Salaries			14,448		545			2,928	17,669	35,045
Salaries of Other Professional Staff								224		769
Employee Benefits	2,104	28,989		566						31,659
Purchased Professional & Technical Services	58,243			2,948		16,100		5,450	96,620	179,361
Purchased Professional - Educational Services	244,659		150					149	2,950	247,908
Supplies & Materials	39,625			8,720					98,029	146,374
Other Objects	39,013								4,781	43,794
Student Activities	309,808									309,808
Total Support Services	693,452	28,989	14,598	12,234	545	16,100		8,751	220,049	994,718
Facilities Acquisition and Const. Serv.:										
Construction Services										
Total Facilities Acquisition and Const. Serv.										
Total Expenditures	1,300,485	72,289	14,598	19,634	16,964	16,100	1,497	11,351	361,223	1,814,141
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(18,182)									(18,182)
Fund Balance, July 1	136,657									136,657
Fund Balance, June 30	118,475									118,475

Runson School District
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2023

	Total Brought Forward (Ex. E-1b)	IDEA PART B				Ch. 192 - Aux. Serv.			Total Carried Forward
		Basic	ARP Basic	Preschool	ARP SUMMER LEARNING	Non-Public Textbook	Compensatory Education	Non-Public Technology	
REVENUES									
Local Sources	709,410								709,410
State Sources	71,380								162,955
Federal Sources	42,014	297,146	30,778		40,000	11,472	38,742	7,295	409,938
Total Revenues	822,804	297,146	30,778		40,000	11,472	38,742	7,295	1,282,303
EXPENDITURES:									
Instruction:									
Personnel Services - Salaries	39,910				40,000				79,910
Salaries of Teachers	19,487								19,487
Purchased Professional and Technical Services	12,880		9,814				38,742		38,742
Other Purchased Services (400-500 series)	417,784		9,649					7,295	22,694
General Supplies									434,728
Textbooks						11,472			11,472
Total Instruction	490,061		19,463		40,000	11,472	38,742	7,295	607,033
Support services:									
Personnel Services - Salaries	2,104								2,104
Salaries of Other Professional Staff									58,243
Employee Benefits									238,903
Purchased Professional & Technical Services			5,756						5,756
Purchased Professional - Educational Services			5,559						5,559
Supplies & Materials	39,013								39,013
Other Objects	309,808								309,808
Student Activities									
Total support services	350,925	297,146	11,315					34,066	693,452
Facilities acquisition and const. serv.:									
Construction Services									
Total facilities acquisition and const. serv.									
Total Expenditures	840,986	297,146	30,778		40,000	11,472	38,742	7,295	1,300,485
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(18,182)								(18,182)
Fund Balance, July 1	136,657								136,657
Fund Balance, June 30	118,475								118,475

**Runson School District
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2023**

	Ch. 193 - Handicapped Services										Total Carried Forward	
	ARP After School	ARP Mental Health	Non-Public Supplemental Instruction	Non-Public Corrective Speech	Non-Public Exam & Classification	Non-Public Nursing	SDA GRANT	Other Local Projects	Student Activity Fund			
REVENUES												
Local Sources	12,410											709,410
State Sources		29,604	14,141	9,635	15,237	19,487	12,880	417,784	291,626			71,380
Federal Sources												42,014
Total Revenues	12,410	29,604	14,141	9,635	15,237	19,487	12,880	417,784	291,626			822,804
EXPENDITURES:												
Instruction:												
Personnel Services - Salaries	12,410	27,500				19,487						39,910
Salaries of Teachers												19,487
Purchased Professional and Technical Services												-
Other Purchased Services (400-500 series)							12,880	417,784				12,880
General Supplies												417,784
Textbooks												-
Total Instruction	12,410	27,500	-	-	-	19,487	12,880	417,784	-	-	-	490,061
Support Services:												
Personnel Services - Salaries												-
Salaries of Other Professional Staff		2,104										-
Employee Benefits												2,104
Purchased Professional & Technical Services												-
Purchased Professional - Educational Services			14,141	9,635	15,237							39,013
Supplies & Materials												309,808
Other Objects												-
Student Activities									309,808			309,808
Total Support Services	-	2,104	14,141	9,635	15,237	-	-	-	309,808	-	-	350,925
Facilities Acquisition and Const. Serv.:												
Construction Services												-
Total Facilities Acquisition and Const. Serv.	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	12,410	29,604	14,141	9,635	15,237	19,487	12,880	417,784	309,808	-	-	840,986
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	(18,182)	-	-	(18,182)
Fund Balance, July 1	-	-	-	-	-	-	-	-	136,657	-	-	136,657
Fund Balance, June 30	-	-	-	-	-	-	-	-	118,475	-	-	118,475

CAPITAL PROJECTS FUND

**Rumson School District
Capital Project Fund
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis
For the Year Ended June 30, 2023**

Revenues and Other Financing Sources:

Interest on Investments	\$ _____
Total revenues and other financing sources	-

Expenditures and Other Financing Uses:

Construction Services	33,270
Other Purchased Prof. and Tech. Services	5,400
Other Objects	10,616
Transfer to Other Funds	_____
Total expenditures and other financing uses	49,286

Excess (deficiency) of revenues over (under) expenditures	(49,286)
---	----------

Fund balance - beginning	_____
	100,432

Fund balance - ending	\$ _____
	51,146

**Rumson School District
Capital Project Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Energy Conservation Measures - Deane-Porter and Forrestdale Schools
From Inception and For the Year Ended For the Year Ended June 30, 2023**

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

Additional project information:

Project Number	NA
Project Date	5/22/2019
Bond Authorization Date	NA
Bonds Authorized	NA
Bonds Issued	NA
Original Authorized Cost	\$1,629,690
Revised Authorized Cost	\$1,629,690
Percentage Decrease under Original Authorized Cost	0%
Percentage completion	0.3%
Original target completion date	NA
Revised target completion date	NA

Rumson School District
Capital Project Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Additions, Renovations, Alterations and Improvements at Forrestdale and Deane-Porter School
From Inception and For the Year Ended For the Year Ended June 30, 2023

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
Bonds Proceeds	25,743,000		25,743,000	25,743,000
Total revenues	25,743,000	-	25,743,000	25,743,000
Expenditures and Other Financing Uses				
Construction Services	23,124,865	33,270	23,158,135	23,158,135
Other Purchased Prof. and Tech. Services	1,962,085	5,400	1,967,485	1,967,485
Other Objects	589,023	10,616	599,639	599,639
Total expenditures	25,675,973	49,286	25,725,259	25,725,259
Excess (deficiency) of revenues over (under) expenditures	\$ 67,027	\$ (49,286)	\$ 17,741	\$ 17,741

Additional project information:

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

**Rumson School District
Capital Projects Fund
Summary Schedule of Project Expenditures
For the Fiscal Year Ended June 30, 2023**

Project Title/Issue	Approval Date	Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations June 30, 2023
			Prior Years	Current Year	
Additions, renovations, alterations and Improvements at Forrestdale School and Deane-Porter School	1/22/2020	25,743,000	25,675,973	49,286	17,741
Energy Conservation Measures - Deane-Porter and Forrestdale School	5/22/2019	1,629,690	1,596,285	-	33,405
Totals		\$ 27,372,690	\$ 27,272,258	\$ 49,286	\$ 51,146

PROPRIETARY FUNDS

**Rumson School District
Statement of Net Position
Proprietary Funds
June 30, 2023**

**Business-Type Activities -
Enterprise Fund**

	<u>Food Service Program</u>	<u>After School Program</u>	<u>Homework Club</u>	<u>Stem Agriculture Club</u>	<u>Total Enterprise Fund</u>
Current Assets:					
Cash and Cash Equivalents	193,330	74,030	5,206	6,559	279,125
Accounts Receivable	1,078				1,078
Inventory	2,980				2,980
Total Current Assets	<u>197,388</u>	<u>74,030</u>	<u>5,206</u>	<u>6,559</u>	<u>283,183</u>
Noncurrent Assets:					
Capital Assets:					
Equipment	229,910				229,910
Less Accumulated Depreciation	(209,687)				(209,687)
Total Capital Assets (Net of Accumulated Depreciation)	<u>20,223</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,223</u>
Total Assets	<u>217,611</u>	<u>74,030</u>	<u>5,206</u>	<u>6,559</u>	<u>303,406</u>
LIABILITIES					
Current Liabilities:					
Prepaid Revenue	23,065	-	-	-	23,065
Total Current Liabilities	<u>23,065</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,065</u>
Total Liabilities	<u>23,065</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,065</u>
NET POSITION					
Net investment in capital assets	20,223				20,223
Unrestricted	174,323	74,030	5,206	6,559	260,118
Total Net Position	<u>194,546</u>	<u>74,030</u>	<u>5,206</u>	<u>6,559</u>	<u>280,341</u>

Rumson School District
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2023

Business-Type Activities -
Enterprise Fund

	<u>Food Service Program</u>	<u>After School Program</u>	<u>Homework Club</u>	<u>Stem Agriculture Club</u>	<u>Total Enterprise Fund</u>
Operating Revenues:					
Charges for Services:					
Daily Sales	781,591				781,591
Miscellaneous		51,658		3,740	51,658
Total Operating Revenue	<u>781,591</u>	<u>51,658</u>	-	<u>3,740</u>	<u>836,989</u>
Operating Expenses:					
Salaries	303,309	41,698	138		345,145
Other Employee Benefits	55,755				55,755
Cost of Sales	307,691				307,691
Supplies and Materials	6,542	2,930			9,472
Management Fee	15,000				15,000
Equipment Rental	7,814				7,814
Maintenance	11,579				11,579
Insurance	17,000				17,000
Miscellaneous Expenses	42				42
Depreciation Expense	3,669				3,669
Total Operating Expenses	<u>728,401</u>	<u>44,628</u>	<u>138</u>	-	<u>773,167</u>
Operating Income (Loss)	53,190	7,030	(138)	3,740	63,822
Non-Operating revenues:					
Interest and investment revenue	4,184				4,184
Transfers In (Out)					-
Change in Net Assets	57,374	7,030	(138)	3,740	68,006
Total Net Position—Beginning	<u>137,172</u>	<u>67,000</u>	<u>5,344</u>	<u>2,819</u>	<u>212,335</u>
Total Net Position—Ending	<u><u>194,546</u></u>	<u><u>74,030</u></u>	<u><u>5,206</u></u>	<u><u>6,559</u></u>	<u><u>280,341</u></u>

Rumson School District
Combining Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Food Service Program	After School Program	Homework Club	Stem Agriculture Club	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers	783,679	51,658		3,740	839,077
Payments to Vendors	(725,596)	(44,628)	(138)		(770,362)
Net Cash Provided by (Used for) Operating Activities	<u>58,083</u>	<u>7,030</u>	<u>(138)</u>	<u>3,740</u>	<u>68,715</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Income	4,184				4,184
Net Cash Provided by (Used for) Investing Activities	<u>4,184</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,184</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>62,267</u>	<u>7,030</u>	<u>(138)</u>	<u>3,740</u>	<u>72,899</u>
Balances—Beginning of Year	131,063	67,000	5,344	2,819	206,226
Balances—End of Year	<u>193,330</u>	<u>74,030</u>	<u>5,206</u>	<u>6,559</u>	<u>279,125</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	53,190	7,030	(138)	3,740	63,822
Adjustments to reconcile operating income (loss) to net cash provided by					
Adjustments to reconcile operating income (loss) to net cash					
Depreciation	3,669				3,669
Decrease/(Increase) in Accounts Receivable	1,431				1,431
(Decrease)/Increase in Inventory	(864)				(864)
(Decrease)/Increase in Prepaid Revenue	657				657
(Decrease)/Increase in Accounts Payable					-
Total Adjustments	<u>4,893</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,893</u>
Net Cash Provided by (Used for) Operating Activities	<u>58,083</u>	<u>7,030</u>	<u>(138)</u>	<u>3,740</u>	<u>68,715</u>

LONG-TERM DEBT

**Rumson School District
General Long Term Debt Account Group
Statement of Serial Bonds
June 30, 2023**

ISSUE	Date of Issue	Amount of Issue	Annual Maturities Date	Amount	Interest Rate	Balance July 1, 2022	Issued	Retired	Balance June 30, 2023
2009 Serial Bonds	5/19/2009	\$ 1,257,000	2/01/2024	117,000	4.125%	227,000		110,000	117,000
2013 Refunding School Bonds	5/13/2013	4,535,000				720,000		720,000	-
2020 School Bonds	3/3/2020	25,743,000	7/15/2023	1,065,000	2.000%				
			7/15/2024	1,090,000	2.000%				
			7/15/2025	1,120,000	2.000%				
			7/15/2026	1,150,000	2.000%				
			7/15/2027	1,175,000	2.000%				
			7/15/2028	1,205,000	2.000%				
			7/15/2029	1,235,000	2.000%				
			7/15/2030	1,265,000	2.000%				
			7/15/2031	1,300,000	2.000%				
			7/15/2032	1,335,000	2.125%				
			7/15/2033	1,375,000	2.125%				
			7/15/2034	1,410,000	2.250%				
			7/15/2035	1,450,000	2.375%				
			7/15/2036	1,490,000	2.375%				
			7/15/2037	1,530,000	2.375%				
			7/15/2038	1,580,000	2.500%				
			7/15/2039	1,625,000	2.500%				
			7/15/2040	1,670,000	2.500%				
						24,905,000		835,000	24,070,000
						\$ 25,852,000		1,665,000	\$ 24,187,000

**Rumson School District
General Long Term Debt Account Group
Statement of Obligations Under Financed Purchase Agreements
June 30, 2023**

ISSUE	Date of Issue	Amount of Issue	Date	Annual Maturities Amount	Interest Rate	Balance July 1, 2022	Issued	Retired	Balance June 30, 2023
Acquisition of Energy Conservation Equipment	6/27/2019	\$ 1,629,690	7/15/2023	46,412	2.560%				
			1/15/2024	46,412					
			7/15/2024	47,710					
			1/15/2025	47,709					
			7/15/2025	40,237					
			1/15/2026	40,237					
			7/15/2026	42,474					
			1/15/2027	42,475					
			7/15/2027	44,795					
			1/15/2028	44,795					
			7/15/2028	47,204					
			1/15/2029	47,204					
			7/15/2029	49,704					
			1/15/2030	49,704					
			7/15/2030	52,296					
			1/15/2031	52,296					
			7/15/2031	54,985					
		1/15/2032	54,985						
		7/15/2032	57,772						
		1/15/2033	57,773						
		7/15/2033	60,663						
		1/15/2034	60,663						
		7/15/2034	63,660						
		1/15/2035	63,660						
						1,303,689		87,863	1,215,826
						\$ 1,303,689		\$ 87,863	\$ 1,215,826

**Rumson School District
Budgetary Comparison Schedule
Debt Service Fund
For the Year Ended June 30, 2023**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	1,787,979		1,787,979	1,787,979	-
State Sources:					
Debt Service Aid Type II	387,951		387,951	387,951	-
Miscellaneous				45,023	45,023
Total Revenues	2,175,930	-	2,175,930	2,220,953	45,023
EXPENDITURES:					
Regular Debt Service:					
Interest	524,596		524,596	524,596	-
Redemption of Principal	1,665,000		1,665,000	1,665,000	-
Total Regular Debt Service	2,189,596	-	2,189,596	2,189,596	-
Total expenditures	2,189,596	-	2,189,596	2,189,596	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,666)	-	(13,666)	31,357	45,023
Other Financing Sources:					
Operating Transfers In:					
Transfer from Capital Projects Fund					-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(13,666)	-	(13,666)	31,357	45,023
Fund Balance, July 1	17,008		17,008	17,008	-
Fund Balance, June 30	3,342	-	3,342	48,365	45,023

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED)

Introduction to the Statistical Section

Financial Trends

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

Revenue Capacity

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

- J-10 Ratios of Outstanding Debt by Type
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- J-12 Direct and Overlapping Governmental Activities Debt
- J-13 Legal Debt Margin Information

Demographic and Economic Information

- J-14 Demographic and Economic Statistics
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Operating Information

- J-16 Full-time Equivalent District Employees by Function/Program
- J-17 Operating Statistics
- J-18 School Building Information*
- J-19 Schedule of Allowable Maintenance Expenditures by School Facility
- J-20 Insurance Schedule

STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

J SERIES

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Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changes over time.	J-1 to J-5
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue sources, the property tax.	J-6 to J-9
Debt Capacity These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 to J-15
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20
Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports (ACFR) for the relevant year.	

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	8,076,411	4,720,542	4,254,125	4,324,181	4,610,562	3,808,572	(18,564,523)	(5,708,227)	8,254,108	7,963,233
Restricted	1,955,546	1,765,187	2,155,894	2,489,215	3,086,417	3,413,641	28,415,357	16,893,138	4,557,310	4,207,252
Unrestricted	209,395	(3,039,544)	(3,297,369)	(3,591,275)	(3,717,104)	(2,433,650)	(3,861,485)	(3,989,817)	(3,645,336)	(3,486,110)
Total Governmental Activities Net Assets	10,241,352	3,446,185	3,112,650	3,222,121	3,979,875	4,788,563	5,989,349	7,195,094	9,166,082	8,684,375
Business-type Activities										
Invested in Capital Assets, Net of Related Debt	64,957	56,427	48,396	54,646	52,686	43,427	35,488	28,310	23,892	19,696
Restricted	124,116	132,610	174,894	102,688	52,636	116,341	129,256	121,392	185,624	260,118
Unrestricted	189,073	189,037	223,290	157,334	105,322	159,768	164,744	149,702	209,516	279,814
Total Business-type Activities Net Assets	378,146	378,074	446,580	314,668	210,644	319,536	329,488	299,404	419,032	559,628
District-wide										
Invested in Capital Assets, Net of Related Debt	8,141,368	4,776,969	4,302,521	4,378,827	4,663,248	3,851,999	(18,529,035)	(5,679,917)	8,278,000	7,982,929
Restricted	1,955,546	1,765,187	2,155,894	2,489,215	3,086,417	3,413,641	28,415,357	16,893,138	4,557,310	4,207,252
Unrestricted	333,511	(2,906,934)	(3,122,475)	(3,488,587)	(3,664,468)	(2,317,309)	(3,732,229)	(3,868,425)	(3,459,712)	(3,225,992)
Total District Net Assets	10,430,425	3,635,222	3,335,940	3,379,455	4,085,197	4,948,331	6,154,093	7,344,796	9,375,598	8,964,189

Source: ACRF Schedules A-1

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

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities:										
Instruction:										
Regular	(5,248,664.42)	(5,015,205.00)	(5,301,714.00)	(5,356,025)	(5,693,759)	(5,859,216)	(6,040,962)	(7,420,311)	(6,767,970)	(7,407,565)
Special Education	(1,017,118.09)	(1,390,056.00)	(1,279,269.00)	(1,640,340)	(1,628,625)	(2,169,831)	(1,771,866)	(1,320,173)	(1,378,524)	(1,524,389)
Other Special Education	(58,068.14)	(54,378.00)	(189,771.00)	(303,653)	(224,234)	(297,062)				
Other Instruction	(57,722.23)	(55,866.00)	(90,437.00)	(129,045)	(147,942)	(172,047)	(462,935)	(271,415)	(672,224)	(696,327)
Support Services:										
Tuition	(470,232.60)	(432,509.00)	(429,648.00)	(414,753)	(123,595)	(263,737)	(31,256)	(97,685)	(41,638)	(58,247)
Student & Instruction Related Services	(1,796,507.39)	(1,834,965.00)	(1,971,256.00)	(2,037,637)	(2,209,244)	(2,274,265)	(2,279,141)	(2,396,564)	(3,043,766)	(3,228,997)
School Administrative Services	(396,896.44)	(568,425.00)	(512,764.00)	(443,349)	(452,378)	(462,921)	(483,114)	(451,069)	(463,752)	(463,565)
General Administrative Services	(568,845.95)	(864,183.00)	(796,344.00)	(458,025)	(429,366)	(507,083)	(447,219)	(504,369)	(495,584)	(420,047)
Central Services	(301,781.92)			(254,286)	(267,195)	(269,137)	(285,205)	(268,817)	(274,904)	(260,934)
Admin. Info. Technology	(110,880.63)			(41,067)	(51,385)	(49,952)	(48,388)	(61,062)	(53,982)	(60,402)
Plant Operations and Maintenance	(1,124,753.87)	(1,166,708.00)	(1,132,554.00)	(1,106,738)	(1,048,452)	(1,252,321)	(1,412,097)	(1,198,053)	(1,671,364)	(1,904,517)
Pupil Transportation	(806,427.55)	(676,138.00)	(716,879.00)	(638,330)	(613,189)	(563,659)	(521,922)	(538,250)	(648,231)	(618,249)
Employee Benefits			(4,467,248.00)	(8,269,297)	(9,248,932)	(8,173,000)	(7,456,876)	(9,016,533)	(9,017,775)	(6,973,914)
Non-depreciable Capital Outlay				(20,259)	(21,419)	(25,054)		(21,418)	(85,785)	(21,418)
Interest on Long-term Debt	(283,245.21)	(218,024.00)	(217,296.00)	(178,444)	(152,645)	(121,602)	(315,554)	(561,740)	(540,712)	(444,440)
Unallocated Depreciation	(3,709,577.25)	(4,636,758.00)	(572,724.00)	(620,234)	(537,019)	(502,771)	(478,079)	(461,376)	(540,951)	(1,100,369)
Amortization of Loss on Debt Issuance	(537,189.00)									
Total Governmental Activities Expenses	(16,487,910.69)	(16,913,215.00)	(18,296,736.00)	(21,911,482)	(22,849,379)	(22,963,658)	(22,034,614)	(24,588,835)	(25,697,162)	(25,183,380)
Business-type Activities:										
Food Service	(388,172.92)	(433,077.00)	(431,607.00)	(563,233)	(626,108)	(518,010)	(405,673)	(15,393)	(613,211)	(727,512)
Rumson After School Academy	(39,997.00)			(46,831)	(44,110)	(38,110)	(28,723)		(34,864)	(44,628)
Homework Club					(5,466)	(7,870)	(5,143)		(11,978)	(138)
Total Business-type Activities Expenses	(428,169.92)	(433,077.00)	(431,607.00)	(610,064)	(675,684)	(563,990)	(439,539)	(15,393)	(660,053)	(772,278)
Total District Expenses	(16,916,080.61)	(17,346,292.00)	(18,728,343.00)	(22,521,546)	(23,525,063)	(23,527,648)	(22,474,153)	(24,604,228)	(26,357,215)	(25,955,658)
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instruction	186,858.00	183,266.00	148,325.00	166,150	357,085	249,150	259,950	130,703	259,700	350,967
Operating Grants and Contributions	581,572.37	482,453.00	498,839.00	710,698	687,783	1,090,500	705,439	976,520	1,480,368	1,795,959
Capital Grants and Contributions										
Total Governmental Activities Program Revenues	768,430.37	665,719.00	647,164.00	876,848	1,044,868	1,339,650	965,389	1,107,223	1,740,068	2,146,926
Business-type Activities:										
Charges for Services:										
Food Service	418,592.26	431,493.00	465,645.00	516,390	575,808	565,029	400,748	132	673,820	781,591
Rumson After School Academy	39,997.00			53,620	50,690	41,669	33,583	80	39,952	51,658
Homework Club					9,300	10,980	9,621		5,900	
Stem Agriculture Club										3,740
Total Business-type Activities Program Revenues	458,589.26	431,493.00	465,645.00	570,010	635,798	617,678	443,952	212	719,672	836,989
Total District Program Revenues	1,227,019.63	1,097,212.00	1,112,809.00	1,446,858	1,680,666	1,957,328	1,409,341	1,107,435	2,459,740	2,983,915

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Reserved										
Unreserved	1,813,639	1,642,940	2,094,713	2,481,623	2,969,253	3,392,075	4,456,856	3,782,572	3,966,551	3,394,833
Restricted	175,505	75,501	56,606	1,858	111,430	21,566	78,444	1,244,767	351,837	594,433
Assigned	387,098	424,753	405,482	408,932	355,394	430,429	419,696	547,337	548,505	507,807
Unassigned										
Total General fund	2,376,242	2,143,194	2,556,801	2,892,413	3,436,077	3,844,070	4,954,996	5,574,676	4,866,893	4,497,073
All Other Governmental Funds										
Reserved										
Restricted, Reported in:										
Special Revenue Fund										
Capital Projects Fund	4,575	4,575	4,575	5,734	5,734	1,142,333	23,890,178	136,657	121,482	118,475
Debt Service Fund	42,172	42,171				5,738	68,323	11,650,917	100,432	51,146
Unreserved, Reported in:										
Capital Projects Fund	136,829							81,989	17,008	48,365
Debt Service	35,000									
Total Other Governmental Funds	218,576	46,746	4,575	5,734	5,734	1,148,071	23,958,501	11,869,563	238,922	217,986

Source: ACRF B-1

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

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues											
Tax Levy	14,176,977	14,442,789	14,649,559	14,996,273	15,467,272	16,059,502	16,899,627	17,332,020	18,103,124	18,800,648	19,280,103
Other Local Revenue	272,535	227,931	240,480	200,081	421,505	520,627	868,796	603,253	639,498	820,599	1,375,626
State Sources	2,049,422	1,944,286	2,199,264	2,412,972	2,718,928	3,115,814	3,666,841	3,869,024	4,927,238	6,373,447	6,495,180
Federal Sources	402,853	308,619	334,348	360,952	367,656	400,628	415,437	383,770	509,459	859,752	955,576
Total Revenues	16,901,787	16,923,625	17,423,651	17,970,278	18,975,361	20,096,571	21,850,701	22,188,067	24,179,319	26,854,446	28,106,485
Expenditures											
Instruction:											
Regular	5,073,182	5,248,644	5,015,205	5,128,700	5,321,658	5,674,159	5,859,216	5,842,725	7,217,339	6,766,519	7,281,376
Special	985,394	1,019,118	1,390,056	1,279,269	1,640,340	1,628,625	2,169,831	1,771,866	1,320,173	1,378,524	1,524,389
Other	55,893	58,068	54,378	189,771	303,653	224,234	297,062	462,935	271,415	672,224	696,327
School Sponsored/Other Inst.	55,167	57,722	55,866	90,437	129,045	147,942	172,047				
Support Services:											
Tuition								31,256	97,685	41,638	58,247
Instruction								2,279,141	2,396,564	3,043,766	3,228,997
Students	2,206,168	2,114,762	2,267,474	2,400,904	2,452,390	2,332,839	2,538,002				
Instructional Staff								447,219	504,369	495,584	420,047
General Administration	401,234	396,896	568,425	796,344	458,025	429,366	507,083	483,114	451,069	463,752	463,565
School Administration	473,433	568,846	864,183	512,764	443,349	452,378	462,921	285,205	268,817	274,904	260,934
Central Services	316,016	301,782	301,782	254,286	254,286	267,195	269,137	285,205	268,817	274,904	260,934
Admin. Information Technology	99,305	110,881		41,067	41,067	51,385	49,952	48,388	61,062	53,982	60,402
Operations and Maintenance	1,105,820	1,274,754	1,166,708	1,132,554	1,106,738	1,048,452	1,252,321	1,412,097	1,335,039	1,671,364	1,992,380
Student Transportation	794,567	806,428	676,138	716,879	638,330	613,189	563,659	521,922	538,250	648,231	618,249
Business and Other Support Services	3,929,197	3,673,027	4,091,635	4,379,599	4,833,039	5,678,837	6,303,919	6,493,618	7,692,584	8,637,821	9,137,196
Capital Outlay	141,436	648,303	588,439	137,474	194,550	162,486	623,191	3,040,005	12,394,770	12,815,343	580,711
Debt Service:											
Principal	555,000	570,000	590,000	605,000	620,000	665,000	715,000	770,000	790,000	1,658,000	1,665,000
Interest and Other Charges	319,201	234,513	239,926	222,071	202,120	176,820	146,720	120,220	540,300	571,218	524,596
Total Governmental Fund Expenditures	16,511,013	17,083,744	17,568,433	17,591,766	18,638,590	19,552,907	21,930,061	24,009,711	35,879,436	39,192,870	28,512,416
Excess (Deficiency) of Revenues Over (Under) Expenditures	390,774	(160,119)	(144,782)	378,512	336,771	543,664	(79,360)	(1,821,644)	(11,700,117)	(12,338,424)	(405,931)
Other Financing Sources (Uses)											
Operating Transfers In	594,020	100,000	25,239					61,981	13,666	3,342	
Operating Transfers Out	(594,020)	(100,000)	(148,505)	(7,077)				(61,981)	(13,666)	(3,342)	
Proceeds from Borrowing							1,629,690	25,743,000			
Proceeds from Refunding	5,155,338										
Payments to Eserow Agent	(5,155,338)										
Total Other Financing Sources (Uses)	0	0	(123,266)	(7,077)	0	0	1,629,690	25,743,000	0	0	0
Net Changes in Fund Balance	390,774	(160,119)	(268,048)	371,435	336,771	543,664	1,550,330	23,921,356	(11,700,117)	(12,338,424)	(405,931)
Debt Service as a percentage of noncapital expenditures	5.34%	4.89%	4.89%	4.74%	4.46%	4.34%	4.04%	4.25%	5.66%	8.45%	7.84%

Source: ACRF Schedule B-2

Note: Noncapital expenditures are total expenditures less capital outlay.
(1) Prior to 2014 special revenue fund instruction was classified as regular instruction, this was corrected in 2014 to special education instruction.

Borough of Rumson School District
General Fund Other Local Revenue by Source
Last Ten Fiscal Years
Unaudited

<u>Fiscal Year Ended June 30,</u>	<u>Tuition</u>	<u>Interest Income</u>	<u>Miscellaneous</u>	<u>Total</u>
2014	186,858	1,262	39,811	227,931
2015	183,266	4,077	53,137	240,480
2016	148,325	5,354	46,402	200,081
2017	166,150	n/a	86,671	252,821
2018	357,085	n/a	59,413	416,498
2019	249,150	n/a	146,940	396,090
2020	259,950	n/a	119,307	379,257
2021	103,500	12,554	154,394	270,448
2022	259,700	24,951	71,444	356,095
2023	350,967	116,064	154,162	621,193

Source: District records.

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Ofarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax Exempt Property	Public Utilities	Net Assessed Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate
										a			b
2013	54,489,000	2,757,376,100	n/a	26,800	99,895,900	0	628,700	2,912,416,500	0	1,277,630	2,913,694,130	3,441,790,050	0.903
2014	51,516,500	3,117,104,600	2,973,000	13,800	112,110,600	0	672,300	3,284,390,800	0	1,058,300	3,285,449,100	3,334,509,190	0.820
2015	47,011,900	3,192,319,600	7,361,700	25,000	80,679,000	0	672,300	3,328,069,500	0	1,124,732	3,329,194,232	3,285,349,130	0.818
2016	38,095,200	3,290,090,400	6,891,700	25,000	111,691,600	0	488,900	3,447,282,800	0	1,126,150	3,448,408,950	3,359,860,332	0.816
2017	35,813,400	3,286,000,000	6,898,900	29,400	110,281,900	0	1,024,700	3,440,048,300	0	1,124,274	3,441,172,574	3,379,789,415	0.845
2018	51,604,600	3,404,746,900	7,043,700	25,000	110,367,200	0	1,195,200	3,574,982,600	0	1,121,447	3,576,104,047	3,462,130,705	0.851
2019	46,192,200	3,499,294,400	19,209,000	35,600	110,973,500	0	1,060,000	3,676,764,700	0	1,137,771	3,677,902,471	3,724,123,499	0.850
2020	39,089,600	3,731,467,400	16,011,200	9,300	146,100,800	0	1,057,400	3,933,735,700	0	1,154,480	3,934,890,180	3,941,170,506	0.827
2021	37,194,900	3,832,861,700	19,918,900	10,200	145,210,700	0	1,102,200	4,036,298,600	0	1,239,257	4,037,537,857	3,974,772,200	0.831
2022	46,205,500	4,331,591,500	28,610,200	10,200	155,605,900	0	1,084,900	4,563,108,200	0	1,288,127	4,564,396,327	4,551,384,227	0.424
2023	72,624,000	4,847,122,100	31,582,100	10,200	163,596,200	0	1,220,600	5,116,153,200	0	1,328,598	5,117,483,798	4,815,437,717	0.378

Source: Municipal Tax Assessor

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

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

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

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

N/A=Not available

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

Assessment Year	Total Direct School Tax Rate	Overlapping Rates			Total Direct and overlapping Tax Rate
		Total Direct Regional School Tax Rate	Rumson Borough	Monmouth County	
2014	0.446	0.374	0.322	0.315	1.457
2015	0.446	0.372	0.329	0.306	1.453
2016	0.448	0.368	0.327	0.289	1.432
2017	0.467	0.378	0.335	0.289	1.469
2018	0.473	0.378	0.333	0.298	1.482
2019	0.472	0.378	0.333	0.286	1.469
2020	0.460	0.367	0.325	0.281	1.433
2021	0.466	0.365	0.323	0.269	1.423
2022	0.424	0.328	0.294	0.241	1.287
2023	0.378	0.295	0.275	0.221	1.169

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

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

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

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

	2023			2013			
	Taxpayer	Taxable Assessed Value	Rank Optional	% of District's Net Assessed Valuation	Taxpayer	Taxable Assessed Value	Rank Optional
Rumson Country Club	53,191,100	1	1.04% Taxpayer #1	28,346,300	1	0.0097	
Barley Point, Inc.	24,621,800	2	0.48% Taxpayer #2	11,475,900	2	0.0039	
Clinton GRP LLC	14,882,900	3	0.29% Taxpayer #3	10,501,300	3	0.0036	
Taxpayer #1	13,446,100	4	0.26% Taxpayer #4	9,499,200	4	0.0033	
Taxpayer #2	11,809,300	5	0.23% Taxpayer #5	8,000,000	5	0.0027	
Taxpayer #3	10,286,100	6	0.20% Taxpayer #6	7,100,000	6	0.0024	
Taxpayer #4	9,426,000	7	0.18% Taxpayer #7	6,931,300	7	0.0024	
Taxpayer #5	9,319,100	8	0.18% Taxpayer #8	6,450,000	8	0.0022	
Taxpayer #6	9,258,900	9	0.18% Taxpayer #9	6,364,000	9	0.0022	
Taxpayer #7	8,803,500	10	0.17% Taxpayer #10	6,325,000	10	0.0022	
	<u>165,044,800</u>		<u>3.23%</u>	<u>100,993,000</u>		<u>3.46%</u>	

Source: Municipal Tax Assessor's Office.

5,117,483,798

Borough of Rumson School District

School Tax Levies and Collections
Last Ten Years
Unaudited

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	14,442,789	14,442,789	100.00%	n/a
2015	14,649,559	14,649,559	100.00%	n/a
2016	14,996,273	14,996,273	100.00%	n/a
2017	15,467,271	15,467,271	100.00%	n/a
2018	16,059,502	16,059,502	100.00%	n/a
2019	16,899,627	16,899,627	100.00%	n/a
2020	17,332,020	17,332,020	100.00%	n/a
2021	18,103,124	18,103,124	100.00%	n/a
2022	18,800,648	18,800,648	100.00%	n/a
2023	19,280,103	19,280,103	100.00%	n/a

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

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

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

Fiscal Year Ended June 30,	Governmental Activities			Bond		Business-Type		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases	Anticipation Notes (BANs)	Capital Leases	Capital Leases				
2013	7,092,000	-	-	-	-	-	7,092,000	1.9%	1,006.39	
2014	6,522,000	-	-	-	-	-	6,522,000	1.5%	931.05	
2015	5,932,000	-	-	-	-	-	5,932,000	1.3%	850.10	
2016	5,327,000	-	-	-	-	-	5,327,000	1.1%	769.13	
2017	4,707,000	-	-	-	-	-	4,707,000	1.0%	689.77	
2018	4,042,000	-	-	-	-	-	4,042,000	0.7%	596.52	
2019	3,327,000	-	1,629,690	-	-	-	4,956,690	0.9%	738.26	
2020	28,300,000	-	1,583,769	-	-	-	29,883,769	5.2%	4,479.65	
2021	27,510,000	-	1,446,783	-	-	-	28,956,783	4.3%	3,977.58	
2022	25,852,000	-	1,303,689	-	-	-	27,155,689	N/A	3,755.97	
2023	24,187,000	-	1,183,014	-	-	-	25,370,014	N/A	N/A	

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

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

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

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Net Valuation Taxable
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2013	7,092,000	-	7,092,000	0.240%	2,913,694,130
2014	6,522,000	-	6,522,000	0.221%	3,285,449,100
2015	5,932,000	-	5,932,000	0.204%	3,329,194,232
2016	5,327,000	-	5,327,000	0.162%	3,448,408,950
2017	4,707,000	-	4,707,000	0.140%	3,441,172,574
2018	4,042,000	-	4,042,000	0.117%	3,576,104,047
2019	3,327,000	-	3,327,000	0.970%	3,677,902,471
2020	28,300,000	-	28,300,000	0.770%	3,934,890,180
2021	27,510,000	-	27,510,000	0.690%	4,037,537,857
2022	25,582,000	-	25,582,000	0.630%	4,564,396,327
2023	24,187,000	-	24,187,000	0.473%	5,117,483,798

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

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

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

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

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

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2022

Equalized valuation basis

2022	4,768,493.083
2021	4,266,700.423
2020	\$ 3,944,385.541

[A] \$ 12,979,579.047

[A/3] \$ 4,326,526.349

[B] 129,795,790 a

[C] 27,155,689

[B-C] \$ 102,640,101

Average equalized valuation of taxable property

Debt limit (3 % of average equalization value)

Total Net Debt Applicable to Limit

Legal debt margin

	2014	2015	2016	2017	2018	2019	2020	2021	#	2022	2023
Debt limit	\$ 101,412,826	\$ 100,392,707	\$ 100,161,012	\$ 101,021,976	\$ 102,259,558	\$ 105,280,664	\$ 109,532,835	\$ 114,713,330	\$	\$ 118,323,128	\$ 129,795,790
Total net debt applicable to limit	6,522,000	5,932,000	5,327,000	4,707,000	4,042,000	3,327,000	29,883,769	28,956,783		27,155,689	25,402,826
Legal debt margin	\$ 94,890,826	\$ 94,460,707	\$ 94,834,012	\$ 96,314,976	\$ 98,217,558	\$ 101,953,664	\$ 79,649,066	\$ 85,756,547	\$	\$ 91,167,439	\$ 104,392,964
Total net debt applicable to the limit as a percentage of debt limit	6.43%	5.91%	5.32%	4.66%	3.95%	3.16%	27.28%	25.24%		22.95%	19.57%

Borough of Rumson:

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

(a) Limit set by NISA 18A:24-19 for a K through 8 district; other % limits would be applicable for other district types.

Borough of Rumson School District

**Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited**

Fiscal Year Ended June 30,	Population (a)	Personal Income (b)	Per Capita Personal Income (c)	Unemployment Rate (d)
2013	7,005	440,621,505	62,901	4.50%
2014	6,978	460,680,582	66,019	4.40%
2015	6,926	480,733,660	69,410	4.60%
2016	6,824	486,121,288	71,237	4.40%
2017	6,864	517,511,280	75,395	3.30%
2018	6,776	541,930,928	79,978	3.00%
2019	6,714	554,247,414	82,551	2.10%
2020	6,671	574,313,061	86,091	4.20%
2021	7,280	670,626,320	92,119	4.20%
2022	7,230	n/a	n/a	2.50%

Source:

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

Borough of Rumson School District

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

Information not available

Source: Municipal Tax Assessor's Office.

Borough of Rumson School District

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

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

BOROUGH OF RUMSON SCHOOL DISTRICT

**Operating Statistics
Last Ten Fiscal Years
Unaudited**

Fiscal Year Ended June 30,	Enrollment (a)	Operating Expenditures	Cost Per Pupil (b)	Percentage Change	Teaching Staff (c)	Pupil/Teacher Ratio	Average Daily Enrollment (d)	Average Daily Attendance (d)	% Change in Average Daily Enrollment	Student Attendance Percentage
2013	994.0	15,630,037	17,288	9.01%	87.0	11.4	1,005.0	964.4	1.46%	97.02%
2014	973.0	15,729,633	17,386	0.05%	90.0	10.8	976.5	935.4	-2.84%	96.14%
2015	972.0	16,411,288	18,320	5.37%	91.0	10.7	972.0	929.0	-0.46%	95.58%
2016	944.0	17,139,219	18,633	1.70%	94.0	10.0	964.1	926.9	-0.81%	96.13%
2017	981.0	17,106,931	19,305	1.04%	95.0	10.33	988	948.7	2.48%	96.02%
2018	1033.0	18,023,304	22,320	15.60%	101.0	11.70	1,036	991.4	5.00%	95.61%
2019	992.0	19,406,221	19,562	(12.36)%	99.6	10.03	999	954.5	-4.00%	95.80%
2020	1007.0	19,374,047	19,239	(1.66)%	102.0	9.80	1,004	966.0	0.54%	96.22%
2021	935.0	17,504,801	18,722	15.60%	109.0	8.58	933	906.0	-7.00%	96.90%
2022	914.0	18,143,622	19,851	5.68%	111.0	8.23	912	867.9	-2.25%	95.01%

Source:

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

Note:

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

BOROUGH OF RUMSON SCHOOL DISTRICT

**School Building Information
Last Ten Fiscal Years
Unaudited**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Elementary:										
Square Feet	56,962	56,962	56,962	56,962	56,962	56,962	56,962	56,962	56,962	56,962
Capacity (students)	480	480	480	480	480	480	480	480	480	480
Enrollment	401	401	408	403	407	383	407	358	363	382
Middle										
Square Feet	91,924	91,924	91,924	91,924	91,924	91,924	91,924	91,924	91,924	91,924
Capacity (students)	720	720	720	720	720	720	720	720	720	720
Enrollment	575	575	555	578	626	609	600	575	551	525

Number of Schools at June 30, 2023

Elementary	1
Middle	1

Source: District Records

Note: Enrollment is from the October 15th ASSA.

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

Exhibit J-19

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

School Facilities	Project #'s	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
FORRESTDALE	N/A	226,134	257,348	74,921	129,550	104,799	60,782	69,816	65,231	38,242	38,242
DEANE-PORTER	N/A	138,599	157,729	45,920	79,401	64,220	\$ 45,853	\$ 86,640	86,468	99,756	62,395
Total School Facilities		<u>364,733</u>	<u>415,077</u>	<u>120,841</u>	<u>208,951</u>	<u>169,019</u>	<u>106,635</u>	<u>156,456</u>	<u>151,699</u>	<u>137,998</u>	<u>100,637</u>

BOROUGH OF RUMSON SCHOOL DISTRICT

Insurance Schedule
June 30, 2023
Unaudited

	Coverage	Deductible
School Package Policy - NJSIG		
Blanket Buildings and Contents (special form coverage/replacement cost)	\$ 41,304,521	\$ 5,000
Extra Expense	Included in Business Income	5,000
Musical Instruments	Included in Blanket Bldg/Contents	5,000
Comprehensive General Liability	10,000,000	
Money and Securities	100,000 In/Out	1,000
Data Processing Equipment	1,000,000	1,000
Camera Equipment	Included in Blanket Bldg/Contents	5,000
Miscellaneous Property	Included in Blanket Bldg/Contents	5,000
Automobile Policy - NJSIG	10,000,000	1,000
Worker's Compensation - MOCSSIF/NJSIG	3,000,000	
Boiler Insurance - NJSIG	100,000,000	5,000
School Board Legal Liability - New Jersey		
School Boards Association Insurance Group	5,000,000	5,000
Student Accident and Athletic Account - Zurich	1,000,000	
Fidelity Bond Insurance		
Selective Insurance Company:		
Board Secretary	200,000	
Treasurer of School Monies	n/a	
Crime - Employee Dishonesty - NJSIG	500,000	1,000
Excess Workers Comp - Chubb	After 7 Days	
Flood		
Deanne-Porter	10,000	1,000
Forrestdale	10,000	1,000
Cyber Liability	1,000,000	25,000

Source: District Records

SINGLE AUDIT SECTION



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Borough of Rumson School District, in the County of Monmouth, New Jersey, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated December 5, 2023.

Internal Control Over Financial Reporting

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



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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Rumson Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards or the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

The results of our test disclosed an instance of noncompliance or other matters that is required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey which is described in the accompanying Schedule of Findings and Questioned Costs as finding 2023-01*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Paul J. Cuva

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

Wielkocz & Company, LLC

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

December 5, 2023





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

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Board of Education of the Borough of Rumson School District in the County of Monmouth, New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplements* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Borough of Rumson Board of Education’s major federal and state programs for the year ended June 30, 2023. The Borough of Rumson Board of Education’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Borough of Rumson Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and N.J. OMB Circular 15-08. Our



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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Borough of Rumson Board of Education's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance and N.J. OMB Circular 15-08, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Borough of Rumson Board of Education's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance and N.J. OMB Circular 15-08, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Borough of Rumson Board of Education's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.



- Obtain an understanding of Borough of Rumson Board of Education's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and N.J. OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of Borough of Rumson Board of Education's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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



Honorable President and
Members of the Board of Education

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

Paul J. Cuva

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

Wielkocz & Company, LLC

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

December 5, 2023



Borough of Ramson School District
Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2023

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal EIN Number	Program or Award Amount	Grant Period		Balance at June 30, 2022	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2023	
				From	To							Accounts Receivable	Deferred Revenue
N.J. Law and Public Safety													
Passed-through New Jersey State Police													
Corona Virus Pandemic	97.036	N/A	28,853	7/1/2022	9/30/2023			28,853	(28,853)				
Corona Virus Relief Fund-FEMA	21.019	N/A	3,129	7/1/2022	9/30/2023			3,129	(3,129)				
Total General Fund								31,982	(31,982)				
U.S. Department of Education													
Passed-through State Department of Education													
Special Revenue Fund:													
Title I, Part A	84.010	8010A200020	66,384	7/1/2022	9/30/2023	12,919	12,919	43,832	(72,289)			(15,538)	
Title I, Part A	84.010	8010A200030	82,989	7/1/2021	9/30/2022	12,919	(12,919)	43,832	(72,289)			(15,538)	
Sub-Total													
Title II, Part A Improving Teacher Quality	84.367A	8567A200029	13,838	7/1/2022	9/30/2023	(1,551)		14,448	(14,598)			(150)	
Title II, Part A Improving Teacher Quality	84.367A	8567A190029	10,000	7/1/2021	9/30/2022	(1,551)		1,551				(150)	
Sub-Total								15,999	(14,598)			(300)	
Title IV, Student Support and Academic Enrich.	84.424A	8424A200031	10,000	7/1/2022	9/30/2023	(5,149)		4,442	(10,346)			(5,904)	
Title IV, Student Support and Academic Enrich.	84.424A	8424A200031	10,000	7/1/2021	9/30/2022	(5,149)		14,437	(9,288)			(5,904)	
Sub-Total								18,879	(12,634)			(11,808)	
ID.E.A. Part B, Basic Regular	84.027A	H027A200100	298,353	7/1/2022	9/30/2023	(10,533)		254,552	(297,146)			(42,594)	
ID.E.A. Part B, Basic Regular	84.027A	H027A210100	281,911	7/1/2021	9/30/2022	(1,136)		10,533				(42,594)	
ARRIDEA PRESCHOOL	84.027X	H027X210100	65,948	7/1/2021	9/30/2022	(1,136)		30,669	(30,778)			4,165	
ARRIDEA PRESCHOOL	84.173X	H173X210114	3,457	7/1/2021	9/30/2022	(12,783)		1,134				4,165	
Sub-Total								302,278	(327,924)			(42,594)	
ESSER II													
LEARNING ACCELERATION	84.425D	8425D210027	302,560	3/13/2020	9/30/2023	(40,039)		40,488	(16,964)			14,028	
LEARNING ACCELERATION	84.425D	8425D210027	35,000	3/13/2020	9/30/2023	(40,039)		1,497		30,543			
MENTAL HEALTH	84.425D	8425D210027	45,000	3/13/2020	9/30/2023	(1,527)		13,878	(1,497)				
CARES Emergency Relief Grant	84.425D	8425D200027	104,865	3/13/2020	9/30/2022	22,009		8,524		(30,543)			
ARR FESSER	84.425U	8425U210027	679,365	3/13/2020	9/30/2022	(17,344)		478,883	(5,612,233)			100,316	
ARR AFTER School	84.425U	8425U210027	46,000	3/13/2020	9/30/2024	(2,617)		14,826	(12,400)			(201)	
ARR Accelerated Learning	84.425U	8425U210027	16,000	3/13/2020	9/30/2024			11,769	(16,000)			(17,835)	
ARR Instruction	84.425U	8425U210027	45,000	3/13/2020	9/30/2024			27,620	(26,004)			(12,380)	
ARR Summer Learning	84.425U	8425U210027	40,000	3/13/2020	9/30/2024	(39,518)		612,595	(489,149)			114,344	
Sub-Total								993,583	(923,594)			(94,602)	
Total Special Revenue Fund						(46,082)		1,025,565	(955,576)			118,509	
Total Federal Financial Awards						(46,082)		1,025,565	(955,576)			118,509	

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

Borough of Rumson School District
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2023

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Deferred Revenue (Accts Receivable)	Due to Grantor	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances	Balance at June 30, 2023		MEMO	
			From	To							(Accounts Receivable)	Deferred Revenue/ Interfund Payable		Due to Grantor
State Department of Education														
General Fund:														
Special Education Categorical Aid	23-495-034-5120-089	763,125	7/1/2022	6/30/2023				688,527	(763,125)				\$763,125	
Transportation Aid	23-495-034-5120-014	112,978	7/1/2022	6/30/2023			101,934	(112,978)					112,978	
Security Aid	23-495-034-5120-084	77,327	7/1/2022	6/30/2023			697,68	(77,327)					77,327	
Extraordinary Aid	21-495-034-5120-044	280,583	7/1/2021	6/30/2022	(289,717)			(280,583)					280,583	
Extraordinary Aid	23-495-034-5120-044	289,717	7/1/2021	6/30/2022			289,717						289,717	
Non-Public Transportation Aid	23-495-034-5120-014	6,388	7/1/2021	6/30/2022	(9,968)			(6,388)					6,388	
Non-Public Transportation Aid	22-495-034-5120-014	9,968	7/1/2021	6/30/2022			9,968						9,968	
Secure Our Children Future Bond Act	22-495-034-5120-124	52,482	7/1/2021	6/30/2022	(52,482)								52,482	
On-Behalf Non-contributory Insurance	22-495-034-5094-004	43,724	7/1/2021	6/30/2022			43,442	(43,442)					43,442	
On-Behalf Teacher's Pension and Annuity Fund	22-495-034-5094-002	3,131,244	7/1/2021	6/30/2022			3,131,244	(3,131,244)					3,131,244	
On Behalf TPAF Post Retirement Medical	22-495-034-5094-001	833,982	7/1/2021	6/30/2022			833,982	(833,982)					833,982	
On Behalf TPAF Long-Term Disability Contributions	22-495-034-5094-004	934	7/1/2021	6/30/2022			934	(934)					934	
Reimbursed TPAF Social Security Contributions	23-495-034-5094-003	705,647	7/1/2022	6/30/2023			670,910	(705,647)					705,647	
Reimbursed TPAF Social Security Contributions	22-495-034-5094-003	653,634	7/1/2021	6/30/2022	(31,811)		31,811						653,634	
Total General Fund					(383,978)		5,872,237	(6,955,650)			(374,190)		(93,201)	6,961,451
Special Revenue Fund:														
N.J. Nonpublic Aid:														
Textbook Aid	22-100-034-5120-064	11,524	7/1/2021	6/30/2022		155				155			11,524	
Textbook Aid	23-100-034-5120-064	11,484	7/1/2022	6/30/2023			11,484	(11,472)					11,472	
Auxiliary Services (Chapter 192):														
Compensatory Education	23-100-034-5120-067	38,742	7/1/2022	6/30/2023			38,742	(38,742)					38,742	
Nonpublic Handicapped Aid (Chapter 193):														
Supplementary Instructions	23-100-034-5120-066	15,694	7/1/2022	6/30/2023			15,694	(14,141)					14,141	
Supplementary Instructions	22-100-034-5120-066	14,868	7/1/2021	6/30/2022			19,334	(15,237)		3,106			14,868	
Examination & Classification	23-100-034-5120-066	16,309	7/1/2021	6/30/2022		3,106							15,237	
Examination & Classification	22-100-034-5120-066	14,880	7/1/2021	6/30/2022		4,279							16,309	
Consecutive Speech	23-100-034-5120-066	13,950	7/1/2021	6/30/2022			14,880	(9,635)					9,635	
Consecutive Speech	22-100-034-5120-070	19,488	7/1/2021	6/30/2022		3,497							13,950	
Nursing Services Aid	23-100-034-5120-070	21,504	7/1/2021	6/30/2022			19,488	(19,487)					19,487	
Nursing Services Aid	22-100-034-5120-509	35,670	7/1/2021	6/30/2022		6							35,670	
Security Aid	23-100-034-5120-509	33,600	7/1/2021	6/30/2022			35,670	(34,066)					21,504	
School Development Authority	23-495-034-5120-124	20,556	7/1/2022	6/30/2023			20,556	(12,880)					34,066	
Technology Initiative	23-100-034-5120-373	7,308	7/1/2022	6/30/2023			7,308	(7,295)					7,295	
Technology Initiative	22-100-034-5120-373	8,064	7/1/2021	6/30/2022		94							8,064	
Total Special Revenue Fund						11,501	183,156	(162,955)		11,501			7,676	290,180
Debt Service Fund:														
Debt Service Aid	23-495-034-5120-017	387,951	7/1/2022	6/30/2023			387,951	(387,951)					387,951	
Total Debt Service Fund														387,951
TOTAL STATE FINANCIAL ASSISTANCE					(383,978)	11,501	6,443,344	(6,506,556)		11,501	(374,190)		(93,201)	7,639,582
Less On-Behalf TPAF Pension and Annuity Aid														
On-Behalf Non-contributory Insurance	23-495-034-5094-004	43,442	7/1/2022	6/30/2023			43,442	(43,442)					43,442	
On Behalf Teacher's Pension and Annuity Fund	23-495-034-5094-002	3,131,244	7/1/2022	6/30/2023			3,131,244	(3,131,244)					3,131,244	
On Behalf TPAF Long-Term Disability Contributions	23-495-034-5094-003	934	7/1/2022	6/30/2023			934	(934)					934	
On Behalf TPAF Post Retirement Medical	23-495-034-5094-001	833,982	7/1/2022	6/30/2023			833,982	(833,982)					833,982	
TOTAL FOR STATE FINANCIAL ASSISTANCE DETERMINATION					(383,978)	11,501	2,433,742	(2,496,954)		11,501	(374,190)		(93,201)	3,629,980

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

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

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

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$11,376) for the general fund and (-0-) for the special revenue fund. See *Note A* [the Notes to Required Supplementary Information] for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board’s basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$31,982	\$5,944,274	\$5,976,256
Special Revenue Fund	923,594	162,955	1,086,549
Debt Service Fund		<u>387,951</u>	<u>387,951</u>
Total Financial Awards	<u>\$955,576</u>	<u>\$6,495,180</u>	<u>\$7,450,756</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2023. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer’s share of social security contributions for TPAF members for the year ended June 30, 2023.

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

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

NOTE 7. INDIRECT COST RATE

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

NOTE 8. SCHOOLWIDE PROGRAM FUNDS

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

<u>Program</u>	<u>Total</u>
Title I, Part A: <i>Grants to Local Educational Agencies</i>	\$72,289
Title II, Part A: <i>Improving Teacher Quality State Grants</i>	14,598
Title IV: <i>Student Support and Academic Enrichment</i>	<u>19,634</u>
Total	<u>\$106,521</u>

**BOROUGH OF RUMSON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

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

Noncompliance material to basic financial statements noted?	_____ yes	_____ <u>X</u> no
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Federal Awards

Internal Control over major programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of the Uniform Guidance?	_____ yes	_____ <u>X</u> no
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Identification of major programs:

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

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

**BOROUGH OF RUMSON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(continued)**

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

State Awards

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

Internal Control over major programs:

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

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

Identification of major programs:

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

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

Auditee qualified as low-risk auditee? X yes _____ no

**BOROUGH OF RUMSON SCHOOL DISTRICT
SCHEDULE OF FINANCIAL, FEDERAL AND STATE FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Section II - Financial Statement Findings

Finding 2023-01*

Condition:

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

Criteria:

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

Cause:

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

Effect:

Incorrect balances were reflected in the Board Secretary report.

Recommendation:

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

Board Response:

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

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

Not Applicable

**BOROUGH OF RUMSON SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Status of Prior Year Findings

There was one prior year finding that was not corrected which was marked with an asterisk (*) and is currently noted as #2023-01.