# RUMSON SCHOOL DISTRICT
# RUMSON, NEW JERSEY

## FISCAL YEAR ENDED JUNE 30, 2010

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

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DENISE FRIEDMANN
Business Administrator/Board Secretary

BOARD OF EDUCATION OF THE BOROUGH OF RUMSON

Forrestdale School • Forrest Avenue • Rumson, N.J. 07760 • (732) 842-0354 • Fax: (732) 842-4877

September 28, 2010

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

Dear Board Members:

The comprehensive annual financial report of the Rumson School District ("District") for the fiscal year ended June 30, 2010 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 Rumson 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 operation of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart, a roster of principal officials and a list of consultants and advisors. The financial section includes the district-wide and fund financial statements and schedules, as well as the auditor's report and the Management's Discussion and Analysis. The statistical section includes selected financial statements and schedules as well as information generally presented on a multi-year basis.

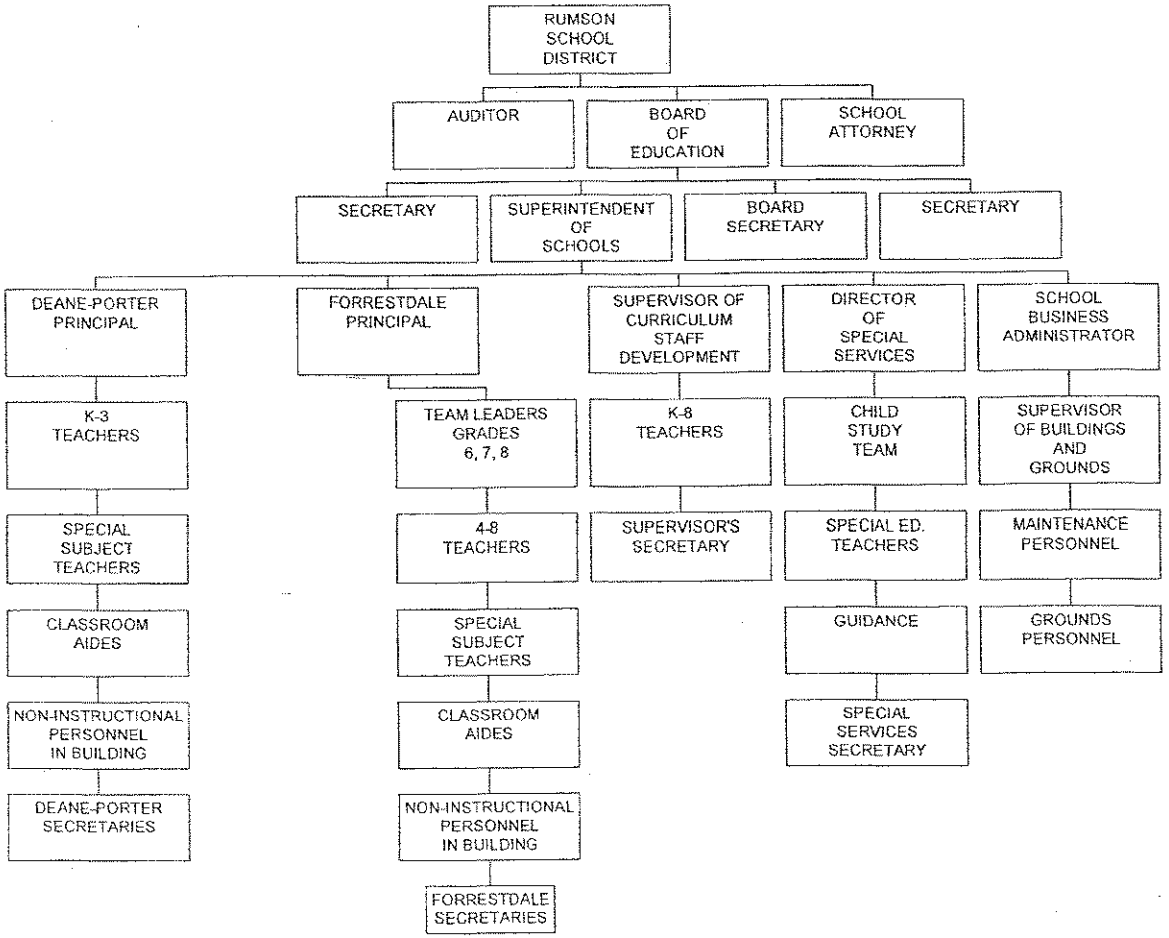
The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, the U.S. Office of Management and Budget ("OMB") Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and the State Treasury OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid Payments. 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.

Respectfully submitted,

Scott T. Feder
Superintendent of Schools

Denise C. Friedmann
Business Administrator/Board Secretary

# RUMSON SCHOOL DISTRICT



RUMSON BOARD OF EDUCATION
RUMSON, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2010

| Members of the Board of Education | Term Expires |
|---|---|
| Michael Sapnar, President | 2013 |
| Colleen O'Connor, Vice President | 2011 |
| Colleen Hodge | 2011 |
| Peter Jarck | 2011 |
| Kim Swain | 2011 |
| John Connors | 2012 |
| Alitia Faccone | 2012 |
| Todd Havard | 2013 |
| Craig Pinsly | 2013 |

Other Officials

Roger A. Caruba, Superintendent of Schools, July 1, 2009 – December 31, 2009

Scott T. Feder, Superintendent of Schools, January 1, 2010 – June 30, 2010

Denise C. Friedmann, Business Administrator/Board Secretary

Bruce Quinn, Treasurer of School Monies

Anthony Sciarrillo, Esq., Solicitor

RUMSON BOARD OF EDUCATION
RUMSON, NEW JERSEY

CONSULTANTS AND ADVISORS

JUNE 30, 2010

Audit Firm

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Hutchins, Farrell, Meyer & Allison, P.A.
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Freehold, New Jersey 07728

Attorney

Anthony Sciarrillo, Esq.
53 Cardinal Drive
P.O. Box 2369
Westfield, New Jersey 07091

Official Depository

TD Bank
River Road
Fair Haven, New Jersey 07704

Beneficial Bank
530 Walnut Street
Philadelphia, Pennsylvania 19106-9943

FINANCIAL SECTION

# Hutchins, Farrell, Meyer & Allison, P.A.

Certified Public Accountants • Business & Financial Advisors

Robert H. Hutchins, CPA, CVA
Eugene M. Farrell, CPA, RMA, CFP
Robert W. Allison, CPA, RMA
Alan E. Meyer, CPA/ABV
Joann DiLieto, CPA

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## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Board of Education of the Rumson School District, in the County of Monmouth, State of New Jersey as of and for the fiscal year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Rumson Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Rumson Board of Education, in the County of Monmouth, State of New Jersey, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated September 28, 2010 on our consideration of the 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison information on pages 7 through 15 and 50 through 56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted to inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Rumson Board of Education's basic financial statements. The Introductory Section, Combining and Individual Fund Financial Statements, and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget ("OMB") Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and New Jersey OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid, respectively, and are also not a required part of the basic financial statements. The Combining and Individual Fund Financial Statements and the Schedules of Expenditures of Federal Awards and State Financial Assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to

prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Eugene M. Farrell
Licensed Public School Accountant
No. 824
Hutchins, Farrell, Meyer & Allison, P.A.

September 28, 2010

REQUIRED SUPPLEMENTARY INFORMATION – PART I

RUMSON BOROUGH PUBLIC SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

UNAUDITED

The discussion and analysis of Rumson Borough Public School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2010. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

**Financial Highlights**

Key financial highlights for 2010 are as follows:

- General revenues accounted for $15,046,318.45 in revenue or 95.24% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for $751,533.30 or 4.76% of total revenues of $15,797,851.75.

- Total assets of governmental activities increased by $1,093,188.73

- The School District had $14,897,730.89 in expenses; only $751,533.30 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of $15,046,318.45 were adequate to provide for these programs.

- The General Fund had $13,993,391.30 in revenues and $13,484,275.03 in expenditures and transfers. The General Fund's balance increased $509,116.27 over 2009. This increase was anticipated by the Board of Education.

## Using this Comprehensive Annual Financial Report (CAFR)

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

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

## Reporting the School District as a Whole

### Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School district as a whole looks at all financial transactions and asks the question, "How did we do financially during 2010?" The Statement of Net Assets and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

- Governmental Activities – All of the School District's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

- Business-Type Activities – This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

## Reporting the School District's Most Significant Funds

### Fund Financial Statements

The analysis of the School District's major (all) funds is included in the 2009-10 Comprehensive Annual Financial Report as presented by the School District. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

### Governmental Funds

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

### Enterprise Fund

The Enterprise Fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

**The School District as a Whole**

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

Table 1 provides a summary comparison of the School District's net assets for 2009 and 2010.

Table 1

Net Assets as of June 30, 2010 and 2009

| | 2010 | 2009 |
|---|---|---|
| Assets: | | |
| Cash and Cash Equivalents | $ 1,238,992.55 | $ 880,607.74 |
| Receivables, Net | 6,981,584.92 | 6,169,236.53 |
| Inventories | 2,769.36 | 3,376.48 |
| Restricted Assets: | | |
| Cash and Cash Equivalents | 628,793.81 | 1,294,056.95 |
| Capital Assets, Net | 14,881,414.61 | 14,302,783.95 |
| Total Assets | $ 23,733,555.25 | $ 22,650,061.65 |
| Liabilities: | | |
| Accounts Payable | $ 29,995.47 | $ 31,938.33 |
| Accrued Expenses | 91,244.67 | 79,148.86 |
| Deferred Revenue | 6,536,920.83 | 5,880,479.33 |
| Interfund Payable | 2,338.99 | 2,602.39 |
| Noncurrent Liabilities: | | |
| Due Within One Year | 505,000.00 | 435,000.00 |
| Due Beyond One Year | 8,821,414.75 | 9,374,373.06 |
| Total Liabilities | $ 15,986,914.71 | $ 15,803,541.97 |
| Net Assets: | | |
| Invested in Capital Assets, Net of Related Debt | $ 5,757,414.61 | $ 4,743,783.95 |
| Restricted for: | | |
| Capital Projects | 643,656.30 | 1,292,452.23 |
| Debt Service | 5,685.45 | 16,698.57 |
| General Fund | 1,305,182.91 | 783,339.70 |
| Unrestricted | 34,701.27 | 10,245.23 |
| Total Net Assets | $ 7,746,640.54 | $ 6,846,519.68 |

Table 2 provides a comparison analysis of District-wide changes in net assets from fiscal years 2009 and 2010.

Table 2

Changes in Net Assets

| | 2010 | 2009 |
|---|---|---|
| Revenues | | |
| Program Revenues: | | |
| Charges for Services | $ 306,918.95 | $ 291,985.83 |
| Operating Grants and Contributions | 227,796.00 | 189,111.00 |
| Capital Grants and Contributions | 216,818.35 | |
| General Revenues: | | |
| Property Taxes | 13,027,588.00 | 12,343,874.00 |
| Grants and Entitlements | 1,978,150.65 | 2,039,816.34 |
| Other | 40,579.80 | 74,332.96 |
| Total Revenues | 15,797,851.75 | 14,939,120.13 |
| Program Expenses | | |
| Instruction | 8,439,926.60 | 8,382,187.04 |
| Support Services: | | |
| Pupils and Instructional Staff | 2,331,015.46 | 1,999,282.66 |
| General Administration, School Administration, Business | 1,206,700.59 | 1,113,315.22 |
| Central Services | 297,474.18 | 300,995.18 |
| Administrative Information Technology | 113,406.84 | 112,622.38 |
| Operations and Maintenance of Facilities | 1,302,814.92 | 1,242,920.03 |
| Pupil Transportation | 540,902.03 | 513,302.60 |
| Interest on Debt | 372,900.57 | 307,874.09 |
| Unallocated Depreciation & Amortization | | 7,000.00 |
| Food Service | 266,015.20 | 275,796.52 |
| After School Academy | 26,574.50 | 30,259.50 |
| Total Expenses | 14,897,730.89 | 14,285,555.22 |
| Increase in Net Assets | $ 900,120.86 | $ 653,564.91 |

**Governmental Activities**

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 82.46% percent of revenues for governmental activities for the Rumson Borough Public School District for fiscal year 2010. The School District's total revenues were $15,797,851.75 for the fiscal year ended June 30, 2010. Federal, state and local grants accounted for another 12.52%.

The total cost of all program and services was $14,897,730.89. Instruction comprises 56.65% of School District expenses.

Revenues for the School District's business-type activities (food service program) were comprised of charges for services and federal and state reimbursements.

- Food service expenses exceeded revenues by $(9,184.75).
- Charges for services represent $256,830.45 of revenue. This represents the amount paid by patrons for daily food services.
- Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities were $0.00.

**Governmental Activities**

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The net cost shows the financial burden that was placed on the School District's taxpayers by each of these functions.

Table 3

Governmental Activities

| | 2010 | | 2009 | |
|---|---|---|---|---|
| | Total Cost of Services | Net Cost of Services | Total Cost of Services | Net Cost of Services |
| Instruction | $ 8,439,926.60 | $ 8,223,108.25 | $ 8,382,187.04 | $ 8,382,187.04 |
| Support Services: | | | | |
| Pupils & Instructional Staff | 2,331,015.46 | 2,307,501.46 | 1,999,282.66 | 1,999,282.66 |
| General Administration, School Administration, Business | 1,206,700.59 | 1,206,700.59 | 1,113,315.22 | 1,113,315.22 |
| Central Services | 297,474.18 | 297,474.18 | 300,995.18 | 300,995.18 |
| Admin. Info. Technology | 113,406.84 | 113,406.84 | 112,622.38 | 112,622.38 |
| Operation and Maintenance of Facilities | 1,302,814.92 | 1,302,814.92 | 1,242,920.03 | 1,242,920.03 |
| Pupil Transportation | 540,902.03 | 424,074.03 | 513,302.60 | 428,092.60 |
| Other | 665,490.27 | 271,117.32 | 314,874.09 | 210,973.09 |
| Total Expenses | $ 14,897,730.89 | $ 14,146,197.59 | $ 13,979,499.20 | $13,790,388.20 |

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration and business include expenses associated with administrative and financial supervision of the School District.

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

Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Extracurricular activities includes expenses related to student activities provided by the School District which are designed to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District.

Other includes unallocated depreciation and amortization.

**The School District's Funds**

Information about the School District's major funds are included in the 2009-10 Comprehensive Annual Financial Report as presented by the School District. These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., General Fund, Special Revenue Fund, Capital Projects and Debt Service Fund presented in the fund-based statements) had total revenues of $15,514,279.97 and expenditures of $15,665,340.35. The net positive/(negative) change in fund balance for the year was most significant in the Capital Projects Fund, a decrease of $(649,163.53).

As demonstrated by the various statements and schedules included in the financial section of this report, the School District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the revenues of the governmental funds (excluding capital projects) for the fiscal year ended June 30, 2010, and the amount and percentage of increases and decreases in relation to prior year revenues.

| Revenue | Amount | Percent of Total | Increase/ (Decrease) from 2008/09 | Percent of Increase/ (Decrease) |
|---|---|---|---|---|
| Local Sources | $ 13,087,855.11 | 85.58% | $ 671,735.60 | 5.41% |
| State Sources | 1,821,992.86 | 11.91 | (64,322.93) | (3.41) |
| Federal Sources | 383,953.79 | 2.51 | 41,342.24 | 12.07 |
| Total | $ 15,293,801.76 | 100.00% | $ 648,754.91 | 4.43% |

The increase in Local Sources is attributed to tax increases to cover additional salary, benefit and operation costs..

The decrease in State Sources is due to State-imposed reduction in State Aid.

The increase in Federal Sources is due to additional grant funding for Special Education costs, primarily through the ARRA program.

The following schedule presents a summary of General Fund, Special Revenue Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2010.

| Expenditures | Amount | Percent of Total | Increase/ (Decrease) from 2008/09 | Percent of Increase/ (Decrease) |
|---|---|---|---|---|
| Current Expense: | | | | |
| Instruction | $ 5,681,533.71 | 38.72% | $ (180,904.40) | (3.09)% |
| Undistributed Expenditures | 8,143,531.22 | 55.49 | 740,504.28 | 10.00 |
| Capital Outlay | 53,971.78 | 0.37 | 20,150.78 | 59.58 |
| Debt Service: | | | | |
| Principal | 435,000.00 | 2.96 | (15,000.00) | (3.33) |
| Interest | 360,804.76 | 2.46 | 51,566.23 | 16.67 |
| Total | $ 14,674,841.47 | 100.00% | $ 616,316.89 | 4.38% |

The decrease in Current - Instruction is attributed to a reduction in personnel.

The increase in Current - Undistributed Expenditures is attributed to increases in benefits, re-coding of Instructional Aides.

The increase in Capital Outlay is attributed to a more aggressive facility management.

**General Fund Budgeting Highlights**

The School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting. The most significant budgeted fund is the General Fund.

During the course of the fiscal year 2010, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

- Staffing changes based on student needs.
- Additional costs for energy.
- Additional cost for domestic security.
- Changes in appropriations to prevent budget overruns.

While the School District's final budget for the General Fund anticipated that revenues and expenditures would roughly equal, the actual results for the year show a $640,758.27 increase in surplus funds for a total unrestricted free balance (GAAP) of $298,483.27at June 30, 2010.

## Capital Assets

At the end of the fiscal year 2010, the School District had $14,802,994.61 invested in land, buildings, furniture and equipment and vehicles.

Table 4

Capital Assets (Net of Depreciation) at June 30, 2010 and 2009

| | 2010 | 2009 |
|---|---|---|
| Land | $ 2,314,500.00 | $ 2,314,500.00 |
| Site Improvements | 55,977.00 | 72,236.00 |
| Construction in Progress | 1,058,503.01 | 70,544.57 |
| Building and Improvements | 10,875,974.82 | 11,113,480.38 |
| Machinery and Equipment | 498,039.78 | 643,197.00 |
| Total | $ 14,802,994.61 | $ 14,213,657.95 |

## Debt Administration

At June 30, 2010, the School District had $9,326,414.75 as outstanding debt. Of this amount, $202,414.75 is for compensated absences, and $9,124,000.00 is for bonds for school construction.

At June 30, 2010, the School district's overall legal debt margin was $99,825,540.00.

## For the Future

The Rumson Borough Public School District is in very good financial condition presently. A major concern is the continued freeze on state aid to education causing an increased reliance on local property taxes.

The Borough of Rumson is primarily a residential community, with very few ratables; thus the burden is focused on homeowners to foot the tax burden.

In conclusion, the Rumson School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenges of the future.

## Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School district's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, please contact Denise Friedmann, School Business Administrator/Board Secretary at Rumson Borough Board of Education, Forrest Avenue, Rumson, NJ 07760 or email at dfriedmann@rumsonschool.org.

BASIC FINANCIAL STATEMENTS

## DISTRICT-WIDE FINANCIAL STATEMENTS

The Statement of Net Assets and the Statement of Activities display information about the District. These Statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These Statements distinguish between the governmental and business-type activities of the District.

RUMSON SCHOOL DISTRICT

STATEMENT OF NET ASSETS

June 30, 2010

| | Governmental Activities | Business -Type Activities | Total |
|---|---|---|---|
| Assets: | | | |
| Cash and Cash Equivalents | $ 1,184,562.21 | $ 54,430.34 | $ 1,238,992.55 |
| Receivables, Net | 6,980,879.65 | 705.27 | 6,981,584.92 |
| Inventories | | 2,769.36 | 2,769.36 |
| Restricted Assets: | | | |
| Cash and Cash Equivalents | 628,793.81 | | 628,793.81 |
| Capital Assets, Net (Note 8) | 14,802,994.61 | 78,420.00 | 14,881,414.61 |
| Total Assets | 23,597,230.28 | 136,324.97 | 23,733,555.25 |
| Liabilities: | | | |
| Accounts Payable | 4,306.91 | 25,689.16 | 29,996.07 |
| Accrued Expenses | 91,244.67 | | 91,244.67 |
| Deferred Revenue | 6,536,920.83 | | 6,536,920.83 |
| Interfund Payable | | 2,338.99 | 2,338.99 |
| Noncurrent Liabilities (Note 9): | | | |
| Due Within One Year | 505,000.00 | | 505,000.00 |
| Due Beyond One Year | 8,821,414.75 | | 8,821,414.75 |
| Total Liabilities | 15,958,887.16 | 28,028.15 | 15,986,915.31 |
| Net Assets: | | | |
| Invested in Capital Assets, Net of Related Debt | 5,678,994.61 | 78,420.00 | 5,757,414.61 |
| Restricted for: | | | |
| Capital Projects | 643,656.30 | | 643,656.30 |
| Debt Service | 5,685.45 | | 5,685.45 |
| General Fund | 1,305,182.91 | | 1,305,182.91 |
| Unrestricted | 4,823.85 | 29,876.82 | 34,700.67 |
| Total Net Assets | $ 7,638,343.12 | $ 108,296.82 | $ 7,746,639.94 |

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

RUMSON SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

For the fiscal year ended June 30, 2010

| Functions/Programs | Expenses | Indirect Expenses Allocation | Total | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions | Program Revenues: Capital Grants and Contributions | Net (Expense) Revenue and Changes in Net Assets: Governmental Activities | Net (Expense) Revenue and Changes in Net Assets: Business-Type Activities | Net (Expense) Revenue and Changes in Net Assets: Total |
|---|---|---|---|---|---|---|---|---|---|
| GOVERNMENTAL ACTIVITIES | | | | | | | | | |
| Instruction: | | | | | | | | | |
| Regular | $ 4,548,031.41 | $ 2,236,897.52 | $ 6,784,928.93 | | | $ 216,818.35 | $ (6,568,110.58) | | $ (6,568,110.58) |
| Special Education | 949,910.09 | 543,897.75 | 1,493,807.84 | | | | (1,493,807.84) | | (1,493,807.84) |
| Other Special Instruction | 101,363.17 | 7,464.21 | 108,827.38 | | | | (108,827.38) | | (108,827.38) |
| Other Instruction | 48,539.32 | 3,823.13 | 52,362.45 | | | | (52,362.45) | | (52,362.45) |
| Support Services: | | | | | | | | | |
| Tuition | 359,495.27 | | 359,495.27 | $ 23,514.00 | | | (335,981.27) | | (335,981.27) |
| Student and Instruction Related Services | 1,594,050.22 | 377,469.97 | 1,971,520.19 | | | | (1,971,520.19) | | (1,971,520.19) |
| School Administrative Services | 430,870.59 | 200,697.30 | 631,567.89 | | | | (631,567.89) | | (631,567.89) |
| General Administrative Services | 473,775.05 | 101,357.65 | 575,132.70 | | | | (575,132.70) | | (575,132.70) |
| Central Services | 248,532.57 | 48,941.61 | 297,474.18 | | | | (297,474.18) | | (297,474.18) |
| Administrative Information Technology | 88,936.03 | 24,470.81 | 113,406.84 | | | | (113,406.84) | | (113,406.84) |
| Plant Operations and Maintenance | 1,028,705.20 | 274,109.72 | 1,302,814.92 | | | | (1,302,814.92) | | (1,302,814.92) |
| Pupil Transportation | 540,902.03 | | 540,902.03 | | $ 116,828.00 | | (424,074.03) | | (424,074.03) |
| Interest on Long-Term Debt | 372,900.57 | | 372,900.57 | | 110,968.00 | | (261,932.57) | | (261,932.57) |
| Total Governmental Activities | 10,786,011.52 | 3,819,129.67 | 14,605,141.19 | 23,514.00 | 227,796.00 | 216,818.35 | (14,137,012.84) | | (14,137,012.84) |
| BUSINESS-TYPE ACTIVITIES | | | | | | | | | |
| Rumson After School Academy | 26,574.50 | | 26,574.50 | 26,574.50 | | | | | |
| Food Service | 266,413.35 | | 266,413.35 | 257,228.00 | | | | $ (9,185.35) | (9,185.35) |
| Total Business-Type Activities | 292,987.85 | | 292,987.85 | 283,802.50 | | | | (9,185.35) | (9,185.35) |
| Total Primary Government | $ 11,078,999.37 | $ 3,819,129.67 | $ 14,898,129.04 | $ 307,316.50 | $ 227,796.00 | $ 216,818.35 | $ (14,137,012.84) | $ (9,185.35) | $ (14,146,198.19) |
| GENERAL REVENUES | | | | | | | | | |
| Property Taxes Levied for: | | | | | | | | | |
| General Purposes | | | | | | | $ 12,357,424.22 | | $ 12,357,424.22 |
| Debt Service | | | | | | | 670,163.78 | | 670,163.78 |
| Federal and State Aid Not Restricted | | | | | | | 1,978,150.65 | | 1,978,150.65 |
| Investment Earnings | | | | | | | 13,497.26 | $ 166.83 | 13,664.09 |
| Miscellaneous Income | | | | | | | 26,915.71 | | 26,915.71 |
| Total General Revenues | | | | | | | 15,046,151.62 | 166.83 | 15,046,318.45 |
| Change in Net Assets | | | | | | | 909,138.78 | (9,018.52) | 900,120.26 |
| Net Assets - Beginning | | | | | | | 6,729,204.34 | 117,315.34 | 6,846,519.68 |
| Net Assets - Ending | | | | | | | $ 7,638,343.12 | $ 108,296.82 | $ 7,746,639.94 |

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

# FUND FINANCIAL STATEMENTS

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

Exhibit B-1

RUMSON SCHOOL DISTRICT

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2010

| | General Fund | Special Revenue Fund | Capital Projects Fund | Debt Service Fund | Total Governmental Funds |
|---|---|---|---|---|---|
| Assets: | | | | | |
| Cash and Cash Equivalents | $ 1,182,536.62 | | $ 524,969.85 | $ 2,025.59 | $ 1,709,532.06 |
| Due From Other Funds | 151,144.06 | | | 3,659.86 | 154,803.92 |
| Receivables From Other Governments | 6,784,779.50 | $ 175,238.81 | 18,522.35 | | 6,978,540.66 |
| Capital Reserve Accounts | 103,823.96 | | | | 103,823.96 |
| Total Assets | 8,222,284.14 | 175,238.81 | 543,492.20 | 5,685.45 | 8,946,700.60 |
| Liabilities and Fund Balances: | | | | | |
| Liabilities: | | | | | |
| Interfund Payable | | 148,805.07 | 3,659.86 | | 152,464.93 |
| Due To Federal Government | | 4,306.91 | | | 4,306.91 |
| Deferred Revenue | 6,514,794.00 | 22,126.83 | | | 6,536,920.83 |
| Total Liabilities | 6,514,794.00 | 175,238.81 | 3,659.86 | | 6,693,692.67 |
| Fund Balances: | | | | | |
| Reserved for: | | | | | |
| Encumbrances | 970,182.91 | | 392,170.13 | | 1,362,353.04 |
| Excess Surplus - Designated for Subsequent Year Expenditures | 142,146.20 | | | | 142,146.20 |
| Legally Restricted: | | | | | |
| Designated for Subsequent Years Expenditures | 35,000.00 | | | | 35,000.00 |
| Capital Reserve | 103,823.96 | | | | 103,823.96 |
| Maintenance Reserve | 125,000.00 | | | | 125,000.00 |
| Unreserved: | | | | | |
| Designated for Subsequent Years Expenditures | 32,853.80 | | | 1,626.00 | 34,479.80 |
| Undesignated | 298,483.27 | | 147,662.21 | 4,059.45 | 450,204.93 |
| Total Fund Balances | 1,707,490.14 | | 539,832.34 | 5,685.45 | 2,253,007.93 |
| Total Liabilities and Fund Balances | $ 8,222,284.14 | $ 175,238.81 | $ 543,492.20 | $ 5,685.45 | |

| | |
|---|---|
| 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 governmental funds. The cost of the assets is $21,387,742.61 and the accumulated depreciation is $6,584,748.00 (See Note 8). | 14,802,994.61 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the fund (See Note 9). | (9,326,414.75) |
| Accrued interest on long-term liabilities is not reported as liabilities in the Fund. | (91,244.67) |
| Net Assets of Governmental Activities | $ 7,638,343.12 |

The accompanying Notes to Basic 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 fiscal year ended June 30, 2010

| | General Fund | Special Revenue Fund | Capital Projects Fund | Debt Service Fund | Total Governmental Funds |
|---|---|---|---|---|---|
| Revenues: | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | $ 12,357,424.22 | | | $ 670,163.78 | $ 13,027,588.00 |
| Tuition | 23,514.00 | | | | 23,514.00 |
| Interest Earned on Investments | 9,469.80 | | $ 3,659.86 | | 13,129.66 |
| Interest Earned on Capital Reserve | 367.60 | | | | 367.60 |
| Miscellaneous | 26,915.71 | | 198,296.00 | | 225,211.71 |
| Total - Local Sources | 12,417,691.33 | | 201,955.86 | 670,163.78 | 13,289,810.97 |
| State Sources | 1,575,699.97 | $ 135,324.89 | 18,522.35 | 110,968.00 | 1,840,515.21 |
| Federal Sources | | 383,953.79 | | | 383,953.79 |
| Total Revenues | 13,993,391.30 | 519,278.68 | 220,478.21 | 781,131.78 | 15,514,279.97 |
| Expenditures: | | | | | |
| Current: | | | | | |
| Regular Instruction | 4,263,165.32 | 311,817.87 | | | 4,574,983.19 |
| Special Education Instruction | 956,648.03 | | | | 956,648.03 |
| Other Special Instruction | 101,363.17 | | | | 101,363.17 |
| Other Instruction | 48,539.32 | | | | 48,539.32 |
| Support Services and Undistributed Costs: | | | | | |
| Tuition | 359,495.27 | | | | 359,495.27 |
| Student and Instruction Related Services | 1,391,741.96 | 207,460.81 | | | 1,599,202.77 |
| General Administration | 474,964.10 | | | | 474,964.10 |
| School Administrative Services | 433,645.03 | | | | 433,645.03 |
| Central Services | 249,325.27 | | | | 249,325.27 |
| Administrative Information Technology | 88,936.03 | | | | 88,936.03 |
| Plant Operations and Maintenance | 1,029,101.55 | | | | 1,029,101.55 |
| Pupil Transportation | 544,865.53 | | | | 544,865.53 |
| Employee Benefits | 3,363,995.67 | | | | 3,363,995.67 |
| Debt Service: | | | | | |
| Principal | | | | 435,000.00 | 435,000.00 |
| Interest and Other Charges | | | | 360,804.76 | 360,804.76 |
| Capital Outlay | 53,971.78 | | 990,498.88 | | 1,044,470.66 |
| Total Expenditures | 13,359,758.03 | 519,278.68 | 990,498.88 | 795,804.76 | 15,665,340.35 |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | 633,633.27 | | (770,020.67) | (14,672.98) | (151,060.38) |
| Other Financing Sources/(Uses): | | | | | |
| Transfers In | | | 124,517.00 | 3,659.86 | 128,176.86 |
| Transfers Out | (124,517.00) | | (3,659.86) | | (128,176.86) |
| Total Other Financing Sources/(Uses) | (124,517.00) | | 120,857.14 | 3,659.86 | |
| Net Change in Fund Balances | 509,116.27 | | (649,163.53) | (11,013.12) | (151,060.38) |
| Fund Balance - July 1 | 1,198,373.87 | | 1,188,995.87 | 16,698.57 | 2,404,068.31 |
| Fund Balance - June 30 | $ 1,707,490.14 | $ 0.00 | $ 539,832.34 | $ 5,685.45 | $ 2,253,007.93 |



The accompanying Notes to Basic 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 fiscal year ended June 30, 2010

| | | |
|---|---|---|
| Total Net Change in Fund Balances - Governmental Funds (from B-2) | | $ (151,060.38) |
| 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, on 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 current fiscal year. | | |
| Depreciation Expense | $ (455,134.00) | |
| Capital Outlay | 1,044,470.66 | |
| | | 589,336.66 |
| Repayment of bond, loans and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets and is not reported in the Statement of Activities. | | 435,000.00 |
| In the Statement of Activities, certain operating expenses, e.g., compensated absences (vacation and sick pay) 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 a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation. | | 47,958.31 |
| 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 increase in accrued interest over the previous year is a reduction in the reconciliation. | | (12,095.81) |
| Change in Net Assets of Governmental Activities | | $ 909,138.78 |



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

RUMSON SCHOOL DISTRICT

STATEMENT OF FUND NET ASSETS

PROPRIETARY FUNDS

June 30, 2010

| | Business-Type Activities Enterprise Funds | | |
|---|---|---|---|
| | Food Service | Rumson After School Academy | Totals |
| Assets: | | | |
| Current Assets: | | | |
| Cash and Cash Equivalents | $ 52,091.35 | $ 2,338.99 | $ 54,430.34 |
| Accounts Receivable | 705.27 | | 705.27 |
| Inventory | 2,769.36 | | 2,769.36 |
| Total - Current Assets | 55,565.98 | 2,338.99 | 57,904.97 |
| Noncurrent Assets: | | | |
| Furniture, Machinery and Equipment | 169,050.00 | | 169,050.00 |
| Less: | | | |
| Accumulated Depreciation | (90,630.00) | | (90,630.00) |
| Total - Noncurrent Assets | 78,420.00 | | 78,420.00 |
| Total Assets | $ 133,985.98 | $ 2,338.99 | $ 136,324.97 |
| Liabilities: | | | |
| Accounts Payable | $ 25,689.16 | | $ 25,689.16 |
| Due To General Fund | | $ 2,338.99 | 2,338.99 |
| Total Liabilities | 25,689.16 | 2,338.99 | 28,028.15 |
| Net Assets: | | | |
| Invested in Capital Assets Net Related Debt | 78,420.00 | | 78,420.00 |
| Unrestricted | 29,876.82 | | 29,876.82 |
| Total Net Assets | $ 108,296.82 | $ 0.00 | $ 108,296.82 |



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

RUMSON SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

PROPRIETARY FUNDS

For the fiscal year ended June 30, 2010

| | Business-Type Activities Enterprise Funds | | |
|---|---|---|---|
| | Food Service | Rumson After School Academy | Totals |
| Operating Revenues: | | | |
| Charges for Services: | | | |
| Fees | | $ 26,574.50 | $ 26,574.50 |
| Daily Sales - Reimbursable Programs | $ 257,228.00 | | 257,228.00 |
| Total Operating Revenues | 257,228.00 | 26,574.50 | 283,802.50 |
| Operating Expenses: | | | |
| Salaries | 90,007.00 | 23,917.04 | 113,924.04 |
| Support Services - Employee Benefits | 24,265.00 | | 24,265.00 |
| Purchased Professional/Technical Services | 617.00 | | 617.00 |
| General Insurance | 5,113.00 | | 5,113.00 |
| Shipping and Telephone | 313.00 | | 313.00 |
| Uniforms and Laundry | 846.00 | | 846.00 |
| Supplies and Materials | 466.00 | 318.47 | 784.47 |
| Depreciation | 10,706.00 | | 10,706.00 |
| Cost of Sales | 91,438.12 | | 91,438.12 |
| Management Fee | 23,150.00 | | 23,150.00 |
| Admin Fees | 8,262.00 | | 8,262.00 |
| Miscellaneous Expenditures | 11,230.23 | 2,338.99 | 13,569.22 |
| Total Operating Expenses | 266,413.35 | 26,574.50 | 292,987.85 |
| Operating Loss | (9,185.35) | | (9,185.35) |
| Nonoperating Revenues: | | | |
| Interest Income | 166.83 | | 166.83 |
| Total Nonoperating Revenues | 166.83 | | 166.83 |
| Change in Net Assets | (9,018.52) | | (9,018.52) |
| Total Net Assets - Beginning | 117,315.34 | | 117,315.34 |
| Total Net Assets - Ending | $ 108,296.82 | $ 0.00 | $ 108,296.82 |



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

RUMSON SCHOOL DISTRICT

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the fiscal year ended June 30, 2010

| | Business-Type Activities Enterprise Funds | | |
|---|---|---|---|
| | Food Service | Rumson After School Academy | Totals |
| Cash Flows From Operating Activities: | | | |
| Receipts From Customers | $ 257,127.11 | $ 26,574.50 | $ 283,701.61 |
| Payments To Vendors | (174,359.89) | (2,920.86) | (177,280.75) |
| Salaries and Benefits | (80,756.00) | (23,917.04) | (104,673.04) |
| Net Cash Used For Operating Activities | 2,011.22 | (263.40) | 1,747.82 |
| Cash Flows From Investing Activities: | | | |
| Interest Income | 166.83 | | 166.83 |
| Net Cash Provided By Investing Activities | 166.83 | | 166.83 |
| Net Increase/(Decrease) in Cash and Cash Equivalents | 2,178.05 | (263.40) | 1,914.65 |
| Balance - Beginning of Year | 49,913.30 | 2,602.39 | 52,515.69 |
| Balance - End of Year | $ 52,091.35 | $ 2,338.99 | $ 54,430.34 |
| Reconciliation of Operating Income To Net Cash From Operating Activities: | | | |
| Operating Loss | $ (9,185.35) | | $ (9,185.35) |
| Decrease in Accounts Payable | (413.21) | | (413.21) |
| Decrease in Accounts Receivable | 296.66 | | 296.66 |
| Decrease in Inventory | 607.12 | | 607.12 |
| Depreciation | 10,706.00 | | 10,706.00 |
| Increase in Interfund Payable | | $ (263.40) | (263.40) |
| Total Adjustments | 2,011.22 | (263.40) | 1,747.82 |
| Net Cash Used For Operating Activities | $ 2,011.22 | $ (263.40) | $ 1,747.82 |



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

RUMSON SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET ASSETS

FIDUCIARY FUNDS

June 30, 2010

| | Unemployment Compensation Trust | Private Purpose Scholarship Fund | Agency Fund | Totals |
|---|---|---|---|---|
| Assets: | | | | |
| Cash and Cash Equivalents | $ 122,071.15 | $ 63,563.95 | $ 240,068.37 | $ 425,703.47 |
| Total Assets | $ 122,071.15 | $ 63,563.95 | $ 240,068.37 | $ 425,703.47 |
| Liabilities: | | | | |
| Payable To Student Groups | | | $ 67,731.13 | $ 67,731.13 |
| Payroll Deductions and Withholdings | | | 172,337.24 | 172,337.24 |
| Total Liabilities | | | 240,068.37 | 240,068.37 |
| Net Assets: | | | | |
| Held in Trust for Unemployment Claims and Other Purposes | $ 122,071.15 | | | 122,071.15 |
| Reserved for Scholarships | | $ 63,563.95 | | 63,563.95 |
| Total Net Assets | 122,071.15 | 63,563.95 | | 185,635.10 |
| Total Liabilities and Net Assets | $ 122,071.15 | $ 63,563.95 | $ 240,068.37 | $ 425,703.47 |



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

Exhibit B-8

RUMSON SCHOOL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

FIDUCIARY FUNDS

For the fiscal year ended June 30, 2010

| | Unemployment Compensation Trust | Private Purpose Scholarship Fund |
|---|---|---|
| Additions: | | |
| Contributions: | | |
| Plan Member | $ 23,915.13 | |
| Other | | $ 94,985.51 |
| Total Contributions | 23,915.13 | 94,985.51 |
| Investment Earnings: | | |
| Interest | 313.76 | |
| Net Investment Earnings | 313.76 | |
| Total Additions | 24,228.89 | 94,985.51 |
| Deductions: | | |
| Quarterly Contribution Reports | 9,771.29 | |
| Unemployment Claims | 10,733.19 | |
| Scholarships Awarded | | 41,886.73 |
| Total Deductions | 20,504.48 | 41,886.73 |
| Change in Net Assets | 3,724.41 | 53,098.78 |
| Net Assets - Beginning of Year | 118,346.74 | 10,465.17 |
| Net Assets - End of Year | $ 122,071.15 | $ 63,563.95 |



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

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education ("Board") of the Rumson School District ("District") 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. Reporting Entity:

The 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 staggered terms. The purpose of the District is to educate students in grades Kindergarten through Eight. The Rumson School District had an approximate enrollment of 978 June 30, 2010.

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A Superintendent is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the Organization is legally separate (can sue or be sued in their own name)
- the District holds the corporate powers of the Organization
- the District appoints a voting majority of the Organization's Board
- the District is able to impose its will on the Organization
- the Organization has the potential to impose a financial benefit/burden on the District
- there is a fiscal dependency by the Organization on the District

Based on the aforementioned criteria, the District has no component units.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### B. Basis of Presentation, Basis of Accounting:

The School District's basic financial statements consist of District-wide statements, including a Statement of Net Assets and a Statement of Activities, and Fund Financial Statements which provide a more detailed level of financial information.

### Basis of Presentation

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

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

Fund Financial Statements: During the fiscal year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The Fund Financial Statements provide information about the District's funds, 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.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### B. Basis of Presentation, Basis of Accounting (Cont'd):

### Basis of Presentation (Cont'd):

The District reports the following governmental funds:

**General Fund** - The General Fund is the general operating fund of the District and 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 NJDOE, the District includes budgeted capital outlay in this Fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

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

**Special Revenue Fund** - The Special Revenue Fund is used to account for 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 temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

**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.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### B. Basis of Presentation, Basis of Accounting (Cont'd):

### Basis of Presentation (Cont'd):

The District reports the following proprietary fund:

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

The District reports the following fund types:

**Trust and Agency Funds** - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

**Expendable Trust Fund** - An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. The Expendable Trust Fund includes the Unemployment Compensation Insurance Fund and the Scholarship Account.

**Agency Funds** - Agency Funds are used to account for the assets that the District holds on behalf of others as their agent. Agency Funds are custodial in nature and do not involve measurement of results of operations. Agency Funds include Payroll and Student Activities Funds.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### B. Basis of Presentation, Basis of Accounting (Cont'd):

### Basis of Accounting

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

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

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

All governmental and business-type activities and Enterprise Funds of the District follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### C. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the County Office and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the Special Revenue Fund. 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. 6:20-2A.2(m)1. All budget amendments/transfers must be approved by Board resolution. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally-authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The Capital Project Fund presents the remaining project appropriations compared to current-year expenditures.

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

The accounting records of the Special Revenue Fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports. At June 30, 2010, there was a reconciling difference of $7,125.00 between the budgetary basis and GAAP basis in the General Fund and of $15,441.00 in the Special Revenue Fund.

The following presents a reconciliation of the General Fund revenues and Special Revenue Fund revenues and expenditures from the budgetary basis of accounting as presented in the Budgetary Comparison Schedules - General and Special Revenue Funds to the GAAP basis of Accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types. Note that the District does not report encumbrances outstanding at year-end as expenditures in the General Fund since the General Fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payment.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### C. Budgets/Budgetary Control (Cont'd):

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) "revenues" from the Budgetary Comparison Schedules | $ 14,000,516.30 | $ 534,719.68 |
| Difference - budget to GAAP: | | |
| Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized. | | |
| Prior Year Encumbrances | | 6,685.83 |
| Current Year Encumbrances | | (22,126.83) |
| State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes. | 59,500.00 | |
| State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year. | (66,625.00) | |
| Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds. | $ 13,993,391.30 | $ 519,278.68 |
| USES/OUTFLOWS OF RESOURCES | | |
| Actual amounts (budgetary basis) "total outflows" from the Budgetary Comparison Schedule | $ 13,359,758.03 | $ 534,719.68 |
| Difference - budget to GAAP: | | |
| Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes. | | |
| Prior Year Encumbrances | | 6,685.83 |
| Current Year Encumbrances | | (22,126.83) |
| Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds. | $ 13,359,758.03 | $ 519,278.68 |

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### D. Encumbrance Accounting:

Under Encumbrance Accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the Special Revenue Fund are reported as 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 District 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.

### E. Assets, Liabilities, and Equity:

#### Interfund Transactions:

Transfers between Governmental and Business-type activities on the District-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as Interfund transfers. Interfund transfers are reported as other financing sources/uses in Governmental Funds and after non-operating revenues/expenses in the Enterprise Fund. Repayment from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

#### Inventories:

Inventory purchases, other than those recorded in the Enterprise Fund, are recorded as expenditures during the first year of purchase. Enterprise Fund inventories are valued at cost, which approximates market, using the first-in/first-out ("FIFO") method.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### E. Assets, Liabilities, and Equity (Cont'd):

**Capital Assets:**

The District has an established formal system of accounting for its Capital Assets. Purchased or constructed Capital Assets are reported at cost. Donated Capital Assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The District does not possess any infrastructure.

All reported Capital Assets except for Land and Construction in Progress are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

| Asset Class | Estimated Useful Lives |
|---|---|
| School Buildings | 50 |
| Building Improvements | 20 |
| Electrical/Plumbing | 30 |
| Vehicles | 8 |
| Office and Computer Equipment | 5-10 |
| Instructional Equipment | 10 |
| Grounds Equipment | 15 |

**Compensated Absences:**

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

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

In the District-wide Statement of Net Assets, 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 benefits accrue to employees. As of June 30, 2010, no liability existed for compensated absences in the Food Service Fund.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### E. Assets, Liabilities, and Equity (Cont'd):

**Deferred Revenue:**

Deferred Revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2010, but which were levied to finance fiscal year 2011 operations, have been recorded as Deferred Revenue. Grants and entitlement received before the eligibility requirements are met are also recorded as Deferred Revenue.

**Accrued Liabilities and Long-Term Obligations:**

All Payables, Accrued Liabilities, and Long-Term Obligations are reported on the District-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, contractually-required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

**Net Assets:**

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

**Fund Balance Reserves:**

The District reserves those portions of Fund Balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved Fund Balance indicates that portion which is available for appropriation in future periods. A Fund Balance Reserve has been established for encumbrances, maintenance, capital and subsequent year's expenditures.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### E. Assets, Liabilities, and Equity (Cont'd):

**Revenues – Exchange and Nonexchange Transactions:**

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

Nonexchange Transactions, in which the District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from Nonexchange Transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes available as an advance, interest, and tuition.

**Operating Revenues and Expenses:**

Operating revenues are those revenues that are generated directly from the primary activity of the Enterprise Fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the Enterprise Fund.

**Allocation of Indirect Expenses:**

The District reports all Direct Expenses by function in the Statement of Activities. Direct Expenses are those that are clearly identifiable with a function. Indirect Expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of Social Security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. 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 attributable to a specific function is considered an Indirect Expense and is reported separately in the Statement of Activities. Interest on long-term debt is considered an Indirect Expense and is reported separately on the Statement of Activities.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### E. Assets, Liabilities, and Equity (Cont'd):

**Extraordinary and Special Items:**

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

**Management Estimates:**

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

## 2. CAPITAL RESERVE ACCOUNT

A Capital Reserve Account was established by the Rumson Board of Education by inclusion of $100.00 on October 10, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The Capital Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the Capital Reserve Account are restricted to Capital Projects in the 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 excess approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the Account cannot at any time exceed the local support costs of uncompleted Capital Projects in its approved LRFP. The activity of the Capital Reserve for the July 1, 2009 to June 30, 2010 fiscal year is as follows:

| | |
|---|---|
| Beginning Balance, July 1, 2009 | $ 103,461.36 |
| Transfer from Surplus | 100,000.00 |
| Interest Earnings | 367.60 |
| Transfer to Capital Projects | (100,000.00) |
| Ending Balance, June 30, 2010 | $ 103,828.96 |

The June 30, 2010 LRFP balance of local support costs of uncompleted Capital Projects is $15,131,345.00.

## 3. TRANSFERS TO CAPITAL OUTLAY

During the year ending June 30, 2010, the District transferred $9,501.00 to the Capital Outlay account.

## 4. DEPOSITS AND INVESTMENTS

Deposits

The Board's deposits are insured through the Federal Deposit Insurance Corporation ("FDIC") or New Jersey's Governmental Unit Deposit Protection Act. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to maintain additional collateral in the amount of 5% of the average public deposits and to deposit these amounts with the Federal Reserve Bank for all deposits not covered by the FDIC.

Bank balances are insured up to $250,000.00 in the aggregate by the FDIC for each bank. At June 30, 2010, the book value of the Board's deposits was $2,293,489.83 and the bank balances of the Board's cash and deposits amounted to $3,081,990.94. Of the bank balances, $200,000.00 was covered by FDIC, $3,056,553.60 was covered by the New Jersey Governmental Unit Deposit Protection Act, and $25,437.34 was on deposit with the State of New Jersey as part of the NJ Cash Management Account. The Board's deposits which are displayed on the combined balance sheet as Cash and Cash Equivalents are categorized as:

| Depository Account | Bank Balance |
|---|---|
| Insured - FDIC | $ 200,000.00 |
| GUDPA | 2,856,553.60 |
| Collateralized by Securities Held By a Third Party | 25,437.34 |
| | $ 3,081,990.94 |

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 does not have a policy for custodial credit risk. As of June 30, 2010, the Board's bank balance was not exposed to custodial credit risk.

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located, Local Government investment pools, and agreements or the repurchase of fully-collaterized securities, if transacted in accordance with the above statute.

## 4. DEPOSITS AND INVESTMENTS (CONT'D)

Investments (Cont'd)

As of June 30, 2010, the Board had no investments.

Interest Rate Risk

The Board 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.

Credit Risk

State law limits investments as noted above (N.J.S.A. 18A:20-37). The District does not have an investment policy that would further limit its investment choices.

Investment and interest earnings in the Capital Projects Fund are assigned to the Debt Service Fund in accordance with Board policy.

## 5. RECEIVABLES

Receivables at June 30, 2010, consisted of property taxes, accrued interest, interfund, and intergovernmental. All Receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

| | Governmental Fund Financial Statements | District-Wide Financial Statements |
|---|---|---|
| Property Taxes | $ 6,513,794.00 | $ 6,513,794.00 |
| Federal Aid | 175,201.79 | 175,201.79 |
| State Aid | 289,544.87 | 289,544.87 |
| Other | | 705.27 |
| Interfunds | 2,338.99 | 2,338.99 |
| | 6,980,879.65 | 6,981,584.92 |
| Less Allowance for Uncollectibles | 0.00 | 0.00 |
| Total Receivables, Net | $ 6,980,879.65 | $ 6,981,584.92 |

Governmental Funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At June 30, 2010, deferred revenue reported in the fund financial statements is comprised as follows:

| | |
|---|---|
| Deferred Property Taxes | $ 6,513,794.00 |
| Deferred Federal Aid | 22,126.83 |
| | $ 6,535,920.83 |

## 6. INTERFUND BALANCES AND TRANSFERS

Balances due to/from other funds at June 30, 2010 consist of the following:

| | |
|---|---|
| $ 148,805.07 | Due to General Fund from Special Revenue Fund representing cash advances. |
| 2,338.99 | Due to General Fund from Enterprise Fund representing RASA Administration Fee. |
| 3,659.86 | Due to Debt Service Fund from Capital Projects Fund representing interest. |
| $ 154,803.92 | |

Transfers

As of June 30, 2010, the District's operating transfers consisted of $3,659.86 of interest earnings from the Capital Projects Fund to the Debt Service Fund and $124,517.00 of Capital Reserve and operating transfer from General Operating Fund to the Capital Projects Fund.

## 7. INVENTORY

The value of inventory in the Food Service Fund at June 30, 2010 was $2,769.36.

## 8. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2010, was as follows:

| | Beginning Balance | Transfers/ Additions | Transfers/ Retirements | Ending Balance |
|---|---|---|---|---|
| Governmental Activities: | | | | |
| Capital Assets Not Being Depreciated: | | | | |
| Land | $ 2,314,500.00 | | | $ 2,314,500.00 |
| Construction in Progress | 70,544.57 | $ 989,228.66 | $ 1,270.22 | 1,058,503.01 |
| Total Capital Assets Not Being Depreciated | 2,385,044.57 | 989,228.66 | 1,270.22 | 3,373,003.01 |
| Capital Assets Being Depreciated: | | | | |
| Site Improvements | 341,746.00 | | | 341,746.00 |
| Building and Building Improvements | 15,658,385.38 | 26,600.44 | | 15,684,985.82 |
| Machinery and Equipment | 2,049,312.00 | 29,911.78 | 91,216.00 | 1,988,007.78 |
| Totals at Historical Cost | 18,049,443.38 | 56,512.22 | 91,216.00 | 18,014,739.60 |
| Less Accumulated Depreciation for: | | | | |
| Site Improvements | (269,510.00) | (16,259.00) | | (285,769.00) |
| Building and Building Improvements | (4,545,205.00) | (263,806.00) | | (4,809,011.00) |
| Machinery and Equipment | (1,406,115.00) | (175,069.00) | (91,216.00) | (1,489,968.00) |
| Total Accumulated Depreciation | (6,220,830.00) | (455,134.00) | (91,216.00) | (6,584,748.00) |
| Total Capital Assets Being Depreciated, Net of Accumulated Depreciation | 11,828,613.38 | (398,621.78) | | 11,429,991.60 |
| Government Activity Capital Assets, Net | 14,213,657.95 | 590,606.88 | 1,270.22 | 14,802,994.61 |
| Business-Type Activities: | | | | |
| Capital Assets Being Depreciated: | | | | |
| Equipment | 169,050.00 | | | 169,050.00 |
| Less Accumulated Depreciation | (79,924.00) | (10,706.00) | | (90,630.00) |
| Enterprise Fund Capital Assets, Net | $ 89,126.00 | $ (10,706.00) | $ 0.00 | $ 78,420.00 |

## 8. CAPITAL ASSETS (CONT'D)

The NJ State Department of Education has set the capitalization threshold used by school districts in the State of New Jersey at $2,000.00.

Depreciation expense was charged to functions as follows:

| | |
|---|---|
| Regular Instruction | $ 250,460.23 |
| Special Education | 47,288.43 |
| Other Special Instruction | 7,464.21 |
| Other Instruction | 3,823.13 |
| Student and Instruction Related Services | 59,349.48 |
| School Administrative Services | 29,401.65 |
| General and Business Administrative Services | 27,945.22 |
| Plant Operations and Maintenance | 29,401.65 |
| Total | $ 455,134.00 |

## 9. LONG-TERM OBLIGATIONS

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.

### A. Long-Term Obligation Activity:

Changes in Long-Term Obligations for the year ended June 30, 2010, are as follows:

| | Balance July 1, 2009 | Increases/ (Decreases) | Balance June 30, 2010 | Amounts Due Within One Year |
|---|---|---|---|---|
| Governmental Activities: | | | | |
| Compensated Absences Payable | $ 250,373.06 | $ (47,958.31) | $ 202,414.75 | |
| Bonds Payable | 9,559,000.00 | (435,000.00) | 9,124,000.00 | $ 505,000.00 |
| | $ 9,809,373.06 | $ (482,958.31) | $ 9,326,414.75 | $ 505,000.00 |

Compensated absences and capital leases, if applicable, have been liquidated in the General Fund.

Interest paid on debt issued by the District is exempt from federal income tax. Because of this, bondholders are willing to accept a lower interest rate than they would taxable debt. The District temporarily reinvests the proceeds of such debt in higher-yielding taxable securities, especially during construction projects. The Federal Tax Code refers to this as arbitrage.

## 9. LONG-TERM OBLIGATIONS (CONT'D)

### A. Long-Term Obligation Activity: (cont'd)

Earnings in excess of the yield on the debt issue are rebated to the Federal Government based on requirements in the Internal Revenue Code. Arbitrage rebate payable represents amounts due to the Internal Revenue Service for interest earned on unspent bond proceeds that exceeds legally-allowable returns.

Rebatable arbitrage liabilities related to the District debt are not recorded in governmental funds. There is no recognition in the Balance Sheet or Income Statement until rebatable amounts are due and payable to the Federal Government.

| | Government Activities | | | |
|---|---|---|---|---|
| | Issue Dates | Interest Rates | Dates of Maturity | Balance June 30, 2010 |
| Bonds Payable | 04/01/03 | 3.750-4.100% | 09/01/10-22 | $ 5,732,000.00 |
| | 08/15/08 | 3.250-5.000% | 05/01/11-18 | 2,135,000.00 |
| | 05/19/09 | 4.000-4.125% | 02/01/11-24 | 1,257,000.00 |
| Total Bonds | | | | $ 9,124,000.00 |

### B. Bonds Payable

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.

Debt Service Requirements on serial bonds payable at June 30, 2010 are as follows:

| Fiscal Year Ending June 30, | Principal | Interest | Total |
|---|---|---|---|
| 2011 | $ 505,000.00 | $ 361,038.28 | $ 866,038.28 |
| 2012 | 525,000.00 | 340,032.03 | 865,032.03 |
| 2013 | 555,000.00 | 319,200.78 | 874,200.78 |
| 2014 | 565,000.00 | 299,132.03 | 864,132.03 |
| 2015 | 620,000.00 | 273,438.28 | 893,438.28 |
| 2016-2020 | 3,615,000.00 | 957,903.85 | 4,572,903.85 |
| 2021-2024 | 2,739,000.00 | 187,753.81 | 2,927,753.81 |
| | $ 9,124,000.00 | $ 2,738,499.06 | $ 11,862,499.06 |

### C. Bonds Authorized But Not Issued

As of June 30, 2010, the District had no authorized but not issued bonds.

## 9. LONG-TERM OBLIGATIONS (CONT'D)

### D. Capital Leases Payable

As of June 30, 2010, the District had no capital leases payable.

## 10. OPERATING LEASES

Total Operating Lease payments made during the year ended June 30, 2010 were $30,914.52. Future minimum lease payments are as follows:

| Fiscal Year Ending June 30, | Amount |
|---|---|
| 2011 | $ 13,836.44 |
| 2012 | 15,094.32 |
| 2013 | 15,094.23 |
| 2014 | 13,836.43 |
| Total Future Minimum Lease Payments | $ 57,861.42 |

## 11. PENSION PLANS

### Description of Plans

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

### Teachers' Pension and Annuity Fund ("TPAF")

The Teachers' Pension and Annuity Fund was established as of January 1, 1955 under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The TPAF 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.

## 11. PENSION PLANS (CONT'D)

### Public Employees' Retirement System ("PERS")

The Public Employees' Retirement System 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 PERS 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.

### Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:66 for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

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

### Significant Legislation

Legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the asset valuation method from market-related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by ½ of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Districts' normal contributions to the Fund may be reduced based on the revaluation of assets.

### Contribution Requirements

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

## 11. PENSION PLANS (CONT'D)

**Contribution Requirements (Cont'd):**

**Three-Year Trend Information for PERS**

| Year Funding June 30, | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|---|---|---|---|
| 2010 | $102,644.00 | 100.00% | $ 102,644.00 |
| 2009 | 83,632.00 | 100.00 | 83,632.00 |
| 2008 | 77,620.00 | 80.00 | 62,096.00 |

**Three-Year Trend Information for TPAF (Paid on-behalf of the District)**

| Year Funding June 30, | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|---|---|---|---|
| 2010 | $ 403,028.00 | 100.00% | $ 0.00 |
| 2009 | 398,162.00 | 100.00 | 0.00 |
| 2008 | 887,578.00 | 100.00 | 0.00 |

During the year ended June 30, 2010, the State of New Jersey contributed $20,374.00 to the TPAF for normal pension and $382,654.00 for post-retirement medical benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A: 66-66, the State of New Jersey reimbursed the District $450,088.97 during the year ended June 30, 2010 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 general-purpose financial statements, and the combining and individual fund and account group statements and schedules as a revenues and expenditures in accordance with GASB 24.

Legislation enacted during 1991 provides early retirement incentives for certain members of TPAF and PERS who met certain age and service requirements and who applied for retirement between certain dates in the 1992 fiscal year. The early retirement incentives included: (a) an additional five years of service credit for employees at least age 50 with a minimum of 25 years of service; (b) free health benefits for employees at least 60 years old with at least 20 years of service; and (c) an additional $500 per month for two years for employees at least age 60 with 10 but less than 20 years of service. The District will assume the increased cost for the early retirement as it affects their district.

## 12. POST – RETIREMENT BENEFITS

P.L. 1987, c. 384 and P.L, 1990, c. 6 required Teachers' Pensions ans Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c. 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2009, there were 84,590, retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post- retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid $116.9 million toward Chapter 126 benefits for 13,320 eligible retired members in fiscal year 2009.

The State will set the contribution rate based on the annual required contribution of the employers ("ARC"), an amount actuarially-determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing bases, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed 30 years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the District for the years ended June 30, 2010, 2009 and 2008 were $382,654.00, $378,331.00, and $450,798.00, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the District was not determined or made available by the State of New Jersey.

## 13. DEFERRED COMPENSATION

The Board offers its employees a choice of Deferred Compensation Plans created in accordance with Internal Revenue Code Section 403(b). The Plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the Plans are not available to employees until termination, retirement, death or unforeseeable emergency. The Plan administrators are as follows:

| | |
|---|---|
| Equitable | Oppenheimer Funds |

## 14. RISK MANAGEMENT

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

**Property and Liability Insurance** – The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

**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 table below is a summary of the 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 the previous two years.

| Fiscal Year | District Contributions | Employee Contributions | Amount Reimbursed | Ending Balance |
|---|---|---|---|---|
| 2009/10 | $ 0.00 | $ 23,915.13 | $ 20,504.48 | $ 122,071.15 |
| 2008/09 | 0.00 | 21,221.80 | 11,909.42 | 118,346.74 |
| 2007/08 | 0.00 | 16,611.40 | 94.39 | 108,168.86 |

## 15. CONTINGENT LIABILITIES

### Grant Programs

The District participates in federally-assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The District is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

## 16. FUND BALANCE APPROPRIATED

### General Fund

Of the $1,707,490.14 General Fund fund balance at June 30, 2010, $970,182.91 is reserved for encumbrances; $142,146.20 is reserved for excess surplus – designated for subsequent year's expenditures; $35,000.00 is a legally-restricted legal reserve; $103,823.96 is a legally-restricted capital reserve; $125,000.00 is a legally-restricted maintenance reserve; $32,853.80 is unreserved - designated for subsequent year's expenditures; and $298,483.27 is unreserved and undesignated.

### Debt Service Fund

Of the $5,685.45 Debt Service Fund fund balance at June 30, 2010, $1,626.00 is unreserved – designated for subsequent year's expenditures; and $4,059.45 is unreserved and undesignated.

## 17. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, as amended, 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, 2010 is $142,146.20.

## 18. SERVICE AGREEMENT - MOESC

The Monmouth-Ocean Educational Services Commission ("MOESC") provides the following services to the Board:

| | Grant Amount | Expenditures | Balance* |
|---|---|---|---|
| Non-Public Exam & Class | $ 37,112.00 | $ 33,632.00 | $ 3,480.00 |
| Non-Public Speech | 13,630.00 | 13,361.00 | 269.00 |
| Non-Public Supp. Instruction | 12,824.00 | 12,824.00 | |
| Non-Public Nursing | 27,560.00 | 27,548.13 | 11.87 |
| Non-Public Textbook | 23,241.00 | 23,163.15 | 77.85 |
| Chapter 192 Comp. Ed. | 20,921.00 | 20,921.00 | |
| Home Instruction | | 36.89 | |

*We have been advised that Monmouth-Ocean Educational Services Commission will be responsible for returning unexpended balances to the state.

REQUIRED SUPPLEMENTARY INFORMATION – PART II

# BUDGETARY COMPARISON SCHEDULES

RUMSON SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Fiscal year ended June 30, 2010

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final To Actual |
|---|---|---|---|---|---|
| REVENUES | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | $ 12,357,424.00 | | $ 12,357,424.00 | $ 12,357,424.22 | $ 0.22 |
| Tuition | 15,000.00 | | 15,000.00 | 23,514.00 | 8,514.00 |
| Interest Earned on Capital Reserve Funds | 1.00 | | 1.00 | 367.60 | 366.60 |
| Unrestricted Miscellaneous Revenues | 30,000.00 | | 30,000.00 | 36,385.51 | 6,385.51 |
| Total Local Sources | 12,402,425.00 | | 12,402,425.00 | 12,417,691.33 | 15,266.33 |
| State Sources: | | | | | |
| Extraordinary Aid | 54,088.00 | | 54,088.00 | 216,044.00 | 161,956.00 |
| Categorical Special Education Aid | 344,801.00 | | 344,801.00 | 344,801.00 | |
| Categorical Security Aid | 47,120.00 | | 47,120.00 | 47,120.00 | |
| Categorical Transportation Aid | 112,596.00 | | 112,596.00 | 112,596.00 | |
| Non-Public Transportation Aid | | | | 9,147.00 | 9,147.00 |
| TPAF Post Retirement Medical (On-Behalf - Non-Budgeted) | | | | 382,654.00 | 382,654.00 |
| TPAF Pension (On-Behalf - Non-Budgeted) | | | | 20,374.00 | 20,374.00 |
| TPAF Social Security (Reimbursed - Non-Budgeted) | | | | 450,088.97 | 450,088.97 |
| Total State Sources | 558,605.00 | | 558,605.00 | 1,582,824.97 | 1,024,219.97 |
| Total Revenues | 12,961,030.00 | | 12,961,030.00 | 14,000,516.30 | 1,039,486.30 |
| EXPENDITURES | | | | | |
| Current Expense: | | | | | |
| Regular Programs - Instruction: | | | | | |
| *Salaries of Teachers:* | | | | | |
| Preschool/Kindergarten | 313,468.00 | $ 16,902.82 | 330,370.82 | 291,273.69 | 39,097.13 |
| Grades 1-5 | 2,131,865.00 | 125,463.68 | 2,257,328.68 | 1,980,593.54 | 276,735.14 |
| Grades 6-8 | 1,724,472.00 | 114,144.82 | 1,838,616.82 | 1,613,451.21 | 225,165.61 |
| Regular Programs - Home Instruction: | | | | | |
| Salaries of Teachers | 2,500.00 | 140.00 | 2,640.00 | 490.00 | 2,150.00 |
| Regular Programs - Undistributed Instruction: | | | | | |
| Purchased Professional - Educational Services | 64,174.00 | (13,000.00) | 51,174.00 | 48,639.44 | 2,534.56 |
| Purchased Technical Services | 3,000.00 | (3,000.00) | | | |
| Other Purchased Services | 27,000.00 | (155.00) | 26,845.00 | 25,631.88 | 1,213.12 |
| General Supplies | 264,100.00 | 25,676.43 | 289,776.43 | 262,088.27 | 27,688.16 |
| Textbooks | 21,800.00 | (15,216.81) | 6,583.19 | 5,599.80 | 983.39 |
| Other Objects | 26,500.00 | 12,577.24 | 39,077.24 | 35,397.49 | 3,679.75 |
| Total Regular Programs - Instruction | 4,578,879.00 | 263,533.18 | 4,842,412.18 | 4,263,165.32 | 579,246.86 |
| Special Education - Instruction: | | | | | |
| Learning and/or Language Disabilities: | | | | | |
| Salaries of Teachers | 66,688.00 | (374.51) | 66,313.49 | 57,102.31 | 9,211.18 |
| Other Salaries for Instruction | | 2,717.80 | 2,717.80 | | 2,717.80 |
| General Supplies | 1,500.00 | | 1,500.00 | 1,443.35 | 56.65 |
| Total Learning and/or Language Disabilities | 68,188.00 | 2,343.29 | 70,531.29 | 58,545.66 | 11,985.63 |
| Multiple Disabilities: | | | | | |
| Salaries of Teachers | 58,126.00 | 3,948.16 | 62,074.16 | 54,345.00 | 7,729.16 |
| Other Salaries for Instruction | 37,528.00 | (34,735.02) | 2,792.98 | | 2,792.98 |
| General Supplies | 500.00 | 421.92 | 921.92 | 442.92 | 479.00 |
| Total Multiple Disabilities | 96,154.00 | (30,364.94) | 65,789.06 | 54,787.92 | 11,001.14 |
| Resource Room/Resource Center: | | | | | |
| Salaries of Teachers | 766,204.00 | 51,343.69 | 817,547.69 | 701,245.60 | 116,302.09 |
| Other Salaries for Instruction | | 17,551.34 | 17,551.34 | | 17,551.34 |
| General Supplies | 5,000.00 | 1,596.27 | 6,596.27 | 6,324.33 | 271.94 |
| Total Resource Room/Resource Center | 771,204.00 | 70,491.30 | 841,695.30 | 707,569.93 | 134,125.37 |
| Preschool Disabilities - Part-Time: | | | | | |
| Salaries of Teachers | 118,300.00 | 8,168.46 | 126,468.46 | 110,083.42 | 16,385.04 |
| Other Salaries for Instruction | 51,147.00 | (11,358.44) | 39,788.56 | 25,396.53 | 14,392.03 |
| General Supplies | 750.00 | | 750.00 | 264.57 | 485.43 |
| Total Preschool Disabilities - Part-Time | 170,197.00 | (3,189.98) | 167,007.02 | 135,744.52 | 31,262.50 |
| Total Special Education - Instruction | 1,105,743.00 | 39,279.67 | 1,145,022.67 | 956,648.03 | 188,374.64 |



See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

RUMSON SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Fiscal year ended June 30, 2010

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final To Actual |
|---|---|---|---|---|---|
| EXPENDITURES (continued) | | | | | |
| Basic Skills/Remedial - Instruction: | | | | | |
| Salaries of Teachers | 110,035.00 | 4,913.45 | 114,948.45 | 100,513.67 | 14,434.78 |
| General Supplies | 1,000.00 | | 1,000.00 | 849.50 | 150.50 |
| Total Basic Skills/Remedial - Instruction | 111,035.00 | 4,913.45 | 115,948.45 | 101,363.17 | 14,585.28 |
| Bilingual Education - Instruction: | | | | | |
| Salaries of Teachers | 2,000.00 | (2,000.00) | | | |
| General Supplies | 500.00 | (446.75) | 53.25 | | 53.25 |
| Total Bilingual Education - Instruction | 2,500.00 | (2,446.75) | 53.25 | | 53.25 |
| School Sponsored Co/Extra Curricular Activities - Instruction: | | | | | |
| Salaries | 7,500.00 | 8,143.17 | 15,643.17 | 10,938.91 | 4,704.26 |
| Supplies and Materials | 4,350.00 | | 4,350.00 | 774.02 | 3,575.98 |
| Total School Sponsored Co/Extra Curricular Activities - Instruction | 11,850.00 | 8,143.17 | 19,993.17 | 11,712.93 | 8,280.24 |
| School Sponsored Athletics - Instruction: | | | | | |
| Salaries | 11,500.00 | 14,976.89 | 26,476.89 | 24,947.79 | 1,529.10 |
| Purchased Services | 12,500.00 | 9,713.00 | 22,213.00 | 6,458.00 | 15,755.00 |
| Supplies and Materials | 7,800.00 | | 7,800.00 | 3,891.50 | 3,908.50 |
| Total School Sponsored Athletics - Instruction | 31,800.00 | 24,689.89 | 56,489.89 | 35,297.29 | 21,192.60 |
| Total - Instruction | 5,841,807.00 | 338,112.61 | 6,179,919.61 | 5,368,186.74 | 811,732.87 |
| Undist. Expend. - Instruction: | | | | | |
| Tuition To Other LEAs Within the State - Special | | 12,000.00 | 12,000.00 | | 12,000.00 |
| Tuition To Private Schools for the Disabled Within State | 352,903.00 | 39,779.45 | 392,682.45 | 359,495.27 | 33,187.18 |
| Total Undist. Expend. - Instruction | 352,903.00 | 51,779.45 | 404,682.45 | 359,495.27 | 45,187.18 |
| Undist. Expend. - Health Services: | | | | | |
| Salaries | 161,495.00 | 7,440.27 | 168,935.27 | 148,494.03 | 20,441.24 |
| Purchased Professional and Technical Services | 6,000.00 | (1,000.00) | 5,000.00 | 5,000.00 | |
| Supplies and Materials | 6,500.00 | 1,323.35 | 7,823.35 | 7,226.30 | 597.05 |
| Total Undist. Expend. - Health Services | 173,995.00 | 7,763.62 | 181,758.62 | 160,720.33 | 21,038.29 |
| Undist. Expend. - Other Supp. Serv. Students Related Serv: | | | | | |
| Salaries | 214,530.00 | 14,413.76 | 228,943.76 | 200,880.16 | 28,063.60 |
| Purchased Professional - Educational Services | 85,763.00 | (17,875.87) | 67,887.13 | 32,090.00 | 35,797.13 |
| Supplies and Materials | 500.00 | 2,269.29 | 2,769.29 | 2,769.29 | |
| Total Undist. Expend. - Other Supp. Serv. Students Rel. Serv. | 300,793.00 | (1,192.82) | 299,600.18 | 235,739.45 | 63,860.73 |
| Undist. Expend. - Other Support Serv. Students - Extraordinary: | | | | | |
| Salaries | 248,176.00 | 36,834.06 | 285,010.06 | 255,168.79 | 29,841.27 |
| Purchased Professional - Educational Services | 70,560.00 | (29,318.23) | 41,241.77 | 39,249.00 | 1,992.77 |
| Total Undist. Expend. - Other Support Serv. Students - Extraordinary | 318,736.00 | 7,515.83 | 326,251.83 | 294,417.79 | 31,834.04 |
| Undist. Expend. - Other Support Serv. Students - Regular: | | | | | |
| Salaries of Other Professional Staff | 79,420.00 | 10,346.54 | 89,766.54 | 78,538.04 | 11,228.50 |
| Supplies and Materials | 500.00 | | 500.00 | 390.91 | 109.09 |
| Total Undist. Expend. - Other Support Serv. Students - Regular | 79,920.00 | 10,346.54 | 90,266.54 | 78,928.95 | 11,337.59 |
| Undist. Expend. - Other Support Serv. Students - Special: | | | | | |
| Salaries of Other Professional Staff | 372,252.00 | 16,861.27 | 389,113.27 | 345,190.41 | 43,922.86 |
| Salaries of Secretarial and Clerical Assistants | 37,740.00 | 6,410.38 | 44,150.38 | 36,720.00 | 7,430.38 |
| Miscellaneous Purchased Services | 2,500.00 | (838.64) | 1,661.36 | 1,660.80 | 0.56 |
| Supplies and Materials | 2,000.00 | (149.83) | 1,850.17 | 1,615.77 | 234.40 |
| Total Undist. Expend. - Other Support Serv. Students - Special | 414,492.00 | 22,283.18 | 436,775.18 | 385,186.98 | 51,588.20 |
| Undist. Expend. - Improvement of Instructional Services: | | | | | |
| Salaries of Supervisors of Instruction | 61,918.00 | 5,605.87 | 67,523.87 | 66,460.87 | 1,063.00 |
| Salaries of Secretarial and Clerical Assistants | 22,645.00 | 923.36 | 23,568.36 | 22,294.36 | 1,274.00 |
| Other Purchased Services | 2,417.00 | (856.00) | 1,561.00 | 1,560.94 | 0.06 |
| Supplies and Materials | 1,000.00 | | 1,000.00 | 954.95 | 45.05 |
| Total Undist. Expend. - Improvement of Instructional Services | 87,980.00 | 5,673.23 | 93,653.23 | 91,271.12 | 2,382.11 |



See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

RUMSON SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Fiscal year ended June 30, 2010

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final To Actual |
|---|---|---|---|---|---|
| EXPENDITURES (continued) | | | | | |
| Undist. Expend. - Educational Media/School Library: | | | | | |
| Salaries | 77,105.00 | 3,420.00 | 80,525.00 | 69,541.17 | 10,983.83 |
| Supplies and Materials | 16,600.00 | 105.00 | 16,705.00 | 14,182.72 | 2,522.28 |
| Total Undist. Expend. - Educational Media/School Library | 93,705.00 | 3,525.00 | 97,230.00 | 83,723.89 | 13,506.11 |
| Undist. Expend. - Instructional Staff Training Services: | | | | | |
| Salaries of Supervisors of Instruction | 41,279.00 | 3,737.25 | 45,016.25 | 44,307.25 | 709.00 |
| Salaries of Other Professional Staff | 15,097.00 | 2,779.61 | 17,876.61 | 15,530.30 | 2,346.31 |
| Supplies and Materials | 2,000.00 | | 2,000.00 | 1,945.00 | 55.00 |
| Other Objects | 500.00 | 1,000.00 | 1,500.00 | 1,500.00 | |
| Total Undist. Expend. - Instructional Staff Training Services | 58,876.00 | 7,516.86 | 66,392.86 | 63,282.55 | 3,110.31 |
| Undist. Expend. - Support Services - General Administration: | | | | | |
| Salaries | 245,610.00 | 23,075.38 | 268,685.38 | 261,696.44 | 6,988.94 |
| Legal Services | 75,000.00 | 28,020.42 | 103,020.42 | 92,592.22 | 10,428.20 |
| Audit Fees | 21,500.00 | | 21,500.00 | 18,750.00 | 2,750.00 |
| Communications/Telephone | 22,020.00 | 580.00 | 22,600.00 | 19,813.29 | 2,786.71 |
| BOE Other Purchased Services | 1,500.00 | (1,500.00) | | | |
| Other Purchased Services | 39,138.00 | 870.55 | 40,008.55 | 36,685.21 | 3,323.34 |
| General Supplies | 5,000.00 | 34.85 | 5,034.85 | 5,006.00 | 28.85 |
| Miscellaneous Expenditures | 39,500.00 | (1,866.83) | 37,633.17 | 33,061.94 | 4,571.23 |
| BOE Membership Dues and Fees | 7,650.00 | | 7,650.00 | 7,359.00 | 291.00 |
| Total Undist. Expend. - Support Services - General Administration | 456,918.00 | 49,214.37 | 506,132.37 | 474,964.10 | 31,168.27 |
| Undist. Expend. - Support Services - School Administration: | | | | | |
| Salaries of Principals/Assistant Principals | 243,600.00 | 15,669.04 | 259,269.04 | 246,800.46 | 12,468.58 |
| Salaries of Secretarial and Clerical Assistants | 159,668.00 | 11,402.77 | 171,070.77 | 150,335.23 | 20,735.54 |
| Purchased Professional and Technical Services | 7,500.00 | 2,075.00 | 9,575.00 | 9,575.00 | |
| Other Purchased Services | 7,000.00 | (6,000.00) | 1,000.00 | 318.06 | 681.94 |
| Supplies and Materials | 9,500.00 | 3,125.00 | 12,625.00 | 11,421.13 | 1,203.87 |
| Other Objects | 18,500.00 | 2,387.57 | 20,887.57 | 15,195.15 | 5,692.42 |
| Total Undist. Expend. - Support Services - School Administration | 445,768.00 | 28,659.38 | 474,427.38 | 433,645.03 | 40,782.35 |
| Undist. Expend. - Support Services - Central Services: | | | | | |
| Salaries | 202,042.00 | 9,132.29 | 211,174.29 | 203,906.19 | 7,268.10 |
| Purchased Professional Services | | 17,346.00 | 17,346.00 | | 17,346.00 |
| Purchased Technical Services | 37,500.00 | (17,346.00) | 20,154.00 | 20,154.00 | |
| Miscellaneous Purchased Services | 12,750.00 | (2,000.00) | 10,750.00 | 10,194.76 | 555.24 |
| Supplies and Materials | 6,500.00 | 7,276.00 | 13,776.00 | 9,202.19 | 4,573.81 |
| Miscellaneous Expenditures | 11,000.00 | | 11,000.00 | 5,868.13 | 5,131.87 |
| Total Undist. Expend. - Support Services - Central Services | 269,792.00 | 14,408.29 | 284,200.29 | 249,325.27 | 34,875.02 |
| Undist. Expend. - Support Services - Admin Info Technology: | | | | | |
| Salaries | 68,000.00 | 6,150.71 | 74,150.71 | 73,608.92 | 541.79 |
| Purchased Professional Services | 22,000.00 | (7,740.00) | 14,260.00 | 7,787.14 | 6,472.86 |
| Purchased Technical Services | 5,374.00 | 4,750.00 | 10,124.00 | 7,539.97 | 2,584.03 |
| Total Undist. Expend. - Support Services - Admin Info Technology | 95,374.00 | 3,160.71 | 98,534.71 | 88,936.03 | 9,598.68 |
| Undist. Expend. - Required Maintenance for School Facilities: | | | | | |
| Cleaning, Repair and Maintenance Services | 70,000.00 | 5,358.60 | 75,358.60 | 75,358.60 | |
| General Supplies | 25,000.00 | (10,718.80) | 14,281.20 | 14,281.20 | |
| Total Undist. Expend. - Required Maintenance for School Facilities | 95,000.00 | (5,360.20) | 89,639.80 | 89,639.80 | |
| Undist. Expend. - Other Oper. & Maint. of Plant: | | | | | |
| Salaries | 334,279.00 | 72,979.87 | 407,258.87 | 402,442.86 | 4,816.01 |
| Salaries of Non-Instructional Aides | 61,767.00 | (61,767.00) | | | |
| Purchased Professional and Technical Services | 5,000.00 | 18,869.04 | 23,869.04 | 23,869.04 | |
| Cleaning, Repair and Maintenance Services | 27,500.00 | 58,485.67 | 85,985.67 | 50,906.16 | 35,079.51 |
| Other Purchased Property Services | 30,853.00 | 4,967.00 | 35,820.00 | 34,421.88 | 1,398.12 |
| Insurance | 33,719.00 | (6,188.30) | 27,530.70 | 27,530.70 | |
| General Supplies | 41,000.00 | 9,510.75 | 50,510.75 | 48,450.72 | 2,060.03 |
| Energy (Heat & Electricity) | | 33,035.97 | 33,035.97 | 17,734.48 | 15,301.49 |
| Energy (Electricity) | 160,000.00 | 34,449.28 | 194,449.28 | 187,649.28 | 6,800.00 |
| Energy (Natural Gas) | 215,000.00 | (116,858.82) | 98,141.18 | 95,141.18 | 3,000.00 |
| Other Objects | 5,000.00 | (2,208.56) | 2,791.44 | 160.00 | 2,631.44 |
| Total Undist. Expend. - Other Oper. & Maint. of Plant | 914,118.00 | 45,274.90 | 959,392.90 | 888,306.30 | 71,086.60 |



See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

RUMSON SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Fiscal year ended June 30, 2010

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final To Actual |
|---|---|---|---|---|---|
| EXPENDITURES (continued) | | | | | |
| Undist. Expend. - Care & Upkeep of Grounds: | | | | | |
| Salaries | 33,818.00 | | 33,818.00 | 33,558.92 | 259.08 |
| Purchased Professional and Technical Services | 3,500.00 | 3,658.66 | 7,158.66 | 7,158.66 | |
| General Supplies | 7,500.00 | (1,857.80) | 5,642.20 | 5,167.02 | 475.18 |
| Total Undist. Expend. - Care & Upkeep of Grounds | 44,818.00 | 1,800.86 | 46,618.86 | 45,884.60 | 734.26 |
| Undist. Expend. - Security: | | | | | |
| General Supplies | 5,000.00 | 557.80 | 5,557.80 | 5,270.85 | 286.95 |
| Total Undist. Expend. - Security: | 5,000.00 | 557.80 | 5,557.80 | 5,270.85 | 286.95 |
| Total Undist. Expend. - Oper. & Maint. of Plant Serv. | 1,058,936.00 | 42,273.36 | 1,101,209.36 | 1,029,101.55 | 72,107.81 |
| Undist. Expend. - Student Transportation Services: | | | | | |
| Contracted Services (Bet. Home & School) - Vendors | 392,637.00 | (4,612.00) | 388,025.00 | 387,880.84 | 144.16 |
| Contracted Services (Other Than Bet. Home & School) - Vendors | 8,150.00 | | 8,150.00 | 3,775.72 | 4,374.28 |
| Contracted Services (Special Ed. Students) - Vendors | 123,416.00 | 23,000.00 | 146,416.00 | 146,136.97 | 279.03 |
| Contracted Services (Aid in Lieu Payments) - NonPublic School | 5,000.00 | 2,312.00 | 7,312.00 | 7,072.00 | 240.00 |
| Total Undist. Expend. - Student Transportation Services | 529,203.00 | 20,700.00 | 549,903.00 | 544,865.53 | 5,037.47 |
| *Unallocated Benefits - Employee Benefits:* | | | | | |
| Social Security Contributions | 166,789.00 | (10,712.03) | 156,076.97 | 150,076.97 | 6,000.00 |
| Other Retirement Contributions - Regular | 117,040.00 | (13,141.00) | 103,899.00 | 103,899.00 | |
| Workmen's Compensation | 130,152.00 | (16,803.00) | 113,349.00 | 113,349.00 | |
| Health Benefits | 2,148,366.00 | (167,793.55) | 1,980,572.45 | 1,980,572.45 | |
| Tuition Reimbursement | 30,000.00 | 18,887.14 | 48,887.14 | 48,887.14 | |
| Other Employee Benefits | 8,500.00 | 105,594.14 | 114,094.14 | 114,094.14 | |
| Total Unallocated Benefits - Employee Benefits | 2,600,847.00 | (83,968.30) | 2,516,878.70 | 2,510,878.70 | 6,000.00 |
| TPAF Post Retirement Medical (On-Behalf - Non-Budgeted) | | | | 382,654.00 | (382,654.00) |
| TPAF Pension (On-Behalf - Non-Budgeted) | | | | 20,374.00 | (20,374.00) |
| Reimbursed TPAF Social Security Contributions (Non-Budgeted) | | | | 450,088.97 | (450,088.97) |
| Total On-Behalf Contributions | | | | 853,116.97 | (853,116.97) |
| Total Personal Services - Employee Benefits | 2,600,847.00 | (83,968.30) | 2,516,878.70 | 3,363,995.67 | (847,116.97) |
| Total Undistributed Expenditures | 7,338,238.00 | 189,658.70 | 7,527,896.70 | 7,937,599.51 | (409,702.81) |
| Total Expenditures - Current Expense | 13,180,045.00 | 527,771.31 | 13,707,816.31 | 13,305,786.25 | 402,030.06 |
| CAPITAL OUTLAY | | | | | |
| Interest Deposit To Capital Reserve | 1.00 | (1.00) | | | |
| Facilities Acquisition and Construction Services: | | | | | |
| Other Purchased Professional and Technical Services | | 47,387.00 | 47,387.00 | 23,887.00 | 23,500.00 |
| Construction Services | 69,270.00 | (14,668.22) | 54,601.78 | 30,084.78 | 24,517.00 |
| Supplies and Materials | 23,474.00 | (23,217.78) | 256.22 | | 256.22 |
| Total Facilities Acquisition and Construction Services | 92,744.00 | 9,501.00 | 102,245.00 | 53,971.78 | 48,273.22 |
| Total Capital Outlay | 92,745.00 | 9,500.00 | 102,245.00 | 53,971.78 | 48,273.22 |
| Total Expenditures | 13,272,790.00 | 537,271.31 | 13,810,061.31 | 13,359,758.03 | 450,303.28 |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | (311,760.00) | (537,271.31) | (849,031.31) | 640,758.27 | 1,489,789.58 |
| Other Financing Sources/(Uses): | | | | | |
| Operating Transfers Out - Capital Outlay to Capital Projects | | | | (24,517.00) | (24,517.00) |
| Operating Transfers Out - Capital Reserve to Capital Projects | | | | (100,000.00) | (100,000.00) |
| Total Other Financing Sources/(Uses) | | | | (124,517.00) | (124,517.00) |



See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

RUMSON SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Fiscal year ended June 30, 2010

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final To Actual |
|---|---|---|---|---|---|
| Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses | (311,760.00) | (537,271.31) | (849,031.31) | 516,241.27 | 1,365,272.58 |
| Fund Balances, July 1 | 1,257,873.87 | | 1,257,873.87 | 1,257,873.87 | |
| Fund Balances, June 30 | $ 946,113.87 | $ (537,271.31) | $ 408,842.56 | $ 1,774,115.14 | $ 1,365,272.58 |
| Recapitulation: | | | | | |
| Reserve for Encumbrances | | | | $ 970,182.91 | |
| Excess Surplus – Designated for Subsequent Year's Expenditures | | | | 142,146.20 | |
| Legally Restricted – Designated for Subsequent Year's Expenditures | | | | 35,000.00 | |
| Unreserved - Designated for Subsequent Year's Expenditures | | | | 32,853.80 | |
| Maintenance Reserve | | | | 125,000.00 | |
| Capital Reserve | | | | 103,823.96 | |
| Unrestricted Fund Balance | | | | 365,108.27 | |
| | | | | 1,774,115.14 | |
| Reconciliation to Governmental Funds Statements (GAAP): | | | | | |
| Last State Aid Payment Not Recognized on GAAP Basis | | | | (66,625.00) | |
| Fund Balance per Governmental Funds (GAAP) | | | | $ 1,707,490.14 | |
| Recapitulation of Excess/(Deficiency) of Revenues Over/(Under) Expenditures | $ (311,760.00) | $ (537,271.31) | $ (849,031.31) | | |
| Budgeted Adjustment for Prior-Year Encumbrances | | $ (416,193.50) | $ (416,193.50) | | |
| Unanticipated Extraordinary/Transportation Aid | | (121,077.81) | (121,077.81) | | |
| Required State Aid Deductions Adjustment | $ (161,760.00) | | (161,760.00) | | |
| Budgeted Fund Balance | (150,000.00) | | (150,000.00) | | |
| | $ (311,760.00) | $ (537,271.31) | $ (849,031.31) | | |



See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

Exhibit C-2

RUMSON SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND

Fiscal year ended June 30, 2010

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final To Actual |
|---|---|---|---|---|---|
| Revenues: | | | | | |
| State Sources | $ 118,127.00 | $ 17,197.89 | $ 135,324.89 | $ 135,324.89 | |
| Federal Sources | 399,394.79 | | 399,394.79 | 399,394.79 | |
| Total Revenues | 517,521.79 | 17,197.89 | 534,719.68 | 534,719.68 | |
| Expenditures: | | | | | |
| Instruction: | | | | | |
| Salaries of Teachers | 20,153.00 | 804.89 | 20,957.89 | 20,957.89 | |
| Other Instruction | 62,075.07 | | 62,075.07 | 62,075.07 | |
| Purchased Professional and Tech. Services | 166,416.57 | | 166,416.57 | 166,416.57 | |
| Other Purchased Services | 15,000.00 | | 15,000.00 | 15,000.00 | |
| General Supplies | 33,434.93 | | 33,434.93 | 33,434.93 | |
| Textbooks | 23,241.00 | | 23,241.00 | 23,241.00 | |
| Total Instruction | 320,320.57 | 804.89 | 321,125.46 | 321,125.46 | |
| Support Services: | | | | | |
| Employee Benefits | | | 4,355.35 | 4,355.35 | |
| Purchased Professional Services | 124,422.87 | | 124,422.87 | 124,422.87 | |
| Miscellaneous Expenditures | 68,423.00 | 16,393.00 | 84,816.00 | 84,816.00 | |
| Total Support Services | 192,845.87 | 16,393.00 | 213,594.22 | 213,594.22 | |
| Total Expenditures | 513,166.44 | 17,197.89 | 534,719.68 | 534,719.68 | |
| Total Outflows | 513,166.44 | 17,197.89 | 534,719.68 | 534,719.68 | |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Uses | $ 0.00 | $ 0.00 | $ 0.00 | $ 0.00 | $ 0.00 |

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

RUMSON SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

BUDGET-TO-GAAP RECONCILIATION

Fiscal year ended June 30, 2010

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) "revenues" from the Budgetary Comparison Schedules | $ 14,000,516.30 | $ 534,719.68 |
| Difference - budget to GAAP: | | |
| Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized. | | |
| Prior Year Encumbrances | | 6,685.83 |
| Current Year Encumbrances | | (22,126.83) |
| State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes. | 59,500.00 | |
| State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year. | (66,625.00) | |
| Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds. | $ 13,993,391.30 | $ 519,278.68 |
| USES/OUTFLOWS OF RESOURCES | | |
| Actual amounts (budgetary basis) "total outflows" from the Budgetary Comparison Schedule | $ 13,359,758.03 | $ 534,719.68 |
| Difference - budget to GAAP: | | |
| Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes. | | |
| Prior Year Encumbrances | | 6,685.83 |
| Current Year Encumbrances | | (22,126.83) |
| Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds. | $ 13,359,758.03 | $ 519,278.68 |

# OTHER SUPPLEMENTARY INFORMATION

# SPECIAL REVENUE FUND DETAIL STATEMENTS

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

RUMSON SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

For the fiscal year ended June 30, 2010

| | New Jersey Non-Public Aid | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Handicapped Services | | | | | | | |
| | Initial Exam and Class | Exam and Class | Speech Correction | Suppl. Instruction | Comp. Education | Home Instruction | Textbooks | Nursing |
| Revenues | | | | | | | | |
| State Sources | $ 26,853.00 | $ 10,259.00 | $ 13,630.00 | $ 12,824.00 | $ 20,921.00 | $ 36.89 | $ 23,241.00 | $ 27,560.00 |
| Federal Sources | | | | | | | | |
| Total Revenues | $ 26,853.00 | $ 10,259.00 | $ 13,630.00 | $ 12,824.00 | $ 20,921.00 | $ 36.89 | $ 23,241.00 | $ 27,560.00 |
| Expenditures | | | | | | | | |
| Instruction: | | | | | | | | |
| Salaries of Teachers | | | | | $ 20,921.00 | $ 36.89 | | |
| Other Instruction | | | | | | | | |
| Purchased Professional Tech. Services | | | | | | | | |
| Other Purchased Services | | | | | | | | |
| General Supplies | | | | | | | | |
| Textbooks | | | | | | | $ 23,241.00 | |
| Total Instruction | | | | | 20,921.00 | 36.89 | 23,241.00 | |
| Support Services: | | | | | | | | |
| Employee Benefits | | | | | | | | |
| Purchased Professional Services | | | | | | | | $ 27,560.00 |
| Miscellaneous Expenditures | $ 26,853.00 | $ 10,259.00 | $ 13,630.00 | $ 12,824.00 | | | | |
| Total Support Services | 26,853.00 | 10,259.00 | 13,630.00 | 12,824.00 | | | | 27,560.00 |
| Total Expenditures | $ 26,853.00 | $ 10,259.00 | $ 13,630.00 | $ 12,824.00 | $ 20,921.00 | $ 36.89 | $ 23,241.00 | $ 27,560.00 |

RUMSON SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

For the fiscal year ended June 30, 2010

| | I.D.E.I.A. Part B Basic | | A.R.R.A. I.D.E.I.A. Part B Basic | | | | |
|---|---|---|---|---|---|---|---|
| | Regular Program | Preschool | Regular Program | Preschool | Title II NCLB | Title IV NCLB | Totals |
| Revenues | | | | | | | |
| State Sources | | | | | | | $ 135,324.89 |
| Federal Sources | $ 229,878.00 | $ 10,033.00 | $ 125,726.10 | $ 2,457.69 | $ 29,383.00 | $ 1,917.00 | 399,394.79 |
| Total Revenues | $ 229,878.00 | $ 10,033.00 | $ 125,726.10 | $ 2,457.69 | $ 29,383.00 | $ 1,917.00 | $ 534,719.68 |
| Expenditures | | | | | | | |
| Instruction: | | | | | | | |
| Salaries of Teachers | | | | | | | $ 20,957.89 |
| Other Instruction | | | $ 62,075.07 | | | | 62,075.07 |
| Purchased Professional Tech. Services | $ 162,139.50 | $ 2,874.07 | | | | $ 1,403.00 | 166,416.57 |
| Other Purchased Services | | | 15,000.00 | | | | 15,000.00 |
| General Supplies | 11,277.63 | 4,158.93 | 8,035.68 | $ 2,457.69 | $ 6,991.00 | 514.00 | 33,434.93 |
| Textbooks | | | | | | | 23,241.00 |
| Total Instruction | 173,417.13 | 7,033.00 | 85,110.75 | 2,457.69 | 6,991.00 | 1,917.00 | 321,125.46 |
| Support Services: | | | | | | | |
| Employee Benefits | | | 4,355.35 | | | | 4,355.35 |
| Purchased Professional Services | 38,210.87 | | 36,260.00 | | 22,392.00 | | 124,422.87 |
| Miscellaneous Expenditures | 18,250.00 | 3,000.00 | | | | | 84,816.00 |
| Total Support Services | 56,460.87 | 3,000.00 | 40,615.35 | | 22,392.00 | | 213,594.22 |
| Total Expenditures | $ 229,878.00 | $ 10,033.00 | $ 125,726.10 | $ 2,457.69 | $ 29,383.00 | $ 1,917.00 | $ 534,719.68 |

CAPITAL PROJECTS FUND
DETAIL STATEMENTS

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

Exhibit F-1

RUMSON SCHOOL DISTRICT

CAPITAL PROJECTS FUND

SUMMARY STATEMENT OF PROJECT EXPENDITURES

For the year ended June 30, 2010

| Project Title/Issue | Date | Original Appropriations | Expenditures To Date Prior Years | Expenditures To Date Current Year | Unexpended Balance |
|---|---|---|---|---|---|
| Renovation and Expansion of the Deane-Porter and Forrestdale Schools | 07/24/02 | $ 8,685,415.12 | $ 8,684,144.90 | $ 1,270.22 | |
| Renovation of Deane-Porter School Roof | 01/27/09 | 1,257,000.00 | 69,274.35 | 942,922.79 | $ 244,802.86 |
| Renovation of Forrestdale School Science Laboratory | 07/16/09 | 497,160.00 | | 33,670.22 | 463,489.78 |
| Gymnasium Lighting Replacement | 07/16/09 | 40,861.00 | | 12,635.65 | 28,225.35 |
| | | $ 10,480,436.12 | $ 8,753,419.25 | $ 990,498.88 | $ 736,517.99 |
| Unearned NJSDA Revenue | | | | | (196,685.65) |
| Balance to B-2 | | | | | $ 539,832.34 |

Exhibit F-2

RUMSON SCHOOL DISTRICT

CAPITAL PROJECTS FUND

SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGETARY BASIS

For the year ended June 30, 2010

| | |
|---|---|
| Revenues and Other Financing Sources: | |
| NJSDA Grant | $ 18,522.35 |
| Miscellaneous | 201,955.86 |
| Total Revenues | 220,478.21 |
| Expenditures and Other Financing Sources: | |
| Purchased Professional and Technical Services | 60,591.44 |
| Construction Services | 929,907.44 |
| Total Expenditures | 990,498.88 |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | (770,020.67) |
| Other Financing Sources/(Uses): | |
| Transfer In | 124,517.00 |
| Transfer Out | (3,659.86) |
| Total Other Financing Sources/(Uses) | 120,857.14 |
| Net Change in Fund Balance | (649,163.53) |
| Fund Balance - July 1 | 1,188,995.87 |
| Fund Balance - June 30 | $ 539,832.34 |

RUMSON SCHOOL DISTRICT

CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS - BUDGETARY BASIS

RENOVATION AND EXPANSION OF THE DEANE-PORTER AND FORRESTDALE SCHOOLS

From inception and for the year ended June 30, 2010

| | Prior Periods | Current Year | Totals | Authorized Cost |
|---|---|---|---|---|
| Revenues and Other Financing Sources: | | | | |
| State Sources - SCC Grant | $ 2,369,084.05 | | $ 2,369,084.05 | $ 2,369,084.05 |
| Bond Proceeds and Transfers | 6,282,000.00 | | 6,282,000.00 | 6,282,000.00 |
| Total Revenues | 8,651,084.05 | | 8,651,084.05 | 8,651,084.05 |
| Expenditures and Other Financing Sources: | | | | |
| Purchased Professional and Technical Services | 846,408.23 | | 846,408.23 | 796,079.00 |
| Land and Improvements | 205,632.54 | | 205,632.54 | 972,400.00 |
| Construction Services | 6,991,059.45 | $ 1,270.22 | 6,992,329.67 | 6,454,605.05 |
| Equipment Purchases | 606,713.61 | | 606,713.61 | 428,000.00 |
| Total Expenditures | 8,649,813.83 | 1,270.22 | 8,651,084.05 | 8,651,084.05 |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | $ 1,270.22 | $ (1,270.22) | $ 0.00 | $ 0.00 |

| | |
|---|---|
| Additional Project Information: | |
| Project Numbers | 4570-050-02-1116 and 4570-040-02-1117 |
| Grant Date | July 24, 2002 |
| Bond Authorization Date | April 1, 2003 |
| Bonds Authorized | $ 6,282,000.00 |
| Bonds Issued | 6,282,000.00 |
| Original Authorization Cost | 8,685,415.12 |
| Additional Authorization Cost | 0.00 |
| Revised Authorization Cost | 8,651,084.05 |
| Percentage Increase over Original Authorized Cost | 0.00% |
| Percentage Completion | 100% |
| Original Target Completion Date | August, 2004 |
| Revised Target Completion Date | September, 2009 |

RUMSON SCHOOL DISTRICT

CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS - BUDGETARY BASIS

RENOVATION OF DEANE-PORTER SCHOOL ROOF

From inception and for the year ended June 30, 2010

| | Prior Periods | Current Year | Totals | Authorized Cost |
|---|---|---|---|---|
| Revenues and Other Financing Sources: | | | | |
| Bond Proceeds and Transfers | $ 1,257,000.00 | | $ 1,257,000.00 | $ 1,257,000.00 |
| Total Revenues | 1,257,000.00 | 0.00 | 1,257,000.00 | 1,257,000.00 |
| Expenditures and Other Financing Sources: | | | | |
| Purchased Professional and Technical Services | 69,274.35 | $ 14,285.57 | 83,559.92 | 86,220.92 |
| Construction Services | | 928,637.22 | 928,637.22 | 1,027,240.00 |
| Equipment Purchases | | | | 143,539.08 |
| Total Expenditures | 69,274.35 | 942,922.79 | 1,012,197.14 | 1,257,000.00 |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | $ 1,187,725.65 | $ (942,922.79) | $ 244,802.86 | $ 0.00 |

| | |
|---|---|
| Additional Project Information: | |
| Project Numbers | N/A |
| Grant Date | N/A |
| Bond Authorization Date | 01/27/09 |
| Bonds Authorized | $ 1,257,000.00 |
| Bonds Issued | 1,257,000.00 |
| Original Authorization Cost | 1,257,000.00 |
| Additional Authorization Cost | 0.00 |
| Revised Authorization Cost | 1,257,000.00 |
| Percentage Increase over Original Authorized Cost | 0.00% |
| Percentage Completion | 80.52% |
| Original Target Completion Date | August, 2009 |
| Revised Target Completion Date | August, 2009 |

RUMSON SCHOOL DISTRICT

CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
AND PROJECT STATUS - BUDGETARY BASIS

RENOVATION OF FORRESTDALE SCHOOL SCIENCE LABORATORY

From inception and for the year ended June 30, 2010

| | Prior Periods | Current Year | Totals | Authorized Cost |
|---|---|---|---|---|
| Revenues and Other Financing Sources: | | | | |
| NJSDA Grant | | $ 13,468.09 | 13,468.09 | $ 198,864.00 |
| Donations | | 198,296.00 | 198,296.00 | 198,296.00 |
| Bond Proceeds and Transfers | | 100,000.00 | $ 100,000.00 | 100,000.00 |
| Total Revenues | | 311,764.09 | 311,764.09 | 497,160.00 |
| Expenditures and Other Financing Sources: | | | | |
| Purchased Professional and Technical Services | | 33,670.22 | 33,670.22 | 37,500.00 |
| Construction Services | | | | 459,660.00 |
| Total Expenditures | | 33,670.22 | 33,670.22 | 497,160.00 |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | $ 0.00 | $ 278,093.87 | $ 278,093.87 | $ 0.00 |

| | |
|---|---|
| Additional Project Information: | |
| Project Numbers | 4570-050-09-0ZVE |
| Grant Date | 05/27/2010 |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorization Cost | 497,160.00 |
| Additional Authorization Cost | 0.00 |
| Revised Authorization Cost | 497,160.00 |
| Percentage Increase over Original Authorized Cost | 0.00% |
| Percentage Completion | 6.77% |
| Original Target Completion Date | August, 2010 |
| Revised Target Completion Date | August, 2010 |

RUMSON SCHOOL DISTRICT

CAPITAL PROJECTS FUND

SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS

GYMNASIUM LIGHTING REPLACEMENT

From inception and for the year ended June 30, 2010

| | Prior Periods | Current Year | Totals | Authorized Cost |
|---|---|---|---|---|
| Revenues and Other Financing Sources: | | | | |
| NJSDA Grant | | $ 5,054.26 | $ 5,054.26 | $ 16,344.00 |
| Bond Proceeds and Transfers | | 24,517.00 | 24,517.00 | 24,517.00 |
| Total Revenues | | 29,571.26 | 29,571.26 | 40,861.00 |
| Expenditures and Other Financing Sources: | | | | |
| Purchased Professional and Technical Services | | 12,635.65 | 12,635.65 | 14,000.00 |
| Construction Services | | | | 26,861.00 |
| Total Expenditures | | 12,635.65 | 12,635.65 | 40,861.00 |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | $ 0.00 | $ 16,935.61 | $ 16,935.61 | $ 0.00 |

| Additional Project Information: | |
|---|---|
| Project Numbers | 4570-040-09-0ZVD and 4570-050-09-0ZVF |
| Grant Date | 05/27/2010 |
| Bond Authorization Date | N/A |
| Bonds Authorized | N/A |
| Bonds Issued | N/A |
| Original Authorization Cost | 40,861.00 |
| Additional Authorization Cost | 0.00 |
| Revised Authorization Cost | 40,861.00 |
| Percentage Increase over Original Authorized Cost | 0.00% |
| Percentage Completion | 30.92% |
| Original Target Completion Date | November, 2010 |
| Revised Target Completion Date | November, 2010 |

# PROPRIETARY FUND
# DETAIL STATEMENTS

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the District's Board is that the costs of providing goods or services be financed through user charges.

## FOOD SERVICE FUND

This Fund provides for the operation of food services within the School District.

This section has already been included in Statements B-4, B-5, and B-6.

# FIDUCIARY FUNDS
# DETAIL STATEMENTS

Fiduciary Funds are used to account for funds received by the School District for a specific purpose.

Agency Funds are used to account for assets held by the School District as an agent for individuals, private organizations, other governments and/or other funds.

| | |
|---|---|
| Student Activity Fund: | This Agency Fund is used to account for student funds held at the schools. |
| Payroll Fund: | This Agency Fund is used to account for the payroll transactions of the School District. |

RUMSON SCHOOL DISTRICT

COMBINING STATEMENT OF FIDUCIARY NET ASSETS

FIDUCIARY FUNDS

June 30, 2010

| | Unemployment Compensation Trust | Private Purpose Scholarship Fund | Agency Fund | Totals |
|---|---|---|---|---|
| Assets: | | | | |
| Cash and Cash Equivalents | $ 122,071.15 | $ 63,563.95 | $ 240,068.37 | $ 425,703.47 |
| Total Assets | $ 122,071.15 | $ 63,563.95 | $ 240,068.37 | $ 425,703.47 |
| Liabilities: | | | | |
| Payable To Student Groups | | | $ 67,731.13 | $ 67,731.13 |
| Payroll Deductions and Withholdings | | | 172,337.24 | 172,337.24 |
| Total Liabilities | | | 240,068.37 | 240,068.37 |
| Net Assets: | | | | |
| Held in Trust for Unemployment Claims and Other Purposes | $ 122,071.15 | | | 122,071.15 |
| Reserved for Scholarships | | $ 63,563.95 | | 63,563.95 |
| Total Net Assets | 122,071.15 | 63,563.95 | | 185,635.10 |
| Total Liabilities and Net Assets | $ 122,071.15 | $ 63,563.95 | $ 240,068.37 | $ 425,703.47 |

Exhibit H-2

RUMSON SCHOOL DISTRICT

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

FIDUCIARY FUNDS

For the fiscal year ended June 30, 2010

| | Unemployment Compensation Trust | Private Purpose Scholarship Fund | Totals |
|---|---|---|---|
| Additions: | | | |
| Contributions: | | | |
| Plan Member | $ 23,915.13 | | $ 23,915.13 |
| Other | | $ 94,985.51 | 94,985.51 |
| Total Contributions | 23,915.13 | 94,985.51 | 118,900.64 |
| Investment Earnings: | | | |
| Interest | 313.76 | | 313.76 |
| Net Investment Earnings | 313.76 | | 313.76 |
| Total Additions | 24,228.89 | 94,985.51 | 119,214.40 |
| Deductions: | | | |
| Quarterly Contribution Reports | 9,771.29 | | 9,771.29 |
| Unemployment Claims | 10,733.19 | | 10,733.19 |
| Scholarships Awarded | | 41,886.73 | 41,886.73 |
| Total Deductions | 20,504.48 | 41,886.73 | 62,391.21 |
| Change in Net Assets | 3,724.41 | 53,098.78 | 56,823.19 |
| Net Assets - Beginning of Year | 118,346.74 | 10,465.17 | 128,811.91 |
| Net Assets - End of Year | $ 122,071.15 | $ 63,563.95 | $ 185,635.10 |

Exhibit H-3

RUMSON SCHOOL DISTRICT

SCHEDULE OF RECEIPTS AND DISBURSEMENTS

STUDENT ACTIVITY AGENCY FUND

For the fiscal year ended June 30, 2010

| | Balance July 1, 2008 | Cash Receipts | Cash Disbursements | Balance June 30, 2009 |
|---|---|---|---|---|
| Elementary Schools: | | | | |
| Forrestdale | $ 72,758.29 | $ 118,124.87 | $ 127,120.11 | $ 63,763.05 |
| Deane-Porter | 3,530.79 | 12,144.82 | 11,707.53 | 3,968.08 |
| Total Assets | $ 76,289.08 | $ 130,269.69 | $ 138,827.64 | $ 67,731.13 |

RUMSON SCHOOL DISTRICT

PAYROLL AGENCY FUND

SCHEDULE OF RECEIPTS AND DISBURSEMENTS

For the fiscal year ended June 30, 2010

| | Balance July 1, 2009 | Additions | Deletions | Balance June 30, 2010 |
|---|---|---|---|---|
| Assets | | | | |
| Cash | $ 146,567.37 | $ 3,793,392.41 | $ 3,767,622.54 | $ 172,337.24 |
| Total Assets | $ 146,567.37 | $ 3,793,392.41 | $ 3,767,622.54 | $ 172,337.24 |
| Liabilities | | | | |
| Payroll Deductions and Withholdings | $ 146,567.37 | $ 3,793,392.41 | $ 3,767,622.54 | $ 172,337.24 |
| Total Liabilities | $ 146,567.37 | $ 3,793,392.41 | $ 3,767,622.54 | $ 172,337.24 |

# LONG-TERM DEBT SCHEDULES

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the School District. This includes serial bonds outstanding and obligations under capital leases.

Exhibit I-1

RUMSON SCHOOL DISTRICT

STATEMENT OF SERIAL BONDS

June 30, 2010

| Issue | Date of Issue | Amount of Issue | Annual Maturities Date | Annual Maturities Amount | Interest Rate | Balance July 1, 2009 | Retired | Balance June 30, 2010 |
|---|---|---|---|---|---|---|---|---|
| Renovations and Improvements | 04/01/03 | $ 6,282,000.00 | 09/01/10 | $ 150,000.00 | 3.750% | | | |
| | | | 09/01/11 | 175,000.00 | 3.750% | | | |
| | | | 09/01/12 | 200,000.00 | 3.750% | | | |
| | | | 09/01/13 | 225,000.00 | 3.750% | | | |
| | | | 09/01/14 | 275,000.00 | 3.800% | | | |
| | | | 09/01/15 | 300,000.00 | 3.800% | | | |
| | | | 09/01/16 | 325,000.00 | 3.800% | | | |
| | | | 09/01/17 | 375,000.00 | 3.800% | | | |
| | | | 09/01/18 | 675,000.00 | 3.800% | | | |
| | | | 09/01/19 | 725,000.00 | 3.850% | | | |
| | | | 09/01/20 | 750,000.00 | 3.950% | | | |
| | | | 09/01/21 | 775,000.00 | 4.050% | | | |
| | | | 09/01/22 | 782,000.00 | 4.100% | $ 5,882,000.00 | $ 150,000.00 | $ 5,732,000.00 |
| Refunding School Bonds | 08/15/08 | 2,745,000.00 | 05/01/11 | 285,000.00 | 4.250% | | | |
| | | | 05/01/12 | 90,000.00 | 3.250% | | | |
| | | | 05/01/12 | 190,000.00 | 4.250% | | | |
| | | | 05/01/13 | 280,000.00 | 3.250% | | | |
| | | | 05/01/14 | 265,000.00 | 5.000% | | | |
| | | | 05/01/15 | 265,000.00 | 3.625% | | | |
| | | | 05/01/16 | 260,000.00 | 3.750% | | | |
| | | | 05/01/17 | 255,000.00 | 5.000% | | | |
| | | | 05/01/18 | 245,000.00 | 5.000% | 2,420,000.00 | 285,000.00 | 2,135,000.00 |
| New Roof | 05/19/09 | 1,257,000.00 | 02/01/2011-12 | 70,000.00 | 4.000% | | | |
| | | | 02/01/2013-14 | 75,000.00 | 4.000% | | | |
| | | | 02/01/15 | 80,000.00 | 4.000% | | | |
| | | | 02/01/2016-17 | 85,000.00 | 4.000% | | | |
| | | | 02/01/18 | 90,000.00 | 4.000% | | | |
| | | | 02/01/19 | 95,000.00 | 4.000% | | | |
| | | | 02/01/20 | 100,000.00 | 4.000% | | | |
| | | | 02/01/21 | 100,000.00 | 4.125% | | | |
| | | | 02/01/22 | 105,000.00 | 4.125% | | | |
| | | | 02/01/23 | 110,000.00 | 4.125% | | | |
| | | | 02/01/24 | 117,000.00 | 4.125% | 1,257,000.00 | | 1,257,000.00 |
| | | | | | | $ 9,559,000.00 | $ 435,000.00 | $ 9,124,000.00 |

Exhibit I-3

RUMSON SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

DEBT SERVICE FUND

For the fiscal year ended June 30, 2010

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Positive/(Negative) Final To Actual |
|---|---|---|---|---|---|
| Revenues | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | $ 670,164.00 | $ (0.22) | $ 670,163.78 | $ 670,163.78 | |
| | 670,164.00 | (0.22) | 670,163.78 | 670,163.78 | |
| State Sources: | | | | | |
| Debt Service Aid - Type II | 110,968.00 | | 110,968.00 | 110,968.00 | |
| Total Revenues | 781,132.00 | (0.22) | 781,131.78 | 781,131.78 | |
| Expenditures | | | | | |
| Regular Debt Service: | | | | | |
| Interest on Bonds | 361,205.00 | | 361,205.00 | 360,804.76 | $ 400.24 |
| Redemption of Principal | 435,000.00 | | 435,000.00 | 435,000.00 | |
| Total Regular Debt Service | 796,205.00 | | 796,205.00 | 795,804.76 | 400.24 |
| Total Expenditures | 796,205.00 | | 796,205.00 | 795,804.76 | 400.24 |
| Excess/(Deficiency) of Revenue Over/(Under) Expenditures | (15,073.00) | (0.22) | (15,073.22) | (14,672.98) | 400.24 |
| Other Financial Sources/(Uses): | | | | | |
| Operating Transfer In | | | | 3,659.86 | 3,659.86 |
| Total Other Financial Sources/(Uses) | | | | 3,659.86 | 3,659.86 |
| Excess/(Deficiency) of Revenues and Other and Other Financial Sources Over/ (Under) Expenditures | (15,073.00) | (0.22) | (15,073.22) | (11,013.12) | 4,060.10 |
| Fund Balance, July 1 | 16,698.57 | | 16,698.57 | 16,698.57 | |
| Fund Balance, June 30 | $ 1,625.57 | $ 0.00 | $ 1,625.35 | $ 5,685.45 | $ 4,060.10 |
| Recapitulation of Excess/(Deficiency) of Revenues Over/(Under) Expenditures: | | | | | |
| Budgeted Fund Balance | $ (15,073.00) | $ (0.22) | $ (15,073.22) | $ 0.00 | $ 0.00 |

# STATISTICAL SECTION

FINANCIAL TRENDS/INFORMATION SCHEDULES

Exhibit J-1

RUMSON SCHOOL DISTRICT

NET ASSETS BY COMPONENT

LAST SIX FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|
| Government Activities: | | | | | | |
| Invested in Capital Assets, Net of Related Debt | $ 3,923,766.10 | $ 3,993,970.16 | $ 4,974,188.28 | $ 4,895,332.28 | $ 4,654,657.95 | $ 5,678,994.61 |
| Restricted | 2,241,637.03 | 1,487,102.66 | 472,323.32 | 361,397.65 | 2,092,490.50 | 1,954,524.66 |
| Unrestricted | (102,811.76) | (271,939.77) | (239,780.93) | (51,440.57) | (17,944.11) | 4,823.85 |
| Total Government Activities Net Assets | $ 6,062,591.37 | $ 5,209,133.05 | $ 5,206,730.67 | $ 5,205,289.36 | $ 6,729,204.34 | $ 7,638,343.12 |
| Business-Type Activities: | | | | | | |
| Invested in Capital Assets, Net of Related Debt | | | | $ 49,048.25 | $ 89,126.00 | $ 78,420.00 |
| Unrestricted | $ 8,893.86 | $ 14,446.95 | $ 20,679.77 | 31,068.80 | 28,189.34 | 29,876.82 |
| Total Business-Type Activities Net Assets | $ 8,893.86 | $ 14,446.95 | $ 20,679.77 | $ 80,117.05 | $ 117,315.34 | $ 108,296.82 |
| District-wide: | | | | | | |
| Invested in Capital Assets, Net of Related Debt | $ 3,923,766.10 | $ 3,993,970.16 | $ 4,974,188.28 | $ 4,944,380.53 | $ 4,743,783.95 | $ 5,757,414.61 |
| Restricted | 2,241,637.03 | 1,487,102.66 | 472,323.32 | 361,397.65 | 2,092,490.50 | 1,954,524.66 |
| Unrestricted | (93,917.90) | (257,492.82) | (219,101.16) | (20,371.77) | 10,245.23 | 34,700.67 |
| Total District Net Assets | $ 6,071,485.23 | $ 5,223,580.00 | $ 5,227,410.44 | $ 5,285,406.41 | $ 6,846,519.68 | $ 7,746,639.94 |

RUMSON SCHOOL DISTRICT

CHANGES IN NET ASSETS

LAST SIX FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|
| Expenses: | | | | | | |
| Governmental Activities: | | | | | | |
| Instruction: | | | | | | |
| Regular | $ (5,817,460.48) | $ (6,273,978.51) | $ (6,695,245.16) | $ (6,834,858.94) | $ (6,497,117.15) | $ (6,784,928.93) |
| Special Education | (1,112,985.82) | (1,382,584.94) | (1,331,510.06) | (1,691,691.17) | (1,708,051.53) | (1,493,807.84) |
| Other Special Education | (139,074.74) | (112,617.36) | (105,389.62) | (113,937.79) | (108,124.86) | (108,827.38) |
| Other Instruction | (109,298.70) | (113,529.18) | (114,944.03) | (57,975.28) | (68,893.50) | (52,362.45) |
| Support Services: | | | | | | |
| Tuition | (457,354.24) | (365,057.23) | (213,610.00) | (193,168.64) | (263,496.93) | (359,495.27) |
| Student and Instruction Related Services | (1,375,620.72) | (1,432,082.94) | (1,847,500.11) | (1,907,388.96) | (1,735,785.73) | (1,971,520.19) |
| School Administrative Services | (637,313.21) | (723,182.46) | (549,577.30) | (630,617.62) | (639,839.88) | (631,567.89) |
| General Administration | (868,963.55) | (833,851.23) | (702,135.40) | (518,702.29) | (473,475.34) | (575,132.70) |
| Central Services | | | (269,701.72) | (273,437.20) | (300,995.18) | (297,474.18) |
| Administrative Information Technology | | | (66,673.86) | (101,871.38) | (112,622.38) | (113,406.84) |
| Plant Operations and Maintenance | (1,030,016.83) | (1,243,814.32) | (1,230,460.89) | (1,249,234.52) | (1,242,920.03) | (1,302,814.92) |
| Pupil Transportation | (391,254.91) | (531,919.36) | (518,578.74) | (503,718.14) | (513,302.60) | (540,902.03) |
| Interest on Long-Term Debt | (428,210.00) | (412,512.50) | (395,643.13) | (379,242.50) | (307,874.09) | (372,900.57) |
| Total Governmental Activities Expenses | (12,367,553.20) | (13,425,130.03) | (14,040,970.02) | (14,455,844.43) | (13,972,499.20) | (14,605,141.19) |
| Business-Type Activities: | | | | | | |
| Food Service | (5,434.11) | (6,880.87) | (8,581.15) | (344,037.48) | (275,796.52) | (266,413.35) |
| Rumson After School Academy | (42,083.00) | (40,878.00) | (42,026.00) | (31,165.80) | (30,259.50) | (26,574.50) |
| Total Business-Type Activities Expenses | (47,517.11) | (47,758.87) | (50,607.15) | (375,203.28) | (306,056.02) | (292,987.85) |
| Total District Expenses | $ (12,415,070.31) | $ (13,472,888.90) | $ (14,091,577.17) | $ (14,831,047.71) | $ (14,278,555.22) | $ (14,898,129.04) |
| Program Revenues: | | | | | | |
| Governmental Activities: | | | | | | |
| Charges for Services: | | | | | | |
| Instruction (Tuition) | | | | | | $ 23,514.00 |
| Operating Grants and Contributions | $ 189,282.00 | $ 185,820.00 | $ 191,150.90 | $ 179,590.00 | $ 209,366.81 | 227,796.00 |
| Capital Grants and Contributions | 1,361,366.00 | | | | | 216,818.35 |
| Total Governmental Activities Program Revenues | 1,550,648.00 | 185,820.00 | 191,150.90 | 179,590.00 | 209,366.81 | 468,128.35 |
| Business-Type Activities: | | | | | | |
| Charges for Services: | | | | | | |
| Food Service | 6,744.75 | 7,758.64 | 9,676.25 | 350,829.76 | 261,726.33 | 257,228.00 |
| Rumson After School Academy | 42,083.00 | 40,878.00 | 42,026.00 | 31,165.80 | 30,259.50 | 26,574.50 |
| Operating Grants and Contributions | 4,236.02 | 4,426.13 | 4,630.57 | | | |
| Capital Grants and Contributions | | | | 50,792.25 | | |
| Total Business-Type Activities Program Revenues | 53,063.77 | 53,062.77 | 56,332.82 | 432,787.81 | 291,985.83 | 283,802.50 |
| Total District Program Revenues | $ 1,603,711.77 | $ 238,882.77 | $ 247,483.72 | $ 612,377.81 | $ 501,352.64 | $ 751,930.85 |

RUMSON SCHOOL DISTRICT

CHANGES IN NET ASSETS

LAST SIX FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|
| Net (Expense)/Revenue: | | | | | | |
| Governmental Activities | $ (10,816,905.20) | $ (13,239,310.03) | $ (13,849,819.12) | $ (14,276,254.43) | $ (13,763,132.39) | $ (14,137,012.84) |
| Business-Type Activities | 5,546.66 | 5,303.90 | 5,725.67 | 57,584.53 | (14,070.19) | (9,185.35) |
| Total District-wide Net (Expense)/Revenue | $ (10,811,358.54) | $ (13,234,006.13) | $ (13,844,093.45) | $ (14,218,669.90) | $ (13,777,202.58) | $ (14,146,198.19) |
| General Revenues and Other Changes in Net Assets: | | | | | | |
| Governmental Activities: | | | | | | |
| Property Taxes Levied for General Purposes, Net | $ 9,589,523.00 | $ 9,978,373.02 | $ 10,695,140.00 | $ 11,287,723.00 | $ 11,689,061.00 | $ 12,357,424.22 |
| Taxes Levied for Debt Service | 646,907.00 | 634,688.00 | 647,001.00 | 488,472.00 | 654,813.00 | 670,163.78 |
| Unrestricted Grants and Contributions | 1,740,248.87 | 1,835,521.22 | 2,294,725.78 | 2,419,309.19 | 2,019,560.53 | 1,978,150.65 |
| Investment Earnings | 62,289.55 | 101,697.98 | 86,319.23 | 75,311.65 | 16,682.66 | 13,497.26 |
| Miscellaneous Income | 8,845.95 | 19,164.27 | 124,230.73 | 38,328.35 | 50,167.57 | 26,915.71 |
| Total Governmental Activities | 12,047,814.37 | 12,569,444.49 | 13,847,416.74 | 14,309,144.19 | 14,430,284.76 | 15,046,151.62 |
| Business-Type Activities: | | | | | | |
| Investment Earnings | 71.01 | 249.19 | 507.15 | 1,852.75 | 482.73 | 166.83 |
| Total Business-Type Activities | 71.01 | 249.19 | 507.15 | 1,852.75 | 482.73 | 166.83 |
| Total District-wide | $ 12,047,885.38 | $ 12,569,693.68 | $ 13,847,923.89 | $ 14,310,996.94 | $ 14,430,767.49 | $ 15,046,318.45 |
| Changes in Net Assets: | | | | | | |
| Governmental Activities | $ 1,230,909.17 | $ (669,865.54) | $ (2,402.38) | $ 32,889.76 | $ 667,152.37 | $ 909,138.78 |
| Business-Type Activities | 5,617.67 | 5,553.09 | 6,232.82 | 59,437.28 | (13,587.46) | (9,018.52) |
| Total District | $ 1,236,526.84 | $ (664,312.45) | $ 3,830.44 | $ 92,327.04 | $ 653,564.91 | $ 900,120.26 |

Exhibit J-3

RUMSON SCHOOL DISTRICT

FUND BALANCES, GOVERNMENTAL FUNDS

LAST SIX FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|
| General Fund: | | | | | | |
| Reserved | $ 550,472.77 | $ 129,998.49 | $ 47,003.66 | $ 145,386.86 | $ 839,585.76 | $ 1,376,153.07 |
| Unreserved | 119,100.16 | 188,313.79 | 337,443.39 | 470,351.73 | 358,788.11 | 331,337.07 |
| Total General Fund | $ 669,572.93 | $ 318,312.28 | $ 384,447.05 | $ 615,738.59 | $ 1,198,373.87 | $ 1,707,490.14 |
| All Other Governmental Funds: | | | | | | |
| Reserved | $ 1,567,634.59 | $ 1,190,678.87 | | | $ 6,674.17 | $ 392,170.13 |
| Unreserved, Reported In: | | | | | | |
| Capital Projects Fund | | | $ 108,551.37 | $ 54,803.93 | 1,182,321.70 | 147,662.21 |
| Debt Service Fund | 123,529.67 | 166,425.30 | 176,685.29 | 11,206.86 | 16,698.57 | 5,685.45 |
| Total All Other Governmental Funds | $ 1,691,164.26 | $ 1,357,104.17 | $ 285,236.66 | $ 66,010.79 | $ 1,205,694.44 | $ 545,517.79 |

RUMSON SCHOOL DISTRICT

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

| | 2001* | 2002* | 2003* | 2004* | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|---|---|---|
| Revenues: | | | | | | | | | | |
| Tax Levy | $ 8,086,907.00 | $ 8,528,814.00 | $ 9,057,630.00 | $ 9,173,320.00 | $ 10,236,430.00 | $ 10,613,061.02 | $ 11,342,141.00 | $ 11,776,195.00 | $ 12,343,874.00 | $ 13,027,588.00 |
| Tuition Charges | | | | | | 6,280.50 | 10,771.00 | 12,449.00 | 26,829.00 | 23,514.00 |
| Interest Earnings | | | | | | 58,802.35 | 76,059.49 | 75,311.65 | 23,682.66 | 13,497.26 |
| Miscellaneous | 107,936.06 | 60,048.59 | 38,837.32 | 17,720.90 | 53,411.73 | 12,883.77 | 113,459.73 | 25,879.35 | 23,338.57 | 225,211.71 |
| State Sources | 1,166,590.30 | 1,218,826.81 | 1,420,430.36 | 1,642,230.87 | 1,727,027.68 | 1,795,978.63 | 2,201,056.84 | 2,365,070.29 | 1,886,315.79 | 1,840,515.21 |
| Federal Sources | 129,937.69 | 169,662.65 | 182,527.88 | 211,265.00 | 202,503.19 | 225,362.59 | 284,819.84 | 230,586.77 | 342,611.55 | 383,953.79 |
| Total Revenues | 9,491,371.05 | 9,977,352.05 | 10,699,425.56 | 11,044,536.77 | 12,219,372.60 | 12,712,368.86 | 14,028,307.90 | 14,485,492.06 | 14,646,651.57 | 15,514,279.97 |
| Expenditures: | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Regular | 3,581,114.84 | 3,724,516.91 | 3,568,296.21 | 3,581,240.04 | 4,178,066.25 | 3,960,111.77 | 4,258,752.10 | 4,223,132.66 | 4,143,870.98 | 4,263,165.32 |
| Special | 612,904.48 | 636,346.91 | 645,962.95 | 686,896.18 | 820,671.50 | 737,746.45 | 608,321.57 | 952,509.55 | 1,129,870.53 | 898,102.37 |
| Other | 23,508.88 | 47,900.00 | 39,302.25 | 30,054.56 | 92,968.63 | 100,628.30 | 97,360.61 | 104,358.30 | 100,907.77 | 101,363.17 |
| School-Sponsored/Other Instructional | 56,247.30 | 74,411.63 | 85,706.44 | 95,230.32 | 99,489.00 | 107,432.91 | 110,861.39 | 53,068.71 | 65,196.94 | 47,010.22 |
| Community Services | 1,000.00 | | | | | | | | | |
| Undistributed: | | | | | | | | | | |
| Speech | 13,112.20 | 20,684.15 | 26,213.28 | 50,155.41 | 87,369.16 | 189,647.42 | 201,313.94 | 159,719.87 | 119,259.24 | 58,545.66 |
| Extraordinary | 42,154.80 | 27,434.26 | 56,207.24 | 31,473.45 | 6,930.00 | 48,360.30 | 151,729.60 | 87,461.00 | 43,099.00 | 294,417.79 |
| Staff Training | 37,960.65 | 45,111.98 | 47,542.56 | 85,278.00 | 63,570.13 | 49,355.31 | 48,176.46 | 56,497.33 | 57,529.07 | 63,282.55 |
| Instruction | 129,106.81 | 42,886.80 | 92,991.30 | 276,410.31 | 457,354.24 | 365,057.23 | 213,610.00 | 193,168.64 | 263,496.93 | 359,495.27 |
| Support Services - Students | 414,158.33 | 453,145.42 | 455,846.14 | 303,732.44 | 571,258.61 | 786,709.00 | 1,108,535.23 | 1,152,362.73 | 1,020,014.13 | 944,299.60 |
| Support Services - Instructional Staff | 201,808.00 | 215,277.93 | 230,369.83 | 435,870.84 | 369,890.41 | 166,909.79 | 73,044.81 | 86,044.65 | 85,105.05 | 91,271.12 |
| General Administration | 275,347.52 | 302,985.25 | 319,398.87 | 371,062.78 | 382,817.96 | 692,460.69 | 383,148.74 | 422,615.88 | 441,850.49 | 474,964.10 |
| School Administrative Services | 353,828.42 | 408,374.13 | 430,000.75 | 494,140.07 | 463,237.89 | 479,141.75 | 498,706.99 | 432,292.46 | 382,869.86 | 433,645.03 |
| Central Services | | | | | | | 211,902.32 | 233,289.36 | 258,604.90 | 249,325.27 |
| Admin. Information Technology | | | | | | | 47,407.40 | 81,797.46 | 91,427.24 | 88,936.03 |
| Plant Operations and Maintenance | 736,949.17 | 801,157.84 | 705,998.77 | 768,638.83 | 914,236.63 | 999,763.87 | 1,006,226.41 | 1,030,835.43 | 1,023,735.51 | 1,029,101.55 |
| Pupil Transportation | 356,261.25 | 347,208.77 | 400,799.67 | 402,363.29 | 391,254.91 | 531,919.36 | 518,578.74 | 503,718.14 | 513,302.60 | 544,865.53 |
| Business and Other Support Services | 1,226,211.42 | 1,451,309.61 | 2,049,473.17 | 1,915,213.63 | 1,873,066.40 | 1,825,494.02 | 1,930,318.42 | 2,084,353.82 | 2,210,706.28 | 2,510,878.70 |
| On-Behalf TPAF Pension Contributions | 113,726.00 | | 208,351.00 | 377,018.00 | 383,043.00 | 459,065.00 | 834,422.00 | 887,578.00 | 398,162.00 | 403,028.00 |
| Reimbursed TPAF Social Security Contributions | 353,292.79 | 342,939.96 | 356,044.86 | 366,162.72 | 402,325.48 | 419,278.63 | 439,827.29 | 447,314.56 | 437,201.98 | 450,088.97 |
| Capital Outlay | 155,960.37 | 86,564.28 | 26,810.10 | 32,838.71 | 28,872.54 | 30,701.12 | 26,950.62 | 100,842.63 | 33,821.00 | 53,971.78 |
| Special Revenue | 315,686.87 | 366,893.88 | 381,660.38 | 365,650.15 | | 363,561.59 | 433,859.49 | 359,702.77 | 479,254.55 | 519,278.68 |
| Debt Service: | | | | | | | | | | |
| Principal | 270,000.00 | 280,000.00 | 300,000.00 | 300,000.00 | 335,000.00 | 335,000.00 | 360,000.00 | 385,000.00 | 450,000.00 | 435,000.00 |
| Interest and Other Charges | 244,473.00 | 230,198.00 | 215,363.00 | 443,600.00 | 430,982.50 | 415,285.00 | 399,118.75 | 382,015.00 | 309,238.53 | 360,804.76 |
| Total Expenditures | 9,514,813.10 | 9,905,347.71 | 10,642,338.77 | 11,413,029.73 | 12,352,405.24 | 13,063,629.51 | 13,962,172.88 | 14,419,678.95 | 14,058,524.58 | 14,674,841.47 |
| Excess/(Deficiency) of Revenues Over/(Under) Expenditures | (23,442.05) | 72,004.34 | 57,086.79 | (368,492.96) | (133,032.64) | (351,260.65) | 66,135.02 | 65,813.11 | 588,126.99 | 839,438.50 |
| Other Financing Sources/(Uses): | *** | *** | *** | | | | | | | *** |
| Proceeds From Borrowing | | | | | | | | | 1,257,000.00 | |
| Capital Leases (Non-Budgeted) | | | | | | | | | | |
| Proceeds From Refunding | | | | | | | | | 2,847,224.45 | |
| Payments To Escrow Agent | | | | | | | | | (2,847,224.45) | |
| Transfers In | | | | 73,469.40 | 17,723.77 | 42,895.63 | 10,259.74 | 4,426.57 | 1,604.72 | 128,176.86 |
| Transfers Out | | | | | | | | (3,480.00) | | (128,176.86) |
| Total Other Financing Sources/(Uses) | | | | 73,469.40 | 17,723.77 | 42,895.63 | 10,259.74 | 946.57 | 1,258,604.72 | |
| Net Change in Fund Balances | $ (23,442.05) | $ 72,004.34 | $ 57,086.79 | $ (295,023.56) | $ (115,308.87) | $ (308,365.02) | $ 76,394.76 | $ 66,759.68 | $ 1,846,731.71 | $ 839,438.50 |
| Debt Service as a Percentage of Noncapital Expenditures | 5.50% | 5.20% | 4.85% | 6.53% | 6.22% | 5.76% | 5.45% | 5.36% | 5.41% | 5.44% |

Source: District records

Note: Noncapital expenditures are total expenditures less Capital Outlay
Central Service and Administrative Information Technology account classifications were added beginning with year-end June 30, 2005
Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.
* Special Revenue allocation not available
** Debt Service breakdown not available
*** Other Financing Sources/(Uses) not available

Exhibit J-5

RUMSON SCHOOL DISTRICT

GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE

LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

| Fiscal Year Ending June 30, | Tuition | Miscellaneous | Interest on Investments | Prior Year Refunds | Annual Totals |
|---|---|---|---|---|---|
| 2001 | $ 37,451.50 | $ 10,498.22 | $ 59,489.32 | $ 497.02 | $ 107,936.06 |
| 2002 | 40,424.09 | 3,135.03 | 16,489.47 | | 60,048.59 |
| 2003 | 8,278.80 | 10,500.00 | 20,058.52 | | 38,837.32 |
| 2004 | | 496.25 | 17,224.65 | | 17,720.90 |
| 2005 | 5,135.00 | 2,178.60 | 44,565.78 | 1,532.35 | 53,411.73 |
| 2006 | 6,280.50 | 12,883.77 | 58,802.35 | | 77,966.62 |
| 2007 | 10,771.00 | 113,459.73 | 76,059.49 | | 200,290.22 |
| 2008 | 12,449.00 | 25,879.35 | 75,311.65 | | 113,640.00 |
| 2009 | 26,829.00 | 23,338.57 | 23,682.66 | | 73,850.23 |
| 2010 | 23,514.00 | 26,915.71 | 9,837.40 | | 60,267.11 |

Source: District records

# REVENUE CAPACITY INFORMATION

RUMSON SCHOOL DISTRICT

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS
(UNAUDITED)

RUMSON BOROUGH

| Calendar Year December 31 | Vacant Land | Residential | Farm Reg. | Qfarm | Commercial | Industrial | Apartment |
|---|---|---|---|---|---|---|---|
| 2001 | 10,308,800 | 940,438,500 | 0 | 15,400 | 44,239,800 | 0 | 1,831,900 |
| 2002 | 9,648,900 | 952,020,521 | 0 | 15,400 | 44,014,300 | 0 | 1,931,900 |
| 2003 | 8,624,600 | 963,022,181 | 0 | 15,400 | 44,814,400 | 0 | 1,844,300 |
| 2004 | 6,083,900 | 982,209,381 | 0 | 20,643 | 45,605,300 | 0 | 1,844,300 |
| 2005 | 11,169,300 | 2,623,906,800 | 0 | 25,700 | 103,394,000 | 0 | 4,249,400 |
| 2006 | 13,070,000 | 2,656,044,000 | 0 | 25,700 | 103,472,000 | 0 | 3,597,600 |
| 2007 | 31,304,000 | 2,680,775,700 | 6,051,700 | 32,300 | 102,473,300 | 0 | 3,588,500 |
| 2008 | 41,876,500 | 2,715,256,600 | 6,051,700 | 32,400 | 101,986,100 | 0 | 3,668,100 |
| 2009 | 45,975,700 | 2,747,446,100 | 6,051,700 | 31,000 | 101,724,700 | 0 | 1,494,800 |
| 2010 | 37,540,800 | 2,819,687,500 | 6,051,700 | 29,200 | 102,464,300 | 0 | 628,700 |

| | Total Assessed Value | Less: Tax-Exempt Property | Public Utilities[a] | Net Valuation Taxable | Estimated Actual (County Equalized) Value | Total Direct School Tax Rate[b] |
|---|---|---|---|---|---|---|
| 2001 | 996,834,400 | 0 | 1,040,736 | 997,875,136 | 1,140,670,022 | 0.811 |
| 2002 | 1,007,631,021 | 0 | 944,682 | 1,008,575,703 | 1,224,791,194 | 0.846 |
| 2003 | 1,018,320,881 | 0 | 880,311 | 1,019,201,192 | 1,366,567,311 | 0.889 |
| 2004 | 1,035,763,524 | 0 | 710,134 | 1,036,473,658 | 1,605,548,952 | 0.951 |
| 2005 | 2,742,745,200 | 0 | 1,232,311 | 2,743,977,511 | 1,879,701,125 | 0.373 |
| 2006 | 2,776,209,300 | 0 | 1,375,206 | 2,777,584,506 | 2,236,814,460 | 0.382 |
| 2007 | 2,824,225,500 | 0 | 1,202,538 | 2,825,428,038 | 2,671,610,268 | 0.402 |
| 2008 | 2,868,871,400 | 0 | 1,340,414 | 2,906,237,714 | 3,079,553,829 | 0.425 |
| 2009 | 2,904,897,300 | 0 | 1,626,628 | 2,957,460,328 | 3,698,079,152 | 0.441 |
| 2010 | 2,996,402,200 | 0 | 1,903,707 | 2,967,961,526 | 3,625,612,976 | 0.458 |

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 the 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

RUMSON SCHOOL DISTRICT

DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN FISCAL YEARS
(RATE PER $100 OF ASSESSED VALUE)
(UNAUDITED)

| Fiscal Year Ending June 30, | Rumson School District Direct Rate | | | | | | Total Direct and Overlapping Tax Rate |
|---|---|---|---|---|---|---|---|
| | Basic Rate[a] | General Obligation Debt Service[b] | (From J-6) Total Direct School Tax Rate | Total Direct Regional High School Tax Rate | | Monmouth County | |
| | Rumson Borough | Rumson Borough | Rumson Borough | Rumson Borough | Rumson Borough | Rumson Borough | Rumson Borough |
| 2001 | No debt service tax levy during these years. See total direct School tax rate. | | 0.811 | 0.571 | 0.511 | 0.584 | 2.477 |
| 2002 | | | 0.846 | 0.629 | 0.524 | 0.635 | 2.634 |
| 2003 | | | 0.889 | 0.680 | 0.544 | 0.698 | 2.811 |
| 2004 | | | 0.951 | 0.725 | 0.604 | 0.767 | 3.047 |
| 2005 | 0.2938 | 0.016 | 0.373 | 0.314 | 0.260 | 0.308 | 1.255 |
| 2006 | 0.3191 | 0.017 | 0.382 | 0.336 | 0.281 | 0.324 | 1.323 |
| 2007 | 0.2675 | 0.014 | 0.402 | 0.347 | 0.281 | 0.328 | 1.358 |
| 2008 | 0.3434 | 0.018 | 0.410 | 0.366 | 0.281 | 0.332 | 1.389 |
| 2009 | N/A | N/A | 0.441 | 0.361 | 0.302 | 0.327 | 1.431 |
| 2010 | N/A | N/A | 0.458 | 0.381 | 0.323 | 0.328 | 1.490 |

Source: Municipal Tax Assessor

Note: N.J.S.A. 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.

RUMSON SCHOOL DISTRICT

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

RUMSON BOROUGH

| | 2010 | | | 2001 | | |
|---|---|---|---|---|---|---|
| | Taxable Assessed Value | Rank (Optional) | % of Total District Net Assessed Value | Taxable Assessed Value | Rank (Optional) | % of Total District Net Assessed Value |
| Taxpayer 1 | $ 28,346,300 | 1 | 0.0096 | $ 11,056,500 | 1 | 0.0110 |
| Taxpayer 2 | 12,161,500 | 2 | 0.0041 | 4,322,700 | 2 | 0.0043 |
| Taxpayer 3 | 10,501,300 | 3 | 0.0035 | 2,692,600 | 3 | 0.0027 |
| Taxpayer 4 | 9,499,200 | 4 | 0.0032 | 2,641,500 | 4 | 0.0026 |
| Taxpayer 5 | 8,000,000 | 5 | 0.0027 | 2,383,400 | 5 | 0.0024 |
| Taxpayer 6 | 7,283,700 | 6 | 0.0025 | 2,363,000 | 6 | 0.0023 |
| Taxpayer 7 | 6,931,300 | 7 | 0.0023 | 2,207,500 | 7 | 0.0022 |
| Taxpayer 8 | 6,534,200 | 8 | 0.0022 | 2,127,000 | 8 | 0.0021 |
| Taxpayer 9 | 6,524,400 | 9 | 0.0022 | 2,088,900 | 9 | 0.0021 |
| Taxpayer 10 | 6,450,000 | 10 | 0.0022 | 1,962,100 | 10 | 0.0019 |
| Total | $ 102,231,900 | | 0.0345 | $ 33,845,200 | | 0.0336 |

Source: Municipal Tax Assessor

RUMSON SCHOOL DISTRICT

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS
UNAUDITED

| Fiscal Year Ended June 30, | Taxes Levied for the Fiscal Year | Collected Within the Fiscal Year of the Levy[a] | | Collections in Subsequent Years |
|---|---|---|---|---|
| | | Amount | Percentage of Levy | |
| 2001 | $ 8,086,907 | $ 8,086,907 | 100.00% | $ - |
| 2002 | 8,528,814 | 8,528,814 | 100.00% | - |
| 2003 | 9,057,630 | 9,057,630 | 100.00% | - |
| 2004 | 9,173,320 | 9,173,320 | 100.00% | - |
| 2005 | 10,236,430 | 10,236,430 | 100.00% | - |
| 2006 | 10,613,061 | 10,613,061 | 100.00% | - |
| 2007 | 11,342,141 | 11,342,141 | 100.00% | - |
| 2008 | 11,776,195 | 11,776,195 | 100.00% | - |
| 2009 | 12,343,874 | 12,343,874 | 100.00% | - |
| 2010 | 13,027,588 | 13,027,588 | 100.00% | - |

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 State 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.

# DEBT CAPACITY INFORMATION

RUMSON SCHOOL DISTRICT

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS
(UNAUDITED)

RUMSON BOROUGH

| Fiscal Year Ending June 30, | Governmental Activities | | | | Business-Type Activities | | | |
|---|---|---|---|---|---|---|---|---|
| | General Obligation Bonds[b] | Certificates of Participation | Capital Leases | Bond Anticipation Notes (BANs) | Capital Leases | Total District | Percentage of Personal Income[a] | Per Capita[a] |
| 2001 | $ 4,758,000.00 | $ | $ | $ | $ | $ 4,758,000.00 | 0.015 | $ 670.90 |
| 2002 | 4,478,000.00 | | | | | 4,478,000.00 | 0.015 | 631.15 |
| 2003 | 4,178,000.00 | | | | | 4,178,000.00 | 0.014 | 581.33 |
| 2004 | 10,160,000.00 | | | | | 10,160,000.00 | 0.030 | 1,399.83 |
| 2005 | 9,825,000.00 | | | | | 9,825,000.00 | 0.028 | 1,358.36 |
| 2006 | 9,490,000.00 | | | | | 9,490,000.00 | 0.026 | 1,319.15 |
| 2007 | 9,130,000.00 | | | | | 9,130,000.00 | N/A | N/A |
| 2008 | 8,745,000.00 | | | | | 8,745,000.00 | N/A | N/A |
| 2009 | 9,559,000.00 | | | | | 9,559,000.00 | N/A | N/A |
| 2010 | 9,124,000.00 | | | | | 9,124,000.00 | N/A | N/A |

Note: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.
Note: 2004 is the latest census data available.

a See Exhibit NJ J-14 for personal income and population data. These ratios are calcuated using personal income and population for the prior calendar year.
b Includes Early Retirement Incentive Plan ("ERIP") refunding
N/A At the time of CAFR completion, this information was not yet available

RUMSON SCHOOL DISTRICT

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS
(UNAUDITED)

| Fiscal Year Ending June 30, | General Bonded Debt Outstanding: General Obligation Bonds | Deductions | Net General Bonded Debt Outstanding | Percentage of Actual Taxable Value[a] of Property | Net Valuation Taxable |
|---|---|---|---|---|---|
| 2001 | $ 4,758,000.00 | None | $ 4,758,000.00 | 0.477% | $ 997,875,136 |
| 2002 | 4,478,000.00 | None | 4,478,000.00 | 0.444% | 1,008,475,703 |
| 2003 | 4,178,000.00 | None | 4,178,000.00 | 0.410% | 1,019,201,192 |
| 2004 | 10,160,000.00 | None | 10,160,000.00 | 0.980% | 1,036,473,658 |
| 2005 | 9,825,000.00 | None | 9,825,000.00 | 0.358% | 2,743,977,511 |
| 2006 | 9,490,000.00 | None | 9,490,000.00 | 0.342% | 2,777,584,506 |
| 2007 | 9,130,000.00 | None | 9,130,000.00 | 0.323% | 2,825,428,038 |
| 2008 | 8,745,000.00 | None | 8,745,000.00 | 0.301% | 2,906,237,714 |
| 2009 | 9,559,000.00 | None | 9,559,000.00 | 0.323% | 2,957,460,328 |
| 2010 | 9,124,000.00 | None | 9,124,000.00 | 0.307% | 2,968,305,907 |

Note: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

See Exhibit NJ J-6 for property tax data.
Population data can be found in Exhibit NJ J-14.

RUMSON SCHOOL DISTRICT

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF JUNE 30, 2010
(UNAUDITED)

| Governmental Unit | Debt Outstanding | Estimated Percentage Applicable[a] | Estimated Share of Overlapping Debt |
|---|---|---|---|
| Debt Repaid with Property Taxes: | | | |
| Rumson Borough | $ 18,859,465.40 | 100.00% | $ 18,859,465.40 |
| Monmouth County General Obligation Debt: | | | |
| Rumson Borough | 467,533,612.41 | 2.918667% | 13,645,749.26 |
| Other Debt: Information not available for Municipal Water Authority | | | 32,505,214.66 |
| Rumson School District Direct Debt | | | 9,124,000.00 |
| Total Direct and Overlapping Debt | | | $ 41,629,214.66 |

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.

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.

RUMSON SCHOOL DISTRICT

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS
(UNAUDITED)

| Legal Debt Margin Calculation for Fiscal Year 2010 | | | Rumson Borough |
|---|---|---|---|
| Equalized Valuation Basis | 2009 | | $ 3,608,635,942 |
| | 2008 | | 3,696,738,738 |
| | 2007 | | 3,589,579,329 |
| | | (A) | $ 10,894,954,009 |
| Average Equalized Valuation of Taxable Property | | (A/3) | $ 3,631,651,336 |
| Debt Limit (3% of Average Equalization Value) | | (B) | 108,949,540 a |
| Total Net Debt Applicable To Limit | | (C) | 9,124,000 |
| Legal Debt Margin | | (B-C) | $ 99,825,540 |

| | Fiscal Year | | | | |
|---|---|---|---|---|---|
| | 2001 | 2002 | 2003 | 2004 | 2005 |
| Debt Limit | $ 40,650,285 | $ 45,299,075 | $ 51,848,174 | $ 57,220,645 | $ 67,881,259 |
| Total Net Debt Applicable To Limit | 4,758,000 | 4,478,000 | 4,178,000 | 10,160,000 | 9,825,000 |
| Legal Debt Margin | $ 35,892,285 | $ 40,821,075 | $ 47,670,174 | $ 47,060,645 | $ 58,056,259 |
| Total Net Debt Applicable to the Limit as a Percentage of Debt Limit | | | | | |

| | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|
| Debt Limit | $ 79,879,786 | $ 92,288,098 | $ 101,480,112 | $ 107,679,117 | $ 108,949,540 |
| Total Net Debt Applicable To Limit | 9,490,000 | 9,130,000 | 8,745,000 | 9,559,000 | 9,124,000 |
| Legal Debt Margin | $ 70,389,786 | $ 83,158,098 | $ 92,735,112 | $ 98,120,117 | $ 99,825,540 |
| Total Net Debt Applicable to the Limit as a Percentage of Debt Limit | | | | | |

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 N.J.S.A. 18A:24-19 for a K through 12 District; other percentage limits would be applicable for other District types.

# DEMOGRAPHIC AND ECONOMIC STATISTICS

RUMSON SCHOOL DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS
(UNAUDITED)

RUMSON BOROUGH

| Year | Population[a] | Personal Income[b] | Per Capita Personal Income[c] | Unemployment Rate[d] |
|---|---|---|---|---|
| 2001 | 7,092 | $ 308,055,204 | $ 43,437 | 2.40% |
| 2002 | 7,095 | 303,800,805 | 42,819 | 2.40% |
| 2003 | 7,187 | 308,767,894 | 42,962 | 2.40% |
| 2004 | 7,258 | 334,347,028 | 46,066 | 2.00% |
| 2005 | 7,233 | 345,187,692 | 47,724 | 2.90% |
| 2006 | 7,194 | 370,167,270 | 51,455 | 2.60% |
| 2007 | N/A | N/A | N/A | 2.40% |
| 2008 | N/A | N/A | N/A | N/A |
| 2009 | N/A | N/A | N/A | 3.10% |
| 2010 | N/A | N/A | N/A | 5.20% |

[a] Population information provided by the NJ Department of Labor and Workforce Development

[b] Personal income has been estimated based upon the municipal population and per capita personal income presented.

[c] Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

[d] Unemployment data provided by the NJ Department of Labor and Workforce Development.

Exhibit J-15

RUMSON SCHOOL DISTRICT

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

| | 2010 | | | 2001 | | |
|---|---|---|---|---|---|---|
| Employer | Employees | Rank (Optional) | Percentage of Total Municipal Employment | Employees | Rank (Optional) | Percentage of Total Municipal Employment |
| | | 1 | | | 1 | |
| | | 2 | | | 2 | |
| | | 3 | | | 3 | |
| | | 4 | | | 4 | |
| | | 5 | **DATA NOT AVAILABLE** | | 5 | |
| | | 6 | | | 6 | |
| | | 7 | | | 7 | |
| | | 8 | | | 8 | |
| | | 9 | | | 9 | |
| | | 10 | | | 10 | |
| Total | | | | | | |

Source: _____

# OPERATING INFORMATION

RUMSON SCHOOL DISTRICT

FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS
(UNAUDITED)

| Function/Program | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|---|---|---|
| Instruction: | | | | | | | | | | |
| Regular | 65 | 64 | 66 | 63 | 65 | 68 | 69 | 68 | 70 | 68 |
| Special Education | 10 | 9 | 13 | 12 | 12 | 16 | 16 | 17 | 16 | 17 |
| Other Special Education | 1 | 2 | 2 | 2 | 3 | 3 | 2 | 3 | 3 | 3 |
| Other Instruction | 16 | 22 | 22 | 21 | 23 | 25 | 23 | 24 | 24 | 23 |
| Support Services: | | | | | | | | | | |
| Student and Instruction Related Services | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 5 | 5 | 6 |
| General Administration | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 5 | 5 | 5 |
| School Administrative Services | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Business Administrative Services | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Plant Operations and Maintenance | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 9 | 9 | 10 |
| Pupil Transportation | | | | | | | | | | |
| Food Service | | | | | | | | | | |
| Total | 123 | 128 | 134 | 129 | 134 | 143 | 141 | 140 | 141 | 141 |

Source: District Personnel Records

RUMSON SCHOOL DISTRICT

OPERATING STATISTICS

LAST TEN FISCAL YEARS
(UNAUDITED)

| Fiscal Year | October 15, 2008 Enrollment | Operating Expenditures[a] | Cost Per Pupil | Percentage Change | Teaching Staff[b] | Pupil/Teacher Ratio | Average Daily Enrollment (ADE)[c] | Average Daily Attendance (ADA)[d] | Percentage Change in Average Daily Enrollment | Student Attendance Percentage |
|---|---|---|---|---|---|---|---|---|---|---|
| 2001 | 1,018 | $ 8,237,691 | $ 8,092 | 2.76% | 75.0 | 13.6 | 1,018.0 | 958.0 | -0.20% | 94.11% |
| 2002 | 1,013 | 8,659,429 | 8,548 | 5.64% | 63.0 | 16.1 | 1,011.8 | 963.0 | -0.61% | 95.18% |
| 2003 | 1,015 | 9,288,074 | 9,151 | 7.05% | 79.0 | 12.8 | 1,018.7 | 974.7 | 0.68% | 95.68% |
| 2004 | 992 | 9,560,598 | 9,638 | 5.32% | 75.0 | 13.2 | 1,002.0 | 955.7 | -1.64% | 95.38% |
| 2005 | 998 | 10,540,649 | 10,562 | 9.59% | 77.0 | 13.0 | 993.9 | 948.4 | -0.81% | 95.42% |
| 2006 | 983 | 11,202,934 | 11,397 | 7.90% | 84.0 | 11.7 | 991.1 | 943.6 | -0.28% | 95.21% |
| 2007 | 963 | 11,583,843 | 12,029 | 5.55% | 85.0 | 11.3 | 962.2 | 918.6 | -2.92% | 95.47% |
| 2008 | 971 | 12,073,578 | 12,434 | 3.37% | 85.0 | 11.4 | 981.3 | 939.4 | 1.99% | 95.73% |
| 2009 | 995 | 12,603,562 | 12,667 | 1.87% | 85.0 | 11.7 | 1,005.8 | 960.4 | 2.50% | 95.49% |
| 2010 | 983 | 12,454,198 | 12,670 | 0.01% | 87.0 | 11.3 | 973.0 | 929.3 | -3.26% | 95.51% |

Source: District records

Note: Enrollment based on annual October District count.

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

RUMSON SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS
(UNAUDITED)

| District/Building | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|---|---|---|
| Deane-Porter Elementary School | | | | | | | | | | |
| Square Feet | 49,357 | 49,357 | 49,357 | 56,962 | 56,962 | 56,962 | 56,962 | 56,962 | 56,962 | 56,962 |
| Capacity (Students) | 425 | 425 | 425 | 480 | 480 | 480 | 480 | 480 | 480 | 480 |
| Enrollment | 402 | 400 | 401 | 381 | 398 | 387 | 402 | 411 | 434 | 431 |
| Forrestdale Middle School | | | | | | | | | | |
| Square Feet | 80,467 | 80,467 | 80,467 | 91,924 | 91,924 | 91,924 | 91,924 | 91,924 | 91,924 | 91,924 |
| Capacity (Students) | 645 | 645 | 645 | 720 | 720 | 720 | 720 | 720 | 720 | 720 |
| Enrollment | 616 | 613 | 614 | 611 | 600 | 596 | 561 | 560 | 561 | 552 |

Number of Schools at June 30, 2010
1 Elementary School
1 Middle School

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

RUMSON SCHOOL DISTRICT

SCHEDULE OF REQUIRED MAINTENANCE

LAST EIGHT FISCAL YEARS
(UNAUDITED)

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

| | *School Facilities | Forrestdale | Deane-Porter | |
|---|---|---|---|---|
| | Project # (s) | | | Total |
| 2001 | N/A | $ 24,194.39 | $ 19,009.00 | $ 43,203.39 |
| 2002 | N/A | 56,418.95 | 44,329.17 | 100,748.12 |
| 2003 | N/A | 29,312.62 | 23,031.34 | 52,343.96 |
| 2004 | N/A | 29,007.69 | 22,791.76 | 51,799.45 |
| 2005 | N/A | 39,218.65 | 30,814.66 | 70,033.31 |
| 2006 | N/A | 44,221.46 | 34,745.43 | 78,966.89 |
| 2007 | N/A | 33,835.99 | 26,585.42 | 60,421.41 |
| 2008 | N/A | 64,835.15 | 50,735.53 | 115,570.68 |
| 2009 | N/A | 47,328.57 | 37,036.08 | 84,364.65 |
| 2010 | N/A | 50,288.04 | 39,351.76 | 89,639.80 |
| Total School Facilities | | $ 418,661.51 | $ 328,430.15 | $ 747,091.66 |

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

Source: District records

RUMSON SCHOOL DISTRICT

INSURANCE SCHEDULE

JUNE 30, 2010
(UNAUDITED)

| | Coverage | Deductible |
|---|---|---|
| School Package Policy - UTICA | | |
| Blanket Buildings and Contents (special form coverage/replacement cost) | $ 26,224,557 | $ 5,000 |
| Extra Expense | Included in Business Income | |
| Musical Instruments | 500,000 | 250 |
| Comprehensive General Liability | 1,000,000 | |
| Builders Risk | 1,637,000 | |
| Money and Securities | 25,000 in/out | |
| Data Processing Equipment | 550,000 | 250 |
| Media | 20,000 | |
| Extra Expense | 15,000 | |
| Camera Equipment | 50,000 | 250 |
| Miscellaneous Property | 500,000 | |
| Automobile Policy - Graphic Arts Mutual | 1,000,000 | |
| Workers Compensation - MOCSSIF/NJSBAIG | 2,000,000 | |
| Excess Liability - UTICA | 7,000,000 | |
| Boiler Insurance - UTICA | Included | |
| School Board Legal Liability - New Jersey School Boards Association Insurance Group | 5,000,000 | 5,000 |
| Student Accident and Athletic Account - Bollinger | 1,000,000 | |
| Fidelity Bond Insurance: | | |
| Selective Insurance Company: | | |
| Board Secretary | 50,000 | |
| Treasurer of School Moneys | 150,000 | |
| Crime - Employee Dishonesty - UTICA | 100,000 per employee | |
| Excess Workers Compensation - CHUBB | 100,000 | |

Source: District records.

SINGLE AUDIT SECTION

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Board of Education of the Rumson School District, in the County of Monmouth, State of New Jersey, as of and for the fiscal year ended June 30, 2010, which collectively comprise the Board of Education of the Rumson School District's basic financial statements and have issued our report thereon dated September 28, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

## Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Rumson Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Rumson Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Rumson Board of Education's internal control over financial reporting.

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 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 Board of Education's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

However, we noted a certain other matter involving internal control that we have reported to the Board of Education of the Rumson School District in a separate Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance, dated September 28, 2010.

This report is intended for the information and use of the audit committee, management, the Rumson Board of Education, the New Jersey State Department of Education, and other federal and state awarding agencies and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specified parties.

Eugene M. Farrell
Licensed Public School Accountant
No. 824
Hutchins, Farrell, Meyer & Allison, P.A.

September 28, 2010.

**Hutchins, Farrell, Meyer & Allison, P.A.**
Certified Public Accountants • Business & Financial Advisors

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## REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

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

### Compliance

We have audited the compliance of the Board of Education of the Rumson School District, in the County of Monmouth, State of New Jersey, with the types of compliance requirements described in the U.S. Office of Management and Budget ("OMB") Circular A-133 Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2010. Rumson Board of Education's major state programs are identified in the Summary of Auditor's Results Section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major state programs is the responsibility of the Rumson Board of Education's management. Our responsibility is to express an opinion on the Rumson Board of Education's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations; and New Jersey OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, OMB Circular A-133 and New Jersey OMB Circular 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Rumson Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Rumson Board of Education's compliance with those requirements.

The Honorable President and
Members of the Board of Education
Rumson School District
County of Monmouth
Rumson, New Jersey
Page 2

In our opinion, the Board of Education of the Rumson School District, in the County of Monmouth, State of New Jersey, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2010.

Internal Control Over Compliance

The management of the Board of Education of the Rumson School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal and state programs. In planning and performing our audit, we considered the Rumson Board of Education's internal control over compliance with the requirements that could have a direct and material effect on a major federal or state program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Rumson Board of Education's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or 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 or state program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

The Honorable President and
Members of the Board of Education
Rumson School District
County of Monmouth
Rumson, New Jersey
Page 3

This report is intended solely for the information and use of the audit committee, management, the Rumson Board of Education, the New Jersey State Department of Education, and federal and state awarding agencies and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specified parties.

Eugene M. Farrell
Licensed Public School Accountant
No. 824
Hutchins, Farrell, Meyer & Allison, P.A.

September 28, 2010

RUMSON SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the fiscal year ended June 30, 2010

| Federal Grantor/Pass Through Grantor/ Program Title | Federal CFDA Number | Grant or State Project Number | Program or Award Amount | Grant Period From | Grant Period To | Balance at June 30, 2009 Deferred Revenues/ (Accounts Receivable) | Balance at June 30, 2009 Due To Grantor | Carryover/ (Walkover) Amount | Cash Received | Budgetary Expenditures | Returned To Grantor | Adjustments | Balance at June 30, 2010 (Accounts Receivable) | Balance at June 30, 2010 Deferred Revenue | Balance at June 30, 2010 Due To Grantor |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| U.S. Department of Education: | | | | | | | | | | | | | | | |
| I.D.E.I.A. Part B, Basic | 84.027 | IDEIA457010 | $ 229,878.00 | 09/01/09 | 08/31/10 | | | | $ 132,752.00 | $ (229,878.00) | | | $ (97,126.00) | | |
| I.D.E.I.A. Part B, Basic | 84.027 | IDEIA457009 | 270,337.00 | 09/01/08 | 08/31/09 | $ (48,112.00) | | | 47,576.00 | | | $ 536.05 | | | $ 0.05 |
| I.D.E.I.A. Part B, Basic | 84.027 | IDEIA457006 | 181,256.00 | 09/01/05 | 08/31/06 | | $ 1,091.79 | | | | | | | | 1,091.79 |
| I.D.E.I.A. Part B, Preschool | 84.027 | IDEIA457010 | 10,033.00 | 09/01/09 | 08/31/10 | | | | 4,725.00 | (10,033.00) | | | (5,308.00) | | |
| I.D.E.I.A. Part B, Preschool | 84.027 | IDEIA457009 | 10,543.00 | 09/01/08 | 08/31/09 | (3,948.00) | | | 3,948.00 | | | | | | |
| I.D.E.I.A. Part B, Preschool | 84.027 | IDEIA457006 | 10,890.00 | 09/01/05 | 08/31/06 | | 1,845.00 | | | | | | | | 1,845.00 |
| A.R.R.A. I.D.E.I.A. Part B, Basic | 84.391 | IDEIA457010 | 270,209.00 | 07/01/09 | 08/31/11 | | | | 66,344.00 | (125,726.10) | | | (59,382.10) | | |
| A.R.R.A. I.D.E.I.A. Part B, Preschool | 84.392 | IDEIA457010 | 9,782.00 | 07/01/09 | 08/31/11 | | | | | (2,457.69) | | | (2,457.69) | | |
| Title II - Part A - Teacher and Principal Training | 84.281A | NCLB457009 | 29,830.00 | 09/01/08 | 08/31/09 | (5,408.00) | | | 5,408.00 | | | | | | |
| Title II - Part A - Teacher and Principal Training | 84.281A | NCLB457010 | 29,383.00 | 09/01/09 | 08/31/10 | | | | 18,455.00 | (29,383.00) | | | (10,928.00) | | |
| Title IV - Safe and Drug-Free School Communities | 84.186X | NCLB457009 | 1,991.00 | 09/01/08 | 08/31/09 | (496.00) | | | 496.00 | | | | | | |
| Title IV - Safe and Drug-Free School Communities | 84.186X | NCLB457010 | 1,917.00 | 09/01/09 | 08/31/10 | | | | 1,917.00 | (1,917.00) | | | | | |
| Title IV - Safe and Drug-Free School Communities | 84.186X | NCLB457006 | 3,055.00 | 09/01/05 | 08/31/06 | | 1,004.86 | | | | | | | | 1,004.86 |
| Title IV - Safe and Drug-Free School Communities | 84.186X | NCLB457005 | 3,003.00 | 09/01/04 | 08/31/05 | | 232.33 | | | | | | | | 232.33 |
| Title V - Innovative Education Programs | 84.298A | NCLB457006 | 3,006.00 | 09/01/05 | 08/31/06 | | 125.00 | | | | | | | | 125.00 |
| Title V - Innovative Education Programs | 84.298A | NCLB457005 | 4,572.00 | 09/01/04 | 08/31/05 | | 7.88 | | | | | | | | 7.88 |
| Total U.S. Department of Education | | | | | | (57,964.00) | 4,306.86 | | 281,621.00 | (399,394.79) | | 536.05 | (175,201.79) | | 4,306.91 |
| Total Federal Awards | | | | | | $ (57,964.00) | $ 4,306.86 | $ 0.00 | $ 281,621.00 | $ (399,394.79) | $ 0.00 | $ 536.05 | $ (175,201.79) | $ 0.00 | $ 4,306.91 |

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

RUMSON SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

For the fiscal year ended June 30, 2010

| State Grantor/Program Title | Grant or State Project Number | Program or Award Amount | Grant Period From | Grant Period To | Balance at June 30, 2009 Deferred Revenues/ (Accounts Receivable) | Balance at June 30, 2009 Due To Grantor | Balance at June 30, 2009 Carryover/ (Walkover) Amount | Cash Received | Budgetary Expenditures | Adjustments/ Repayment of Prior Years' Balances | Adjustments/ Returned To Grantor | Balance at June 30, 2010 (Accounts Receivable) | Balance at June 30, 2010 Deferred Revenue | Balance at June 30, 2010 Due To Grantor | Memo Budgetary Receivable | Memo Cumulative Total Expenditures |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| State Department of Education | | | | | | | | | | | | | | | | |
| Debt Service Aid - State Support | 10-495-034-5120-125 | $ 96,705.00 | 07/01/09 | 06/30/10 | | | | $ 96,705.00 | $ (96,705.00) | | | | | | | $ 96,705.00 |
| Debt Service Aid - State Support | 09-495-034-5120-125 | 118,164.00 | 07/01/08 | 06/30/09 | $ (14,263.00) | | | 14,263.00 | | | | | | | | |
| Total Debt Service Fund | | | | | (14,263.00) | | | 110,968.00 | (96,705.00) | | | | | | | 96,705.00 |
| General Fund: | | | | | | | | | | | | | | | | |
| Transportation Aid | 10-495-034-5120-014 | 112,596.00 | 07/01/09 | 06/30/10 | | | | 112,596.00 | (112,596.00) | | | | | | $ (14,869.00) | 112,596.00 |
| Reimbursement of Nonpublic School Transpotation Costs | 10-495-034-5120-014 | 9,147.00 | 07/01/09 | 06/30/10 | | | | | (9,147.00) | | | $ (9,147.00) | | | (9,147.00) | 9,147.00 |
| Reimbursement of Nonpublic School Transpotation Costs | 09-495-034-5120-014 | 6,405.81 | 07/01/08 | 06/30/09 | (6,405.81) | | | 6,405.81 | | | | | | | | |
| Security Aid | 10-495-034-5120-084 | 47,120.00 | 07/01/09 | 06/30/10 | | | | 47,120.00 | (47,120.00) | | | | | | (6,222.00) | 47,120.00 |
| Special Education Catagorical Aid | 10-495-034-5120-089 | 344,801.00 | 07/01/09 | 06/30/10 | | | | 344,801.00 | (344,801.00) | | | | | | (45,534.00) | 344,801.00 |
| Extraordinary Aid | 10-100-034-5120-473 | 216,044.00 | 07/01/09 | 06/30/10 | | | | | (216,044.00) | | | (216,044.00) | | | (216,044.00) | 216,044.00 |
| Extraordinary Aid | 09-100-034-5120-473 | 198,760.00 | 07/01/08 | 06/30/09 | (198,760.00) | | | 198,760.00 | | | | | | | | |
| On-Behalf TPAF Pension System Contribution - Normal | 10-495-034-5095-007 | 20,374.00 | 07/01/09 | 06/30/10 | | | | 20,374.00 | (20,374.00) | | | | | | | 20,374.00 |
| On-Behalf TPAF Pension System Contribution - Post Retirement | 10-495-034-5095-001 | 382,654.00 | 07/01/09 | 06/30/10 | | | | 382,654.00 | (382,654.00) | | | | | | | 382,654.00 |
| Reimbursed TPAF Social Security Contributions | 09-495-034-5095-051 | 450,088.97 | 07/01/08 | 06/30/09 | | | | 404,294.47 | (450,088.97) | | | (45,794.50) | | | (45,794.50) | 450,088.97 |
| Reimbursed TPAF Social Security Contributions | 08-495-034-5095-051 | 437,201.98 | 07/01/08 | 06/30/09 | (43,708.77) | | | 43,708.77 | | | | | | | | |
| Total General Fund | | | | | (248,874.58) | | | 1,560,714.05 | (1,582,824.97) | | | (270,985.50) | | | (337,610.50) | 1,582,824.97 |
| Special Revenue Fund: | | | | | | | | | | | | | | | | |
| N.J. Nonpublic Textbook Aid | 10-100-034-5120-064 | 23,241.00 | 07/01/09 | 06/30/10 | | | | 23,241.00 | (23,241.00) | | | | | | | 23,241.00 |
| N.J. Nonpublic Auxiliary Services Aid: | | | | | | | | | | | | | | | | |
| Compensatory Education | 10-100-034-5120-067 | 20,921.00 | 07/01/09 | 06/30/10 | | | | 20,921.00 | (20,921.00) | | | | | | | 20,921.00 |
| Home Instruction | 08-100-034-5120-067 | 3,242.13 | 07/01/07 | 06/30/08 | (0.13) | | | | | | | (0.13) | | | (0.13) | |
| Home Instruction | 10-100-034-5120-067 | 36.89 | 07/01/09 | 06/30/10 | | | | | (36.89) | | | (36.89) | | | (36.89) | 36.89 |
| N.J. Nonpublic Handicapped Aid: | | | | | | | | | | | | | | | | |
| Annual Exam | 10-100-034-5120-066 | 10,259.00 | 07/01/09 | 06/30/10 | | | | 10,259.00 | (10,259.00) | | | | | | | 10,259.00 |
| Supplemental Instruction | 10-100-034-5120-066 | 12,824.00 | 07/01/09 | 06/30/10 | | | | 12,824.00 | (12,824.00) | | | | | | | 12,824.00 |
| Examination and Classification | 10-100-034-5120-066 | 26,853.00 | 07/01/09 | 06/30/10 | | | | 26,853.00 | (26,853.00) | | | | | | | 26,853.00 |
| Corrective Speech | 10-100-034-5120-066 | 13,630.00 | 07/01/09 | 06/30/10 | | | | 13,630.00 | (13,630.00) | | | | | | | 13,630.00 |
| N.J. Nonpublic Nursing Services Aid | 10-100-034-5120-070 | 27,560.00 | 07/01/09 | 06/30/10 | | | | 27,560.00 | (27,560.00) | | | | | | | 27,560.00 |
| Total Special Revenue Fund | | | | | (0.13) | | | 135,288.00 | (135,324.89) | | | (37.02) | | | (37.02) | 135,324.89 |
| Capital Projects: | | | | | | | | | | | | | | | | |
| NJSDA Grant | 4570-050-09-2001 | 198,864.00 | 07/01/09 | | | | | | (13,468.09) | | | (13,468.09) | | | (13,468.09) | 13,468.09 |
| NJSDA Grant | 4570-050-09-2002 | 10,186.00 | 07/01/09 | | | | | | (2,527.13) | | | (2,527.13) | | | (2,527.13) | 2,527.13 |
| NJSDA Grant | 4570-050-09-2003 | 6,158.00 | 07/01/09 | | | | | | (2,527.13) | | | (2,527.13) | | | (2,527.13) | 2,527.13 |
| Total Capital Projects | | | | | | | | | (18,522.35) | | | (18,522.35) | | | (18,522.35) | 18,522.35 |
| Total State Financial Assistance | | | | | $ (263,137.71) | $ 0.00 | $ 0.00 | $ 1,806,970.05 | $ (1,833,377.21) | $ 0.00 | $ 0.00 | $ (289,544.87) | $ 0.00 | $ 0.00 | $ (356,169.87) | $ 1,833,377.21 |

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

RUMSON SCHOOL DISTRICT

NOTES FOR SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL ASSISTANCE

June 30, 2010

1. General

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include federal and state award activity of the Board of Education ("Board") of Rumson, School District ("District"). The Board 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 awards and state financial assistance passed through other government agencies, are included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

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 Note 1 to the Board's basic financial statements. The information in these schedules is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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 P.L. 2003, c.97.(A3521). 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.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is $7,125.00 for the General Fund and $15,441.00 for the Special Revenue Fund. See 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 presented on the following page:

RUMSON SCHOOL DISTRICT

NOTES TO SCHEDULES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE

June 30, 2010

3. Relationship to Basic Financial Statements (Cont'd)

| | Federal | State | Total |
|---|---|---|---|
| General Fund | | $ 1,575,699.97 | $ 1,575,699.97 |
| Special Revenue Fund | $ 383,953.79 | 135,324.89 | 519,278.68 |
| Capital Projects Fund | | 18,522.35 | 18,522.35 |
| Debt Service Fund | | 110,968.00 | 110,968.00 |
| Total Awards and Financial Assistance | $ 383,953.79 | $ 1,840,515.21 | $ 2,224,469.00 |

During the year ended June 30, 2010, the State of New Jersey contributed $20,374.00 to the Teachers' Pension and Annuity Fund for normal pension and $382,654.00 for post-retirement medical benefits on behalf of the District.

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.

5. Federal and State Loans Outstanding

Not applicable.

6. Other

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, 2010. 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, 2010. 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, 2010.

RUMSON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Section I - Summary of Auditor's Results

Financial Statements

| | |
|---|---|
| Type of auditor's report issued: | Unqualified |
| Internal control over financial reporting: | |
| 1) Material weakness(es) identified? | ____ yes __X__ no |
| 2) Significant deficiencies identified that are not considered to be material weaknesses? | ____ yes __X__ none reported |
| Noncompliance material to basic financial statements noted? | ____ yes __X__ no |

State Awards

| | |
|---|---|
| Dollar threshold used to distinguish between type A and type B programs? | $300,000.00 |
| Auditee qualified as low-risk auditee? | __X__ yes ____ no |
| Type of auditor's report issued in compliance for major programs: | Unqualified |
| 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 NJOMB Circular 04-04? | ____ yes __X__ no |

Identification of major programs:

| State Grant/Project Number(s) | Name of State Program |
|---|---|
| 10-495-034-5120-125 | Debt Service Aid |
| 10-495-034-5120-014 | Transportation Aid |
| 10-100-034-5120-473 | Extraordinary Aid |
| | |

RUMSON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(continued)

## Section II - Financial Statement Findings

This section identifies the material weaknesses, significant deficiencies, and instances of noncompliance related to the financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of Government Auditing Standards.

None reported.

RUMSON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(continued)

Section III - State Financial Assistance Findings and Questioned Costs

This section identifies audit findings required to be reported by NJOMB Circular 04-04.

None reported.

# RUMSON SCHOOL DISTRICT
# SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
# AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
# FOR THE FISCAL YEAR ENDED JUNE 30, 2010

This section identifies the status of prior-year findings related to the general-purpose financial statements and state awards that are required to be reported in accordance with Chapter 6.12 of Government Auditing Standards, and NJOMB Circular 04-04.

## STATUS OF PRIOR-YEAR FINDINGS

Not applicable.