RUMSON SCHOOL DISTRICT

Rumson, New Jersey
County of Monmouth

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

RUMSON SCHOOL DISTRICT

RUMSON, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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INTRODUCTORY SECTION

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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

July 30, 2013

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, 2013 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.

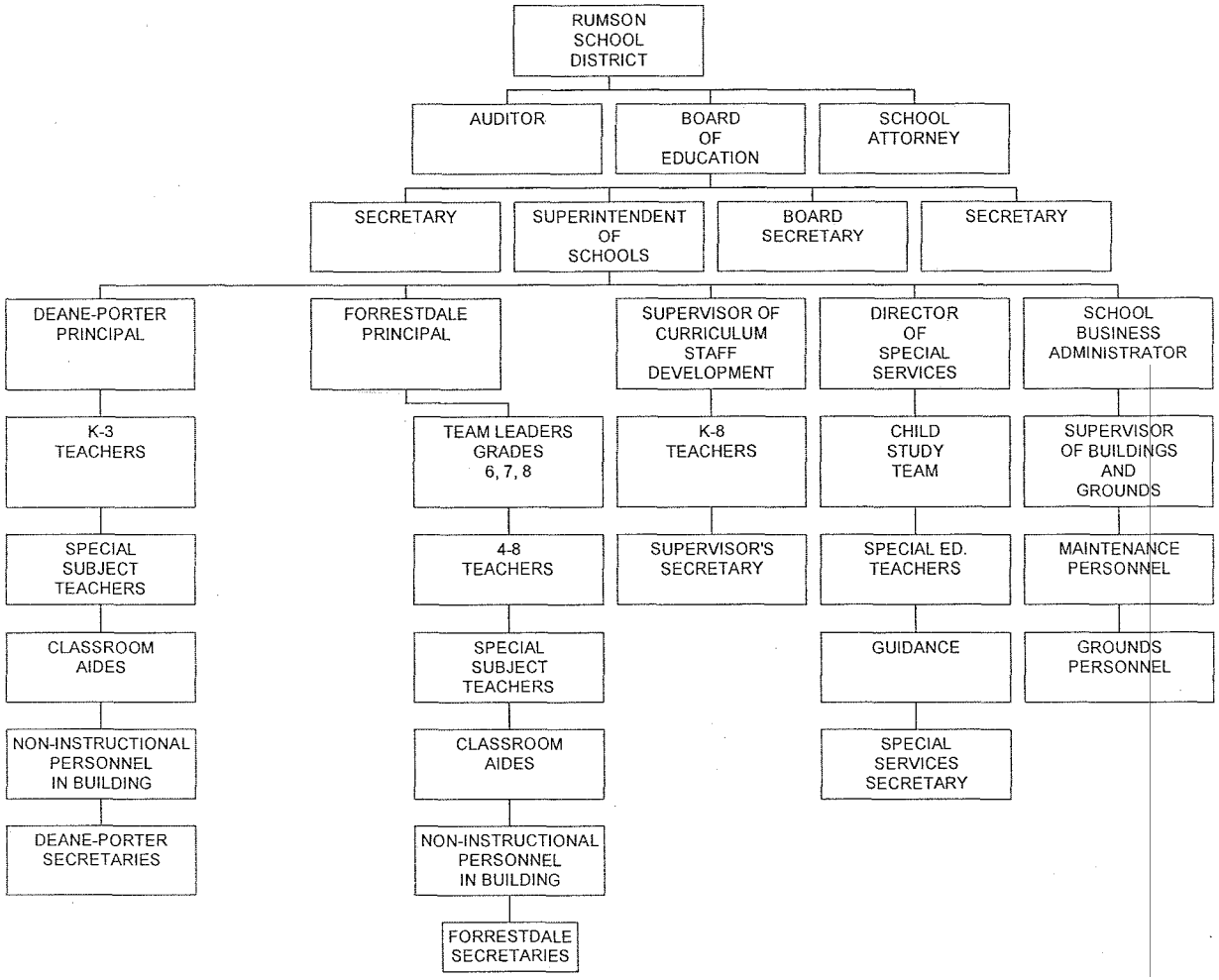
The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, the U.S. Office of Management and Budget ("OMB") Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and the State Treasury OMB Circular 04-04, Single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

Maryrose Caulfield-Sloan
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, 2013

MEMBERS OF THE BOARD OF EDUCATION	Term Expires
Colleen O'Connor, President	2014
Todd Harvard, Vice President	2013
John Connors	2015
Margaret Simons	2015
Peter Jarck	2013
Maura Beyer	2014
Craig Pinsly	2013
William Loughran	2015
Kim Swain	2014

Other Officials

Maryrose Caulfield-Sloan, Superintendent of Schools

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

AUDIT FIRM

Robert W. Allison
Holman Frenia Allison P.C.
912 Highway 33, Suite 2
Freehold, New Jersey 07728

ATTORNEY

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

OFFICAL DEPOSITORY

TD Bank
River Road
Fair Haven, New Jersey 07704

Beneficient Bank
530 Walnut Street
Philadelphia, Pennsylvania 19106-9943

FINANCIAL SECTION

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Certified Public Accountants & Consultants

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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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Rumson School District, County of Monmouth, State of New Jersey, as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Rumson School District, County of Monmouth, State of New Jersey, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 13 through 22 and 81 through 88 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 of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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 accompanying introductory section, and other supplementary information such as the combining and individual fund financial statements, long-term debt schedules and statistical information are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, and is also not a required part of the financial statements.

The combining and individual fund financial statements, long-term debt schedules and the accompanying schedule of expenditures of state financial assistance is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, long-term debt schedules and the accompanying schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section, and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2013 on our consideration of the Board of Education of the Rumson School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Board of Education of the Rumson School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison
Public School Accountant
Certified Public Accountant
No. 897

Freehold, New Jersey
July 30, 2013

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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RUMSON BOROUGH PUBLIC SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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, 2013. 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 2013 are as follows:

- General revenues accounted for $16,570,305.14 in revenue or 95.64% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for $756,214.35 or 4.36% of total revenues of $17,326,519.49

- Total Net Position of governmental activities increased by $1,003.215.95.

- The School District had $16,285,972.67 in expenses; only $756,214.35 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of $16,570,305.14 were adequate to provide for these programs.

- The General Fund had $15,492,763.73 in revenues and $15,093,844.93 in expenditures. The General Fund's balance decreased $195,081.20 over 2012. This decrease 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 Position* 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 Position 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 2013?" The Statement of Net Position 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 Position and changes in those assets. This change in Net Position is important because it tells the reader that, for the school district as a whole, the financial 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 Position 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 2012-13 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 Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

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

The School District as a Whole

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

Table 1 provides a summary comparison of the School District's Net Position for 2012 and 2013.

Table 1

Net Position as of June 30, 2013 and 2012

	2013	2012
Assets:		
Cash and Cash Equivalents	$ 1,932,026.29	$ 1,357,562.81
Receivables, Net	301,616.72	7,200,766.14
Due From Other Funds	9,523.98	
Inventories	1,608.33	2,836.01
Restricted Assets:		
Cash and Cash Equivalents	664,049.50	905,377.05
Deferred Bond Issuance Costs, Net	75,010.85	
Capital Assets, Net	14,452,787.74	14,727,137.80
Total Assets	$ 17,436,623.41	$ 24,193,679.81
Liabilities:		
Accounts Payable	$ 35,920.21	$ 177,379.68
Accrued Expenses	49,353.76	
Unearned Revenue	18,368.80	
Deferred Revenue		6,938,404.65
Interfund Payable	9,523.98	18,904.69
Noncurrent Liabilities:		
Due Within One Year	570,000.00	555,000.00
Due Beyond One Year	6,855,991.75	7,647,162.87
Total Liabilities	$ 7,539,158.50	$ 15,336,851.89
Net Position:		
Invested in Capital Assets, Net of Related Debt	$ 7,187,449.99	$ 6,633,137.80
Restricted for:		
Capital Projects	1,287,503.48	841,777.21
Debt Service	75,100.27	1,460.09
General Fund	1,054,755.02	1,135,791.61
Unrestricted	90,075.71	244,661.21
Total Net Position	$ 9,694,884.47	$ 8,856,827.92

Table 2 provides a comparison analysis of District-wide changes in Net Position from fiscal years 2012 and 2013.

Table 2

Changes in Net Position

	2013	2012
Revenues		
Program Revenues:		
Charges for Services	$ 599,758.27	$ 586,452.09
Operating Grants and Contributions	156,456.08	125,318.40
Capital Grants and Contributions		22,181.63
General Revenues:		
Property Taxes	14,176,977.00	13,840,220.00
Grants and Entitlements	2,295,818.73	1,842,429.57
Other	97,599.38	(20,018.00)
Total Revenues	17,326,609.46	16,396,583.69
Program Expenses		
Instruction	6,169,635.44	9,466,640.15
Support Services:		
Pupils and Instructional Staff	466,294.58	1,796,447.17
General Administration, School Administration, Business	2,614,541.24	1,244,572.24
Central Services	316,016.04	313,389.60
Administrative Information Technology	99,305.30	137,235.22
Operations and Maintenance of Facilities	1,050,906.15	1,391,086.06
Pupil Transportation	794,566.76	648,812.94
Employee Benefits	3,929,197.33	
Interest on Debt	285,839.02	335,391.40
Other	172,268.41	
Food Service	340,024.40	270,566.50
After School Academy	47,378.00	68,593.00
Total Expenses	16,285,972.67	15,672,734.28
Increase in Net Position	$ 1,040,636.79	$ 723,849.41

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 81.82% percent of revenues for governmental activities for the Rumson Borough Public School District for fiscal year 2013. The School District's total revenues were $17,326,609.46 for the fiscal year ended June 30, 2013. Federal, state and local grants accounted for another 13.25%.

The total cost of all program and services was $16,285,972.67. Instruction comprises 37.88% 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 revenues exceeded expenses by $37,420.84.
- Charges for services represent $424,733.27 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

	2013		2012	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	$ 6,169,635.44	$ 5,994,610.44	$ 9,466,640.15	$ 9,224,593.05
Support Services:				
Pupils & Instructional Staff	466,294.58	466,294.58	1,796,447.17	1,796,447.17
General Administration, School Administration, Business	2,614,541.24	2,614,541.24	1,244,572.24	1,244,572.24
Central Services	316,016.04	316,016.04	313,389.60	313,389.60
Admin. Info. Technology	99,305.30	99,305.30	137,235.22	137,235.22
Operation and Maintenance of Facilities	1,050,906.15	1,050,906.15	1,391,086.06	1,368,904.43
Pupil Transportation	794,566.76	753,161.68	648,812.94	640,151.54
Employee Benefits	3,929,197.33	3,929,197.33		
Other	458,107.43	343,056.43	674,550.90	218,734.40
Total Expenses	$ 15,898,570.27	$ 15,567,089.19	$ 15,672,734.28	$14,944,027.65

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 2012-13 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 $16,901,786.22 and expenditures of $15,511,012.70. The net positive/(negative) change in fund balance for the year was most significant in the Capital Projects Fund, an increase of $587,225.39.

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, 2013, and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenue	Amount	Percent of Total	Increase/ (Decrease) from 2011/12	Percent of Increase/ (Decrease)
Local Sources	$ 14,449,491.41	85.49%	$ 323,853.69	2.24%
State Sources	2,049,421.74	12.13	381,544.97	18.62
Federal Sources	402,853.07	2.38	102,981.87	25.56
Total	$ 16,901,766.22	100.00%	$ 808,380.63	4.78%

The increase in Local Sources is attributed to normal property tax increase needed to sustain programs.

The increase in State Sources is due to on-behalf pension and post-retirement benefit increases.
The increase in Federal Sources is due to increases in special revenue programs.

The following schedule presents a summary of General Fund, Special Revenue Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2013.

Expenditures	Amount	Percent of Total	Increase/ (Decrease) from 2011/12	Percent of Increase/ (Decrease)
Current Expense:				
Instruction	$ 6,169,635.40	37.38%	$ 338,331.03	5.48%
Undistributed Expenditures	9,325,740.96	56.51	591,988.80	6.35
Capital Outlay	134,660.92	0.82	23,140.56	17.18
Debt Service:				
Principal	555,000.00	3.36	30,000.00	5.41
Interest	319,200.77	1.93	(20,831.25)	(6.53)
Total	$ 16,504,238.05	100.00%	$ 962,629.14	5.83%

The increase in Current - Instruction is attributed to salary increases and increase in staffing.

The increase in Current - Undistributed Expenditures is a result of normal salary and services increasing.

The increase in Capital Outlay is attributed to completion of budgeted projects.

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 2013, 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 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 $187,313.20 decrease in surplus funds for a total unrestricted free balance (GAAP) of $412,588.00 at June 30, 2013.

Capital Assets

At the end of the fiscal year 2013, the School District had $14,384,920.49 invested in land, buildings, furniture and equipment and vehicles.

Table 4

Capital Assets (Net of Depreciation) at June 30, 2013 and 2012

	2013	2012
Land	$ 2,314,500.00	$ 2,314,500.00
Site Improvements	105,106.83	67,080.00
Construction in Progress	1,637,773.43	1,630,998.82
Building and Improvements	10,142,752.01	10,310,209.82
Machinery and Equipment	184,788.22	334,233.14
Total	$ 14,384,920.49	$ 14,657,021.78

Debt Administration

At June 30, 2013, the School District had $7,252,654.00 as outstanding debt. Of this amount, $160,654.00 is for compensated absences, and $7,092,000.00 is for bonds for school construction.

At June 30, 2013, the School district's overall legal debt margin was $95,616,174.24.

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

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A. District - Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the Dirstrict. 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 distringuish between the governmental and business-type activities of the District.

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Exhibit A-1

RUMSON SCHOOL DISTRICT

STATEMENT OF NET POSITION

June 30, 2013

	Governmental Activities	Business -Type Activities	Total
Assets:			
Cash and Cash Equivalents	$ 1,807,755.71	$ 124,270.58	$ 1,932,026.29
Receivables, Net	299,859.60	1,757.12	301,616.72
Due From Other Funds	9,523.98		9,523.98
Inventories		1,608.33	1,608.33
Restricted Assets:			
Cash and Cash Equivalents	664,049.50		664,049.50
Deferred Bond Issuance Costs, Net	75,010.85		75,010.85
Capital Assets, Net (Note 8)	14,384,920.49	67,867.25	14,452,787.74
Total Assets	17,241,120.13	195,503.28	17,436,623.41
Liabilities:			
Accounts Payable	7,884.07	28,036.14	35,920.21
Accrued Expenses	49,353.76		49,353.76
Unearned Revenue	18,368.80		18,368.80
Interfund Payable		9,523.98	9,523.98
Noncurrent Liabilities (Note 9):			
Due Within One Year	570,000.00		570,000.00
Due Beyond One Year	6,855,991.75		6,855,991.75
Total Liabilities	7,501,598.38	37,560.12	7,539,158.50
Net Position:			
Invested in Capital Assets, Net of Related Debt	7,119,582.74	67,867.25	7,187,449.99
Restricted for:			
Capital Projects	1,287,503.48		1,287,503.48
Debt Service	75,100.27		75,100.27
General Fund	1,054,755.02		1,054,755.02
Unrestricted	202,580.24	90,075.71	90,075.71
Total Net Position	$ 9,739,521.75	$ 157,942.96	$ 9,694,884.47

Exhibit A-2

RUMSON SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

For the fiscal year ended June 30, 2013

Functions/Programs	Expenses	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	$ 5,073,182.07	$ 5,073,182.07	$ 175,025.00			$ (4,898,157.07)		$ (4,898,157.07)
Special Education	985,393.94	985,393.94				(985,393.94)		(985,393.94)
Other Special Instruction	55,892.53	55,892.53				(55,892.53)		(55,892.53)
Other Instruction	55,166.90	55,166.90				(55,166.90)		(55,166.90)
Support Services:								
Tuition	466,294.58	466,294.58				(466,294.58)		(466,294.58)
Student and Instruction Related Services	1,739,874.45	1,739,874.45				(1,739,874.45)		(1,739,874.45)
School Administrative Services	401,233.51	401,233.51				(401,233.51)		(401,233.51)
General Administrative Services	473,433.28	473,433.28				(473,433.28)		(473,433.28)
Central Services	316,016.04	316,016.04				(316,016.04)		(316,016.04)
Administrative Information Technology	99,305.30	99,305.30				(99,305.30)		(99,305.30)
Plant Operations and Maintenance	1,050,906.15	1,050,906.15				(1,050,906.15)		(1,050,906.15)
Pupil Transportation	794,566.76	794,566.76		$ 41,405.08		(753,161.68)		(753,161.68)
Employee Benefits	3,929,197.33	3,929,197.33				(3,929,197.33)		(3,929,197.33)
Interest on Long-Term Debt	285,839.02	285,839.02		115,051.00		(170,788.02)		(170,788.02)
Unallocated Depreciation and Amortization	172,268.41	172,268.41				(172,268.41)		(172,268.41)
								-
Total Governmental Activities	15,898,570.27	15,898,570.27	175,025.00	156,456.08		(15,567,089.19)		(15,567,089.19)
BUSINESS-TYPE ACTIVITIES								
Rumson After School Academy	47,378.00	47,378.00	47,378.00					
Food Service	340,024.40	340,024.40	377,355.27				$ 37,330.87	37,330.87
Total Business-Type Activities	387,402.40	387,402.40	424,733.27				37,330.87	37,330.87
Total Primary Government	$ 16,285,972.67	$ 16,285,972.67	$ 599,758.27	$ 156,456.08	$ 0.00	$ (15,567,089.19)	$ 37,330.87	$ (15,529,758.32)
GENERAL REVENUES								
Property Taxes Levied for:								
General Purposes						$ 13,419,218.00		$ 13,419,218.00
Debt Service						757,759.00		757,759.00
Federal and State Aid Not Restricted						2,295,818.73		2,295,818.73
Investment Earnings						4,442.74	$ 89.97	4,532.71
Miscellaneous Income						93,066.67		93,066.67
Total General Revenues						16,570,305.14	89.97	16,570,395.11
Change in Net Position						1,003,215.95	37,420.84	1,040,636.79
Net Position - Beginning						8,736,305.80	120,522.12	8,856,827.92
Net Position - Ending						$ 9,739,521.75	$ 157,942.96	$ 9,897,464.71

B. 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.

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Government Funds

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Exhibit B-1

RUMSON SCHOOL DISTRICT

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2013

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Assets:					
Cash and Cash Equivalents	$ 1,286,076.05		$ 591,021.05	$ 69.32	$ 1,877,166.42
Due From Other Funds	9,523.98			20.10	9,544.08
Receivables From Other Governments	208,446.41	$ 83,529.51			291,975.92
Accounts Receivable - Other		7,883.68			7,883.68
Capital Reserve Accounts	664,049.50				664,049.50
Total Assets	$ 2,168,095.94	$ 91,413.19	$ 591,021.05	$ 89.42	$ 2,850,619.60
Liabilities and Fund Balances:					
Liabilities:					
Cash Overdraft		$ 69,410.71			$ 69,410.71
Accounts Payable			$ 0.39		0.39
Interfund Payable			20.10		20.10
Due To State		7,883.68			7,883.68
Unearned Revenue	$ 4,250.00	14,118.80			18,368.80
Total Liabilities	4,250.00	91,413.19	20.49		95,683.68
Fund Balances:					
Restricted for:					
Capital Reserve	696,502.92				696,502.92
Emergency Reserve	200,000.00				200,000.00
Maintenance Reserve	265,000.00				265,000.00
Capital Projects			96,154.56		96,154.56
Debt Service				$ 20.42	20.42
Excess Surplus - Current Year	204,244.75				204,244.75
Excess Surplus - Designated for Subsequent Year's Expenditures	273,601.68				273,601.68
Committed To:					
Year-End Encumbrances			494,846.00		494,846.00
Assigned To:					
Designated by the BOE for Subsequent Year's Expenditures	0.32			69.00	69.32
Other Purposes - Year-End Encumbrances	111,908.27				111,908.27
Unassigned:					
General Fund	412,588.00				412,588.00
Total Fund Balances	2,163,845.94		591,000.56	89.42	2,754,935.92
Total Liabilities and Fund Balances	$ 2,168,095.94	$ 91,413.19	$ 591,021.05	$ 89.42	

Amounts reported for *governmental activities* in the statement of net position (A-1) are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The cost of the assets is $22,210,838.87 and the accumulated depreciation is $7,825,918.38 (See Note 8).	14,384,920.49
The costs associated with the issues of the various bonds are expensed in the governmental funds in the year the bonds are issued but are capitalized on the statement of net assets. The bond issuance costs are $75,010.85 and the accumulated amortization is $0.00	75,010.85
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).	(7,425,991.75)
Accrued interest on long-term liabilities is not reported as liabilities in the Fund.	(49,353.76)
Net Position of Governmental Activities	$ 9,739,521.75

Exhibit B-2

RUMSON SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the fiscal year ended June 30, 2013

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues:					
Local Sources:					
Local Tax Levy	$ 13,419,218.00			$ 757,759.00	$ 14,176,977.00
Tuition	175,025.00				175,025.00
Interest Earned on Investments	1,921.76		$ 20.10		1,941.86
Interest Earned on Capital Reserve	2,500.88				2,500.88
Miscellaneous	93,066.67				93,066.67
Total - Local Sources	13,691,732.31		20.10	757,759.00	14,449,511.41
State Sources	1,801,031.42	$ 133,339.32		115,051.00	2,049,421.74
Federal Sources		402,853.07			402,853.07
Total Revenues	15,492,763.73	536,192.39	20.10	872,810.00	16,901,786.22
Expenditures:					
Current:					
Regular Instruction	4,777,074.43	296,107.64			5,073,182.07
Special Education Instruction	985,393.94				985,393.94
Other Special Instruction	55,892.53				55,892.53
Other Instruction	55,166.90				55,166.90
Support Services and Undistributed Costs:					
Tuition	466,294.58				466,294.58
Student and Instruction Related Services	1,499,789.70	240,084.75			1,739,874.45
General Administration	401,233.51				401,233.51
School Administrative Services	473,433.28				473,433.28
Central Services	316,016.04				316,016.04
Administrative Information Technology	99,305.30				99,305.30
Plant Operations and Maintenance	1,105,819.71				1,105,819.71
Pupil Transportation	794,566.76				794,566.76
Employee Benefits	3,929,197.33				3,929,197.33
Debt Service:					
Principal				555,000.00	555,000.00
Interest and Other Charges				319,200.77	319,200.77
Capital Outlay	134,660.92		6,774.61		141,435.53
Total Expenditures	15,093,844.93	536,192.39	6,774.61	874,200.77	16,511,012.70
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	398,918.80		(6,754.51)	(1,390.77)	390,773.52
Other Financing Sources/(Uses):					
Proceeds of Refunding Debt				5,155,337.75	5,155,337.75
Payments to Refunded Debt Escrow Agent				(5,155,337.75)	(5,155,337.75)
Transfers In			594,000.00	20.10	594,020.10
Transfers Out	(594,000.00)		(20.10)		(594,020.10)
Total Other Financing Sources/(Uses)	(594,000.00)		593,979.90	20.10	
Net Change in Fund Balances	(195,081.20)		587,225.39	(1,370.67)	390,773.52
Fund Balance - July 1	2,358,927.14		3,775.17	1,460.09	2,364,162.40
Fund Balance - June 30	$ 2,163,845.94	$ 0.00	$ 591,000.56	$ 89.42	$ 2,754,935.92

Exhibit B-3

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, 2013

Total Net Change in Fund Balances - Governmental Funds (from B-2)		$ 390,773.52
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	$ (468,450.38)	
Capital Outlay	196,349.09	
		(272,101.29)
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.		5,537,000.00
In the governmental funds, bond proceeds are reported as another financing source. These proceeds are a reduction to the reconciliation		(4,535,000.00)
Bond gains or losses on refunding are amortized over the life of the defeased bonds. Losses are a reduction to the reconciliation		(447,000.00)
In the governmental funds, refunding bonds are reported as other financing uses. These costs are an addition to the reconciliation.		
Bond discount, bond premium and issuance costs are amortized over the lives of the bonds in the Statement of Activities but are recorded as an addition from the proceeds from sales of bonds in the governmental funds.		348,673.10
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.		(52,491.13)
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 decrease in accrued interest over the previous year is an addition to the reconciliation.		33,361.75
Change in Net Position of Governmental Activities		$ 1,003,215.95

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Proprietary Funds

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Exhibit B-4

RUMSON SCHOOL DISTRICT

STATEMENT OF FUND NET POSITION

PROPRIETARY FUNDS

June 30, 2013

	Business-Type Activities Enterprise Funds		
	Food Service	Summer AM RASA Programs	Totals
Assets:			
Current Assets:			
Cash and Cash Equivalents	$ 114,746.60	$ 9,523.98	$ 124,270.58
Accounts Receivable	1,757.12		1,757.12
Inventory	1,608.33		1,608.33
Total - Current Assets	118,112.05	9,523.98	127,636.03
Noncurrent Assets:			
Furniture, Machinery and Equipment	192,311.06		192,311.06
Less:			
Accumulated Depreciation	(124,443.81)		(124,443.81)
Total - Noncurrent Assets	67,867.25		67,867.25
Total Assets	$ 185,979.30	$ 9,523.98	$ 195,503.28
Liabilities:			
Accounts Payable	$ 28,036.14		$ 28,036.14
Due To General Fund		$ 9,523.98	9,523.98
Total Liabilities	28,036.14	9,523.98	37,560.12
Net Position:			
Invested in Capital Assets Net of Related Debt	67,867.25		67,867.25
Unrestricted	90,075.71		90,075.71
Total Net Position	$ 157,942.96	$ 0.00	$ 157,942.96

Exhibit B-5

RUMSON SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

PROPRIETARY FUNDS

For the fiscal year ended June 30, 2013

	Business-Type Activities Enterprise Funds		
	Food Service	Summer AM RASA Programs	Totals
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Programs	$ 377,355.27	$ 47,378.00	$ 424,733.27
Total Operating Revenues	377,355.27	47,378.00	424,733.27
Operating Expenses:			
Salaries	129,555.99	37,438.20	166,994.19
Support Services - Employee Benefits			
Purchased Professional/Technical Services	12,251.35		12,251.35
General Insurance	3,360.00		3,360.00
Uniforms and Laundry	823.00		823.00
Supplies and Materials	6,180.16	415.82	6,595.98
Depreciation	11,948.77		11,948.77
Cost of Sales	156,176.21		156,176.21
Management Fee	15,000.00		15,000.00
Advertising and Promotion	227.86		227.86
Miscellaneous Expenditures	4,501.06	9,523.98	14,025.04
Total Operating Expenses	340,024.40	47,378.00	387,402.40
Operating Gain/(Loss)	37,330.87		37,330.87
Nonoperating Revenues:			
Interest Income	89.97		89.97
Total Nonoperating Revenues	89.97		89.97
Change in Net Position	37,420.84		37,420.84
Total Net Position - Beginning	120,522.12		120,522.12
Total Net Position - Ending	$ 157,942.96	$ 0.00	$ 157,942.96

Exhibit B-6

RUMSON SCHOOL DISTRICT

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the fiscal year ended June 30, 2013

	Business-Type Activities Enterprise Funds		
	Food Service	Summer AM RASA Programs	Totals
Cash Flows From Operating Activities:			
Receipts From Customers	$ 379,209.44	$ 47,378.00	$ 426,587.44
Payments To Vendors	(202,553.72)	(19,320.51)	(221,874.23)
Salaries and Benefits	(124,487.37)	(37,438.20)	(161,925.57)
Net Cash Used For Operating Activities	52,168.35	(9,380.71)	42,787.64
Cash Flows From Capital and Related Financing Activities:			
Purchases of Capital Assets	(9,700.00)		(9,700.00)
Net Cash Flows From Capital and Related Financing Activities	(9,700.00)		(9,700.00)
Cash Flows From Investing Activities:			
Interest Income	89.97		89.97
Net Cash Provided By Investing Activities	89.97		89.97
Net Increase/(Decrease) in Cash and Cash Equivalents	42,558.32	(9,380.71)	33,177.61
Balance - Beginning of Year	72,188.08	18,904.69	91,092.77
Balance - End of Year	$ 114,746.40	$ 9,523.98	$ 124,270.38
Reconciliation of Operating Income To Net Cash From Operating Activities:			
Operating Gain/(Loss)	$ 37,330.87		$ 37,330.87
Decrease in Accounts Payable	1,966.66		1,966.66
Decrease in Accounts Receivable	(305.63)		(305.63)
Increase in Inventory	1,227.68		1,227.68
Depreciation	11,948.77		11,948.77
Decrease in Interfund Payable		$ (9,380.71)	(9,380.71)
Total Adjustments	52,168.35	(9,380.71)	42,787.64
Net Cash Used For Operating Activities	$ 52,168.35	$ (9,380.71)	$ 42,787.64

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Fiduciary Fund

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Exhibit B-7

RUMSON SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

June 30, 2013

	Unemployment Compensation Trust	Private Purpose Scholarship Fund	Agency Fund	Totals
Assets:				
Cash and Cash Equivalents	$ 97,607.60	$ 151,132.69	$ 175,006.98	$ 423,747.27
Total Assets	$ 97,607.60	$ 151,132.69	$ 175,006.98	$ 423,747.27
Liabilities:				
Payable To Student Groups			$ 88,203.86	$ 88,203.86
Payroll Deductions and Withholdings			86,803.12	86,803.12
Total Liabilities			175,006.98	175,006.98
Net Position:				
Held in Trust for Unemployment Claims and Other Purposes	$ 97,607.60			97,607.60
Reserved for Scholarships		$ 151,132.69		151,132.69
Total Net Position	97,607.60	151,132.69		248,740.29
Total Liabilities and Net Position	$ 97,607.60	$ 151,132.69	$ 175,006.98	$ 423,747.27

Exhibit B-8

RUMSON SCHOOL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FIDUCIARY FUNDS

For the fiscal year ended June 30, 2013

	Unemployment Compensation Trust	Private Purpose Scholarship Fund
Additions:		
Contributions:		
Plan Members	$ 22,283.32	
Board Contribution	63,529.51	
Other		$ 135,938.21
Total Contributions	85,812.83	135,938.21
Investment Earnings:		
Interest	81.95	
Net Investment Earnings	81.95	
Total Additions	85,894.78	135,938.21
Deductions:		
Quarterly Contribution Reports	8,951.81	
Unemployment Claims	75,731.53	
Scholarships Awarded		44,942.30
Total Deductions	84,683.34	44,942.30
Change in Net Assets	1,211.44	90,995.91
Net Position - Beginning of Year	96,396.16	60,136.78
Net Position - End of Year	$ 97,607.60	$ 151,132.69

RUMSON BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2013

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Board of Education ("Board") of the Rumson School District ("District") have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). In June 1999 the GASB issued Statement 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. This statement established new financial reporting requirements for state and local governmental entities throughout the United States. It also required new information and restructured much of the information that governments have presented in the past. Comparability with reports issued in prior years is affected.

The District implemented these standards for the fiscal year-ending June 30, 2004, with the implementation of GASB Statement 34; the District has prepared required supplementary information titled Management's Discussion and Analysis, which precedes the basic financial statements.

Other GASB Statements are required to be implemented in conjunction with GASB Statement 34.

In March 2012, the GASB issued Statement No. 65, Items Previously Reported as Assets and Liabilities. GASB Statement No.65 reclassifies, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. Management is currently evaluating the impact of the adoption of this Statement but it is expected to have a material impact on the financial statements for the year ended June 30, 2014.

The accompanying financial statements present the financial position of the District and the various funds and fund types, the results of operations of the District and the various funds and fund types, and the cash flows of the proprietary funds. The financial statements are presented as of June 30, 2013.

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 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 8. The Rumson School District had an approximate enrollment of 983 as of June 30, 2013.

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 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, 2013, there was a reconciling difference of $7,768.00 between the budgetary basis and GAAP basis in the General Fund and of $1,498.76 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

USE C-3 FOOTNOTE SHEET	General Fund	Special Revenue Fund
SOURCES/INFLOWS OF RESOURCES		
Actual amounts (budgetary) "revenues" from the Budgetary Comparison Schedules	$ 15,482,173.80	$ 537,691.15
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		12,620.04
Current Year encumbrances		(14,118.80)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	26,255.00	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(34,023.00)	
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	$ 15,474,405.80	$ 536,192.39
USES/OUTFLOWS OF RESOURCES		
Actual amounts (budgetary basis) "total outflows" from the Budgetary Comparison Schedule	$ 15,093,844.93	$ 537,691.15
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		12,620.04
Current Year encumbrances		(14,118.80)
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	$ 15,093,844.93	$536,192.39

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, 2013, 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):

Unearned Revenue:

Unearned Revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlement received before the eligibility requirements are met are also recorded as Unearned 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 Position:

Net Position represent the difference between assets and liabilities. Net Position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net Position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the 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 Position is 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.

F. Fund Equity

In accordance with Government Accounting Standards Board 54, Fund Balance Reporting and Governmental Fund Type Definitions, the District classifies governmental fund balances as follows.

-
- Non-spendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because legal or contractual constraints.
-
- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by external parties, constitutional provision or enabling legislation.

- Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.

- Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Business Administrator.

- Unassigned – includes balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds

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

F. Fund Equity (CONT'D)

Fund balance reporting is the result of State Statutes, New Jersey Department of Education regulations and motions (resolutions/ordinances) that are passed at Board meetings. The Board acts on these motions under the guidance of the District's Superintendent and Business Administrator.

The District's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of each fiscal year, utilizing adjusting journal entries.

First, non-spendable fund balances are determined; then, restricted fund balances for specific purposes are determined (not including non-spendable amounts). Any remaining fund balance amounts for the non-General Funds are classified as restricted fund balances.

There is a potential for the non-General Funds to have negative unassigned fund balance when non-spendable amounts plus the restricted fund balances for specific purpose amounts exceed the positive fund balances for the non-General Funds.

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, 2012 to June 30, 2013 fiscal year is as follows:

Beginning Balance, July 1, 2012		$ 838,002.04
Increased By:		
Transfer from Surplus	$ 450,000.00	
Interest Earnings	2,500.88	
		452,500.88
Decreased By:		
Transfer to Capital Projects		594,000.00
Ending Balance, June 30, 2013		$ 696,502.92

3. TRANSFERS TO CAPITAL OUTLAY

During the year ending June 30, 2013, the District transferred $18,158.00 to the Capital Outlay account.

4. DEPOSITS AND INVESTMENTS

The Board of Education considers petty cash, change funds, cash in banks, certificates of deposit and deposits with the New Jersey Cash Management Fund as Cash and Cash Equivalents.

Deposits

The Board's deposits are insured through either the Federal Deposit Insurance Corporation ("FDIC") or New Jersey's Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA 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 FDIC.

Bank balances at June 30, 2013 and 2012 are insured up to $250,000.00 in the aggregate by the FDIC for each bank. At June 30, 2013 and 2012, the book value of the Board's deposits were $3,019,379.16 and $2,623,490.59, respectively.

Custodial Credit Risk Related to Deposits

Custodial Credit Risk is the risk that, in the event of a bank failure, the Board's deposits might not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first $250,000.00 of governmental deposits in each insured depository is protected by the FDIC. Public funds owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

At June 30, 2013 and 2012, the Board's bank balances of $3,526,434.40 and $3,442,152.21, respectively, were exposed to Custodial Credit Risk as follows:

	2013	2012
Insured	$ 3,526,434.40	$ 3,442,152.21
Uninsured and Uncollateralized	0.00	0.00
	$ 3,526,434.40	$ 3,442,152.21

4. DEPOSITS AND INVESTMENTS (CONT'D)

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.

As of June 30, 2013, 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, 2013, 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
Federal Aid	$ 83,529.51	$ 83,529.51
State Aid	208,446.41	208,446.41
Other	7,883.68	9,640.80
Interfunds	9,544.08	9,523.98
Less: Allowance for Uncollectibles	0.00	0.00
Total Receivables, Net	$ 309,403.68	$ 311,140.70

6. INTERFUND BALANCES AND TRANSFERS

Balances due to/from other funds at June 30, 2013 consist of the following:

$ 9,523.98	Due to General Fund from Enterprise Fund representing RASA Administration Fee.
20.10	Due to Debt Service Fund from Capital Projects Fund representing interest.
$ 9,544.08	

Transfers

As of June 30, 2013, the District's operating transfers consisted of $20.10 of interest earnings from the Capital Projects Fund to the Debt Service Fund.

7. INVENTORY

The value of inventory in the Food Service Fund at June 30, 2013 was $1,608.33.

8. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2013, 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	1,630,998.82	$ 6,774.61		1,637,773.43
Total Capital Assets Not Being Depreciated	3,945,498.82	6,774.61		3,952,273.43
Capital Assets Being Depreciated:				
Site Improvements	387,406.00	57,487.00		444,893.00
Building and Building Improvements	15,684,985.82	123,707.00		15,808,692.82
Machinery and Equipment	1,996,599.14	8,380.48		2,004,979.62
Totals at Historical Cost	18,068,990.96	189,574.48		18,258,565.44
Less Accumulated Depreciation for:				
Site Improvements	(320,326.00)	(19,460.17)		(339,786.17)
Building and Building Improvements	(5,374,776.00)	(291,164.81)		(5,665,940.81)
Machinery and Equipment	(1,662,366.00)	(157,825.40)		(1,820,191.40)
Total Accumulated Depreciation	(7,357,468.00)	(468,450.38)		(7,825,918.38)
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	10,711,522.96	(278,875.90)		10,432,647.06
Government Activity Capital Assets, Net	14,657,021.78	(272,101.29)		14,384,920.49
Business-Type Activities:				
Capital Assets Being Depreciated:				
Equipment	182,611.06	9,700.00		192,311.06
Less Accumulated Depreciation	(112,495.04)	(11,948.77)		(124,443.81)
Enterprise Fund Capital Assets, Net	$ 70,116.02	$ (2,248.77)	$ 0.00	$ 67,867.25

8. CAPITAL ASSETS CONT'D)

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

Depreciation expense was charged to unallocated depreciation.

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, 2013, are as follows:

	Balance July 1, 2012	Increases/ (Decreases)	Balance June 30, 2013	Amounts Due Within One Year
Governmental Activities:				
Compensated Absences Payable	$ 108,162.87	$ 52,491.13	$ 160,654.00	
Bonds Payable	8,094,000.00	(1,002,000.00)	7,092,000.00	$ 570,000.00
	$ 8,202,162.87	$ (949,508.87)	$ 7,252,654.00	$ 570,000.00
		Loss on Refunding	(447,000.00)	
		Net Premium/Discount	620,337.75	
		Current Portion of Long-Term Debt	(570,000.00)	
			$ 6,855,991.75	

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, 2013
Bonds Payable	04/01/03	3.750%	09/01/12-13	$ 225,000.00
	08/15/08	3.625-5.000%	05/01/13-18	1,290,000.00
	05/19/09	4.000-4.125%	02/01/13-24	1,042,000.00
	05/19/13	2.000-4.000%	09/01/13-22	4,535,000.00
Total Bonds				$ 7,092,000.00

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, 2012 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2014	$ 570,000.00	$ 226,013.50	$ 796,013.50
2015	590,000.00	239,926.28	829,926.28
2016	605,000.00	222,070.02	827,070.02
2017	620,000.00	202,120.02	822,120.02
2018-2022	3,760,000.00	589,575.10	4,349,575.10
2023-2024	947,000.00	28,590.02	975,590.02
	$ 7,092,000.00	$ 1,508,294.94	$ 8,600,294.94

C. Bonds Authorized But Not Issued

As of June 30, 2013, the District had no authorized but not issued bonds.

9. LONG-TERM OBLIGATIONS (CONT'D)

D. Refunding

The Board adopted a refunding bond ordinance on February 27, 2013, and a resolution on February 27, 2013, for the purpose of issuing Refunding Bonds ("the Refunding Bonds") in order to advance refund a portion of the outstanding 2003 Bond Issuance dated March 1, 2003, ("the Prior Bonds") which were issued to finance the construction of additions to and renovations of the existing schools.

On May 15, 2013 the District issued $4,535,000.00 refunding school bonds with an average interest rate of 3.10% to advance refund $4,982,000.00 of outstanding series bonds with an average interest rate of 3.88%. The net proceeds of $ (after payment of $75,010.75 in underwriting fees, insurance and other issuance costs) including an original issuance premium of $620,337.75. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the series bonds. As a result, the series bonds are considered to be defeased and the liability for these bonds has been removed from net assets.

This refunding resulted in a net present value savings of $611,253.62. In addition, the savings resulted from the refunding was as follows:

Cash Flow Requirements to Service (Old) Debt	$ 6,253,820.25
Less: Cash Flow Requirements for New Debt	5,596,887.22
Net Savings from Refunding	$ 656,933.03

E. Capital Leases Payable

As of June 30, 2013, the District had no capital leases payable.

10. OPERATING LEASES

Total Operating Lease payments made during the year ended June 30, 2013 were $15,094.23. Future minimum lease payments are as follows:

Fiscal Year Ending June 30,	Amount
2014	$ 13,836.43

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
2013	$ 123,350.00	100.00%	$ 123,350.00
2012	121,201.00	100.00%	121,201.00
2011	135,244.00	100.00	135,244.00

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
2013	$ 799,372.00	100.00%	$ 0.00
2012	561,229.00	100.00%	0.00
2011	406,973.00	100.00	0.00

During the year ended June 30, 2013, the State of New Jersey contributed $18,752.00 to the TPAF for NCGI premiums, $356,408.00 to the TPAF for Normal Contributions and $424,212.00 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 $489,110.67 during the year ended June 30, 2013 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 $500.00 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 and 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, 2012, there were 97,661 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 $146.6 million toward Chapter 126 benefits for 16,618 eligible retired members in fiscal year 2012.

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, 2013, 2012 and 2011 were $424,212.00, $374,791.00, and $388,674.00, 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
2012/13	$ 63,529.51	$ 22,283.32	$ 84,683.34	$ 97,607.60
2011/12	71,371.75	21,471.50	102,951.98	96,396.16
2010/11	62,184.56	20,165.68	98,169.47	106,425.63

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 DISCLOSURE

The District has implemented GASB 54 during fiscal year 2011.

Fund balances will be displayed in the following classifications depicting the relative strength of the spending constraints placed on the purposes for which resources can be used:

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
Fund Balances:					
Restricted	$1,639,349.35		$ 20.42	$ 96,154.56	$1,735,524.33
Committed				494,846.00	494,846.00
Assigned	111,908.59		69.00		111,977.59
Unassigned	412,588.00				412,588.00
	$2,163,845.94	$ 0.00	$ 89.42	$591,000.56	$2,754,935.92

17. CALCULATION OF EXCESS SURPLUS

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30, 2013 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2013 is $204,244.75.

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REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Schedules

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RUMSON SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Fiscal year ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
REVENUES					
Local Sources:					
Local Tax Levy	$ 13,419,218.00		$ 13,419,218.00	$ 13,419,218.00	
Tuition - from Individuals	165,000.00	$ (35,000.00)	130,000.00	108,800.00	$ (21,200.00)
Tuition - from Other LEA's within NJ		35,000.00	35,000.00	66,225.00	31,225.00
Interest Earned on Maintenance Reserve	1.00	(1.00)			
Interest Earned on Capital Reserve Funds	1.00	(1.00)		2,500.88	2,500.88
Unrestricted Miscellaneous Revenues	22,000.00		22,000.00	94,988.43	72,988.43
Total Local Sources	13,606,220.00	(2.00)	13,606,218.00	13,691,732.31	85,514.31
State Sources:					
Categorical Transportation Aid	35,230.00		35,230.00	35,230.00	
Extraordinary Aid				155,028.00	155,028.00
Categorical Special Education Aid	312,652.00		312,652.00	312,652.00	
Categorical Security Aid	13,811.00		13,811.00	13,811.00	
Non-Public Transportation Aid				3,595.75	3,595.75
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				424,212.00	424,212.00
TPAF NCGI Premiums (On-Behalf - Non-Budgeted)				18,752.00	18,752.00
TPAF Pension Normal (On-Behalf - Non-Budgeted)				356,408.00	356,408.00
TPAF Social Security (Reimbursed - Non-Budgeted)				489,110.67	489,110.67
Total State Sources	361,693.00		361,693.00	1,808,799.42	1,447,106.42
Total Revenues	13,967,913.00	(2.00)	13,967,911.00	15,500,531.73	1,532,620.73
EXPENDITURES					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool	51,750.00	17,302.80	69,052.80	49,759.69	
Kindergarten	339,189.00	857.00	340,046.00	339,262.81	783.19
Grades 1-5	2,324,003.00	(47,926.00)	2,276,077.00	2,276,037.57	39.43
Grades 6-8	1,750,779.00	1,595.62	1,752,374.62	1,747,002.74	5,371.88
Regular Programs - Home Instruction:					
Salaries of Teachers	2,500.00	500.00	3,000.00	2,854.83	145.17
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	15,171.00		15,171.00	14,864.30	306.70
Purchased Professional - Educational Services	71,000.00	(29,983.37)	41,016.63	40,204.86	811.77
Purchased Technical Services		5,000.00	5,000.00	3,052.00	1,948.00
Other Purchased Services	18,500.00		18,500.00	11,581.94	6,918.06
General Supplies	254,293.00	61,594.91	315,887.91	278,209.64	37,678.27
Textbooks	12,000.00	(2,088.83)	9,911.17	8,374.67	1,536.50
Other Objects	10,000.00	(2,486.00)	7,514.00	5,869.38	1,644.62
Total Regular Programs - Instruction	4,849,185.00	4,366.13	4,853,551.13	4,777,074.43	76,476.70

RUMSON SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Fiscal year ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
EXPENDITURES (continued)					
Special Education - Instruction:					
Learning and/or Language Disabilities					
Salaries of Teachers	55,464.00		55,464.00	51,995.51	3,468.49
Other Salaries for Instruction	41,708.00		41,708.00	36,149.80	5,558.20
Total Learning and/or Language Disabilities	97,172.00		97,172.00	88,145.31	9,026.69
Multiple Disabilities:					
Salaries of Teachers	54,758.00	(763.00)	53,995.00	50,069.90	3,925.10
Other Salaries for Instruction		17,713.00	17,713.00	17,713.00	
General Supplies	500.00		500.00	62.88	437.12
Total Multiple Disabilities	55,258.00	16,950.00	72,208.00	67,845.78	4,362.22
Resource Room/Resource Center:					
Salaries of Teachers	731,652.00	55,117.00	786,769.00	783,533.90	3,235.10
Other Salaries for Instruction	57,928.00	535.00	58,463.00	45,868.95	12,594.05
Total Resource Room/Resource Center	789,580.00	55,652.00	845,232.00	829,402.85	15,829.15
Total Special Education - Instruction	942,010.00	72,602.00	1,014,612.00	985,393.94	29,218.06
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	55,514.00		55,514.00	54,973.00	541.00
General Supplies	2,000.00		2,000.00	919.53	1,080.47
Total Basic Skills/Remedial - Instruction	57,514.00		57,514.00	55,892.53	1,621.47
School Sponsored Cocurricular Activities - Instruction:					
Salaries	15,000.00	3,145.27	18,145.27	15,649.98	2,495.29
Supplies and Materials	2,250.00		2,250.00	1,748.43	501.57
Total School Sponsored Cocurricular Activities - Instruction	17,250.00	3,145.27	20,395.27	17,398.41	2,996.86

RUMSON SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Fiscal year ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
EXPENDITURES (continued)					
School Sponsored Athletics - Instruction:					
Salaries	22,000.00	1,000.00	23,000.00	22,645.54	354.46
Purchased Services	15,000.00	(3,795.27)	11,204.73	8,049.00	3,155.73
Supplies and Materials	7,500.00		7,500.00	6,623.95	876.05
Other Objects		1,150.00	1,150.00	450.00	700.00
Total School Sponsored Athletics - Instruction	44,500.00	(1,645.27)	42,854.73	37,768.49	5,086.24
Total - Instruction	5,910,459.00	78,468.13	5,988,927.13	5,873,527.80	115,399.33
Undist. Expend. - Instruction:					
Tuition To Other LEAs Within the State - Special		52,460.00	52,460.00	52,460.00	
Tuition To Private Schools for the Disabled Within State	660,453.00	(86,348.59)	574,104.41	413,834.58	160,269.83
Total Undist. Expend. - Instruction	660,453.00	(33,888.59)	626,564.41	466,294.58	160,269.83
Undist. Expend. - Health Services:					
Salaries	174,743.00	(704.99)	174,038.01	173,520.56	517.45
Purchased Professional - Educational Services					
Other Purchased Services	5,000.00	700.00	5,700.00	5,110.00	590.00
Supplies and Materials	7,300.00	(554.53)	6,745.47	5,826.37	919.10
Total Undist. Expend. - Health Services	187,043.00	(559.52)	186,483.48	184,456.93	2,026.55
Undist. Expend. - Speech, OT, PT & Related Services:					
Salaries	229,405.00		229,405.00	224,630.89	4,774.11
Purchased Professional - Educational Services	25,000.00	77,967.50	102,967.50	99,249.16	3,718.34
Supplies and Materials	500.00		500.00	285.88	214.12
Total Undist. Expend. - Other Supp. Serv. Students Related Services	254,905.00	77,967.50	332,872.50	324,165.93	8,706.57
Undist. Expend. - Other Support Serv. Students - Extra Serv.					
Salaries	58,560.00	(6,440.04)	52,119.96	36,593.90	15,526.06
Purchased Professional - Educational Services	107,000.00	4,472.24	111,472.24	111,472.24	
Total Undist. Expend. - Other Support Serv. Students - Extra Serv.	165,560.00	(1,967.80)	163,592.20	148,066.14	15,526.06
Undist. Expend. - Guidance:					
Salaries of Other Professional Staff	140,926.00	(133.82)	140,792.18	139,920.00	872.18
Purchased Professional - Educational Services		5,000.00	5,000.00	5,000.00	
Supplies and Materials	6,000.00	(2,059.65)	3,940.35	3,940.35	
Total Undist. Expend. - Guidance	146,926.00	2,806.53	149,732.53	148,860.35	872.18
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	357,202.00	(167.94)	357,034.06	353,549.96	3,484.10
Salaries of Secretarial and Clerical Assistants	49,592.00	(300.00)	49,292.00	48,869.97	422.03
Miscellaneous Purchased Services	3,000.00	467.94	3,467.94	2,672.58	795.36
Supplies and Materials	1,000.00		1,000.00	484.09	515.91
Total Undist. Expend. - Child Study Teams	410,794.00	(0.00)	410,794.00	405,576.60	5,217.40

RUMSON SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Fiscal year ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
EXPENDITURES (continued)					
Undist. Expend. - Improvement of Instructional Services					
Salary of Supervisor of Instruction	69,000.00		69,000.00	67,298.40	1,701.60
Salaries of Secretarial and Clerical Assist.	29,035.00	288.00	29,323.00	29,322.09	0.91
Other Purchased Services	2,500.00		2,500.00	704.76	1,795.24
Supplies and Materials	2,000.00	(1,334.00)	666.00	347.41	318.59
Total Undist. Expend. - Improvement of Instructional Services	102,535.00	(1,046.00)	101,489.00	97,672.66	3,816.34
Undist. Expend. - Educational Media Serv./Sch. Library					
Salaries	90,780.00	454.00	91,234.00	90,854.00	380.00
Supplies and Materials	13,275.00	1,125.39	14,400.39	14,384.21	16.18
Total Undist. Expend. - Educational Media Serv./Sch. Library	104,055.00	1,579.39	105,634.39	105,238.21	396.18
Undist. Expend. - Instructional Staff Training Services					
Salaries of Supervisors of Instruction	46,000.00		46,000.00	44,865.60	1,134.40
Salaries of Secretarial and Clerical Assist.	18,235.00	1,313.00	19,548.00	19,547.85	0.15
Other Purchased Services		21,190.00	21,190.00	15,052.29	6,137.71
Supplies and Materials	2,500.00		2,500.00	2,453.14	46.86
Other Objects	2,500.00	1,334.00	3,834.00	3,834.00	
Total Undist. Expend. - Instructional Staff Training Services	69,235.00	23,837.00	93,072.00	85,752.88	7,319.12
Undist. Expend. - Support Services - General Administration:					
Salaries	235,650.00	(2,171.38)	233,478.62	213,149.88	20,328.74
Legal Services	75,000.00	17,764.99	92,764.99	67,753.56	25,011.43
Audit Fees	23,500.00		23,500.00	17,250.00	6,250.00
Purchased Technical Services	15,000.00	(15,000.00)			
Communications/Telephone	24,000.00	2,171.38	26,171.38	26,171.38	
BOE Other Purchased Services	2,500.00		2,500.00	1,948.05	551.95
Misc. Purchased Services	42,453.00	3,565.00	46,018.00	40,548.20	5,469.80
General Supplies	6,000.00		6,000.00	4,790.45	1,209.55
Miscellaneous Expenditures	32,000.00	26,306.37	58,306.37	22,650.99	35,655.38
BOE Memberships, Dues and Fees	8,500.00	(371.37)	8,128.63	6,971.00	1,157.63
Total Undist. Expend. - Support Services - General Administration	464,603.00	32,264.99	496,867.99	401,233.51	95,634.48
Undist. Expend. - Support Services - School Administration:					
Salaries of Principals/Assistant Principals/Prog. Dir.	241,073.00	4,906.47	245,979.47	245,979.47	
Salaries of Secretarial and Clerical Assistants	164,686.00	1,638.37	166,324.37	165,552.16	772.21
Purchased Professional and Technical Services	9,500.00	4,070.00	13,570.00	12,973.00	597.00
Other Purchased Services	4,500.00	(2,500.00)	2,000.00	127.18	1,872.82
Supplies and Materials	13,000.00	350.81	13,350.81	12,487.82	862.99
Other Objects	16,500.00	23,534.35	40,034.35	36,313.65	3,720.70
Total Undist. Expend. - Support Services - School Administration	449,259.00	32,000.00	481,259.00	473,433.28	7,825.72

RUMSON SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Fiscal year ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
EXPENDITURES (continued)					
Undist. Expend. - Support Services - Central Services:					
Salaries	223,148.00	11,909.92	235,057.92	235,057.92	
Purchased Professional Services	12,000.00	28,553.00	40,553.00	36,158.13	4,394.87
Purchased Technical Services	25,000.00	(6,466.00)	18,534.00	18,534.00	
Miscellaneous Purchased Services	10,000.00	(3,762.80)	6,237.20	6,237.20	
Supplies and Materials	6,000.00	5,831.51	11,831.51	11,831.51	
Miscellaneous Expenditures	6,000.00	2,197.28	8,197.28	8,197.28	
Total Undist. Expend. - Support Services - Central Services	282,148.00	38,262.91	320,410.91	316,016.04	4,394.87
Undist. Expend. - Support Services - Admin Info Technology:					
Salaries	79,889.00	1,800.96	81,689.96	81,689.96	
Purchased Professional Services	15,000.00	(1,982.76)	13,017.24	13,017.24	
Purchased Technical Services	6,150.00	(1,940.90)	4,209.10	4,209.10	
Supplies and Materials		4,159.55	4,159.55		4,159.55
Other Objects		389.00	389.00	389.00	
Total Undist. Expend. - Support Services - Admin Info Technology	101,039.00	2,425.85	103,464.85	99,305.30	4,159.55
Interest Earned on Maintenance Reserve	1.00	(1.00)			
Undist. Expend. - Required Maintenance for School Facilities:					
Cleaning, Repair and Maintenance Services	70,000.00	115,322.02	185,322.02	181,689.52	3,632.50
General Supplies	14,998.00	(5,936.48)	9,061.52	9,056.70	4.82
Other Objects	15,000.00	(2,551.07)	12,448.93		12,448.93
Total Undist. Expend. - Required Maintenance for School Facilities	99,998.00	106,834.47	206,832.47	190,746.22	16,086.25
Undist. Expend. - Custodial Services:					
Salaries	391,609.00	(7,960.99)	383,648.01	382,194.01	1,454.00
Salaries of Non-Instructional Aides	55,173.00	5,955.00	61,128.00	60,400.08	727.92
Purchased Professional and Technical Services	10,000.00	6,992.02	16,992.02	16,992.02	
Cleaning, Repair and Maintenance Services	24,000.00	10,250.00	34,250.00	29,544.10	4,705.90
Other Purchased Property Services	30,000.00	515.00	30,515.00	30,045.20	469.80
Insurance	36,164.00	2,365.00	38,529.00	38,529.00	
General Supplies	44,000.00	19,484.75	63,484.75	60,759.62	2,725.13
Energy (Natural Gas)	150,000.00	(55,608.48)	94,391.52	84,343.19	10,048.33
Energy (Electricity)	225,000.00	(78,704.15)	146,295.85	123,469.29	22,826.56
Other Objects	5,000.00	(4,118.33)	881.67	160.00	721.67
Total Undist. Expend. - Custodial Services	970,946.00	(100,830.18)	870,115.82	826,436.51	43,679.31
Undist. Expend. - Care & Upkeep of Grounds:					
Salaries	39,564.00	265.00	39,829.00	39,828.90	0.10
Purchased Professional and Technical Services	6,000.00	5,938.40	11,938.40	11,938.40	
General Supplies	6,000.00	(3,819.97)	2,180.03	2,180.03	
Total Undist. Expend. - Care & Upkeep of Grounds	51,564.00	2,383.43	53,947.43	53,947.33	0.10

RUMSON SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Fiscal year ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
EXPENDITURES (continued)					
Undist. Expend. - Security:					
Purchased Professional and Technical Services		37,100.00	37,100.00	13,750.00	23,350.00
General Supplies	3,500.00	20,721.13	24,221.13	20,939.65	3,281.48
Total Undist. Expend. - Custodial Services	3,500.00	57,821.13	61,321.13	34,689.65	26,631.48
Total Undist. Expend. - Oper. & Maint. of Plant	1,126,008.00	66,208.85	1,192,216.85	1,105,819.71	86,397.14
Undist. Expend. - Student Transportation Services:					
Contracted Services (Bet. Home & School) - Vendors	393,058.00	44,317.07	437,375.07	403,125.07	34,250.00
Contracted Services (Other Than Bet. Home & School) - Vendors	7,500.00	(999.29)	6,500.71		6,500.71
Contracted Services (Special Ed. Students) - Vendors	68,528.00	(2,876.00)	65,652.00	65,328.78	323.22
Contracted Services (Special Ed. Students) - Joint	284,743.00	30,049.86	314,792.86	314,792.86	
Contracted Services (Aid in Lieu) - Non Public School Students	9,500.00	2,876.00	12,376.00	11,320.05	1,055.95
Total Undist. Expend. - Student Transportation Services	763,329.00	73,367.64	836,696.64	794,566.76	42,129.88
Interest Earned on Current Expense Emergency Reserve					
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	173,361.00	(534.31)	172,826.69	147,728.04	25,098.65
Other Retirement Contributions - PERS	147,620.00	(18,327.28)	129,292.72	129,116.52	176.20
Unemployment Compensation	65,000.00		65,000.00	63,529.51	1,470.49
Workmen's Compensation	110,981.00	(11,672.72)	99,308.28	98,199.00	1,109.28
Health Benefits	2,389,245.00	(143,158.22)	2,246,086.78	2,129,039.61	117,047.17
Tuition Reimbursement	30,000.00	1,764.00	31,764.00	31,764.00	
Other Employee Benefits	14,000.00	27,337.98	41,337.98	41,337.98	
Total Unallocated Benefits - Employee Benefits	2,930,207.00	(144,590.55)	2,785,616.45	2,640,714.66	144,901.79
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				424,212.00	(424,212.00)
TPAF NCGI Premiums (On-Behalf - Non-Budgeted)				18,752.00	(18,752.00)
TPAF Pension Normal (On-Behalf - Non-Budgeted)				356,408.00	(356,408.00)
TPAF Social Security (Reimbursed - Non-Budgeted)				489,110.67	(489,110.67)
Total On-Behalf Contributions				1,288,482.67	(1,288,482.67)
Total Personal Services - Employee Benefits	2,930,207.00	(144,590.55)	2,785,616.45	3,929,197.33	(1,143,580.88)
Total Undistributed Expenditures	8,218,099.00	168,668.20	8,386,767.20	9,085,656.21	(698,889.01)
Total Expenditures - Current Expense	14,128,559.00	247,135.33	14,375,694.33	14,959,184.01	(583,489.68)
CAPITAL OUTLAY					
Increase To Capital Reserve	1.00	(1.00)			
Total Capital Reserve	1.00	(1.00)			

RUMSON SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

Fiscal year ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final To Actual
EXPENDITURES (continued)					
Equipment:					
Undistributed Expenditures:					
Required Maintenance for School Facilities	24,100.00	(16,962.00)	7,138.00	7,096.74	41.26
Total Equipment	24,100.00	(16,962.00)	7,138.00	7,096.74	41.26
Facilities Acquisition and Construction Services:					
Undistributed Expenditures:					
Other Purchased Prof. and Tech. Services	28,000.00	(28,000.00)			
Construction Services	44,289.00	63,121.00	107,410.00	106,146.18	1,263.82
Assessment for Debt Service on SDA Funding	21,418.00		21,418.00	21,418.00	
Total Facilities Acquisition and Construction Services	93,707.00	35,121.00	128,828.00	127,564.18	1,263.82
Total Capital Outlay	117,808.00	18,158.00	135,966.00	134,660.92	1,305.08
Total Expenditures	14,246,367.00	265,293.33	14,511,660.33	15,093,844.93	(582,184.60)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(278,454.00)	(265,295.33)	(543,749.33)	406,686.80	950,436.13
Other Financing Sources/(Uses):					
Operating Transfers Out - Capitial Reserve to Capital Projects Fund				(594,000.00)	(594,000.00)
Total Other Financing Sources/(Uses)				(594,000.00)	(594,000.00)
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(278,454.00)	(265,295.33)	(543,749.33)	(187,313.20)	356,436.13
Fund Balances, July 1	2,385,182.14		2,385,182.14	2,385,182.14	
Fund Balances, June 30	$ 2,106,728.14	$ (265,295.33)	$ 1,841,432.81	$ 2,197,868.94	$ 356,436.13

Recapitulation:	
Restricted:	
Capital Reserve	$ 696,502.92
Emergency Reserve	200,000.00
Maintenance Reserve	265,000.00
Excess Surplus - Designated for Subsequent Year's Expenditures	273,601.68
Excess Surplus - Current Year	204,244.75
Assigned:	
Year-End Encumbrances	111,908.27
Designated for Subsequent Year's Expenditures	0.32
Unassigned	446,611.00
	2,197,868.94
Reconciliation to Governmental Funds Statements (GAAP):	
Last State Aid Payment Not Recognized on GAAP Basis	(34,023.00)
Fund Balance per Governmental Funds (GAAP)	$ 2,163,845.94

RUMSON SCHOOL DISTRICT

Exhibit C-2

BUDGETARY COMPARISON SCHEDULE

SPECIAL REVENUE FUND

June 30, 2013

	Original Budget	Final Budget	Actual	Variance Final To Actual
Revenues:				
State Sources	$ 133,339.32	$ 133,339.32	$ 133,339.32	
Federal Sources	404,351.83	404,351.83	404,351.83	
Total Revenues	537,691.15	537,691.15	537,691.15	
Expenditures:				
Instruction:				
Salaries	32,606.86	32,606.86	32,606.86	
Purchased Professional And Technical Services	62,386.18	62,386.18	62,386.18	
Other Purchased Services	183,982.26	183,982.26	183,982.26	
General Supplies	14,662.84	14,662.84	14,662.84	
Total Instruction	293,638.14	293,638.14	293,638.14	
Support Services:				
Purchased Professional- Educational Services	81,618.71	81,618.71	81,618.71	
Purchased Educational Services- Contracted Pre-K	6,110.00	6,110.00	6,110.00	
Contracted Trasportation Services	34,249.00	34,249.00	34,249.00	
Supplies	21,342.84	21,342.84	21,342.84	
Other Objects	100,732.46	100,732.46	100,732.46	
Total Support Services	244,053.01	244,053.01	244,053.01	
Total Expenditures	537,691.15	537,691.15	537,691.15	
Total Outflows	537,691.15	537,691.15	537,691.15	
Excess/(Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Uses	$ 0.00	$ 0.00	$ 0.00	$ 0.00

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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Exhibit C-3

RUMSON SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

BUDGET-TO-GAAP RECONCILIATION

Fiscal year ended June 30, 2013

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	$ 15,482,173.80	$ 537,691.15
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		12,620.04
Current Year Encumbrances		(14,118.80)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	26,255.00	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(34,023.00)	
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	$ 15,474,405.80	$ 536,192.39
USES/OUTFLOWS OF RESOURCES		
Actual amounts (budgetary basis) "total outflows" from the Budgetary Comparison Schedule	$ 15,093,844.93	$ 537,691.15
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		12,620.04
Current Year Encumbrances		(14,118.80)
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	$ 15,093,844.93	$ 536,192.39

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Schedules

Not Applicable

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E. Special Revenue Fund

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.

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RUMSON SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

For the fiscal year ended June 30, 2013

	N.J. Nonpublic							
			Auxiliary Services		Handicapped Services Ch. 193			
Revenues	Textbooks Aid	Nursing Aid	Ch. 192 Compensatory Education	Technology	Annual Exam	Exam. and Classification	Corrective Speech	Supplementary Instruction
Local Sources								
State Sources	$ 15,230.09	$ 27,111.37	$ 32,606.86	$ 7,215.00	$ 7,661.00	$ 15,596.00	$ 12,655.00	$ 15,264.00
Federal Sources								
Total Revenues	$ 15,230.09	$ 27,111.37	$ 32,606.86	$ 7,215.00	$ 7,661.00	$ 15,596.00	$ 12,655.00	$ 15,264.00
Expenditures								
Instruction:								
Salaries of Teachers			32,606.86					
Purchased Professional And Technical Services								
Other Purchased Services								
General Supplies								
Total Instruction			32,606.86					
Support Services:								
Purchased Professional - Educational Services								
Purchased Educ. Services - Contracted Pre-K								
Contracted Transportation Serv. (Bet. Home & Sch)								
Supplies and Materials								
Other Objects	15,230.09	27,111.37		7,215.00	7,661.00	15,596.00	12,655.00	15,264.00
Total Support Services	15,230.09	27,111.37		7,215.00	7,661.00	15,596.00	12,655.00	15,264.00
Total Expenditures	$ 15,230.09	$ 27,111.37	$ 32,606.86	$ 7,215.00	$ 7,661.00	$ 15,596.00	$ 12,655.00	$ 15,264.00

RUMSON SCHOOL DISTRICT

SPECIAL REVENUE FUND

COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS

For the fiscal year ended June 30, 2013

	I.D.E.A. Part B				No Child Left Behind	
Revenues	Basic 2012/13	Basic 2011/12	Preschool 2012/13	ProjectSERV Grant	Title II Part A	Totals
Local Sources						$
State Sources						$ 133,339.32
Federal Sources	$ 306,811.01	$ 25,042.32	$ 12,336.50	$ 34,249.00	$ 25,913.00	404,351.83
Total Revenues	$ 306,811.01	$ 25,042.32	$ 12,336.50	$ 34,249.00	$ 25,913.00	$ 537,691.15
Expenditures						
Instruction:						
Salaries of Teachers						32,606.86
Purchased Professional And Technical Services	59,511.18	2,875.00				62,386.18
Other Purchased Services	162,991.00	20,991.26				183,982.26
General Supplies	5,143.00	1,176.06	8,343.78			14,662.84
Total Instruction	227,645.18	25,042.32	8,343.78			293,638.14
Support Services:						
Purchased Professional - Educational Services	70,495.01				11,123.70	81,618.71
Purchased Educ. Services - Contracted Pre-K	6,110.00					6,110.00
Contracted Transportation Serv. (Bet. Home & Sch)				34,249.00		34,249.00
Supplies and Materials	2,560.82		3,992.72		14,789.30	21,342.84
Other Objects						100,732.46
Total Support Services	79,165.83		3,992.72	34,249.00	25,913.00	244,053.01
Total Expenditures	$ 306,811.01	$ 25,042.32	$ 12,336.50	$ 34,249.00	$ 25,913.00	$ 537,691.15

F. Capital Projects Fund

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

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Exhibit F-1

RUMSON SCHOOL DISTRICT

CAPITAL PROJECTS FUND

SUMMARY STATEMENT OF PROJECT EXPENDITURES

For the year ended June 30, 2013

Project Title/Issue	Date	Original Appropriations	Expenditures To Date Prior Years	Expenditures To Date Current Year	Unexpended/ (Over Expended) Balance
Renovation of Deane-Porter School Roof	01/27/09	$ 1,257,000.00	$ 1,255,279.39	$ 1,720.61	
Renovation of Forrestdale School Science Laboratory	07/16/09	497,160.00	334,858.43		$ 162,301.57
Replacement of Windows & Doors	01/03/13	594,000.00		5,054.00	588,946.00
		$ 2,348,160.00	$ 1,590,137.82	$ 6,774.61	$ 751,247.57

Payment of Rumson Education Foundation	$ (63,531.39)
Transfer to Capital Reserve	(32,453.42)
Unearned NJSDA Revenue	(64,262.20)
Balance to B-2	$ 591,000.56

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, 2013

Revenues and Other Financing Sources:	
Miscellaneous	$ 20.10
Total Revenues	20.10
Expenditures and Other Financing Sources:	
Construction Services	6,774.61
Total Expenditures	6,774.61
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(6,754.51)
Other Financing Sources/(Uses):	
Transfer In	594,000.00
Transfer Out	(20.10)
Total Other Financing Sources/(Uses)	593,979.90
Net Change in Fund Balance	587,225.39
Fund Balance - July 1	3,775.17
Fund Balance - June 30	$ 591,000.56

Exhibit F-2a

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, 2013

	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		1,257,000.00	1,257,000.00
Expenditures and Other Financing Sources:				
Purchased Professional and Technical Services	84,226.89		84,226.89	86,220.92
Construction Services	1,171,052.50	$ 1,720.61	1,172,773.11	1,027,240.00
Equipment Purchases				143,539.08
Total Expenditures	1,255,279.39	1,720.61	1,257,000.00	1,257,000.00
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	$ 1,720.61	$ (1,720.61)	$ 0.00	$ 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	100.00%
Original Target Completion Date	August, 2009
Revised Target Completion Date	June, 2013

Original Target Completion Date
Revised Target Completion Date

Exhibit F-2b

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, 2013

	Prior Periods	Current Year	Totals	Authorized Cost
Revenues and Other Financing Sources:				
NJSDA Grant	$ 134,601.80		$ 134,601.80	$ 134,601.00
Donations	134,764.61		134,764.61	134,764.61
Bond Proceeds and Transfers	67,546.58		67,546.58	100,000.00
Total Revenues	336,912.99		336,912.99	369,365.61
Expenditures and Other Financing Sources:				
Purchased Professional and Technical Services	37,312.68		37,312.68	37,500.00
Construction Services	297,545.75		297,545.75	331,865.61
Total Expenditures	334,858.43		334,858.43	369,365.61
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	$ 2,054.56	$ 0.00	$ 2,054.56	$ 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	100.00%
Original Target Completion Date	August, 2010
Revised Target Completion Date	June, 2013

Revised Target Completion Date

Exhibit F-2c

RUMSON SCHOOL DISTRICT

CAPITAL PROJECTS FUND

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

REPLACEMENT OF WINDOWS AND DOORS - DEANE-PORTER & FORRESTDALE SCHOOL

From inception and for the year ended June 30, 2012

	Prior Periods	Current Year	Totals	Authorized Cost
Revenues and Other Financing Sources:				
Bond Proceeds and Transfers		$ 594,000.00	$ 594,000.00	$ 594,000.00
Total Revenues		594,000.00	594,000.00	594,000.00
Expenditures and Other Financing Sources:				
Construction Services		5,054.00	5,054.00	594,000.00
Total Expenditures		5,054.00	5,054.00	594,000.00
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	$ 0.00	$ 588,946.00	$ 588,946.00	$ 0.00

Additional Project Information:	
Project Numbers	4570-040-13-1000
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorization Cost	$ 594,000.00
Additional Authorization Cost	0.00
Revised Authorization Cost	594,000.00
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	0.85%
Original Target Completion Date	September, 2013
Revised Target Completion Date	N/A

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H. Fiduciary Fund

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.
Unemployment Agency Fund:	This Fund is used to account for assets to finance the cost of unemployment benefits.
Scholarship Fund:	This Fund is an Expendable Trust Fund and limits expenses according to the Scholarship Agreement.

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Exhibit H-1

RUMSON SCHOOL DISTRICT

COMBINING STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS

For the fiscal year ended June 30, 2013

	Unemployment Compensation Trust	Private Purpose Scholarship Fund	Agency Fund	Totals
Assets:				
Cash and Cash Equivalents	$ 97,607.60	$ 151,132.69	$ 175,006.98	$ 423,747.27
Total Assets	$ 97,607.60	$ 151,132.69	$ 175,006.98	$ 423,747.27
Liabilities:				
Payable To Student Groups			$ 88,203.86	$ 88,203.86
Payroll Deductions and Withholdings			86,803.12	86,803.12
Total Liabilities			175,006.98	175,006.98
Net Position:				
Held in Trust for Unemployment Claims and Other Purposes	$ 97,607.60			97,607.60
Reserved for Scholarships		$ 151,132.69		151,132.69
Total Net Position	97,607.60	151,132.69		248,740.29
Total Liabilities and Net Position	$ 97,607.60	$ 151,132.69	$ 175,006.98	$ 423,747.27

Exhibit H-2

RUMSON SCHOOL DISTRICT

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FIDUCIARY FUNDS

For the fiscal year ended June 30, 2013

	Unemployment Compensation Trust	Private Purpose Scholarship Fund	Totals
Additions:			
Contributions:			
Plan Members	$ 22,283.32		$ 22,283.32
Board Contribution	63,529.51		63,529.51
Other		$ 135,938.21	135,938.21
Total Contributions	85,812.83	135,938.21	221,751.04
Investment Earnings:			
Interest	81.95		81.95
Net Investment Earnings	81.95		81.95
Total Additions	85,894.78	135,938.21	221,832.99
Deductions:			
Quarterly Contribution Reports	8,951.81		8,951.81
Unemployment Claims	75,731.53		75,731.53
Scholarships Awarded		44,942.30	44,942.30
Total Deductions	84,683.34	44,942.30	129,625.64
Change in Net Position	1,211.44	90,995.91	92,207.35
Net Position - Beginning of Year	96,396.16	60,136.78	156,532.94
Net Position - End of Year	$ 97,607.60	$ 151,132.69	$ 248,740.29

Exhibit H-3

RUMSON SCHOOL DISTRICT

SCHEDULE OF RECEIPTS AND DISBURSEMENTS

STUDENT ACTIVITY AGENCY FUND

For the fiscal year ended June 30, 2013

	Balance July 1, 2012	Cash Receipts	Cash Disbursements	Balance June 30, 2013
Elementary Schools:				
Forrestdale	$ 72,364.17	$ 125,714.20	$ 123,418.62	$ 74,659.75
Deane-Porter	9,739.29	18,939.97	15,135.15	13,544.11
Total Assets	$ 82,103.46	$ 144,654.17	$ 138,553.77	$ 88,203.86

Exhibit H-4

RUMSON SCHOOL DISTRICT

PAYROLL AGENCY FUND

SCHEDULE OF RECEIPTS AND DISBURSEMENTS

For the fiscal year ended June 30, 2013

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
Assets				
Cash	$ 121,914.33	$ 4,038,685.71	$ 4,073,796.92	$ 86,803.12
Total Assets	$ 121,914.33	$ 4,038,685.71	$ 4,073,796.92	$ 86,803.12
Liabilities				
Payroll Deductions and Withholdings	$ 121,914.33	$ 4,038,685.71	$ 4,073,796.92	$ 86,803.12
Total Liabilities	$ 121,914.33	$ 4,038,685.71	$ 4,073,796.92	$ 86,803.12

I. Long-Term Debt

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.

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Exhibit I-1

RUMSON SCHOOL DISTRICT

STATEMENT OF SERIAL BONDS

June 30, 2013

Issue	Date of Issue	Amount of Issue	Annual Maturities Date	Annual Maturities Amount	Interest Rate	Balance July 1, 2012	Increased	Retired	Balance June 30, 2013
Renovations and Improvements	04/01/03	$ 6,282,000.00	09/01/13	$ 225,000.00	3.750%	$ 5,407,000.00		$ 5,182,000.00	$ 225,000.00
Refunding School Bonds	08/15/08	2,745,000.00	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%	1,570,000.00		280,000.00	1,290,000.00
New Roof	05/19/09	1,257,000.00	02/01/14	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%	1,117,000.00		75,000.00	1,042,000.00
Refunding School Bonds	05/15/13	4,535,000.00	09/01/13	5,000.00	2.000%				
			09/01/14	245,000.00	2.000%				
			09/01/15	260,000.00	2.000%				
			09/01/16	280,000.00	3.000%				
			09/01/17	330,000.00	3.000%				
			09/01/18	620,000.00	3.000%				
			09/01/19	670,000.00	4.000%				
			09/01/20	690,000.00	4.000%				
			09/01/21	715,000.00	4.000%				
			09/01/22	720,000.00	4.000%		$ 4,535,000.00		4,535,000.00
						$ 8,094,000.00	$ 4,535,000.00	$ 5,537,000.00	$ 7,092,000.00

Exhibit I-3

RUMSON SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE

DEBT SERVICE FUND

For the fiscal year ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive/(Negative) Final To Actual
Revenues					
Local Sources:					
Local Tax Levy	$ 757,759.00		$ 757,759.00	$ 757,759.00	
	757,759.00		757,759.00	757,759.00	
State Sources:					
Debt Service Aid - Type II	115,051.00		115,051.00	115,051.00	
Total Revenues	872,810.00		872,810.00	872,810.00	
Expenditures					
Regular Debt Service:					
Interest on Bonds	319,201.00		319,201.00	319,200.77	$ 0.23
Redemption of Principal	555,000.00		555,000.00	555,000.00	
Total Regular Debt Service	874,201.00		874,201.00	874,200.77	0.23
Total Expenditures	874,201.00		874,201.00	874,200.77	0.23
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	(1,391.00)		(1,391.00)	(1,390.77)	0.23
Other Financial Sources/(Uses):					
Proceeds From Refunding				5,155,337.75	(5,155,337.75)
Payments To Escrow Agent				(5,155,337.75)	5,155,337.75
Operating Transfer In				20.10	20.10
Total Other Financial Sources/(Uses)				20.10	20.10
Excess/(Deficiency) of Revenues and Other and Other Financial Sources Over/ (Under) Expenditures	(1,391.00)		(1,391.00)	(1,370.67)	20.33
Fund Balance, July 1	1,460.09		1,460.09	1,460.09	
Fund Balance, June 30	$ 69.09	$ 0.00	$ 69.09	$ 89.42	$ 20.33
Recapitulation of Excess/(Deficiency) of Revenues Over/(Under) Expenditures:					
Budgeted Fund Balance	$ (1,391.00)	$ 0.00	$ (1,391.00)	$ 0.00	$ 0.00

STATISTICAL SECTION (Unaudited)

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FINANCIAL TRENDS/INFORMATION SCHEDULES

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Exhibit J-1

RUMSON SCHOOL DISTRICT

NET POSITION BY COMPONENT

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013
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	$ 6,301,896.42	$ 6,563,021.78	$ 7,119,582.74
Restricted	2,241,637.03	1,487,102.66	472,323.32	361,397.65	2,092,490.50	1,954,524.66	1,529,909.30	1,979,028.91	2,417,358.77
Unrestricted	(102,811.76)	(271,939.77)	(239,780.93)	(51,440.57)	-17,944.11	4,823.85	185,970.48	194,255.11	202,580.24
Total Government Activities Net Position	$ 6,062,591.37	$ 5,209,133.05	$ 5,206,730.67	$ 5,205,289.36	$ 6,729,204.34	$ 7,638,343.12	$ 8,017,776.20	$ 8,736,305.80	$ 9,739,521.75
Business-Type Activities:									
Invested in Capital Assets, Net of Related Debt				$ 49,048.25	$ 89,126.00	$ 78,420.00	$ 67,714.00	$ 70,116.02	$ 67,867.25
Unrestricted	$ 8,893.86	$ 14,446.95	$ 20,679.77	31,068.80	28,189.34	29,876.82	47,488.31	50,406.10	90,075.71
Total Business-Type Activities Net Position	$ 8,893.86	$ 14,446.95	$ 20,679.77	$ 80,117.05	$ 117,315.34	$ 108,296.82	$ 115,202.31	$ 120,522.12	$ 157,942.96
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	$ 6,369,610.42	$ 6,633,137.80	$ 7,187,449.99
Restricted	2,241,637.03	1,487,102.66	472,323.32	361,397.65	2,092,490.50	1,954,524.66	1,529,909.30	1,979,028.91	2,417,358.77
Unrestricted	(93,917.90)	(257,492.82)	(219,101.16)	(20,371.77)	10,245.23	34,700.67	233,458.79	244,661.21	292,655.95
Total District Net Position	$ 6,071,485.23	$ 5,223,580.00	$ 5,227,410.44	$ 5,285,406.41	$ 6,846,519.68	$ 7,746,639.94	$ 8,132,978.51	$ 8,856,827.92	$ 9,897,464.71

RUMSON SCHOOL DISTRICT

CHANGES IN NET POSITION

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013
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)	$ (7,230,472.88)	$ (7,217,176.66)	$ (5,073,182.07)
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)	(1,671,371.00)	(1,567,341.69)	(985,393.94)
Other Special Education	(139,074.74)	(112,617.36)	(105,389.62)	(113,937.79)	(108,124.86)	(108,827.38)	(70,066.70)	(62,167.11)	(55,892.53)
Other Instruction	(109,298.70)	(113,529.18)	(114,944.03)	(57,975.28)	(68,893.50)	(52,362.45)	(53,319.58)	(57,406.38)	(55,166.90)
Support Services:									
Tuition	(457,354.24)	(365,057.23)	(213,610.00)	(193,168.64)	(263,496.93)	(359,495.27)	(554,430.33)	(562,548.31)	(466,294.58)
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)	(1,744,226.27)	(1,796,447.17)	(1,739,874.45)
School Administrative Services	(637,313.21)	(723,182.46)	(549,577.30)	(630,617.62)	(639,839.88)	(631,567.89)	(659,607.37)	(658,884.15)	(401,233.51)
General Administration	(868,963.55)	(833,851.23)	(702,135.40)	(518,702.29)	(473,475.34)	(575,132.70)	(488,448.57)	(585,688.09)	(473,433.28)
Central Services			(269,701.72)	(273,437.20)	(300,995.18)	(297,474.18)	(325,811.47)	(313,389.60)	(316,016.04)
Administrative Information Technology			(66,673.86)	(101,871.38)	(112,622.38)	(113,406.84)	(126,386.35)	(137,235.22)	(99,305.30)
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)	(1,316,259.03)	(1,391,086.06)	(1,050,906.15)
Pupil Transportation	(391,254.91)	(531,919.36)	(518,578.74)	(503,718.14)	(513,302.60)	(540,902.03)	(594,626.01)	(648,812.94)	(794,566.76)
Employee Benefits									(3,929,197.33)
Unallocated Depreciation and Amortization									(172,268.41)
Interest on Long-Term Debt	(428,210.00)	(412,512.50)	(395,643.13)	(379,242.50)	(307,874.09)	(372,900.57)	(357,149.72)	(335,391.40)	(285,839.02)
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)	(15,192,175.28)	(15,333,574.78)	(15,898,570.27)
Business-Type Activities:									
Food Service	(5,434.11)	(6,880.87)	(8,581.15)	(344,037.48)	(275,796.52)	(266,413.35)	(257,664.94)	(270,566.50)	(340,024.40)
Rumson After School Academy	(42,083.00)	(40,878.00)	(42,026.00)	(31,165.80)	(30,259.50)	(26,574.50)	(54,765.00)	(68,593.00)	(47,378.00)
Total Business-Type Activities Expenses	(47,517.11)	(47,758.87)	(50,607.15)	(375,203.28)	(306,056.02)	(292,987.85)	(312,429.94)	(339,159.50)	(387,402.40)
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)	$ (15,504,605.22)	$ (15,672,734.28)	$ (16,285,972.67)
Program Revenues:									
Governmental Activities:									
Charges for Services:									
Instruction (Tuition)						$ 23,514.00	$ 64,170.00	$ 242,047.10	$ 175,025.00
Operating Grants and Contributions	$ 189,282.00	$ 185,820.00	$ 191,150.90	$ 179,590.00	$ 209,366.81	227,796.00	140,069.73	125,318.40	156,456.08
Capital Grants and Contributions	1,361,366.00					216,818.35	110,241.82	22,181.63	
Total Governmental Activities Program Revenues	1,550,648.00	185,820.00	191,150.90	179,590.00	209,366.81	468,128.35	314,481.55	389,547.13	331,481.08
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	264,451.00	275,811.99	377,355.27
Rumson After School Academy	42,083.00	40,878.00	42,026.00	31,165.80	30,259.50	26,574.50	54,765.00	68,593.00	47,378.00
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	319,216.00	344,404.99	424,733.27
Total District Program Revenues	$ 1,603,711.77	$ 238,882.77	$ 247,483.72	$ 612,377.81	$ 501,352.64	$ 751,930.85	$ 633,697.55	$ 733,952.12	$ 756,214.35
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)	$ (14,877,693.73)	$ (14,944,027.65)	$ (15,567,089.19)
Business-Type Activities	5,546.66	5,303.90	5,725.67	57,584.53	(14,070.19)	(9,185.35)	6,786.06	5,245.49	37,330.87
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)	$ (14,870,907.67)	$ (14,938,782.16)	$ (15,529,758.32)
General Revenues and Other Changes in Net Position:									

RUMSON SCHOOL DISTRICT

CHANGES IN NET POSITION

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013
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	$ 12,851,720.00	$ 13,095,904.00	$ 13,419,218.00
Taxes Levied for Debt Service	646,907.00	634,688.00	647,001.00	488,472.00	654,813.00	670,163.78	731,047.00	744,316.00	757,759.00
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	1,617,786.53	1,842,429.57	2,295,818.73
Investment Earnings	62,289.55	101,697.98	86,319.23	75,311.65	16,682.66	13,497.26	8,262.19	4,359.45	4,442.74
Miscellaneous Income	8,845.95	19,164.27	124,230.73	38,328.35	50,167.57	26,915.71	48,311.09	(24,451.77)	93,066.67
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	15,257,126.81	15,662,557.25	16,570,305.14
Business-Type Activities:									
Investment Earnings	71.01	249.19	507.15	1,852.75	482.73	166.83	119.43	74.32	89.97
Total Business-Type Activities	71.01	249.19	507.15	1,852.75	482.73	166.83	119.43	74.32	89.97
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	$ 15,257,246.24	$ 15,662,631.57	$ 16,570,395.11
Changes in Net Position:									
Governmental Activities	$ 1,230,909.17	$ (669,865.54)	$ (2,402.38)	$ 32,889.76	$ 667,152.37	$ 909,138.78	$ 379,433.08	$ 718,529.60	$ 1,003,215.95
Business-Type Activities	5,617.67	5,553.09	6,232.82	59,437.28	(13,587.46)	(9,018.52)	6,905.49	5,319.81	37,420.84
Total District	$ 1,236,526.84	$ (664,312.45)	$ 3,830.44	$ 92,327.04	$ 653,564.91	$ 900,120.26	$ 386,338.57	$ 723,849.41	$ 1,040,636.79

Exhibit J-3

RUMSON SCHOOL DISTRICT

FUND BALANCES, GOVERNMENTAL FUNDS

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013
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			
Restricted							$ 1,022,725.98	$ 1,855,057.59	$ 1,639,349.35
Assigned							338,502.31	118,736.06	111,908.59
Unassigned							409,409.63	385,133.49	412,588.00
Total General Fund	$ 669,572.93	$ 318,312.28	$ 384,447.05	$ 615,738.59	$ 1,198,373.87	$ 1,707,490.14	$ 1,770,637.92	$ 2,358,927.14	$ 2,163,845.94
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			
Restricted For:									
Capital Projects Fund							$ 108,564.81	3,775.17	96,154.56
Debt Service Fund							1,391.47	69.09	20.42
Committed:									
Capital Projects Fund							54,665.54		494,846.00
Assigned:									
Debt Service Fund							4,059.19	1,391.00	69.00
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	$ 168,681.01	$ 5,235.26	$ 591,089.98

Exhibit J-4

RUMSON SCHOOL DISTRICT

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

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

	2004*	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues:										
Tax Levy	$ 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	$ 13,582,767.00	$ 13,840,220.00	$ 14,176,977.00
Tuition Charges			6,280.50	10,771.00	12,449.00	26,829.00	23,514.00	64,170.00	242,047.10	175,025.00
Interest Earnings			58,802.35	76,059.49	75,311.65	23,682.66	13,497.26	8,262.19	4,359.45	4,442.74
Miscellaneous	17,720.90	53,411.73	12,883.77	113,459.73	25,879.35	23,338.57	225,211.71	48,311.09	(24,451.77)	93,066.67
State Sources	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	1,454,908.07	1,690,058.40	2,049,421.74
Federal Sources	211,265.00	202,503.19	225,362.59	284,819.84	230,586.77	342,611.55	383,953.79	413,190.01	299,871.20	402,853.07
Total Revenues	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	15,571,608.36	16,052,104.38	16,901,786.22
Expenditures:										
Instruction:										
Regular	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	4,652,972.85	4,587,897.26	5,073,182.07
Special	686,896.18	820,671.50	737,746.45	608,321.57	952,509.55	1,129,870.53	898,102.37	998,708.70	913,643.08	985,393.94
Other	30,054.56	92,968.63	100,628.30	97,360.61	104,358.30	100,907.77	101,363.17	63,011.59	54,605.93	55,892.53
School-Sponsored/Other Instructional	95,230.32	99,489.00	107,432.91	110,861.39	53,068.71	65,196.94	47,010.22	49,705.99	53,533.58	55,166.90
Community Services										
Undistributed:										
Tuition	276,410.31	457,354.24	365,057.23	213,610.00	193,168.64	263,496.93	359,495.27	554,430.33	562,548.31	466,294.58
Student and Instruction Related Services										1,739,874.45
Speech	50,155.41	87,369.16	189,647.42	201,313.94	159,719.87	119,259.24	58,545.66		233,900.01	
Extraordinary	31,473.45	6,930.00	48,360.30	151,729.60	87,461.00	43,099.00	294,417.79	203,969.55	155,786.00	
Staff Training	85,278.00	63,570.13	49,355.31	48,176.46	56,497.33	57,529.07	63,282.55	46,071.46	97,626.53	
Support Services - Students	303,732.44	571,258.61	786,709.00	1,108,535.23	1,152,362.73	1,020,014.13	944,299.60	997,248.68	762,946.98	
Support Services - Instructional Staff	435,870.84	369,890.41	166,909.79	73,044.81	86,044.65	85,105.05	91,271.12	69,065.21	138,202.69	
General Administration	371,062.78	382,817.96	692,460.69	383,148.74	422,615.88	441,850.49	474,964.10	382,549.99	414,611.98	401,233.51
School Administrative Services	494,140.07	463,237.89	479,141.75	498,706.99	432,292.46	382,869.86	433,645.03	446,352.22	450,135.54	473,433.28
Central Services				211,902.32	233,289.36	258,604.90	249,325.27	272,821.48	259,767.46	316,016.04
Admin. Information Technology				47,407.40	81,797.46	91,427.24	88,936.03	99,891.36	110,424.15	99,305.30
Plant Operations and Maintenance	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	1,023,518.89	1,093,191.75	1,105,819.71
Pupil Transportation	402,363.29	391,254.91	531,919.36	518,578.74	503,718.14	513,302.60	544,865.53	594,626.01	648,812.94	794,566.76
Employee Benefits	2,292,231.63	2,256,109.40	2,284,559.02	2,764,740.42	2,971,940.82	2,608,868.28	2,913,906.70	3,015,676.45	3,156,761.13	3,929,197.33
Reimbursed TPAF Social Security Contributions	366,162.72	402,325.48	419,278.63	439,827.29	447,314.56	437,201.98	450,088.97	478,057.52	462,038.67	
Capital Outlay	32,838.71	28,872.54	30,701.12	26,950.62	100,842.63	33,821.00	53,971.78	61,247.00	108,288.00	141,435.53
Special Revenue	365,650.15		363,561.59	433,859.49	359,702.77	479,254.55	519,278.68	522,490.01	411,854.90	
Debt Service:										
Principal	300,000.00	335,000.00	335,000.00	360,000.00	385,000.00	450,000.00	435,000.00	505,000.00	525,000.00	555,000.00
Interest and Other Charges	443,600.00	430,982.50	415,285.00	399,118.75	382,015.00	309,238.53	360,804.76	361,038.26	340,032.02	319,200.77
Total Expenditures	11,413,029.73	12,352,405.24	13,063,629.51	13,962,172.88	14,419,687.95	14,058,524.58	14,674,841.47	15,398,453.55	15,541,608.91	16,511,012.70
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(368,492.96)	(133,032.64)	(351,260.65)	66,135.02	65,804.11	588,126.99	839,438.50	173,154.81	510,495.47	390,773.52
Other Financing Sources/(Uses):										
Proceeds From Borrowing						1,257,000.00				
Proceeds From Refunding						2,847,224.45				5,155,337.75
Payments To Escrow Agent						(2,847,224.45)				(5,155,337.75)
Transfers In	73,469.40	17,723.77	42,895.63	10,259.74	4,426.57	1,604.72	128,176.86	1,391.47	32,521.87	594,020.10
Transfers Out					(3,480.00)		(128,176.86)	(1,391.47)	(32,521.87)	(594,020.10)
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	$ (295,023.56)	$ (115,308.87)	$ (308,365.02)	$ 76,394.76	$ 66,750.68	$ 1,846,731.71	$ 839,438.50	$ 173,154.81	$ 510,495.47	$ 390,773.52
Debt Service as a Percentage of Noncapital Expenditures	6.53%	6.22%	5.76%	5.45%	5.36%	5.41%	5.44%	5.65%	5.60%	5.34%

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
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
2011	64,170.00	48,311.09	6,870.72		119,351.81
2012	242,047.10	39,079.62	4,291.00		285,417.72
2013	175,025.00	93,066.67	4,422.64		272,514.31

Source: District records

REVENUE CAPACITY INFORMATION

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Exhibit J-6

RUMSON SCHOOL DISTRICT

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS
(UNAUDITED)

RUMSON BOROUGH

Fiscal Year Ending June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment
2004	$ 6,083,900	$ 982,209,381		$ 20,643	$ 45,605,300		$ 1,844,300
2005	11,169,300	2,623,906,800		25,700	103,394,000		4,249,400
2006	13,070,000	2,656,044,000		25,700	103,472,000		3,597,600
2007	31,304,000	2,680,775,700	$ 6,051,700	32,300	102,473,300		3,588,500
2008	45,975,700	2,747,446,100	6,051,700	31,000	101,724,700		3,668,100
2009	42,970,900	2,802,888,200	6,051,700	32,600	102,395,500		1,494,800
2010	37,540,800	2,819,687,500	6,051,700	29,200	102,464,300		628,700
2011	38,412,300	2,807,299,400	6,307,600	32,000	102,610,100		628,700
2012	41,969,100	2,809,034,000		30,200	103,446,700		628,700
2013	54,489,000	2,757,376,100		26,800	99,895,900		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]
2004	$ 1,035,763,524		$ 710,134	$ 1,036,473,658	$ 1,605,548,952	0.951
2005	2,742,745,200		1,232,311	2,743,977,511	1,879,701,125	0.373
2006	2,776,209,300		1,375,206	2,777,584,506	2,236,814,460	0.382
2007	2,824,225,500		1,202,538	2,825,428,038	2,671,610,268	0.402
2008	2,904,897,300		1,340,414	2,906,237,714	3,079,553,829	0.425
2009	2,955,833,700		1,626,628	2,957,460,328	3,765,682,073	0.441
2010	2,966,402,200		1,903,707	2,968,305,907	3,625,612,976	0.458
2011	2,955,290,100		1,405,766	2,956,695,866	3,482,171,902	0.468
2012	2,955,108,700		1,363,484	2,956,472,184	3,441,790,050	0.480
2013	2,912,416,500		1,277,630	2,913,694,130	3,334,509,190	0.496

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 (R) 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

Exhibit J-7

RUMSON SCHOOL DISTRICT

DIRECT AND OVERLAPPING PROPERTY TAX RATES

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

	Rumson School District Direct Rate						
Fiscal Year Ending June 30,	Basic Rate[a] Rumson Borough	General Obligation Debt Service[b] Rumson Borough	(From J-6) Total Direct School Tax Rate Rumson Borough	Total Direct Regional Hig School Tax Rumson Borough	Rumson Borough	Monmouth County Rumson Borough	Total Direct and Overlapping Tax Rate Rumson Borough
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
2011	N/A	N/A	0.468	0.379	0.332	0.329	1.508
2012	0.0170	0.020	0.480	0.389	0.342	0.301	1.512
2013	N/A	N/A	0.496	0.407	0.359	0.346	1.608

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.

Exhibit J-8

RUMSON SCHOOL DISTRICT

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

RUMSON BOROUGH

	2013			2004		
	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	0.0097	$ 11,056,500	1	1.0300
Taxpayer 2	11,475,900	2	0.0039	4,322,700	2	0.4000
Taxpayer 3	10,501,300	3	0.0036	3,050,300	3	0.3800
Taxpayer 4	9,499,200	4	0.0033	2,692,600	4	0.2900
Taxpayer 5	8,000,000	5	0.0027	2,641,500	5	0.2700
Taxpayer 6	7,100,000	6	0.0024	2,381,400	6	0.2500
Taxpayer 7	6,931,300	7	0.0024	2,363,000	7	0.2500
Taxpayer 8	6,450,000	8	0.0022	2,308,200	8	0.2400
Taxpayer 9	6,364,000	9	0.0022	2,207,500	9	0.2400
Taxpayer 10	6,325,000	10	0.0022	2,202,500	10	0.2400
Total	$ 100,993,000		0.0347	$ 35,226,200		3.5900

Source: Municipal Tax Assessor

Exhibit J-9

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	
2004	$ 9,173,320.00	$ 9,173,320.00	100.00%	
2005	10,236,430.00	10,236,430.00	100.00%	
2006	10,613,061.00	10,613,061.00	100.00%	
2007	11,342,141.00	11,342,141.00	100.00%	
2008	11,776,195.00	11,776,195.00	100.00%	
2009	12,343,874.00	12,343,874.00	100.00%	
2010	13,027,588.00	13,027,588.00	100.00%	
2011	13,582,768.00	13,582,768.00	100.00%	
2012	13,840,220.00	13,840,220.00	100.00%	
2013	14,176,977.00	14,176,977.00	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

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Exhibit J-10

RUMSON SCHOOL DISTRICT

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS
(UNAUDITED)

RUMSON BOROUGH

	Governmental Activities				Business-Type Activities			
Fiscal Year Ending June 30,	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]
2004	$ 10,160,000.00					$ 10,160,000.00	0.030	$ 1,382.88
2005	9,825,000.00					9,825,000.00	0.028	1,341.11
2006	9,490,000.00					9,490,000.00	0.025	1,304.65
2007	9,130,000.00					9,130,000.00	0.023	1,265.42
2008	8,745,000.00					8,745,000.00	0.021	1,204.88
2009	9,559,000.00					9,559,000.00	N/A	1,307.84
2010	9,124,000.00					9,124,000.00	N/A	1,248.32
2011	8,619,000.00					8,619,000.00	N/A	1,179.23
2012	8,094,000.00					8,094,000.00	N/A	1,107.40
2013	7,539,000.00					7,539,000.00	N/A	1,070.27

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

Exhibit J-11

RUMSON SCHOOL DISTRICT

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS
(UNAUDITED)

	General Bonded Debt Outstanding				
Fiscal Year Ending June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value[a] of Property	Net Valuation Taxable
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
2011	8,619,000.00	None	8,619,000.00	0.292%	2,956,695,866
2012	8,094,000.00	None	8,094,000.00	0.274%	2,956,472,184
2013	7,092,000.00	None	7,092,000.00	0.243%	2,913,694,130

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.

Exhibit J-12

RUMSON SCHOOL DISTRICT

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF JUNE 30, 2013
(UNAUDITED)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable[a]	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes:			
Rumson Borough	$ 16,618,865.64		$ 16,618,865.64
Monmouth County General Obligation Debt:			
Rumson Borough	N/A		
Other Debt: Information not available for Municipal Water Authority			16,618,865.64
Rumson School District Direct Debt	7,092,000.00		7,092,000.00
Total Direct and Overlapping Debt			$ 23,710,865.64

Sourc 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.

Exhibit J-13

RUMSON SCHOOL DISTRICT

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS
(UNAUDITED)

Legal Debt Margin Calculation for Fiscal Year 2012		Rumson Borough
Equalized Valuation Basis	2012	$ 3,338,905,127.00
	2011	3,440,384,284.00
	2010	3,491,528,013.00
	(A)	$ 10,270,817,424.00
Average Equalized Valuation of Taxable Property	(A/3)	$ 3,423,605,808.00
Debt Limit (3% of Average Equalization Value)	(B)	102,708,174.24 a
Total Net Debt Applicable To Limit	(C)	7,092,000.00
Legal Debt Margin	(B-C)	$ 95,616,174.24

	Fiscal Year				
	2004	2005	2006	2007	2008
Debt Limit	$ 57,220,645	$ 67,881,259	$ 79,879,786	$ 92,288,098	$ 101,480,112
Total Net Debt Applicable To Limit	10,160,000	9,825,000	9,490,000	9,130,000	8,745,000
Legal Debt Margin	$ 47,060,645	$ 58,056,259	$ 70,389,786	$ 83,158,098	$ 92,735,112
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit					

	2009	2010	2011	2012	2013
Debt Limit	$ 107,679,117	$ 108,949,540	$ 107,969,027	$ 105,405,482	$ 102,708,174
Total Net Debt Applicable To Limit	9,559,000	9,124,000	8,619,000	8,094,000	7,092,000
Legal Debt Margin	$ 98,120,117	$ 99,825,540	$ 99,350,027	$ 97,311,482	$ 95,616,174
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 8 District; other percentage limits would be applicable for other District types.
n/a Not Available

DEMOGRAPHIC AND ECONOMIC STATISTICS

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Exhibit J-14

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]
2004	7,167	$ 341,966,115	$ 46,545	2.00%
2005	7,347	352,175,472	48,072	2.90%
2006	7,326	381,877,726	52,499	2.60%
2007	7,274	402,784,590	55,826	2.40%
2008	7,215	411,927,790	56,755	Unavailable
2009	7,258	Unavailable	Unavailable	3.10%
2010	7,309	Unavailable	Unavailable	5.20%
2011	7,128	Unavailable	71,253	5.30%
2012	7,130	Unavailable	79,388	Unavailable
2013	7,044	Unavailable	58,355	5.50%

[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)

	2013			2004		
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						

OPERATING INFORMATION

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Exhibit J-16

RUMSON SCHOOL DISTRICT

FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS
(UNAUDITED)

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Instruction:										
Regular	63	65	68	69	68	70	68	63	64	65
Special Education	12	12	16	16	17	16	17	20	18	19
Other Special Education	2	3	3	2	3	3	3	3	3	3
Vocational										
Other Instruction	21	23	25	23	24	24	23	17	14	13
Nonpublic School Programs										
Adult/Continuing Education Programs										
Support Services:										
Student and Instruction Related Services	6	6	6	6	5	5	6	6	6	6
General Administration	6	6	6	6	5	5	5	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
Central Services										
Administrative Information Technology										
Plant Operations and Maintenance	10	10	10	10	9	9	10	10	10	10
Pupil Transportation										
Other Support Services										
Special Schools										
Food Service										
Child Care										
Total	129	134	143	141	140	141	141	133	129	130

Source: District Personnel Records

Exhibit J-17

RUMSON SCHOOL DISTRICT

OPERATING STATISTICS

LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	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
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%
2011	983	13,076,387	13,467	0.01%	87.0	11.3	984.9	936.8	1.22%	95.12%
2012	983	13,133,166	13,360	0.01%	87.0	11.3	990.5	949.8	0.57%	95.89%
2013	994	15,630,037	15,724	0.01%	87.0	11.4	1,005.0	964.4	1.46%	97.02%

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).

Exhibit J-18

RUMSON SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS
(UNAUDITED)

District/Building	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Deane-Porter Elementary School										
Square Feet	56,962	56,962	56,962	56,962	56,962	56,962	56,962	56,962	56,962	56962
Capacity (Students)	480	480	480	480	480	480	480	480	480	480
Enrollment	381	398	387	402	411	434	431	427	412	426
Forrestdale Middle School										
Square Feet	91,924	91,924	91,924	91,924	91,924	91,924	91,924	91,924	91,924	91,924
Capacity (Students)	720	720	720	720	720	720	720	720	720	720
Enrollment	611	600	596	561	560	561	552	556	571	568

Number of Schools at June 30, 2013
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.

Exhibit J-19

RUMSON SCHOOL DISTRICT

SCHEDULE OF REQUIRED MAINTENANCE

LAST TEN FISCAL YEARS
(UNAUDITED)

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

	*School Facilities	Forrestdale	Deane-Porter	
	Project # (s)			Total
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
2011	N/A	58,878.63	46,074.37	104,953.00
2012	N/A	112,137.73	87,751.27	199,889.00
2013		108,725.00	82,021.00	190,746.00
Total School Facilities		$ 588,476.91	$ 457,907.28	$ 1,046,384.19

* 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

Exhibit J-20

RUMSON SCHOOL DISTRICT

INSURANCE SCHEDULE

JUNE 30, 2013
(UNAUDITED)

	Coverage	Deductible
School Package Policy - UTICA		
Blanket Buildings and Contents (special form coverage/replacement cost)	$ 24,345,004	$ 5,000
Extra Expense	Included in Business Income	
Musical Instruments	500,000	250
Comprehensive General Liability	1000000	
Money and Securities	2500 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 in Business Income	
School Board Legal Liability - New Jersey School Boards Association Insurance Group	5,000,000	
Student Accident and Athletic Account - Bollinger	1,000,000	
Fidelity Bond Insurance:		
Selective Insurance Company:		
Board Secretary	50,000	5,000
Treasurer of School Moneys	300,000	
Crime - Employee Dishonesty - UTICA	1,000,000	
Excess Workers Compensation - CHUBB	After 7 day	
Flood 8/1/2012		
Deane-Porter	1	1,000
Forrestdale	1	1,000

Source: District records.

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SINGLE AUDIT SECTION

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EXHIBIT K-1

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

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

We have audited, in accordance with the 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 Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Rumson Board of Education, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Rumson Board of Education's basic financial statements, and have issued our report thereon dated July 30, 2013 .

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Rumson Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

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

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison
Public School Accountant
Certified Public Accountant
No. 897

Freehold, New Jersey
July 30, 2013

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EXHIBIT K-2

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04.

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

Report on Compliance for Each Major State Program

We have audited Rumson Board of Education's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major state programs for the year ended June 30, 2013. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Rumson Board of Education's major state programs based on our audit of the types of compliance requirements referred to above. 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organization; the New Jersey State Aid/Grant Compliance Supplement;* the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB's 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's 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 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 on compliance for each major state program. However, our audit does not provide a legal determination of Rumson Board of Education's compliance with those requirements.

Opinion on Each Major State Program

In our opinion, Rumson Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2013.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 or New Jersey OMB's Circular 04-04.

Report on Internal Control Over Compliance

Management of Rumson Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Rumson Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 or New Jersey OMB's 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 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 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 state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and New Jersey OMB's Circular 04-04. Accordingly, this report is not suitable for any other purpose.

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison
Public School Accountant
Certified Public Accountant
No. 897

Freehold, New Jersey
July 30, 2013

RUMSON SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the fiscal year ended June 30, 2013

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, 2012 Deferred Revenues/ (Accounts Receivable)	Balance at June 30, 2012 Due To Grantor	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Returned To Grantor	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2013 (Accounts Receivable)	Balance at June 30, 2013 Deferred Revenue	Balance at June 30, 2013 Due To Grantor
U.S. Department of Education:																
Special Revenue Fund																
I.D.E.A. Part B, Basic	84.027	IDEIA457013	$ 306,811.01	09/01/12	08/31/13				$ 274,625.32	$ (306,811.01)				$ (32,185.69)		
I.D.E.A. Part B, Basic	84.027	IDEIA457012	242,409.00	09/01/11	08/31/12	$ (35,989.64)			35,989.64	(25,042.32)				(25,042.32)		
I.D.E.A. Part B, Basic	84.027	IDEIA457011	234,747.00	09/01/10	08/31/11	(5,259.04)			5,259.04							
I.D.E.A. Part B, Preschool	84.027	IDEIA457013	12,336.50	09/01/12	08/31/13				1,918.00	(12,336.50)				(10,418.50)		
I.D.E.A. Part B, Preschool	84.027	IDEIA457012	10,436.00	09/01/11	08/31/12	(1,457.00)			1,457.00							
Title II - Part A - Teacher and Principal Training	84.281A	NCLB457013	25,913.00	09/01/12	08/31/13				10,030.00	(25,913.00)				(15,883.00)		
Title II - Part A - Teacher and Principal Training	84.281A	NCLB457012	27,761.00	09/01/11	08/31/12	(19,053.00)			19,053.00							
ProjectSERV Grant	84.184S	N/A	34,249.00	10/29/12	06/30/13				34,249.00	(34,249.00)						
Total Special Revenue						(61,758.68)			382,581.00	(404,351.83)				(83,529.51)		
Total Federal Awards						$ (61,758.68)	$ 0.00	$ 0.00	$ 382,581.00	$ (404,351.83)	$ 0.00	$ 0.00	$ 0.00	$ (83,529.51)	$ 0.00	$ 0.00

RUMSON SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

For the fiscal year ended June 30, 2013

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance at June 30, 2012 Deferred Revenues/ (Accounts Receivable)	Balance at June 30, 2012 Due To Grantor	Balance at June 30, 2012 Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments/ Repayment of Prior Years' Balances	Returned To Grantor	Balance at June 30, 2013 (Accounts Receivable)	Balance at June 30, 2013 Deferred Revenue	Balance at June 30, 2013 Due To Grantor	Memo Budgetary Receivable	Memo Cumulative Total Expenditures
State Department of Education																
Debt Service Aid - State Support	13-495-034-5120-125	$ 115,051.00	07/01/12	06/30/13				$ 115,051.00	$ (115,051.00)							$ 115,051.00
Total Debt Service Fund								115,051.00	(115,051.00)							115,051.00
General Fund:																
Reimbursement of Nonpublic School Transportation Costs	13-495-034-5120-014	3,595.75	07/01/12	06/30/13					(3,595.75)			$ (3,595.75)			$ (3,595.75)	3,595.75
Reimbursement of Nonpublic School Transportation Costs	12-495-034-5120-014	8,661.40	07/01/11	06/30/12	$ (8,661.40)			8,661.40								
Transportation Aid	13-495-034-5120-014	35,230.00	07/01/12	06/30/13				35,230.00	(35,230.00)						(3,314.00)	35,230.00
Security Aid	13-495-034-5120-084	13,811.00	07/01/12	06/30/13				13,811.00	(13,811.00)						(29,410.00)	13,811.00
Special Education Categorical Aid	13-495-034-5120-089	312,652.00	07/01/12	06/30/13				312,652.00	(312,652.00)						(1,299.00)	312,652.00
Extraordinary Aid	13-100-034-5120-473	155,028.00	07/01/12	06/30/13					(155,028.00)			(155,028.00)			(155,028.00)	155,028.00
Extraordinary Aid	12-100-034-5120-473	137,898.00	07/01/11	06/30/12	(137,898.00)			137,898.00								
On-Behalf TPAF NCGI Premiums Contribution - Normal	13-495-034-5095-007	18,752.00	07/01/12	06/30/13				18,752.00	(18,752.00)							18,752.00
On-Behalf TPAF Pension System Contribution - Normal	13-495-034-5095-006	356,408.00	07/01/12	06/30/13				356,408.00	(356,408.00)							356,408.00
On-Behalf TPAF Pension System Contribution - Post Retirement	13-495-034-5095-001	424,212.00	07/01/12	06/30/13				424,212.00	(424,212.00)							424,212.00
Reimbursed TPAF Social Security Contributions	13-495-034-5095-002	489,110.67	07/01/12	06/30/13				439,288.01	(489,110.67)			(49,822.66)			(49,822.66)	489,110.67
Reimbursed TPAF Social Security Contributions	12-495-034-5095-002	462,038.67	07/01/11	06/30/12	(46,599.83)			46,599.83								
Total General Fund					(193,159.23)			1,793,512.24	(1,808,799.42)			(208,446.41)			(242,469.41)	1,808,799.42
Special Revenue Fund:																
N.J. Nonpublic Textbook Aid	13-100-034-5120-064	19,551.00	07/01/12	06/30/13				19,551.00	(15,230.09)					$ 4,320.91		15,230.09
N.J. Nonpublic Textbook Aid	12-100-034-5120-064	18,134.00	07/01/11	06/30/12	3,378.50						$ (3,378.50)					
N.J. Nonpublic Technology Aid	13-100-013-5120-373	7,215.00	07/01/12	06/30/13				7,215.00	(7,215.00)							7,215.00
N.J. Nonpublic Auxiliary Services Aid:																
Compensatory Education	13-100-034-5120-067	35,031.00	07/01/12	06/30/13				35,031.00	(32,606.86)					2,424.14		32,606.86
Compensatory Education	10-100-034-5120-067	20,921.00	07/01/09	06/30/10												
Home Instruction	08-100-034-5120-067	3,242.13	07/01/07	06/30/08												
Home Instruction	10-100-034-5120-067	36.89	07/01/09	06/30/10												
N.J. Nonpublic Handicapped Aid:																
Annual Exam	13-100-034-5120-066	7,661.00	07/01/12	06/30/13				7,661.00	(7,661.00)							7,661.00
Annual Exam	12-100-034-5120-066	7,100.00	07/01/11	06/30/12	1,613.64						(1,613.64)					
Supplemental Instruction	13-100-034-5120-066	15,264.00	07/01/12	06/30/13				15,264.00	(15,264.00)							15,264.00
Examination and Classification	13-100-034-5120-066	16,710.00	07/01/12	06/30/13				16,710.00	(15,596.00)					1,114.00		15,596.00
Corrective Speech	13-100-034-5120-066	12,655.00	07/01/12	06/30/13				12,655.00	(12,655.00)							12,655.00
Annual Exam	10-100-034-5120-066	10,259.00	07/01/09	06/30/10												
Supplemental Instruction	10-100-034-5120-066	12,824.00	07/01/09	06/30/10												
Examination and Classification	10-100-034-5120-066	26,853.00	07/01/09	06/30/10												
Corrective Speech	10-100-034-5120-066	13,630.00	07/01/09	06/30/10												
N.J. Nonpublic Nursing Services Aid	13-100-034-5120-070	27,136.00	07/01/12	06/30/13				27,136.00	(27,111.37)					24.63		27,111.37
N.J. Nonpublic Nursing Services Aid	12-100-034-5120-070	25,903.00	07/01/11	06/30/12	71.16						(71.16)					
Total Special Revenue Fund					5,063.30			141,223.00	(133,339.32)		(5,063.30)			7,883.68		133,339.32
Capital Projects:																
NJSDA Grant	4570-050-09-2001	198,864.00	07/01/09	06/30/12												
NJSDA Grant	4570-050-09-2002	10,186.00	07/01/09	06/30/12												
NJSDA Grant	4570-050-09-2003	6,158.00	07/01/09	06/30/12												
Total Capital Projects																
Total State Financial Assistance					$ (193,159.23)	$ 0.00	$ 0.00	$ 2,049,786.24	(2,057,189.74)	$ 0.00	$ (5,063.30)	$ (208,446.41)	$ 0.00	$ 7,883.68	$ (242,469.41)	$ 2,057,189.74
Less: Grants Not Subject to New Jersey OMB Circular 04-04:																
On-Behalf TPAF NCGI Premiums Contribution - Normal	13-495-034-5095-007	18,752.00	07/01/12	06/30/13					18,752.00							
On-Behalf TPAF Pension System Contribution - Normal	13-495-034-5095-006	356,408.00	07/01/12	06/30/13					356,408.00							
On-Behalf TPAF Pension System Contribution - Post Retirement	13-495-034-5095-001	424,212.00	07/01/12	06/30/13					424,212.00							
Total State Financial Assistance subject to New Jersey OMB Circular 04-04									$ (1,257,817.74)							

RUMSON SCHOOL DISTRICT

NOTES FOR SCHEDULES OF EXPENDITURES OF AWARDS
AND FINANCIAL ASSISTANCE

June 30, 2013

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 $7,768.00 for the General Fund and $1,498.76 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, 2013

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

	Federal	State	Total
General Fund		$ 1,801,031.42	$ 1,801,031.42
Special Revenue Fund	$ 402,853.07	133,339.32	536,192.39
Debt Service Fund		115,051.00	115,051.00
Total Awards and Financial Assistance	$ 402,853.07	$ 2,049,421.74	$ 2,452,274.81

During the year ended June 30, 2013, the State of New Jersey contributed $18,752.00 to the Teachers' Pension and Annuity Fund for NCGI premiums, $368,408.00 for Normal Contributions and $424,212.00 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, 2013. 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, 2012. 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, 2013.

RUMSON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified			
Internal control over financial reporting:				
1) Material weakness(es) identified?		yes	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:	Unmodified			
Internal Control over major programs:				
1) Material weakness(es) identified?		yes	X	no
2) Significant deficiencies identified that are not considered to be material weaknesses?		yes	X	none reported
Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular 04-04?		yes	X	no

Identification of major programs:

State Grant/Project Number(s)	Name of State Program
13-495-034-5095-002	TPAF Social Security Contributions
13-495-034-5120-089	Special Education Categorical Aid

RUMSON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(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, 2013
(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, 2013

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.