

**SCHOOL DISTRICT OF THE
BOROUGH OF RUMSON
COUNTY OF MONMOUTH, NEW JERSEY
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2024**

**BOARD OF EDUCATION
BOROUGH OF RUMSON
STATE OF NEW JERSEY**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2024

**PREPARED BY
RUMSON BOARD OF EDUCATION
BOARD SECRETARY'S OFFICE**

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Not Applicable

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Not Applicable

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INTRODUCTORY SECTION



BOARD OF EDUCATION OF THE BOROUGH OF RUMSON

60 Forest Avenue, Rumson NJ 07760 732.842.0334/Fax 732.842.4877

Office of Business Administrator

Mrs. Denise McCarthy, CPA, PSA, SFO,
CPA

November 19, 2024

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

Dear Board Members:

The Annual Comprehensive Financial Report (ACFR) of the Rumson School District (District) for the fiscal year ended June 30, 2024 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

1. REPORTING ENTITY AND ITS SERVICES:

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

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular and special education for handicapped youngsters. The District resident enrollment on October 15, 2023 as reported in the Annual Application for State School Aid was 920, which is an increase of 13 students over the previous year's resident enrollment. The following details the changes in the student enrollment of the District over the last ten years:

Resident Enrollment		
Oct. 15 Year	Student Enrollment	Percent Change
2023	920	1.43%
2022	907	(.765)%
2021	914	(2.24)%
2020	935	(7.15)%
2019	1,007	5.89%
2018	951	(4.30)%
2017	994	5.30
2016	944	(2.88)%
2015	972	(.001)%
2014	973	(1.11)%

2. ECONOMIC CONDITION AND OUTLOOK:

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

There was a slight increase in enrollment from fiscal year 2023.

3. MAJOR INITIATIVES:

The 2023-2024 Budget contained funding for continued professional and curriculum development to support academic and social-emotional initiatives, the purchase of additional academic assessment tools, the continuation of a Class III Officer on campus via a Shared Services Agreement with the Rumson Police Department, additional network security filtering and the continuation of prior year initiatives. Despite the aftermath of the pandemic, Students continue to score well above the state wide averages on New Jersey Student Learning Assessment.

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

The District continues to use a combination of maintenance and capital reserve money to renovate blocks of classrooms. In the summer of 2023 the Pre-K and fifth grade classrooms were completed. In addition, the District entered into a shared service agreement with the Borough of Rumson to pave and renovate our parking lots.

4. INTERNAL ACCOUNTING CONTROLS:

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

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

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

5. BUDGETARY CONTROLS:

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line items basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance as of June 30, 2024.

6. ACCOUNTING SYSTEMS AND REPORTS:

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

7. DEBT ADMINISTRATION:

As of June 30, 2024, the District had \$23,005,000 of outstanding school bonds and \$1,123,002 in capital leases for solar panels outstanding.

8. CASH MANAGEMENT:

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

9. RISK MANAGEMENT:

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

10. OTHER INFORMATION:

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

11. ACKNOWLEDGEMENTS:

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

Respectfully submitted,

John Bormann

Denise McCarthy

John Bormann, Superintendent

Denise McCarthy

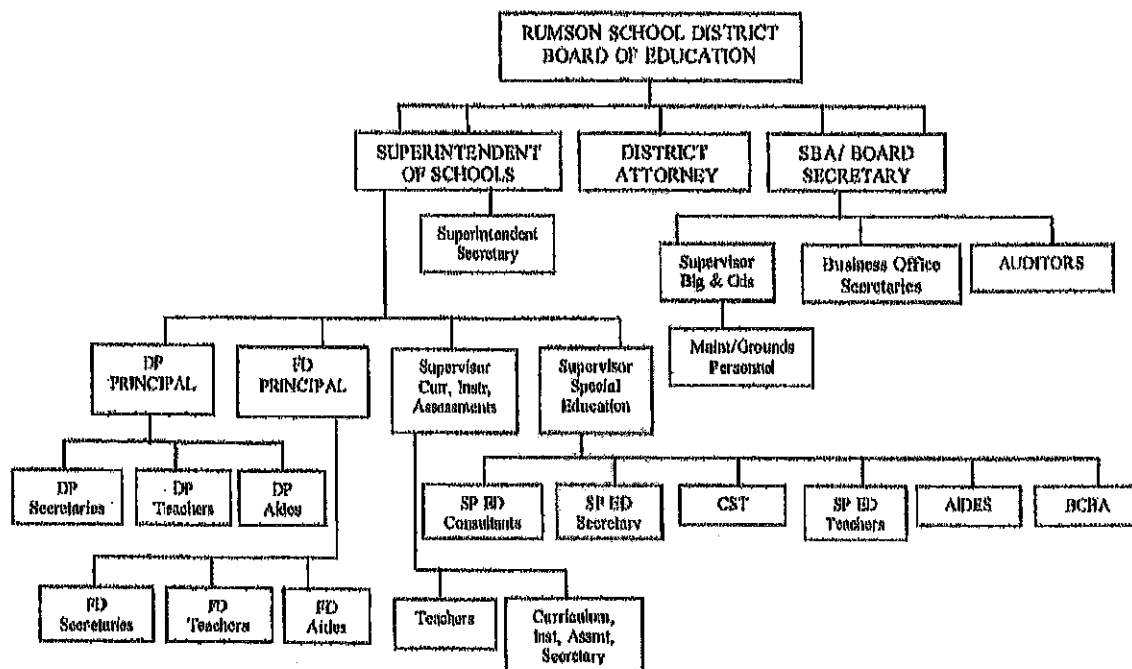
Business Administrator/Board Secretary

POLICY

RUMSON BOROUGH BOARD OF EDUCATION

ADMINISTRATION
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ORGANIZATIONAL CHART

1110 ORGANIZATIONAL CHART



Adopted: 28 November 2012
Revised:



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

ROSTER OF OFFICIALS

JUNE 30, 2024

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Curran Scoble, President	2026
Kim Swain, Vice President	2026
Gerry Brown	2024
Michael Roberts	2026
Jamie McManus	2024
Lee Esposito	2024
Lauren Finney	2025
Gillian Sahadi	2025
Carolyn DeSena	2025

Other Officials

John Bormann, Superintendent

Denise McCarthy, School Business Administrator/Board Secretary

Athina Cornell, Esq. Solicitor

RUMSON BOARD OF EDUCATION
CONSULTANTS AND ADVISORS

Audit Firm

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

Attorney

Methfessel & Werbel
Athina Cornell, Esq.
2025 Lincoln Highway #200
Edison, NJ 08817

Official Depositories

TD Bank
Red Bank, NJ

Provident Bank
Rumson, NJ

State of New Jersey Cash Management Fund

FINANCIAL SECTION



WIELKOTZ & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Board of Education of the Borough of Rumson School District, in the County of Monmouth, State of New Jersey, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities and each major fund of the Borough of Rumson Board of Education, in the County of Monmouth, State of New Jersey, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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



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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Matters

Required Supplementary Information

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

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

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

Other Information

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

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2024 on our consideration of the Borough of Rumson Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Rumson Board of Education's internal control over financial reporting and compliance.

Paul J. Cuva

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

Wielkottz & Company, LLC

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

November 19, 2024

**REQUIRED SUPPLEMENTARY
INFORMATION - PART I**

**RUMSON SCHOOL DISTRICT
RUMSON, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

The discussion and analysis of the Rumson School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the District's financial performance as a whole and should not be interpreted as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the District's revenues and expenditures by program for the General Fund, Special Revenue Fund, Capital Projects Fund, Debt Service and Enterprise Fund.

FINANCIAL HIGHLIGHTS

- In total, net position increased \$209,560. Net position of governmental activities increased \$136,445 while net position of business-type activity increased by \$73,115.
- General revenues accounted for \$24,264,619 revenue or 90 percent of all District revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$2,842,191 or 10 percent of total revenues of \$27,106,810.
- The School District had \$26,041,941 in expenses related to governmental activities; only \$1,921,389 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$24,256,997 were adequate to provide for these programs.

USING THIS ANNUAL REPORT

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

District-Wide Financial Statements

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

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

**RUMSON SCHOOL DISTRICT
RUMSON, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)**

USING THIS ANNUAL REPORT, (continued)

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

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

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

Fund Financial Statements

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

Governmental Funds

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

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

**RUMSON SCHOOL DISTRICT
RUMSON, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)**

USING THIS ANNUAL REPORT, (continued)

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

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

Proprietary Funds

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

Notes to the Financial Statements

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

Other Information

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

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

**RUMSON SCHOOL DISTRICT
RUMSON, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS

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

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

The School District's net position is \$9,173,749 at June 30, 2024. Of this amount, \$(3,084,314) was in unrestricted balances. Restricted items of net position are reported separately to show legal constraints that limit the School District's ability to use those items for day-to-day operations. Our analysis below focuses on the net position (Table 1) and change in net position (Table 2) of the School District.

Table 1

**Net Position
June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Assets						
Current and Other Assets	4,170,938	5,172,079	330,985	283,183	4,501,923	5,455,262
Capital Assets	<u>32,965,905</u>	<u>33,366,059</u>	<u>48,644</u>	<u>19,696</u>	<u>33,014,549</u>	<u>33,385,755</u>
Total Assets	<u>37,136,843</u>	<u>38,538,138</u>	<u>379,629</u>	<u>302,879</u>	<u>37,516,472</u>	<u>38,841,017</u>
Deferred Outflow of Resources	<u>710,219</u>	<u>1,039,058</u>	—	—	<u>710,219</u>	<u>1,039,058</u>
Liabilities						
Current Liabilities	1,918,904	2,184,703	26,700	22,408	1,945,604	2,207,111
Noncurrent Liabilities	<u>26,615,277</u>	<u>27,993,514</u>	—	—	<u>26,615,277</u>	<u>27,993,514</u>
Total Liabilities	<u>28,534,181</u>	<u>30,178,217</u>	<u>26,700</u>	<u>22,408</u>	<u>28,560,881</u>	<u>30,200,625</u>
Deferred inflows of Resources	<u>492,061</u>	<u>714,612</u>	—	—	<u>492,061</u>	<u>714,612</u>
Net Position						
Invested in Capital Assets-						
Net of Debt	8,837,904	7,963,233	48,644	19,696	8,886,548	7,982,929
Restricted	3,371,515	4,207,252	—	—	3,371,515	4,207,252
Unrestricted	<u>(3,388,599)</u>	<u>(3,486,110)</u>	<u>304,285</u>	<u>260,118</u>	<u>(3,084,314)</u>	<u>(3,225,992)</u>
Total Net Position	<u>8,820,820</u>	<u>8,684,375</u>	<u>352,929</u>	<u>279,814</u>	<u>9,173,749</u>	<u>8,964,189</u>

**RUMSON SCHOOL DISTRICT
RUMSON, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 2 below shows the changes in net position for fiscal year 2024 compared to 2023.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<u>Revenues</u>						
Program Revenues:						
Charges for Services and Sales	360,706	350,967	920,802	836,989	1,281,508	1,187,956
Operating Grants and Contributions	1,560,683	1,795,959			1,560,683	1,795,959
General Revenues:						
Taxes:						
Property taxes, levied for:						
General purposes	18,099,107	17,492,124			18,099,107	17,492,124
Debt Service	1,222,434	1,787,979			1,222,434	1,787,979
Federal and State Aid	4,411,050	4,508,913			4,411,050	4,508,913
Miscellaneous Income	<u>524,406</u>	<u>315,249</u>	<u>7,622</u>	<u>4,184</u>	<u>532,028</u>	<u>319,433</u>
Total Revenues and Transfers	<u>26,178,386</u>	<u>26,251,191</u>	<u>928,424</u>	<u>841,173</u>	<u>27,106,810</u>	<u>27,092,364</u>

**RUMSON SCHOOL DISTRICT
RUMSON, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2023</u>	<u>2022</u>
<u>Functions/Program Expenses</u>						
Instruction						
Regular	7,884,782	7,407,565			7,884,782	7,407,565
Special Education	1,505,752	1,524,389			1,505,752	1,524,389
Other Instruction	685,065	696,327			685,065	696,327
Support Services:						
Tuition	98,128	58,247			98,128	58,247
Student & Instruction Related Services	2,757,266	3,228,997			2,757,266	3,228,997
School Administrative Services	496,519	463,565			496,519	463,565
General Administrative Services	436,900	420,047			436,900	420,047
Central Services	273,875	260,934			273,875	260,934
Admin. Info. Technology	59,612	60,402			59,612	60,402
Plant Operations and Maintenance	2,242,335	1,904,517			2,242,335	1,904,517
Pupil Transportation	634,286	618,249			634,286	618,249
Unallocated Benefits	7,438,727	6,973,914			7,438,727	6,973,914
Capital Outlay - Undepreciable	22,640	21,418			22,640	21,418
Interest on Long-Term Debt	477,339	444,440			477,339	444,440
Unallocated depreciation	1,028,715	1,100,369			1,028,715	1,100,369
Enterprise Fund			855,309	772,278	855,309	772,278
Total Expenses	26,041,941	25,183,380	855,309	772,278	26,897,250	25,955,658
Increase or (Decrease) in Net Position	<u>136,445</u>	<u>1,067,811</u>	<u>73,115</u>	<u>68,895</u>	<u>209,560</u>	<u>1,136,706</u>

**RUMSON SCHOOL DISTRICT
RUMSON, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Governmental and Business- Activities

As reported in the Statement of Activities the cost of all of our governmental and business-type activities this year was \$26,897,250. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was \$19,321,541 because some of the cost was paid by those who benefitted from the programs \$1,281,508 by other governments and organizations who subsidized certain programs with grants and contributions \$5,971,733 and by miscellaneous sources \$532,028.

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

- ✓ Program revenues exceeded expenses by \$73,115.
- ✓ Miscellaneous revenues totaled \$7,622 and \$920,802 in charges from sales.

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS

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

During the fiscal year ended June 30, 2024, the School District amended the budgets of these major governmental funds several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- TPAF, which is the state's contribution to the pension fund and post retirement medical benefits and TPAF social security reimbursements, is neither a revenue item nor an expenditures item to the District but is required to be reflected in the governmental funds financial statements.
- The special revenue fund original budget increased by \$818,085. This was the result of an increase in federal and state grants awarded.

General Fund

The general fund actual revenue was \$25,258,315. That amount is \$5,357,190 above the final amended budget of \$19,901,125. The variance between the actual revenues and final budget was largely the result of non-budgeted on-behalf payments of \$5,034,233 for TPAF social security reimbursements and on-behalf pension and post retirement medical benefits payments and a \$133,369 excess in tuition and miscellaneous anticipated revenues and \$189,588 excess in other state aids.

**RUMSON SCHOOL DISTRICT
RUMSON, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)**

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS, (continued)

General Fund, (continued)

The actual expenditures of the general fund were \$26,127,836 which is \$4,117,554 above the final amended budget of \$22,010,282. The variance between the actual expenditures and final budget was due to excess non-budget on-behalf State TPAF social security, pension and medical retirement payments of \$5,034,233 and \$916,679 of unexpended budgeted funds.

Special Revenue Fund

The special revenue fund actual revenue was \$1,586,309. That amount is greater than the original budget estimate of \$977,874 and \$209,650 less than the final amended budget of \$1,795,959.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2024 the School District had \$47,277,113 invested in sites, buildings and equipment, and of this amount, \$14,262,564 in depreciation has been taken over the years. We currently have a net book value of \$33,014,549. Total additions for the year were \$665,874. Total depreciation for the year was \$1,037,080 Table 3 shows fiscal year 2024 balances compared to 2023.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Land	3,078,463	3,078,463			3,078,463	3,078,463
Buildings, Sites and Equipment	<u>29,887,442</u>	<u>30,287,596</u>	<u>48,644</u>	<u>19,696</u>	<u>29,936,086</u>	<u>30,307,292</u>
	<u>32,965,905</u>	<u>33,366,059</u>	<u>48,644</u>	<u>19,696</u>	<u>33,014,549</u>	<u>33,385,755</u>

Debt Administration

At June 30, 2024, the District had \$27,800,696 of outstanding debt. Of this amount, \$1,168,678 is for compensated absences; \$23,005,000 of General Obligation Bonds for school construction; \$2,504,017 for the net pension obligation for PERS; and \$1,123,001 for obligations under financed purchases agreements.

**RUMSON SCHOOL DISTRICT
RUMSON, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(CONTINUED)**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

Many factors were considered by the District during the process of developing the 2024-2025 budget. The primary factors were the District's projected student population and the services that are required to be provided by the District, as well as increasing salary and benefit costs.

REQUESTS FOR INFORMATION

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

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

Rumson School District
Statement of Net Position
June 30, 2024

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	2,655,286	327,390	2,982,676
Receivables, net	364,892	1,466	366,358
Inventory		2,129	2,129
Restricted assets:			
Cash and cash equivalents	1,150,760		1,150,760
Land	3,078,463		3,078,463
Other Capital Assets, net	29,887,442	48,644	29,936,086
Total Assets	<u>37,136,843</u>	<u>379,629</u>	<u>37,516,472</u>
DEFERRED OUTFLOW OF RESOURCES:			
Pension related	710,219		710,219
Total Deferred Outflow of Resources	<u>710,219</u>	<u>-</u>	<u>-</u>
LIABILITIES			
Cash Overdraft	105,947		105,947
Accounts payable	329,066		329,066
Accrued interest on bonds	211,441		211,441
Payable to federal and state government	21,501		21,501
Deferred revenue	65,530	26,700	92,230
Noncurrent liabilities:			
Due within one year	1,185,419		1,185,419
Due beyond one year	26,615,277		26,615,277
Total liabilities	<u>28,534,181</u>	<u>26,700</u>	<u>28,560,881</u>
DEFERRED INFLOW OF RESOURCES:			
Pension related	492,061		492,061
NET POSITION			
Net investment in capital assets	8,837,904	48,644	8,886,548
Restricted for:			
Capital Projects	740,602		740,602
Unemployment Compensation	115,791		115,791
Debt Service	159,768		159,768
Other Purposes	2,252,900		2,252,900
Student Activities	102,454		102,454
Unrestricted	(3,388,599)	304,285	(3,084,314)
Total net position	<u>8,820,820</u>	<u>352,929</u>	<u>9,173,749</u>

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

Rumson School District
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:								
Instruction:								
Regular	7,884,782			967,373		(6,556,703)		(6,556,703)
Special education	1,505,752					(1,505,752)		(1,505,752)
Other instruction	685,065					(685,065)		(685,065)
Support services:								
Tuition	98,128					(98,128)		(98,128)
Student & instruction related services	2,870,400					(2,277,090)		(2,277,090)
School administrative services	496,519			593,310		(496,519)		(496,519)
General administrative services	436,900					(436,900)		(436,900)
Central Services	273,875					(273,875)		(273,875)
Admin. Info. Technology	59,612					(59,612)		(59,612)
Plant operations and maintenance	2,242,335					(2,242,335)		(2,242,335)
Pupil transportation	634,286					(634,286)		(634,286)
Employee Benefits	7,325,593					(7,325,593)		(7,325,593)
Capital outlay-depreciable	22,640					(22,640)		(22,640)
Interest on long-term debt	477,339					(477,339)		(477,339)
Unallocated depreciation	1,028,715					(1,028,715)		(1,028,715)
Total governmental activities	26,041,941	-	360,706	1,560,683	-	(24,120,552)	-	(24,120,552)
Business-type activities:								
Food Service	776,203		836,289				60,086	60,086
Rumson After School Program	72,806		81,526				8,720	8,720
Homework Club	-						-	-
Sam Agriculture Club	6,300		2,987				(3,313)	(3,313)
Total business-type activities	855,309		920,802	-	-		65,493	65,493
Total primary government	26,897,250		1,281,508	1,560,683	-	(24,120,552)	65,493	(24,055,059)
General revenues:								
Property Taxes Levied for:								
General Purposes						18,099,107		18,099,107
Debt Service						1,222,434		1,222,434
Federal and State aid not restricted						3,967,124		3,967,124
State aid restricted						443,926		443,926
Miscellaneous Income						431,234		431,234
Other Restricted Miscellaneous Income						93,172	7,622	100,794
Total general revenues, special items, extraordinary items and transfers						24,256,997	7,622	24,264,619
Change in Net Position						136,445	73,115	209,560
Net Position—beginning						8,684,375	279,814	8,964,189
Net Position—ending						8,820,820	352,929	9,173,749

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

FUND FINANCIAL STATEMENTS

**Rumson School District
Balance Sheet
Governmental Funds
June 30, 2024**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	2,393,064	102,454		159,768	2,655,286
Receivables from Other Governments	311,902	31,158			343,060
Other Receivables		21,832			21,832
Due from General Fund		130,464			
Restricted Cash and Cash Equivalents	1,150,760				1,150,760
Total Assets	<u>3,855,726</u>	<u>285,908</u>	<u> </u>	<u>159,768</u>	<u>4,170,938</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Cash Overdraft		105,947			105,947
Accounts Payable	24,088	9,576			33,664
Payable to Federal and State Government		21,501			21,501
Due to Special Revenue Fund	130,464				130,464
Deferred Revenue	19,100	46,430			65,530
Payroll Deductions and Withholdings Payable	43,404				43,404
Unemployment Compensation Claims Payable	20,000				20,000
Total Liabilities	<u>237,056</u>	<u>183,454</u>	<u> </u>	<u> </u>	<u>420,510</u>
Fund Balances:					
Restricted for:					
Excess Surplus - Current Year	935,709				935,709
Excess Surplus-prior year-Designated for Subsequent Year's Expenditures	953,754				953,754
Maintenance Reserve-Designated for Subsequent Year's Expenditures	70,000				70,000
Maintenance Reserve	14,117				14,117
Capital Reserve	300,602				300,602
Capital Reserve-Designated for Subsequent Year's Expenditures	440,000				440,000
Unemployment Compensation	115,791				115,791
Debt Service				159,768	159,768
Capital Projects					
Student Activities		102,454			102,454
Assigned to:					
Year end encumbrances	279,320				279,320
Designated for Subsequent Year's Expenditures					
Unassigned:					
General Fund	509,377				509,377
Total Fund Balances	<u>3,618,670</u>	<u>102,454</u>	<u> </u>	<u>159,768</u>	<u>3,880,892</u>
Total Liabilities and Fund Balances	<u>3,855,726</u>	<u>285,908</u>	<u> </u>	<u>159,768</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$47,133,332 and the accumulated depreciation is \$14,167,427.

32,965,905

Deferred outflow of resources

710,219

Deferred inflow of resources

(492,061)

Accounts payable for PERS payment subsequent to the measurement date.

(232,000)

Interest on Long-term debt accrued

(211,439)

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.

(27,800,696)

Net position of governmental activities

8,820,820

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

Rumson School District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources:					
Local Tax Levy	18,099,107			1,222,434	19,321,541
Tuition	360,706				360,706
Other Unrestricted Miscellaneous Revenues	431,234				431,234
Other Restricted Miscellaneous Revenues	14,155	799,445	-	79,017	892,617
Total - Local Sources	18,905,202	799,445	-	1,301,451	21,006,098
State Sources	6,344,231	146,667		443,926	6,934,824
Federal Sources		614,571			614,571
Total Revenues	25,249,433	1,560,683	-	1,745,377	28,555,493
EXPENDITURES					
Current:					
Regular Instruction	6,843,544	967,373			7,810,917
Special Education Instruction	1,505,752				1,505,752
Other Instruction	685,065				685,065
Support Services and Undistributed Costs:					
Tuition	98,128				98,128
Student & Instruction Related Services	2,353,894	609,331			2,963,225
General Administrative Services	436,900				436,900
School Administrative Services	496,519				496,519
Central Services	273,875				273,875
Admin. Info. Technology	59,612				59,612
Plant Operations and Maintenance	2,242,335				2,242,335
Pupil Transportation	634,286				634,286
Employee Benefits	9,862,143				9,862,143
Debt Service:					
Principal				1,182,000	1,182,000
Interest and Other Charges				487,702	487,702
Capital Outlay	613,143	-	15,418		628,561
Undepreciable Capital Outlay	22,640				22,640
Total Expenditures	26,127,836	1,576,704	15,418	1,669,702	29,389,660
Excess (Deficiency) of Revenues Over Expenditures	(878,403)	(16,021)	(15,418)	75,675	(834,167)
OTHER FINANCING SOURCES (USES)					
Transfers in	-				-
Transfers out	-	-	(35,728)	35,728	-
Total other financing sources and uses	-	-	(35,728)	35,728	-
Net Change in Fund Balances	(878,403)	(16,021)	(51,146)	111,403	(834,167)
Fund Balance—July 1,	4,497,073	118,475	51,146	48,365	4,715,059
Fund Balance—June 30	3,618,670	102,454	-	159,768	3,880,892

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

Rumson School District
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2024

Total net change in fund balances - governmental funds (from B-2) (834,167)

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount by which capital outlays exceeded depreciation in the period.

Depreciation expense	(1,028,715)	
Depreciable Capital outlays	<u>628,561</u>	(400,154)

Repayment of long-term debt is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.

In the current year, these amounts consist of:

Principal Payments on Bonds	1,182,000
Capital lease principal	92,825

Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.

Bond Proceeds

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

(Increase)/Decrease in compensated absences payable	(73,865)
---	----------

In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due.

The change in accrued interest is an addition to the reconciliation.

Prior Year Accrued Interest	221,804
Current Year Accrued Interest	(211,441)

District pension contributions are reported as expenditures in the governmental funds when made.

However, per GASB No. 68 they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

District Pension Contributions	231,056	
Less: Pension Expense	<u>71,613</u>	
Decrease in Pension Expense		159,443

Per GASB No. 68 Non-employer contributing entities are required to record an increases in revenue and expense for On-behalf TPAF pension payments paid by the State of New Jersey on the Statement of Activities that are in excess of those amounts reported in the fund financial statements

Decrease in On-behalf State Aid TPAF Pension	(2,434,225)
Decrease in On-behalf TPAF Pension Expense	<u>2,434,225</u>

Per GASB No. 75 Non-employer contributing entities are required to record an increases in revenue and expense for On-behalf TPAF medical payments paid by the State of New Jersey on the Statement of Activities that are in excess of those amounts reported in the fund financial statements

Increase in On-behalf State Aid TPAF Medical Expense	57,118
Increase in On-behalf TPAF Medical Expense	<u>(57,118)</u>

Change in net assets of governmental activities

136,445

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

**Rumson School District
Statement of Net Position
Proprietary Funds
June 30, 2024**

	Business-Type Activities - Enterprise Fund				
	Food Service Program	After School Program	Homework Club	Stem Agriculture Club	Total Enterprise Fund
ASSETS					
Current Assets:					
Cash and Cash Equivalents	236,188	82,750	5,206	3,246	327,390
Accounts Receivable	1,466				1,466
Inventory	2,129				2,129
Total Current Assets	<u>239,783</u>	<u>82,750</u>	<u>5,206</u>	<u>3,246</u>	<u>330,985</u>
Noncurrent Assets:					
Capital Assets:					
Equipment	143,781				143,781
Less Accumulated Depreciation	<u>(95,137)</u>				<u>(95,137)</u>
Total Capital Assets (Net of Accumulated Depreciation)	<u>48,644</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,644</u>
Total Assets	<u>288,427</u>	<u>82,750</u>	<u>5,206</u>	<u>3,246</u>	<u>379,629</u>
LIABILITIES					
Current Liabilities:					
Prepaid Revenue	26,700				26,700
Total Current Liabilities	<u>26,700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,700</u>
Total Liabilities	<u>26,700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,700</u>
NET POSITION					
Net investment in capital assets	48,644				48,644
Unrestricted	213,083	82,750	5,206	3,246	304,285
Total Net Position	<u>261,727</u>	<u>82,750</u>	<u>5,206</u>	<u>3,246</u>	<u>352,929</u>

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

Rumson School District
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2024

	Business-Type Activities -				
	Enterprise Fund				
	Food Service Program	After School Program	Homework Club	Stem Agriculture Club	Total Enterprise Fund
Operating Revenues:					
Charges for Services:					
Daily Sales	836,289				836,289
Miscellaneous		81,526		2,987	84,513
Total Operating Revenues	836,289	81,526	-	2,987	920,802
Operating Expenses:					
Salaries	328,735	67,595		6,300	402,630
Other Employee Benefits	63,976				63,976
Cost of Sales	307,781				307,781
Supplies and Materials	4,009	5,211			9,220
Management Fee	15,000				15,000
Equipment Rental	8,093				8,093
Maintenance	20,466				20,466
Insurance	16,250				16,250
Miscellaneous Expenses	3,528				3,528
Depreciation Expense	8,365				8,365
Total Operating Expenses	776,203	72,806	-	6,300	855,309
Operating Income (Loss)	60,086	8,720	-	(3,313)	65,493
Non-Operating revenues:					
Interest and investment revenue	7,622				7,622
Change in Net Assets	67,708	8,720	-	(3,313)	73,115
Total Net Position—Beginning	194,019	74,030	5,206	6,559	279,814
Total Net Position—Ending	261,727	82,750	5,206	3,246	352,929

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

Rumson School District
Combining Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

	Food Service Program	After School Program	Homework Club	Stem Agriculture Club	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers	839,536	81,526	-	2,987	924,049
Payments to Vendors	(766,987)	(72,806)	-	(6,300)	(846,093)
Net Cash Provided by (Used for) Operating Activities	<u>72,549</u>	<u>8,720</u>	<u>-</u>	<u>(3,313)</u>	<u>77,956</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of Equipment	(37,313)	-	-	-	(37,313)
Interest Income	7,622	-	-	-	7,622
Net Cash Provided by (Used for) Investing Activities	<u>(29,691)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(29,691)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>42,858</u>	<u>8,720</u>	<u>-</u>	<u>(3,313)</u>	<u>48,265</u>
 Balances—Beginning of Year	 193,330	 74,030	 5,206	 6,559	 279,125
Balances—End of Year	<u>236,188</u>	<u>82,750</u>	<u>5,206</u>	<u>3,246</u>	<u>327,390</u>
 Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	60,086	8,720	-	(3,313)	65,493
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	8,365	-	-	-	8,365
Decrease/(Increase) in Accounts Receivable	(388)	-	-	-	(388)
(Decrease)/Increase in Inventory	851	-	-	-	851
(Decrease)/Increase in Unearned Revenue	3,635	-	-	-	3,635
Total Adjustments	<u>12,463</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,463</u>
Net Cash Provided by (Used for) Operating Activities	<u>72,549</u>	<u>8,720</u>	<u>-</u>	<u>(3,313)</u>	<u>77,956</u>

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

NOTES TO THE FINANCIAL STATEMENTS

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

A. Description of the School District and Reporting Entity:

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

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

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

B. Basis of Presentation:

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

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

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

District-wide Financial Statements:

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

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

Fund Financial Statements:

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

GOVERNMENTAL FUNDS

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

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

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

GOVERNMENTAL FUNDS, (continued)

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

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

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

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

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

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

PROPRIETARY FUNDS

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

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

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

PROPRIETARY FUNDS, (continued)

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

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

FIDUCIARY FUNDS

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

C. Measurement Focus:

District-wide Financial Statements

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

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

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

C. Measurement Focus: (continued)

Fund Financial Statements

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

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

D. Basis of Accounting:

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

Revenues - Exchange and Non-exchange Transactions

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

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

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

D. Basis of Accounting: (continued)

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

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

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

Expenses/Expenditures

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

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

E. Budgets/Budgetary Control:

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

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

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

E. Budgets/Budgetary Control: (continued)

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

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

F. Encumbrances:

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

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

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

G. Cash, Cash Equivalents and Investments:

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

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

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

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

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

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

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

H. Tuition Revenues/Receivable:

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

I. Inventories:

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

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

Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

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

J. Prepaid Items:

Payments made to vendors for services that will benefit periods beyond June 30, 2024, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

K. Short-Term Interfund Receivables/Payables:

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

L. Capital Assets:

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

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

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

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

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

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

M. Compensated Absences:

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

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

N. Deferred Revenue:

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

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

O. Accrued Liabilities and Long-term Obligations:

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

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

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

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

P. Accounting and Financial Reporting for Pensions:

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

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

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

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

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

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

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

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

Q. Deferred Outflows/Inflows of Resources

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

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

R. Fund Balances:

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

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

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

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

R. Fund Balances: (continued)

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

S. Net Position:

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

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

T. Operating Revenues and Expenses:

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

U. Extraordinary and Special Items:

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

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

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

V. Allocation of Indirect Expenses:

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

W. Use of Estimates:

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

X. Allowance for Uncollectible Accounts:

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

Y. Recently Issued Accounting Pronouncements:

The GASB has issued the following statements that will become effective for the School District for fiscal years ending June 30, 2025 and 2026:

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

In December 2023, the Government Accounting Standards Board issued GASB Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the District.

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

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

Y. Recently Issued Accounting Pronouncements: (continued)

In April 2024, the Government Accounting Standards Board issued GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its' effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter, though, earlier application is encouraged. Management is currently reviewing the provisions of this Statement and plans to implement, as needed, before the effective date.

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS:

As of June 30, 2024, cash and cash equivalents of the Board consisted of the following:

Checking/Money Market Accounts	\$2,448,550
State of New Jersey Cash Management Fund	<u>1,614,613</u>
	<u>\$4,063,163</u>

During the period ended June 30, 2024, the Board did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2024 was \$4,063,163 and the bank balance was \$4,329,371. The entire balance was covered by federal depository insurance and the collateral pool maintained by the banks as required by New Jersey statutes.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based on banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments (established in New Jersey Statutes 18A:20-37) are treated as cash equivalents. As of June 30, 2024, \$-0- of the Board's bank balance of \$4,329,371 was exposed to custodial credit risk.

Interest Rate Risk

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

Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

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

Credit Risk

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

New Jersey Cash Management Fund

All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investments's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other-than-State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis. As of June 30, 2024, the District has \$1,614,613 on deposit with the New Jersey Cash Management Fund.

NOTE 3. RECEIVABLES:

Receivables at June 30, 2024, consisted of accounts receivable, interfund and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial <u>Statements</u>	Enterprise <u>Fund</u>	District Wide Financial <u>Statements</u>
State Aid	\$311,902	\$	\$311,902
Federal Aid	31,158		31,158
Other	<u>21,832</u>	<u>1,466</u>	<u>23,298</u>
	<u>\$364,892</u>	<u>\$1,466</u>	<u>\$366,358</u>

NOTE 4. INTERFUND BALANCES AND TRANSFERS:

The District had the following interfund balances as of June 30, 2024.

Due from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Special Revenue Fund	General Fund	\$130,464

Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 5. CAPITAL ASSETS:

Capital asset activity for the fiscal year ended June 30, 2024 was as follows:

	<u>Restated Balance 6/30/23</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/24</u>
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	<u>\$3,078,463</u>	\$	\$	<u>\$3,078,463</u>
Total Capital Assets, Not Being Depreciated	<u>3,078,463</u>			<u>3,078,463</u>
Capital Assets Being Depreciated				
Buildings, Sites and Equipment	<u>43,426,308</u>	<u>628,561</u>	_____	<u>44,054,869</u>
Total Capital Assets, Being Depreciated	<u>43,426,308</u>	<u>628,561</u>	_____	<u>44,054,869</u>
Less Accumulated Depreciation:				
Buildings, Sites and Equipment	<u>(13,138,712)</u>	<u>(1,028,715)</u>	_____	<u>(14,167,427)</u>
Total Accumulated Depreciation	<u>(13,138,712)</u>	<u>1,028,715</u>	_____	<u>(14,167,427)</u>
Total Capital Assets, Being Depreciated, Net	<u>30,287,596</u>	<u>(400,154)</u>	_____	<u>29,887,442</u>
Governmental Activities Capital Assets, Net	<u>\$33,366,059</u>	<u>(\$400,154)</u>	<u>\$</u>	<u>\$32,965,905</u>
	<u>Restated Balance 6/30/23</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/24</u>
Business-Type Activity				
Equipment	<u>\$106,468</u>	<u>\$37,313</u>	<u>\$</u>	<u>\$143,781</u>
Totals	<u>106,468</u>	<u>37,313</u>	_____	<u>143,781</u>
Less Accumulated Depreciation				
Equipment	<u>(86,772)</u>	<u>(8,365)</u>	_____	<u>(95,137)</u>
Total Accumulated Depreciation	<u>(86,772)</u>	<u>(8,365)</u>	_____	<u>(95,137)</u>
Business-Type Activity Capital Assets, Net	<u>\$19,696</u>	<u>\$28,948</u>	<u>\$</u>	<u>\$48,644</u>

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

Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 6. LONG-TERM DEBT OBLIGATIONS:

Changes in long-term obligations for the fiscal year ended June 30, 2024 are as follows:

	<u>Balance</u> <u>6/30/23</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>6/30/24</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
Obligations Under Financed Purchases	\$1,215,826	\$	\$92,825	\$1,123,001	\$95,419
Compensated Absences Payable	1,094,813	73,865		1,168,678	
Net Pension Obligation	2,770,700		266,683	2,504,017	
Bonds Payable	<u>24,187,000</u>	<u> </u>	<u>1,182,000</u>	<u>23,005,000</u>	<u>1,090,000</u>
	<u>\$29,268,339</u>	<u>\$73,865</u>	<u>\$1,541,508</u>	<u>\$27,800,696</u>	<u>\$1,185,419</u>

A. Bonds Payable:

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

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

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

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

The 2009 General Obligation Bonds fully redeemed on February 1, 2024.

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

Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

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

A. Bonds Payable: (continued)

The Bonds bear interest from 2.00% to 2.50% per annum payable semi-annually on the fifteenth day of January and July. The principal is due annually on the fifteenth day of July 2021 through 2040. Installments remaining range from \$1,090,000 to \$1,670,000.

Schedule of Payments

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024-2025	1,090,000	461,326	1,551,326
2025-2026	1,120,000	439,226	1,559,226
2026-2027	1,150,000	416,526	1,566,526
2027-2028	1,175,000	393,276	1,568,276
2028-2029	1,205,000	369,475	1,574,475
2029-2040	<u>17,265,000</u>	<u>2,310,948</u>	<u>19,575,948</u>
	<u>\$23,005,000</u>	<u>\$4,390,777</u>	<u>\$27,395,777</u>

B. Bonds and Notes Authorized But Not Issued:

As of June 30, 2024, the District had no authorized but not issued bonds.

C. Financed Purchases Payable:

The District has financed purchase agreements for energy conservation measures equipment under a financed purchase agreement. The financed purchase is for a term of fifteen years. The following is a schedule of the future minimum financed purchase payments under the financed purchase, and the present value of the net minimum financed purchase payments at June 30, 2024:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	95,419	28,139	123,558
2026	80,474	25,791	106,265
2027	84,949	23,702	108,651
2028	89,591	21,498	111,089
2029	94,408	19,173	113,581
Thereafter	<u>678,160</u>	<u>58,924</u>	<u>737,084</u>
	<u>\$1,123,001</u>	<u>\$177,227</u>	<u>\$1,300,228</u>

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

NOTE 7. PENSION PLANS:

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

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

Benefits Provided

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

The following represents the membership tiers for TPAF:

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

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

NOTE 7. PENSION PLANS: (continued)

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

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

Benefits Provided

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

The following represents the membership tiers for PERS:

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

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

NOTE 7. PENSION PLANS: (continued)

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

Defined Contribution Retirement Program

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

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

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

Contributions Requirements Fund Based Statements

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

<u>Year</u>		
<u>Ending</u>	<u>PERS</u>	<u>DCRP</u>
6/30/24	\$231,056	\$8,258
6/30/23	231,522	8,262
6/30/22	182,535	9,513

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

NOTE 7. PENSION PLANS: (continued)

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

<u>Year</u> <u>Ending</u>	<u>Pension</u> <u>Contributions</u>	<u>Post-Retirement</u> <u>Medical</u> <u>Contributions</u>	<u>NCGI</u> <u>Premium</u>	<u>Long-Term</u> <u>Disability</u> <u>Insurance</u>
6/30/24	\$3,356,237	\$923,862	\$38,276	\$1,143
6/30/23	3,131,244	833,982	43,442	934
6/30/22	3,099,136	734,299	43,724	821

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$714,715 during the year ended June 30, 2024 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been included in the fund-based statements as revenues and expenditures in accordance with GASB 24, paragraphs 7 through 13.

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

Public Employees Retirement System (PERS)

At June 30, 2024, the District had a liability of \$2,504,017 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2023, the District's proportion was .0172877132 percent, which was an decrease of .001071778 percent from its proportion measured as of June 30, 2022.

Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 7. PENSION PLANS: (continued)

For the year ended June 30, 2024, the District recognized pension expense of \$71,613. At June 30, 2024, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$23,942	\$10,236
Changes of assumptions	5,501	151,754
Net difference between projected and actual earnings on pension plan investments	11,531	
Changes in proportion and differences between District contributions and proportionate share of contributions	437,245	330,071
District contributions subsequent to the measurement date	<u>232,000</u>	<u> </u>
Total	<u>\$710,219</u>	<u>\$492,061</u>

The \$232,000 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2024, the plan measurement date is June 30, 2023) will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2024	\$(132,203)
2025	(73,790)
2026	103,117
2027	(18,454)
2028	314

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.08, 5.04, 5.13, 5.16, 5.21 and 5.63 years for 2023, 2022, 2021, 2020, 2019 and 2018 amounts, respectively.

Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 7. PENSION PLANS: (continued)

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2023 and June 30, 2022 are as follows:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Collective deferred outflows of resources	\$1,080,204,730	\$1,660,772,008
Collective deferred inflows of resources	1,780,216,457	3,236,303,905
Collective net pension liability	14,606,489,066	15,219,184,020
District's Proportion	.0172877132%	.0183594912%

Actuarial Assumptions

The collective total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which rolled forward to June 30, 2023. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

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

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. It is likely that future experience will not exactly conform to these assumptions.

Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 7. PENSION PLANS: (continued)

Mortality Rates

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

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Market Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 7. PENSION PLANS: (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2023 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1 - percentage-point higher than the current rate:

	June 30, 2023		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's proportionate share of the pension liability	\$3,287,179	\$2,504,017	\$1,876,521

Pension Plan Fiduciary Net Position

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

Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 7. PENSION PLANS: (continued)

Teachers Pensions and Annuity Fund (TPAF)

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

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2024 was as follows:

Net Pension Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>39,088,394</u>
	<u><u>\$39,088,394</u></u>

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 rolled forward to June 30, 2024. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2022, the proportion of the TPAF net pension liability associated with the District was .0765948452%.

For the year ended June 30, 2024, the District recognized on-behalf pension expense and revenue of \$960,288 for contributions provided by the State in the District-Wide Financial Statements.

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

NOTE 7. PENSION PLANS: (continued)

Actuarial Assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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

Mortality Rates

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

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 7. PENSION PLANS: (continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Market Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

NOTE 7. PENSION PLANS: (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

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

NOTE 8. POST-RETIREMENT BENEFITS:

General Information about the OPEB Plan

Plan Description and Benefits Provided

State Health Benefit State Retired Employees Plan

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

Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 8. POST-RETIREMENT BENEFITS: (continued)

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

Total OPEB Liability

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

The portion of the OPEB Liability that was associated with the District recognized at June 30, 2024 was as follows:

OPEB Liability:	
District's proportionate share	\$ -0-
State's proportionate share associated with the District	<u>35,061,300</u>
	<u>\$35,061,300</u>

Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 8. POST-RETIREMENT BENEFITS: (continued)

Actual Assumptions and Other Imputes

The total OPEB liability in the June 30, 2023 actuarial valuation reported by the State in the State's Report of Total Nonemployer OPEB Liability for the State Health Benefit Local Education Retired Employee's Plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>TPAF/ABP</u>	<u>PERS</u>
Salary increases:		
Through 2026	2.75 - 4.25%	2.75 - 6.55%
	based on service years	based on service years

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of the TPAF, PERS and PFRS actuarial experience studies prepared for July 1, 2018 to June 30, 2021.

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

NOTE 8. POST-RETIREMENT BENEFITS: (continued)

(a) Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.5% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

(b) Discount Rate

The discount rate used to measure the total for OPEB liability for June 30, 2023 was 3.65%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

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

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

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

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

For the year ended June 30, 2024, the board of education/board of trustees recognized on-behalf OPEB expense of \$980,980 in the district-wide financial statements as determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75 and in which there is a special funding situation.

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

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

NOTE 9. DEFERRED COMPENSATION:

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

Planconnect

NOTE 10. COMPENSATED ABSENCES:

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

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

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefit accrue to employees. As of June 30, 2024, a liability existed for compensated absences in the Food Service Fund in the amount of \$-0-.

NOTE 11. RISK MANAGEMENT:

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

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

Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 11. RISK MANAGEMENT: (continued)

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

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

Fiscal Year	Employee Contributions/ Interest Earnings/ District Contributions	Amount Reimbursed	Ending Balance
2023-2024	\$25,898	\$10,047	\$135,791
2022-2023	20,180	7,803	119,940
2021-2022	17,679	287	107,563

NOTE 12. CAPITAL RESERVE ACCOUNT:

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

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

Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024

NOTE 12. CAPITAL RESERVE ACCOUNT: (continued)

The activity of the capital reserve for the July 1, 2023 to June 30, 2024 fiscal year is as follows:

Beginning balance, July 1, 2023	\$1,094,302
Deposits:	
Transfer Per Board Resolution	-0-
Budgeted Withdrawal	<u>(353,700)</u>
Ending balance, June 30, 2024	<u>\$740,602</u>

NOTE 14. MAINTENANCE RESERVE ACCOUNT:

A maintenance reserve account was established by Board of Education resolution adopted June 29, 2010. The account is maintained in the general fund. The maintenance reserve account is used to accumulated funds for the required maintenance of a facility in accordance with the EFCRA (N.J.S.A. 18A:7G-9). EFCFA requires that upon district completion of a school facilities project, the district must submit a plan for the maintenance of that facility. All such plans must include a provision for a maintenance reserve fund. The activity of the maintenance reserve for the July 1, 2023 to June 30, 2024 fiscal year is as follows:

Beginning balance, July 1, 2023	\$294,367
Deposits:	
Transfer Per Board Resolution	-0-
Budgeted Withdrawal	<u>(210,250)</u>
Ending balance, June 30, 2024	<u>\$84,117</u>

**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

NOTE 15. FUND BALANCE APPROPRIATED:

General Fund [Exhibit B-1] - Of the \$3,618,670 General Fund fund balance at June 30, 2024, \$279,320 is reserved for encumbrances; \$84,117 has been legally established as a maintenance reserve in accordance with N.J.S.A. 18A:7G-9 as amended by P.L. 2004, c.73; \$1,889,463 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 950,774) of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2024); \$740,602 has been reserved in the Capital Reserve Account; \$115,791 is reserved for Unemployment Compensation; \$-0- has been appropriated and included as anticipated revenue for the year ending June 30, 2024; and \$509,377 is unreserved and undesignated.

Debt Service Fund - The Debt Service Fund fund balance at June 30, 2024 of \$159,768 is restricted for the payment of debt service.

NOTE 16. CALCULATION OF EXCESS SURPLUS:

In accordance with *N.J.S.A.* 18A:7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance — Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2024 is \$1,889,463 of which \$935,709 is the result of current year operations.

NOTE 17. INVENTORY:

Inventory in the Food Service Fund at June 30, 2024 consisted of the following:

Supplies	<u>\$2,129</u>
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**Borough of Rumson School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2024**

NOTE 18. CONTINGENT LIABILITIES:

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

NOTE 19. SUBSEQUENT EVENTS:

The District has evaluated subsequent events through November 19, 2024, the date which the financial statements were available to be issued and no additional items were noted for disclosure.

**REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

BUDGETARY COMPARISON SCHEDULES

[illegible]

Runson Board of Education									
Budgetary Comparison Schedule									
General Fund									
For the Year Ended June 30, 2024									
	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual				
EXPENDITURES:									
Current Expenses:									
Regular Programs - Instruction									
Preschool Salaries of Teachers	122,935		122,935	122,838	97				
Kindergarten - Salaries of Teachers	583,989		583,989	581,198	2,791				
Grades 1-5 - Salaries of Teachers	2,969,043	(4,636)	2,964,407	2,964,407					
Grades 6-8 - Salaries of Teachers	2,257,594	(11,775)	2,245,819	2,245,819					
Regular Programs - Home Instruction:									
Salaries of Teachers	15,900	2,800	18,700	18,639	61				
Purchased Professional-Educational Services	7,033	(2,352)	4,681	4,681					
Regular Programs - Undistributed Instruction									
Other Salaries for Instruction	85,094	11,664	96,758	95,888	870				
Purchased Professional-Educational Services	477,232	85,952	563,184	563,096	88				
Other Purchased Services (400-500 series)	31,839	489	32,328	32,107	221				
General Supplies	217,509	2,825	220,334	193,079	27,055				
Textbooks	23,873	3,119	26,992	13,592	13,400				
Other Objects	12,548	(1,242)	11,306	8,200	3,106				
TOTAL REGULAR PROGRAMS - INSTRUCTION	6,804,389	86,844	6,891,233	6,843,544	47,689				
Special Education Instruction - Multiple Disabilities									
Salaries of Teachers	55,930		55,930						
Other salaries for instruction									
Purchased Professional-Educational Service	1,099		1,099						
General Supplies	2,503		2,503	363	2,140				
Total Multiple Disabilities	59,532		59,532	56,293	3,239				
Special Education Instruction - Resource Room/Resource Center									
Salaries of Teachers	1,416,786	(124,411)	1,292,375	1,291,308	1,067				
Other Salaries for Instruction	3,066		3,066	3,066					
Purchased Professional-Educational Services	93,960	58,483	152,443	152,435	8				
General Supplies	7,269	(2,954)	4,315	2,650	1,665				
Textbooks									
Total Resource Room/Resource Center	1,521,081	(68,882)	1,452,199	1,449,459	2,740				

Runson Board of Education									
Budgetary Comparison Schedule									
General Fund									
For the Year Ended June 30, 2024									
	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual				
TOTAL SPECIAL EDUCATION - INSTRUCTION	1,580,613	(68,882)	1,511,731	1,505,732	5,979				
Basic Skills/Remedial - Instruction									
Salaries of Teachers	600,385	(27,878)	572,507	572,506	1				
General Supplies	892	(340)	552	86	466				
Total Basic Skills/Remedial - Instruction	601,277	(28,218)	573,059	572,592	467				
School-Sponsored Cocurricular Activities - Instruction									
Salaries of Teachers	73,903	(15,462)	58,441	42,945	15,496				
Supplies and Materials	2,895		2,895	1,220	1,675				
Other Objects	2,028		2,028	449	1,579				
Total School-Sponsored Cocurricular Activities - Instruction	78,826	(15,462)	63,364	44,614	18,750				
School-Sponsored Athletics - Instruction									
Salaries	64,381	(1,183)	63,196	56,009	7,187				
Purchased Services (300-500 series)	6,234	1,096	7,330	7,330					
Supplies and Materials	4,000		4,000	3,344	656				
Other Objects	1,435	832	2,067	1,176	891				
Total School-Athletics - Instruction	76,050	543	76,593	67,859	8,734				
Total Instructional Programs - Instruction	756,133	(43,137)	713,016	685,065	27,951				
TOTAL INSTRUCTION	9,141,155	(25,175)	9,115,980	9,034,361	81,619				
Undistributed Expenditures - Instruction:									
Tuition to Private Schools for the Disabled - Within State	250,099	(25,010)	225,089	98,128	126,961				
Tuition to Private Schools for the Disabled - Other LEAS Outside of State									
Tuition Other									
Total Undistributed Expenditures - Instruction:	250,099	(25,010)	225,089	98,128	126,961				
Undist. Expend. - Attendance & Social Work									
Salaries	18,166		18,166	17,646	520				
Total Undist. Expend. - Attendance & Social Work	18,166		18,166	17,646	520				

Rumson Board of Education Budgetary Comparison Schedule General Fund									
For the Year Ended June 30, 2024									
	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual				
Undist. Expend. - Health Services									
Salaries	169,691		169,691	166,479	3,212				
Purchased Professional and Technical Services	44,700	(4,373)	40,327	35,132	5,195				
Other Purchased Services (400-500 series)	2,245		2,245	1,193	1,052				
Supplies and Materials	15,507	905	16,412	14,733	1,679				
Total Undistributed Expenditures - Health Services	222,143	(3,468)	228,611	217,537	11,074				
Undist. Expend. - Speech, OT, PT-Health Services									
Salaries	383,755		383,755	381,643	2,112				
Purchased Professional - Educational Services	12,975	28,603	41,578	32,725	8,853				
Supplies and Materials	5,848		5,848	4,909	939				
Total Undist. Expend. - Speech, OT, PT-Health Services	402,578	28,603	431,181	419,277	11,904				
Undist. Expend. - Other Supp. Serv. Students - Extra. Serv.									
Salaries	196,150	19,885	216,035	213,825	2,210				
Purchased Professional - Educational Services									
Total Undist. Expend. - Other Supp. Serv. Students - Extra. Serv.	196,150	19,885	216,035	213,825	2,210				
Undist. Expend. - Guidance									
Supervisor of Guidance	108,570	5,837	114,407	113,134	1,273				
Salaries of Other Professional Staff	274,102	(6,281)	267,821	265,411	2,410				
Salaries of Secretarial and Clerical Assistants	11,147	1	11,148	11,148					
Purchased Professional - Educational Services	5,000		5,000	1,475	3,525				
Other Purchased Services (400-500 series)	4,200		4,200	1,611	2,589				
Supplies and Materials	10,360	(3,356)	7,004	4,506	2,498				
Total Undist. Expend. - Guidance	413,379	(3,799)	409,580	397,285	12,295				
Undist. Expend. - Child Study Teams									
Salaries of Other Professional Staff	441,128	(30,816)	410,312	381,007	29,305				
Salaries of Secretarial and Clerical Assistants	60,910		60,910	60,910					
Other Purchased Services (400-500 series)	14,008	7,229	21,237	14,008	7,229				
Purchased Professional - Educational Services	27,280		27,280	23,629	3,651				
Supplies and Materials	6,339	500	6,839	6,238	601				
Misc Pur Serv (400-500 series Other Resid Costs)									
Total Undist. Expend. - Child Study Teams	549,665	(30,316)	519,349	479,013	40,336				

Rumson Board of Education									
Budgetary Comparison Schedule									
General Fund									
For the Year Ended June 30, 2024									
	Original Budget	Budget Transfers/Adjustments	Final Budget	Actual	Variance Final to Actual				
Undist. Expend. - Improvement of Instructional Services									
Salaries of Supervisor of Instruction	144,148	10,083	154,231	154,231					
Salaries of Other Professional Staff	12,772	(1,223)	11,549	11,349	200				
Salaries of Secretarial and Clerical Assistants	33,441		33,441	33,441					
Purchased Professional - Education Services	10,730	(2,408)	8,322	7,020	1,302				
Other Purchased Services (400-500 series)	5,334	283	5,617	4,620	997				
Supplies and Materials	1,750		1,750	267	1,483				
Other Purchased Professional and Technical Services									
Total Undist. Expend. - Improvement of Inst. Services	208,175	6,735	214,910	210,928	3,982				
Undist. Expend. - Educational Media Serv./Sch. Library									
Salaries	73,205		73,205	73,053	152				
Salaries of Technology Coordinators	221,060		221,060	221,059	1				
Purchased Professional - Technical Services	15,520		15,520	11,561	3,959				
Other Purchased Services (400-500 series)	28,376		28,376	20,768	7,608				
Supplies and Materials	13,448	475	13,923	6,342	7,581				
Other Objects	910	34	944	879	65				
Total Undist. Expend. - Educational Media Serv./Sch. Library	352,519	509	353,028	333,662	19,366				
Undist. Expend. - Instructional Staff Training Serv.									
Salaries of Other Professional Staff	20,773	(7,091)	13,682	2,015	11,667				
Salaries of Secretarial and Clerical Assistants	11,147		11,147	11,147					
Purchased Professionals - Educational Services	75,601	(1,765)	73,836	47,981	25,855				
Other Purchased Services (400-500 series)	11,100	88	11,188	2,963	8,225				
Supplies and Materials	5,290	(216)	5,074	615	4,459				
Total Undist. Expend. - Instructional Staff Training Serv.	123,911	(8,984)	114,927	64,721	50,206				

Rumson Board of Education									
Budgetary Comparison Schedule									
General Fund									
For the Year Ended June 30, 2024									

Ramson Board of Education Budgetary Comparison Schedule									
General Fund									
For the Year Ended June 30, 2024									
	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual				
Undistributed Expenditures-Admin. Info. Tech.									
Salaries	44,052		44,052	32,552	11,500				
Purchased Technical Services	22,700	(4,350)	18,350	18,330	20				
Other Purchased Services	3,533	2,900	6,433	6,120	313				
Supplies and Materials	3,845	4,128	7,973	1,485	6,488				
Other Objects	800	305	1,105	1,105					
Misc Expenditures		4,000	4,000		4,000				
Total Undistributed Expenditures-Admin. Info. Tech.	74,930	6,983	81,913	59,612	22,301				
Undist. Expend. - Required Maint. for School Facilities									
Cleaning, Repair and Maintenance Services	46,370	622,870	669,240	489,745	179,495				
Lead Testing of Drinking Water	35,000	16,483	51,483	46,183	5,300				
General Supplies	40,000	(34,414)	5,586	5,586					
Other Objects	13,250	(4,093)	9,157	6,541	2,616				
Undist. Expend. - Required Maint. for School Facilities	134,620	600,846	735,466	548,055	187,411				
Undist. Expend. - Custodial Services									
Salaries	669,474	(43,777)	625,697	625,696	1				
Salaries of Non-Instructional Aides	119,036	(4,054)	114,982	114,982					
Purchased Professional and Technical Services	5,754		5,754	5,754					
Cleaning, Repair and Maintenance Services	37,500	(6,764)	30,736	28,439	2,297				
Lease Purch. Energy Savings Impr Prog	123,356		123,356	123,356					
Other Purchased Property Services	39,000	(3,161)	35,839	35,839					
Insurance	140,335	(6,361)	133,974	133,974					
General Supplies	52,000	(3,558)	48,442	46,405	2,037				
Energy (Natural Gas)	100,000		100,000	99,688	312				
Energy (Electricity)	170,000	(17,029)	152,971	148,535	4,436				
Other Objects	11,540	303	11,843	11,843					
Total Undist. Expend. - Custodial Services	1,467,995	(84,401)	1,383,594	1,374,491	9,103				
Undistributed Expenditures-Care & Upkeep of Grounds									
Salaries	48,486	1,600	50,086	50,086					
Purchased Professional and Technical Services	54,500	(7,484)	47,016	47,016					
Cleaning, Repair and Maintenance Services	56,750	(15,350)	41,400	40,178	1,222				
General Supplies	16,000	(4,438)	11,562	11,562					
Undistributed Expenditures-Care & Upkeep of Grounds	175,736	(25,672)	150,064	148,842	1,222				
Undistributed Expenditures-Security									
Salaries	50,771	(3,500)	47,271	47,205	66				
Purchased Professional and Technical Services	115,148	6,125	121,273	120,303	970				
General Supplies	7,000	(3,561)	3,439	3,439					
Undistributed Expenditures-Security	172,919	(936)	171,983	170,947	1,036				

Runson Board of Education Budgetary Comparison Schedule									
General Fund									
For the Year Ended June 30, 2024									
	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual				
Undist. Expend. - Student Transportation Services									
Salaries of Non Instructional Aides	8,100		8,100	5,310	2,790				
Salaries for Pupil Trans (Between Home & School)	20,575		20,575	17,153	3,422				
Other Purchased Prof. and Technical Serv.	5,791	700	6,491	6,490	1				
Contracted Services - Aid in Lieu of Payments-Non Public	12,240	15,300	27,540	8,485	19,055				
Contract Services (Between Home & School)-Vendors	434,295	1,500	435,795	392,203	43,592				
Contract Services (Other Than Between Home & School)-Vendors	5,800		5,800	2,970	2,830				
Contracted Services (Special Ed. Students)-Vendors	20,200	(750)	19,450		19,450				
Contracted Services (Special Ed. Students)-Joint	237,282		237,282	201,675	35,607				
General Supplies	500		500		500				
Other Objects	1,000	(750)	250		250				
Total Undist. Expend. - Student Transportation Services	745,783	16,000	761,783	634,286	127,497				

Rumson Board of Education									
Budgetary Comparison Schedule									
General Fund									
For the Year Ended June 30, 2024									

Runson Board of Education Budgetary Comparison Schedule General Fund									
For the Year Ended June 30, 2024									
	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual				
TOTAL EXPENDITURES	21,265,849	744,433	22,010,282	26,127,836	(4,117,554)				
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,364,724)	(744,433)	(2,109,157)	(869,521)	1,239,636				
Fund Balance, July 1				4,590,274					
Fund Balance, June 30	(1,364,724)	(744,433)	(2,109,157)	3,720,753	1,239,636				
Reconciliation of excess (deficiency) of revenues under expenditures: Adjustment for Prior Year Encumbrances		(594,433)	(594,433)	(594,433)					
Increase in Capital Reserve - Principal									
Increase in Maintenance Reserve - Principal									
Increase in Restricted Fund Balance - Unemployment		(150,000)	(210,250)	14,155	14,155				
Budgeted Withdrawal from Maintenance Reserve	(60,250)		(210,250)	(210,250)					
Budgeted Withdrawal from Capital Reserve - for Local Share	(353,700)		(353,700)	(353,700)					
Budgeted Fund Balances	(950,774)		(950,774)	274,707	1,225,481				
	(1,364,724)	(744,433)	(2,109,157)	(869,521)	1,239,636				
Recapitulation:									
Restricted Fund Balance:									
Reserved - Excess Surplus - Designated for Subsequent Year's Expenditures				953,754					
Reserved - Excess Surplus				935,709					
Maintenance Reserve				14,117					
Maintenance Reserve-Designated for Subsequent Year's Expenditures				70,000					
Capital Reserve				300,602					
Capital Reserve-Designated for Subsequent Year's Expenditures				440,000					
Unemployment Compensation				115,791					
Assigned Fund Balance:									
Year and Encumbrances				279,320					
Designated for Subsequent Year's Expenditures									
Unassigned Fund Balance				611,460					
Total				3,720,753					
Reconciliation to Governmental Funds Statement (GAAP):									
Last State Aid Payment not recognized on GAAP basis				(102,083)					
Fund Balance per Governmental Funds (GAAP)				3,618,670					

Runson School District
Budgetary Comparison Schedule
Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	421,482	287,928	709,410	799,445	90,035
State Sources	138,210	24,745	162,955	146,667	(16,288)
Federal Sources	418,182	505,412	923,594	640,197	(283,397)
Total Revenues	977,874	818,085	1,795,959	1,586,309	(209,650)
EXPENDITURES:					
Instruction:					
Personnel Services - Salaries		46,970	46,970	46,970	
Salaries of Teachers	56,511	(12,429)	44,082	44,082	
Purchased Professional and Technical Services		29,132	29,132	29,132	
Other Purchased Services	243,234	9,182	252,416	252,416	
General Supplies	345,418	266,197	611,615	611,615	
Textbooks	9,761	(977)	8,784	8,784	
Total Instruction	654,924	338,075	992,999	992,999	
Support Services:					
Personnel Services - Salaries		2,353	2,353	2,353	
Salaries of Other Professional Staff		32,216	32,216	32,216	
Employee Benefits		(16,181)	6,994	6,994	
Purchased Professional & Technical Services	23,175	91,093	102,855	102,855	
Purchased Professional - Educational Services	11,762	(82,555)	83,977	83,977	
Supplies & Materials	166,532				
Other Objects					
Student Activities	121,481	259,455	380,936	380,936	
Total Support Services	322,950	286,381	609,331	609,331	
Facilities Acquisition and Const. Serv.:					
Construction Services					
Total Facilities Acquisition and Const. Serv.					
Total Expenditures	977,874	624,456	1,602,330	1,602,330	
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses)					
Fund Balance, July 1		193,629	193,629	(16,021)	(209,650)
Fund Balance, June 30				118,475	
Recapitulation:				102,454	
Restricted:					
Student Activities				102,454	
Total Fund Balance				102,454	

Rumson School District
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information
For the Year Ended June 30, 2024

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

		General Fund	Special Revenue Fund
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue"			
from the budgetary comparison schedule	[C-1]&[C-2]	25,258,315	1,586,309
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
Add Prior Year Encumbrances			-
Less Current Year Encumbrances			(25,626)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		93,201	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year (GASB 33).		(102,083)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	25,249,433	1,560,683
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	26,127,836	1,602,330
Differences - budget to GAAP			
The district budgets for claims and compensated absences only to the extent expected to be paid, rather than on the modified accrual basis. <i>[Not applicable in this example]</i>			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.			
Add Prior Year Encumbrances			-
Less Current Year Encumbrances			(25,626)
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.			
Net transfers (outflows) to general fund			
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	26,127,836	1,576,704

**REQUIRED SUPPLEMENTARY
INFORMATION - PART III**

Exhibit L-1

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

Fiscal Year Ending June 30,	District's Proportion Share of the Net Pension Liability (Asset)	District's Proportion Share of the Net Pension Liability (Asset)	District's Covered Payroll PERS Employee's	District's Proportion Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll	Plan Fiduciary Net Position as a percentage of the total Pension Liability
2015	0.0164744513%	\$ 3,084,468	\$ 1,075,530	286.79%	42.74%
2016	0.0165349470%	3,603,688	1,037,217	347.44%	38.21%
2017	0.0153094500%	4,534,221	1,085,370	417.76%	40.14%
2018	0.0151415187%	3,524,704	1,090,895	323.10%	48.10%
2019	0.0148296394%	2,919,882	1,113,161	262.31%	53.60%
2020	0.0153963363%	2,774,186	1,150,264	241.18%	56.27%
2021	0.0176470659%	2,877,775	1,211,135	237.61%	58.32%
2022	0.0155864120%	1,846,444	1,316,154	140.29%	65.23%
2023	0.0183594912%	2,770,700	1,431,105	193.61%	58.49%
2024	0.0172877132%	2,504,017	1,528,402	163.83%	65.23%

Exhibit L-2

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

Fiscal Year Ending June 30,	Contractually Required Contribution		Contributions in Relation to the Contractually Required Contributions		Contribution Deficiency (Excess)	District's PERS Covered- Employee Payroll	Contributions as a Percentage of PERS Covered- Employee Payroll
	\$		\$				
2015	\$	151,996	\$	151,996	\$ -	1,075,530	14.13%
2016		141,523		141,523	-	1,037,217	13.64%
2017		136,007		136,007	-	1,085,370	12.53%
2018		140,270		140,270	-	1,090,895	12.86%
2019		147,507		147,507	-	1,113,161	13.25%
2020		150,476		150,476	-	1,150,264	13.08%
2021		196,888		196,888	-	1,211,135	16.26%
2022		182,535		182,535	-	1,316,154	13.87%
2023		231,522		231,522	-	1,431,105	16.18%
2024		231,056		231,056	-	1,528,402	15.12%

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

Fiscal Year Ending June 30,	District's Proportion Share of the Net Pension Liability (Asset)	District's Proportion Share of the Net Pension Liability (Asset)	State's Proportionate Share of the Net Pension Liability Associated with the District (Asset)	District's Covered Payroll - TPAF Employee's	District's Proportion Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll	Plan Fiduciary Net Position as a percentage of the total Pension Liability
2015	0.0640243081%	\$ -	\$ 34,218,909	\$ 6,413,136	0.00%	33.64%
2016	0.0635199318%	\$ -	\$ 40,147,309	6,632,631	0.00%	28.71%
2017	0.0642008613%	\$ -	\$ 50,504,485	7,521,299	0.00%	22.33%
2018	0.0665998935%	\$ -	\$ 44,904,050	7,781,120	0.00%	25.41%
2019	0.0712079373%	\$ -	\$ 45,300,960	8,221,616	0.00%	26.49%
2020	0.0718966631%	\$ -	\$ 44,123,661	8,406,800	0.00%	26.95%
2021	0.0735246005%	\$ -	\$ 48,415,065	8,791,769	0.00%	24.60%
2022	0.0811840333%	\$ -	\$ 39,029,377	9,173,913	0.00%	35.52%
2023	0.0752828318%	\$ -	\$ 38,841,737	9,852,509	0.00%	32.29%
2024	0.0765948452%	\$ -	\$ 39,088,394	10,014,145	0.00%	34.68%

**Rumson School District
Note to Required Schedules of Supplementary Information - Part III
For the fiscal year ended June 30, 2024**

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms

None

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was no change in the discount rate of 7% for June 30, 2024 and 2023. Any change in the discount rate is considered to be a change in actuarial assumptions under GASB No. 68.

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms

Change in assumptions

The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was no change in the discount rate of 7% for June 30, 2024 and 2023. Any change in the discount rate is considered to be a change in actuarial assumptions under GASB No. 68.

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

	2018	2019	2020	2021	2022	2023	2024
Total OPEB Liability							
Service Costs	\$ 1,526,736	\$ 1,267,003	\$ 1,163,574	\$ 1,206,881	\$ 2,256,780	\$ 1,941,239	\$ 1,525,135
Interest on Total OPEB Liability	1,144,405	1,325,580	1,236,938	1,018,931	1,035,366	896,061	1,234,816
Change in Benefit Terms					(42,482)		
Changes in Assumptions	(4,733,016)	(3,582,175)	421,684	8,166,084	36,378	(9,080,507)	70,699
Differences Between Expected and Actual Experience		(3,148,476)	(4,915,158)	6,878,678	(7,402,182)	946,334	(613,629)
Gross Benefit Payments	(637,637)	(634,701)	(668,126)	(780,183)	(815,578)	(886,604)	(962,559)
Contribution from the Member	30,840	28,849	25,734	23,647	26,470	27,443	31,844
Net Changes in total Share of OPEB Liability	(2,868,572)	(4,943,920)	(2,935,374)	16,533,998	(4,902,231)	(6,137,015)	1,286,076
Total OPEB Liability - Beginning	39,028,338	36,159,766	31,215,846	28,280,472	44,814,470	39,912,239	33,775,224
Total OPEB Liability - Ending	\$ 36,159,766	\$ 31,215,846	\$ 28,280,472	\$ 44,814,470	\$ 39,912,239	\$ 33,775,224	\$ 35,061,300
 District's Proportionate Share of OPEB Liability	 \$ -	 \$ -	 \$ -	 \$ -	 \$ -	 \$ -	 \$ -
State's Proportionate Share of OPEB Liability	36,159,766	31,215,846	28,280,472	44,814,470	39,912,239	33,775,224	35,061,300
Total OPEB Liability - Ending	\$ 36,159,766	\$ 31,215,846	\$ 28,280,472	\$ 44,814,470	\$ 39,912,239	\$ 33,775,224	\$ 35,061,300
 District's Covered Employee Payroll	 \$ 8,872,015	 \$ 9,334,777	 \$ 9,557,064	 \$ 10,002,804	 \$ 10,490,087	 \$ 11,283,614	 \$ 11,542,547
 Districts' Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	 0%	 0%	 0%	 0%	 0%	 0%	 0%

Notes to Schedule:

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

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

RUMSON SCHOOL DISTRICT
Notes to Required Schedules of Supplementary Information OPEB Liability
For the fiscal year ended June 30, 2024

Change in benefit terms

NONE

Change in assumptions

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

Other Supplementary Information

SPECIAL REVENUE FUND

Ramson School District
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2024

	Total Brought Forward (Ex. E-1a)	Title I	Title II	Title IV	ESSER II CARES Emergency Relief Grant	ARP ACCEL. LEARNING	ARP AFTER SCHOOL	ARP MENTAL HEALTH	ARP ESSER	Totals 2024
REVENUES										
Local Sources	799,445									799,445
State Sources	146,667		12,724	8,360	2,073	57,816	17,725	5,519	137,119	146,667
Federal Sources	334,846	64,015								640,197
Total Revenues	1,280,958	64,015	12,724	8,360	2,073	57,816	17,725	5,519	137,119	1,586,309
EXPENDITURES:										
Instruction:										
Personnel Services - Salaries	23,054					23,916				46,970
Salaries of Teachers	24,382	29,200					14,882			44,082
Purchased Professional and Technical Services	252,416								4,750	29,132
Other Purchased Services (400-500 series)	466,249	11,631		1,366					132,369	252,416
General Supplies	8,784									611,615
Textbooks										8,784
Total Instruction	774,885	40,831		1,366		23,916	14,882		137,119	992,999
Support Services:										
Personnel Services - Salaries			2,353		2,073		2,843	2,353		2,353
Salaries of Other Professional Staff	1,763	23,184								32,216
Employee Benefits				6,994						6,994
Purchased Professional & Technical Services	56,363		10,092			33,900		2,500		102,855
Supplies & Materials	83,032		279					666		83,977
Other Objects										
Student Activities	380,936									380,936
Total Support Services	522,094	23,184	12,724	6,994	2,073	33,900	2,843	5,519		609,331
Facilities Acquisition and Const. Serv.:										
Construction Services										
Total Facilities Acquisition and Const. Serv.										
Total Expenditures	1,296,979	64,015	12,724	8,360	2,073	57,816	17,725	5,519	137,119	1,602,330
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(16,021)									(16,021)
Fund Balance, July 1	118,475									118,475
Fund Balance, June 30	102,454									102,454

Runson School District
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2024

	Total Brought Forward (Ex. E-1b)	IDEA PART B				Ch. 192 - Aux. Serv.				Non-Public Technology	Non-Public Security	Total Carried Forward
		Basic	ARP Basic	Preschool	Non-Public Textbook	Compensatory Education	Home Instruction					
REVENUES												
Local Sources	799,445											799,445
State Sources	74,924											146,667
Federal Sources		308,736	1,293	24,817	8,784	21,596	2,786					334,846
Total Revenues	874,369	308,736	1,293	24,817	8,784	21,596	2,786					1,280,958
EXPENDITURES:												
Instruction:												
Personal Services - Salaries				23,054								23,054
Salaries of Teachers												24,382
Purchased Professional and Technical Services		252,416				21,596	2,786					252,416
Other Purchased Services (400-500 series)			1,250									466,249
General Supplies	457,687				8,784							8,784
Textbooks												
Total Instruction	457,687	252,416	1,250	23,054	8,784	21,596	2,786					774,885
Support services:												
Personal Services - Salaries												1,763
Salaries of Other Professional Staff				1,763								
Employee Benefits												56,363
Purchased Professional & Technical Services		56,320	43									83,032
Purchased Professional - Educational Services												
Supplies & Materials	51,767											
Other Objects												
Student Activities	380,936											380,936
Total support services	432,703	56,320	43	1,763								522,094
Facilities acquisition and const. serv.:												
Construction Services												
Total facilities acquisition and const. serv.												
Total Expenditures	890,390	308,736	1,293	24,817	8,784	21,596	2,786					1,296,979
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	(16,021)											(16,021)
Fund Balance, July 1	118,475											118,475
Fund Balance, June 30	102,454											102,454

Rumson School District
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Year Ended June 30, 2024

	Ch. 193 - Handicapped Services					SDA GRANT	Other Local Projects	Student Activity Fund	Total Carried Forward
	Non-Public Supplemental Instruction	Non-Public Corrective Speech	Non-Public Exam & Classification	Non-Public Nursing					
REVENUES									
Local Sources	12,803	4,111	16,373	18,480	23,157		434,530	364,915	795,445
State Sources									74,924
Federal Sources									-
Total Revenues	12,803	4,111	16,373	18,480	23,157		434,530	364,915	874,369
EXPENDITURES:									
Instruction:									
Personnel Services - Salaries									-
Salaries of Teachers									-
Purchased Professional and Technical Services									-
Other Purchased Services (400-500 series)					23,157		434,530		457,687
General Supplies									-
Textbooks									-
Total Instruction	-	-	-	-	23,157		434,530	-	457,687
Support Services:									
Personnel Services - Salaries									-
Salaries of Other Professional Staff									-
Employee Benefits									-
Purchased Professional & Technical Services									-
Purchased Professional - Educational Services	12,803	4,111	16,373	18,480					51,767
Supplies & Materials									-
Other Objects								380,936	380,936
Student Activities								380,936	432,703
Total Support Services	12,803	4,111	16,373	18,480	-		-	-	-
Facilities Acquisition and Const. Serv.:									
Construction Services									-
Total Facilities Acquisition and Const. Serv.	-	-	-	-	-		-	-	-
Total Expenditures	12,803	4,111	16,373	18,480	23,157		434,530	380,936	890,390
Excess (Deficiency) of Revenues Over (Under)	-	-	-	-	-		-	(16,021)	(16,021)
Expenditures and Other Financing Sources (Uses)	-	-	-	-	-		-	118,475	118,475
Fund Balance, July 1	-	-	-	-	-		-	102,454	102,454
Fund Balance, June 30	-	-	-	-	-		-	102,454	102,454

CAPITAL PROJECTS FUND

**Rumson School District
Capital Project Fund
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis
For the Year Ended June 30, 2024**

Revenues and Other Financing Sources:

Interest on Investments	\$ _____
Total revenues and other financing sources	<u> - </u>

Expenditures and Other Financing Uses:

Construction Services	1,222
Other Purchased Prof. and Tech. Services	-
Other Objects	14,196
Transfer to Debt Service Fund	<u>35,728</u>
Total expenditures and other financing uses	<u>51,146</u>

Excess (deficiency) of revenues over (under) expenditures	(51,146)
---	----------

Fund balance - beginning	<u>51,146</u>
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Fund balance - ending	<u><u>\$ -</u></u>
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Rumson School District
Capital Project Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Energy Conservation Measures - Deane-Porter and Forrestdale Schools
From Inception and For the Year Ended For the Year Ended June 30, 2024

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

Additional project information:

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

Rumson School District
Capital Project Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Additions, Renovations, Alterations and Improvements at Forrestdale and Deane-Porter School
From Inception and For the Year Ended For the Year Ended June 30, 2024

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bonds Proceeds	25,743,000		25,743,000	25,743,000
Total revenues	<u>25,743,000</u>	<u>-</u>	<u>25,743,000</u>	<u>25,743,000</u>
Expenditures and Other Financing Uses				
Construction Services	23,158,135	1,222	23,159,357	23,159,357
Other Purchased Prof. and Tech. Services	1,967,485		1,967,485	1,967,485
Other Objects	599,639	14,196	613,835	613,835
Transfer to Debt Service Fund		2,323	2,323	2,323
Total expenditures	<u>25,725,259</u>	<u>17,741</u>	<u>25,743,000</u>	<u>25,743,000</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u>17,741</u>	\$ <u>(17,741)</u>	\$ <u>-</u>	\$ <u>-</u>

Additional project information:

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

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

Project Title/Issue	Approval Date	Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations June 30, 2024
			Prior Years	Current Year	
Additions, renovations, alterations and Improvements at Forrestdale School and Deane-Porter School	1/22/2020	25,743,000	25,725,259	17,741	-
Energy Conservation Measures - Deane-Porter and Forrestdale School	5/22/2019	1,629,690	1,596,285	33,405	-
Totals		\$ 27,372,690	\$ 27,321,544	\$ 51,146	\$ -

LONG-TERM DEBT

**Rumson School District
General Long Term Debt Account Group
Statement of Serial Bonds
June 30, 2024**

ISSUE	Date of Issue	Amount of Issue	Annual Maturities Date	Amount	Interest Rate	Balance July 1, 2023	Issued	Retired	Balance June 30, 2024
2009 Serial Bonds	5/19/2009	\$ 1,257,000	2/01/2024	117,000	4.125%	117,000		117,000	-
2020 School Bonds	3/3/2020	25,743,000	7/15/2024	1,090,000	2.000%				
			7/15/2025	1,120,000	2.000%				
			7/15/2026	1,150,000	2.000%				
			7/15/2027	1,175,000	2.000%				
			7/15/2028	1,205,000	2.000%				
			7/15/2029	1,235,000	2.000%				
			7/15/2030	1,265,000	2.000%				
			7/15/2031	1,300,000	2.000%				
			7/15/2032	1,335,000	2.125%				
			7/15/2033	1,375,000	2.125%				
			7/15/2034	1,410,000	2.250%				
			7/15/2035	1,450,000	2.375%				
			7/15/2036	1,490,000	2.375%				
			7/15/2037	1,530,000	2.375%				
			7/15/2038	1,580,000	2.500%				
			7/15/2039	1,625,000	2.500%				
			7/15/2040	1,670,000	2.500%				
						24,070,000		1,065,000	23,005,000
						\$ 24,187,000	-	1,182,000	\$ 23,005,000

Runson School District
General Long Term Debt Account Group
Statement of Obligations Under Financed Purchase Agreements
June 30, 2024

ISSUE	Date of Issue	Amount of Issue	Annual Maturities Date	Amount	Interest Rate	Balance July 1, 2022	Issued	Retired	Balance June 30, 2023
Acquisition of Energy Conservation Equipment	6/27/2019	\$ 1,529,690	7/15/2024	47,710	2.560%				
			1/15/2025	47,709					
			7/15/2025	40,237					
			1/15/2026	40,237					
			7/15/2026	42,474					
			1/15/2027	42,475					
			7/15/2027	44,795					
			1/15/2028	44,795					
			7/15/2028	47,204					
			1/15/2029	47,204					
			7/15/2029	49,704					
			1/15/2030	49,704					
			7/15/2030	52,296					
			1/15/2031	52,296					
			7/15/2031	54,985					
			1/15/2032	54,985					
			7/15/2032	57,772					
			1/15/2033	57,773					
			7/15/2033	60,663					
			1/15/2034	60,663					
			7/15/2034	63,660					
			1/15/2035	63,660					
						1,215,826		92,825	1,123,001
						\$ 1,215,826	\$ -	92,825	\$ 1,123,001

**Rumson School District
Budgetary Comparison Schedule
Debt Service Fund
For the Year Ended June 30, 2024**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	1,222,434		1,222,434	1,222,434	-
State Sources:					
Debt Service Aid Type II	443,926		443,926	443,926	-
Miscellaneous				79,017	79,017
Total Revenues	1,666,360	-	1,666,360	1,745,377	79,017
EXPENDITURES:					
Regular Debt Service:					
Interest	487,702		487,702	487,702	-
Redemption of Principal	1,182,000		1,182,000	1,182,000	-
Total Regular Debt Service	1,669,702	-	1,669,702	1,669,702	-
Total Expenditures	1,669,702	-	1,669,702	1,669,702	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,342)	-	(3,342)	75,675	79,017
Other Financing Sources:					
Operating Transfers In:					
Transfer from Capital Projects Fund				35,728	35,728
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(3,342)	-	(3,342)	111,403	114,745
Fund Balance, July 1	48,365		48,365	48,365	-
Fund Balance, June 30	<u>45,023</u>	<u>-</u>	<u>45,023</u>	<u>159,768</u>	<u>114,745</u>

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED)

Introduction to the Statistical Section

Financial Trends

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

Revenue Capacity

- J-6 Assessed Value and Estimated Actual Value of Taxable Property
- J-7 Direct and Overlapping Property Tax Rates
- J-8 Principal Property Taxpayers
- J-9 Property Tax Levies and Collections

Debt Capacity

- J-10 Ratios of Outstanding Debt by Type
- J-11 Ratios of General Bonded Debt Outstanding
- J-12 Direct and Overlapping Governmental Activities Debt
- J-13 Legal Debt Margin Information

Demographic and Economic Information

- J-14 Demographic and Economic Statistics
- J-15 Principal Employers

Operating Information

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

STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

J SERIES

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

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	4,720,542	4,254,125	4,324,181	4,610,562	3,808,572	(18,564,523)	(5,708,227)	8,254,108	7,963,233	8,837,904
Restricted	1,765,187	2,155,894	2,489,215	3,086,417	3,413,641	28,415,357	16,893,138	4,557,310	4,207,252	3,371,515
Unrestricted	(3,039,544)	(3,297,369)	(3,591,275)	(3,717,104)	(2,433,650)	(3,861,485)	(3,989,817)	(3,645,536)	(3,486,110)	(3,388,599)
Total Governmental Activities Net Assets	3,446,185	3,112,650	3,222,121	3,979,875	4,788,563	5,989,349	7,195,094	9,166,082	8,684,375	8,820,820
Business-type Activities										
Invested in Capital Assets, Net of Related Debt	56,427	48,396	54,646	52,686	43,427	35,488	28,310	23,892	19,696	48,644
Restricted										
Unrestricted	132,610	174,894	102,688	52,636	116,341	129,256	121,392	185,624	260,118	304,285
Total Business-type Activities Net Assets	189,037	223,290	157,334	105,322	159,768	164,744	149,702	209,516	279,814	352,929
District-wide										
Invested in Capital Assets, Net of Related Debt	4,776,969	4,302,521	4,378,827	4,663,248	3,851,999	(18,529,035)	(5,679,917)	8,278,000	7,982,929	8,886,548
Restricted	1,765,187	2,155,894	2,489,215	3,086,417	3,413,641	28,415,357	16,893,138	4,557,310	4,207,252	3,371,515
Unrestricted	(2,906,934)	(3,122,475)	(3,488,587)	(3,664,468)	(2,317,309)	(3,732,229)	(3,868,425)	(3,459,712)	(3,225,992)	(3,084,314)
Total District Net Assets	3,635,222	3,335,940	3,379,455	4,085,197	4,948,331	6,154,093	7,344,796	9,375,598	8,964,189	9,173,749

Source: ACRF Schedules A-1

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

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental Activities:										
Instruction:										
Regular	(5,015,205.00)	(5,301,714.00)	(5,356,025)	(5,693,759)	(5,859,216)	(6,040,962)	(7,420,311)	(6,767,970)	(7,407,565)	(7,884,782)
Special Education	(1,390,056.00)	(1,279,269.00)	(1,640,340)	(1,628,625)	(2,169,831)	(1,771,866)	(1,320,173)	(1,378,524)	(1,524,389)	(1,505,752)
Other Special Education	(54,378.00)	(189,771.00)	(303,653)	(224,234)	(297,062)					
Other Instruction	(55,866.00)	(90,437.00)	(129,045)	(147,942)	(172,047)	(462,935)	(271,415)	(672,224)	(696,327)	(685,065)
Support Services:										
Tuition	(432,509.00)	(429,648.00)	(414,753)	(123,595)	(263,737)	(312,256)	(97,685)	(41,638)	(58,247)	(98,128)
Student & Instruction Related Services	(1,834,965.00)	(1,971,256.00)	(2,037,537)	(2,209,244)	(2,274,265)	(2,279,141)	(2,396,564)	(3,043,766)	(3,228,597)	(2,737,266)
School Administrative Services	(568,425.00)	(512,764.00)	(443,349)	(452,378)	(462,921)	(483,114)	(451,069)	(463,752)	(463,565)	(496,519)
General Administrative Services	(864,183.00)	(796,344.00)	(458,025)	(429,366)	(507,083)	(497,219)	(504,369)	(495,384)	(420,047)	(436,900)
Central Services			(254,286)	(267,195)	(269,137)	(285,205)	(268,817)	(274,904)	(260,934)	(273,875)
Admin. Info. Technology			(41,067)	(51,385)	(49,952)	(48,388)	(61,062)	(53,982)	(60,402)	(59,612)
Plant Operations and Maintenance	(1,166,768.00)	(1,132,554.00)	(1,106,738)	(1,048,452)	(1,252,321)	(1,412,097)	(1,198,053)	(1,671,364)	(1,904,517)	(2,242,353)
Pupil Transportation	(676,138.00)		(638,330)	(613,189)	(583,659)	(521,922)	(538,250)	(648,231)	(618,249)	(634,286)
Employee Benefits		(4,467,248.00)	(8,269,297)	(9,248,932)	(8,173,000)	(7,456,876)	(9,016,533)	(9,017,775)	(6,973,914)	(7,438,727)
Non-depreciable Capital Outlay		(618,832.00)	(20,259)	(21,419)	(25,054)		(21,418)	(85,785)	(21,418)	(22,640)
Interest on Long-term Debt	(218,024.00)	(217,296.00)	(178,444)	(152,645)	(121,602)	(315,554)	(561,740)	(540,712)	(444,440)	(477,339)
Unallocated Depreciation	(4,636,758.00)	(572,724.00)	(620,234)	(537,019)	(502,771)	(478,079)	(461,376)	(540,951)	(1,100,369)	(1,028,715)
Amortization of Loss on Debt Issuance										
Total Governmental Activities Expenses	(16,913,215.00)	(18,296,736.00)	(21,911,482)	(22,849,379)	(22,963,658)	(22,034,614)	(24,588,835)	(23,697,162)	(25,183,380)	(26,041,941)
Business-type Activities:										
Food Service	(433,077.00)	(431,607.00)	(563,233)	(626,108)	(518,010)	(405,673)	(15,393)	(613,211)	(727,512)	(776,203)
Runnem After School Academy			(46,831)	(44,110)	(38,110)	(28,723)		(34,864)	(44,628)	(72,806)
Homework Club				(5,466)	(7,870)	(5,143)		(11,978)	(138)	(6,300)
Total Business-type Activities Expenses	(433,077.00)	(431,607.00)	(610,064)	(675,684)	(563,990)	(439,539)	(15,393)	(660,053)	(772,278)	(855,309)
Total District Expenses	(17,346,292.00)	(18,728,343.00)	(22,521,546)	(23,525,063)	(23,527,648)	(22,474,153)	(24,604,228)	(24,357,215)	(25,955,658)	(26,897,250)
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instruction	183,266.00	148,325.00	166,150	357,085	249,150	259,950	130,703	259,700	350,967	360,706
Operating Grants and Contributions	482,453.00	498,859.00	710,698	687,783	1,090,500	705,439	976,520	1,480,368	1,795,959	1,560,683
Capital Grants and Contributions										
Total Governmental Activities Program Revenues	665,719.00	647,184.00	876,848	1,044,868	1,339,650	965,389	1,107,223	1,740,068	2,146,926	1,921,389
Business-type Activities:										
Charges for Services:										
Food Service	431,493.00	465,645.00	516,390	575,808	565,029	400,748	132	673,820	781,591	836,289
Runnem After School Academy			53,620	50,690	41,669	33,583	80	39,952	51,658	81,526
Homework Club				9,300	10,980	9,621		5,900		
Stem Agriculture Club									3,740	2,987
Total Business-type Activities Program Revenues	431,493.00	465,645.00	570,010	635,798	617,678	445,952	212	719,672	836,989	920,802
Total District Program Revenues	1,097,212.00	1,112,809.00	1,446,858	1,680,666	1,957,328	1,409,341	1,107,435	2,459,740	2,983,915	2,842,191

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net (Expense)/Revenue										
Governmental Activities	(16,247,496)	(17,649,572)	(21,034,634)	(21,804,511)	(21,624,008)	(21,069,225)	(23,481,612)	(23,957,094)	(23,036,454)	(24,120,552)
Business-type Activities	(1,384)	34,038	(40,054)	(39,886)	53,688	4,413	(15,181)	59,619	64,711	65,493
Total District-wide Net Expense	(16,249,080)	(17,615,534)	(21,074,688)	(21,844,397)	(21,570,320)	(21,064,812)	(23,496,793)	(23,897,475)	(22,971,743)	(24,055,059)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied for General Purposes	13,961,354.00	14,315,581.00	14,745,047	15,313,255	16,078,918	16,483,219	16,812,883	17,149,141	17,492,124	18,099,107
Taxes Levied for Debt Service	688,205.00	680,692.00	722,225	746,247	820,709	848,801	1,250,241	1,651,507	1,781,579	1,272,434
Unrestricted/Restricted Federal and State Aid	2,051,159.00	2,275,085.00	5,590,162	6,443,550	5,386,125	4,714,680	6,172,760	7,027,697	4,508,913	4,411,050
Investment Earnings	4,077.00	5,354.00			4	41,419	13,802	24,951	57,349	352,785
Miscellaneous Income	(70,129.00)	39,325.00	86,671	59,413	146,940	181,892	166,812	74,786	257,900	171,621
Transfers										
Total Governmental Activities	16,634,666.00	17,316,037.00	21,144,105	22,562,265	22,432,696	22,270,011	24,456,498	25,928,082	24,104,263	24,256,997
Business-type Activities:										
Investment Earnings	140.00	215.00		473	758	563	139	195	4,184	7,622
Total Business-type Activities	140.00	215.00	-	473	758	563	139	195	4,184	7,622
Total District-wide	16,634,806.00	17,316,252.00	21,144,105	22,562,738	22,433,454	22,270,574	24,456,637	25,928,277	24,108,449	24,264,619
Change in Net Position										
Governmental Activities	387,170.00	(333,535.00)	109,471	757,754	808,688	1,200,786	974,886	1,970,988	1,067,811	136,445
Business-type Activities	(1,444.00)	34,253.00	(40,054)	(39,413)	54,446	4,976	(15,042)	59,814	68,895	73,115
Total District	385,726.00	(299,282.00)	69,417	718,341	863,134	1,205,762	959,844	2,030,802	1,136,706	209,560

Source: ACFR A-2

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

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Reserved										
Unreserved										
Restricted	1,642,940	2,094,713	2,481,623	2,969,253	3,392,075	4,456,856	3,782,572	3,966,551	3,394,833	2,829,973
Assigned	75,501	56,606	1,838	111,430	21,566	78,444	1,244,767	351,837	594,433	279,320
Unassigned	424,753	405,482	408,932	355,394	430,429	419,696	547,337	548,505	507,807	509,377
Total General fund	2,143,194	2,556,801	2,892,413	3,436,077	3,844,070	4,954,996	5,574,676	4,866,893	4,497,073	3,618,670
All Other Governmental Funds										
Reserved										
Restricted, Reported in:										
Special Revenue Fund							136,657	121,482	118,475	102,454
Capital Projects Fund	4,575	4,575	5,734	5,734	1,142,333	23,890,178	11,650,917	100,432	51,146	
Debt Service Fund	42,171				5,738	68,323	81,989	17,008	48,365	159,768
Unreserved, Reported in:										
Capital Projects Fund										
Debt Service										
Total Other Governmental Funds	46,746	4,575	5,734	5,734	1,148,071	23,958,501	11,869,563	238,922	217,986	262,222
Source: ACFR B-1										

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

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Tax Levy	14,649,559	14,996,273	15,467,272	16,059,502	16,899,627	17,332,020	18,103,124	18,800,648	19,280,103	19,321,541
Other Local Revenue	240,480	200,081	421,505	520,627	868,796	603,253	639,498	820,599	1,375,626	1,684,557
State Sources	2,199,264	2,412,972	2,718,928	3,115,814	3,666,841	3,869,024	4,927,238	6,373,447	6,495,180	6,934,824
Federal Sources	334,348	360,952	367,656	400,628	415,437	383,770	509,459	859,752	953,576	614,571
Total Revenues	17,423,651	17,970,278	18,975,361	20,096,571	21,850,701	22,188,067	24,179,319	26,854,446	28,106,485	28,553,493
Expenditures										
Instruction:										
Regular	5,015,205	5,128,700	5,321,658	5,674,159	5,859,216	5,842,725	7,217,339	6,766,519	7,281,376	7,810,917
Special	1,390,056	1,279,269	1,640,340	1,628,625	2,169,831	1,771,866	1,320,173	1,378,524	1,524,389	1,505,752
Other	54,378	189,771	303,653	224,234	297,062	462,935	271,415	672,224	696,327	685,065
School Sponsored/Other Inst.	55,866	90,437	129,045	147,942	172,047					
Support Services:										
Tuition						31,256	97,685	41,638	58,247	98,128
Students	2,267,474	2,400,904	2,452,390	2,332,839	2,538,002	2,279,141	2,396,564	3,043,766	3,228,997	2,850,091
General Administration	568,425	796,344	458,025	429,366	507,083	447,219	504,369	495,584	420,047	436,900
School Administration	864,183	512,764	443,349	452,378	462,921	483,114	451,069	463,752	463,565	496,519
Central Services			254,286	267,195	269,137	285,205	268,817	274,904	260,934	273,875
Admin. Information Technology			41,067	51,385	49,952	48,388	61,062	53,982	60,402	59,612
Operations and Maintenance	1,166,708	1,132,554	1,106,738	1,048,452	1,252,321	1,412,097	1,335,039	1,671,364	1,992,380	2,242,335
Student Transportation	676,138	716,879	638,330	613,189	563,659	521,922	538,250	648,231	618,249	634,286
Business and Other Support Services	4,091,635	4,379,599	4,833,039	5,678,837	6,303,919	6,493,618	7,692,584	8,637,821	9,137,196	9,975,277
Capital Outlay	588,439	137,474	194,550	162,486	623,191	3,040,005	12,394,770	12,815,343	580,711	651,201
Debt Service:										
Principal	590,000	605,000	620,000	665,000	715,000	770,000	790,000	1,658,000	1,665,000	1,182,000
Interest and Other Charges	239,926	222,071	202,120	176,820	146,720	120,220	540,300	571,218	524,596	487,702
Total Governmental Fund Expenditures	17,568,433	17,591,766	18,638,590	19,552,907	21,930,061	24,009,711	35,879,436	39,192,870	28,512,416	29,389,660
Excess (Deficiency) of Revenues Over (Under) Expenditures	(144,782)	378,512	336,771	543,664	(79,360)	(1,821,644)	(11,700,117)	(12,338,424)	(403,931)	(834,167)
Other Financing Sources (Uses)										
Operating Transfers In	25,239					61,981	13,666	3,342		35,728
Operating Transfers Out	(148,505)	(7,077)			1,629,690	(61,981)	(13,666)	(3,342)		(35,728)
Proceeds from Borrowing						25,743,000				
Proceeds from Refunding										
Payments to Escrow Agent										
Total Other Financing Sources (Uses)	(123,266)	(7,077)	0	0	1,629,690	25,743,000	0	0	0	0
Net Changes in Fund Balance	(268,048)	371,435	336,771	543,664	1,550,330	23,921,356	(11,700,117)	(12,338,424)	(403,931)	(834,167)
Debt Service as a percentage of noncapital expenditures	4.89%	4.74%	4.46%	4.34%	4.04%	4.25%	5.66%	8.45%	7.84%	5.81%

Source: ACFR Schedule B-2

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

Fiscal Year Ended June 30,	Tuition	Interest Income	Miscellaneous	Total
2014	186,858	1,262	39,811	227,931
2015	183,266	4,077	53,137	240,480
2016	148,325	5,354	46,402	200,081
2017	166,150	n/a	86,671	252,821
2018	357,085	n/a	59,413	416,498
2019	249,150	n/a	146,940	396,090
2020	259,950	n/a	119,307	379,257
2021	103,500	12,554	154,394	270,448
2022	259,700	24,951	71,444	356,095
2023	350,967	116,064	154,162	621,193
2024	360,706	273,769	171,620	806,095

Source: District records.

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Rez.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax Exempt Property	Public Utilities a	Net Assessed Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate b
2015	47,011,900	3,192,319,600	7,361,700	25,000	80,679,000	0	672,500	3,323,069,500	0	1,124,732	3,329,194,232	3,285,349,130	0.818
2016	38,085,200	3,290,030,400	6,891,700	25,000	111,691,600	0	488,900	3,447,282,800	0	1,126,150	3,448,408,950	3,359,860,532	0.816
2017	35,813,400	3,286,000,000	6,898,900	29,400	110,281,900	0	1,024,700	3,440,048,500	0	1,124,274	3,441,172,574	3,379,789,415	0.845
2018	31,604,600	3,404,746,900	7,043,700	25,000	110,367,200	0	1,195,200	3,574,982,600	0	1,121,447	3,576,104,047	3,462,130,705	0.851
2019	46,192,200	3,499,234,400	19,209,000	35,600	110,973,500	0	1,060,000	3,676,764,700	0	1,157,771	3,677,902,471	3,724,123,499	0.850
2020	39,089,600	3,731,467,400	16,011,200	9,200	146,103,800	0	1,057,400	3,933,735,700	0	1,154,480	3,934,890,180	3,941,170,506	0.827
2021	37,194,900	3,832,861,700	19,918,900	10,200	145,210,700	0	1,102,200	4,036,298,600	0	1,239,257	4,037,537,857	3,974,777,200	0.831
2022	46,203,500	4,331,591,500	28,610,200	10,200	155,605,900	0	1,084,900	4,563,108,200	0	1,288,127	4,564,396,327	4,511,384,227	0.424
2023	72,624,000	4,847,122,100	31,582,100	10,200	163,496,200	0	1,220,600	5,116,135,200	0	1,328,598	5,117,463,798	4,815,457,717	0.578
2024	82,498,800	5,279,222,700	33,944,300	10,200	171,257,000	0	1,261,200	5,368,295,200	0	1,352,004	5,369,647,204	4,815,457,717	0.557

Source: Municipal Tax Assessor

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

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

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

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

N/A=Not available

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

Assessment Year	Total Direct School Tax Rate	<u>Overlapping Rates</u>			Total Direct and overlapping Tax Rate
		Total Direct Regional School Tax Rate	Rumson Borough	Monmouth County	
2015	0.446	0.372	0.329	0.306	1.453
2016	0.448	0.368	0.327	0.289	1.432
2017	0.467	0.378	0.335	0.289	1.469
2018	0.473	0.378	0.333	0.298	1.482
2019	0.472	0.378	0.333	0.286	1.469
2020	0.460	0.367	0.325	0.281	1.433
2021	0.466	0.365	0.323	0.269	1.423
2022	0.424	0.328	0.294	0.241	1.287
2023	0.378	0.295	0.275	0.221	1.169
2024	0.357	0.276	0.256	0.211	1.100

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

- (a) The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the net valuation taxable.
- (b) Rates for debt service are based on each year's requirements.

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

Taxpayer	2024			Taxpayer	2014		
	Taxable Assessed Value	Rank Optional	% of District's Net Assessed Valuation		Taxable Assessed Value	Rank Optional	% of District's Net Assessed Valuation
Rumson Country Club	57,544,700	1	1.03% Taxpayer #1		30,791,900	1	0.0094
Barley Point, Inc.	27,570,400	2	0.50% Taxpayer #2		11,749,800	2	0.0036
Clinton GRP LLC	16,377,900	3	0.29% Taxpayer #3		9,119,200	3	0.0028
Taxpayer #1	12,959,000	4	0.23% Taxpayer #4		8,964,000	4	0.0027
Taxpayer #2	12,824,600	5	0.23% Taxpayer #5		7,900,000	5	0.0024
Taxpayer #3	11,324,900	6	0.20% Taxpayer #6		7,254,600	6	0.0022
Taxpayer #4	10,163,400	7	0.18% Taxpayer #7		7,229,600	7	0.0022
Osprey LLC	10,065,400	8	0.18% Taxpayer #8		6,636,600	8	0.0020
Taxpayer #5	9,750,000	9	0.18% Taxpayer #9		6,489,700	9	0.0020
Taxpayer #6	9,511,800	10	0.17% Taxpayer #10		6,310,800	10	0.0019
	<u>178,092,100</u>		<u>3.20%</u>		<u>102,446,200</u>		<u>3.12%</u>

Source: Municipal Tax Assessor's Office.

Borough of Rumson School District

**School Tax Levies and Collections
Last Ten Years
Unaudited**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2014	14,442,789	14,442,789	100.00%	n/a
2015	14,649,559	14,649,559	100.00%	n/a
2016	14,996,273	14,996,273	100.00%	n/a
2017	15,467,271	15,467,271	100.00%	n/a
2018	16,059,502	16,059,502	100.00%	n/a
2019	16,899,627	16,899,627	100.00%	n/a
2020	17,332,020	17,332,020	100.00%	n/a
2021	18,103,124	18,103,124	100.00%	n/a
2022	18,800,648	18,800,648	100.00%	n/a
2023	19,280,103	19,280,103	100.00%	n/a
2024	19,321,541	19,321,541	100.00%	n/a

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

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

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

Fiscal Year Ended June 30,	Governmental Activities			Business-Type		Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District	
2015	5,932,000	-	-	-	-	5,932,000	841.78
2016	5,327,000	-	-	-	-	5,327,000	769.13
2017	4,707,000	-	-	-	-	4,707,000	689.77
2018	4,042,000	-	-	-	-	4,042,000	596.52
2019	3,327,000	-	1,629,690	-	-	4,956,690	738.26
2020	28,300,000	-	1,583,769	-	-	29,883,769	4,479.65
2021	27,510,000	-	1,446,783	-	-	28,956,783	3,977.58
2022	25,852,000	-	1,303,689	-	-	27,155,689	3,755.97
2023	24,187,000	-	1,183,014	-	-	25,370,014	N/A
2024	23,005,000	-	1,123,002	-	-	24,128,002	N/A

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

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

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

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Net Valuation Taxable
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2013	7,092,000	-	7,092,000	0.240%	2,913,694,130
2014	6,522,000	-	6,522,000	0.221%	3,285,449,100
2015	5,932,000	-	5,932,000	0.204%	3,329,194,232
2016	5,327,000	-	5,327,000	0.162%	3,448,408,950
2017	4,707,000	-	4,707,000	0.140%	3,441,172,574
2018	4,042,000	-	4,042,000	0.117%	3,576,104,047
2019	3,327,000	-	3,327,000	0.970%	3,677,902,471
2020	28,300,000	-	28,300,000	0.770%	3,934,890,180
2021	27,510,000	-	27,510,000	0.690%	4,037,537,857
2022	25,582,000	-	25,582,000	0.630%	4,564,396,327
2023	24,187,000	-	24,187,000	0.473%	5,117,483,798
2024	23,005,000	-	23,005,000	0.413%	5,569,647,204

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

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

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

Borough of Rumson School District
Direct and Overlapping Governmental Activities Debt
As of June 30, 2024
Unaudited

<u>Borough of Rumson</u>	<u>Net Debt</u>	<u>Estimated</u>	<u>Estimated Share of</u>
Borough of Rumson	\$ 7,374,701	100.000%	\$ 7,374,701
Monmouth County General Obligation Net Debt	513,015,538	3.085%	15,826,529
Subtotal, overlapping debt			23,201,230
Rumson School District Direct Debt			24,128,002
Total direct and overlapping debt			<u>\$ 47,329,232</u>

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2023

Equalized valuation basis

2023	5,117,483,798
2022	4,768,493,083
2021	4,266,700,423

[A] \$ 14,152,677,304

[A] \$ 4,717,539,101

[B]	141,526,773	a
[C]	24,128,022	
[B-C]	\$ 117,398,751	

Average equalized valuation of taxable property

Debt limit (3 % of average equalization value)
Total Net Debt Applicable to Limit
Legal debt margin

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Borough of Rumson:										
Debt limit	\$ 100,392,707	\$ 100,161,012	\$ 101,021,976	\$ 102,259,558	\$ 105,280,664	\$ 109,532,835	\$ 114,713,330	\$ 118,222,128	\$ 129,795,790	\$ 141,526,773
Total net debt applicable to limit	5,992,000	5,327,000	4,707,000	4,042,000	3,327,000	29,883,769	28,956,783	27,155,689	25,402,826	24,128,022
Legal debt margin	\$ 94,460,707	\$ 94,834,012	\$ 96,314,976	\$ 98,217,558	\$ 101,953,664	\$ 79,649,066	\$ 85,756,547	\$ 91,167,439	\$ 104,392,964	\$ 117,398,751
Total net debt applicable to the limit as a percentage of debt limit	5.91%	5.52%	4.66%	3.95%	3.16%	27.28%	25.24%	22.95%	19.57%	17.05%

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

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

Borough of Rumson School District

Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Population (a)	Personal Income (b)	Per Capita Personal Income (c)	Unemployment Rate (d)
2015	6,926	480,733,660	69,410	4.60%
2016	6,824	486,121,288	71,237	4.40%
2017	6,864	517,511,280	75,395	3.30%
2018	6,776	541,930,928	79,978	3.00%
2019	6,714	554,247,414	82,551	2.10%
2020	6,671	574,313,061	86,091	4.20%
2021	7,280	670,626,320	92,119	4.20%
2022	7,230	682,374,630	94,381	2.50%
2023	7,178	n/a	n/a	3.50%
2024	n/a	n/a	n/a	n/a

Source:

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

Borough of Rumson School District

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

Information not available

Source: Municipal Tax Assessor's Office.

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Instruction:										
Regular	67.00	67.00	67.00	73.00	77.00	77.00	77.00	76.00	76.00	85.00
Special Education	21.00	18.00	18.00	18.00	20.00	20.00	20.00	18.00	18.00	19.00
Other Special Instruction	3.00	12.00	12.00	13.00	11.00	11.00	11.00	11.00	11.00	7.00
Other Instruction	13.00	13.00	15.00	15.00	15.00	15.00	11.00	2.00	2.00	2.00
Support Services:										
Student & Instruction Related Services	6.00	15.00	16.00	16.00	16.00	10.00	10.00	10.00	10.00	13.00
Other Support Services	6.00	2.00	2.00	2.00	2.00	2.00	2.00	14.00	14.00	21.00
School Administrative Services	5.00	5.00	5.00	5.00	4.00	4.00	4.00	5.00	5.00	4.00
General Administrative Services	4.00	4.00	4.00	4.00	4.00	4.00	2.00	2.00	2.00	2.00
Central Services & Admin. Info. Technology						6.00	6.00	10.00	10.00	6.00
Plant Operations and Maintenance	10.00	10.00	10.00	10.00	10.00	10.00	10.00	11.00	11.00	11.00
Pupil Transportation						4.00	-	-	-	-
Total	135.00	146.00	149.00	156.00	159.00	163.00	153.00	159.00	159.00	172.00

BOROUGH OF RUMSON SCHOOL DISTRICT

Operating Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Enrollment (a)	Operating Expenditures	Cost Per Pupil (b)	Percentage Change	Teaching Staff (c)	Pupil/Teacher Ratio	Average Daily Enrollment (d)	Average Daily Attendance (d)	% Change in Average Daily Enrollment	Student Attendance Percentage
2014	973.0	15,729,633	17,386	0.05%	90.0	10.8	976.5	935.4	-2.84%	96.14%
2015	972.0	16,411,288	18,320	5.37%	91.0	10.7	972.0	929.0	-0.46%	95.58%
2016	944.0	17,139,219	18,633	1.70%	94.0	10.0	964.1	926.9	-0.81%	96.13%
2017	981.0	17,106,931	19,305	1.04%	95.0	10.33	988	948.7	2.48%	96.02%
2018	1033.0	18,023,304	22,320	15.60%	101.0	11.70	1,036	991.4	5.00%	95.61%
2019	992.0	19,406,221	19,562	(12.36)%	99.6	10.03	999	954.5	-4.00%	95.80%
2020	1007.0	19,374,047	19,239	(1.66)%	102.0	9.80	1,004	966.0	0.54%	96.22%
2021	935.0	17,504,801	18,722	15.60%	109.0	8.58	933	906.0	-7.00%	96.90%
2022	914.0	18,143,622	19,851	5.68%	111.0	8.23	912	867.9	-2.25%	95.01%
2023	920.0	20,459,922	22,239	12.00%	109.0	8.44	922	875.6	1.09%	94.97%

Source:

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

Note:

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

BOROUGH OF RUMSON SCHOOL DISTRICT

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Elementary:										
Square Feet	56,962	56,962	56,962	56,962	56,962	56,962	56,962	56,962	56,962	56,962
Capacity (students)	480	480	480	480	480	480	480	480	480	480
Enrollment	401	408	403	407	383	407	358	363	382	395
Middle										
Square Feet	91,924	91,924	91,924	91,924	91,924	91,924	91,924	91,924	91,924	91,924
Capacity (students)	720	720	720	720	720	720	720	720	720	720
Enrollment	575	555	578	626	609	600	575	551	525	525

Number of Schools at June 30, 2024

Elementary	1
Middle	1

Source: District Records

Note: Enrollment is from the October 15th ASSA.

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

Exhibit J-19

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

School Facilities	Project #'s	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
FORRESIDALE	N/A	258,908	266,134	257,348	74,921	129,550	104,799	60,782	69,816	65,231	38,242
DEANE-PORTER	N/A	158,686	138,599	157,729	45,920	79,401	64,220	\$ 45,853	\$ 86,640	86,468	99,756
Total School Facilities		417,594	404,733	415,077	120,841	208,951	169,019	106,635	156,456	151,699	137,998

BOROUGH OF RUMSON SCHOOL DISTRICT

Insurance Schedule
June 30, 2024
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - NJSIG		
Blanket Buildings and Contents (special form coverage/replacement cost)	\$ 41,255,806	\$ 5,000
Extra Expense	\$ 50,000,000	5,000
Musical Instruments	Included in Blanket Bldg/Contents	5,000
Comprehensive General Liability	10,000,000	
Money and Securities	100,000 In/Out	1,000
Data Processing Equipment	Included in the Total Property Limit	1,000
Camera Equipment	Included in Blanket Bldg/Contents	5,000
Miscellaneous Property	Included in Blanket Bldg/Contents	5,000
Automobile Policy - NJSIG	10,000,000	1,000
Worker's Compensation - MOCSSIF/NJSIG	3,000,000	
Boiler Insurance - NJSIG	100,000,000	5,000
School Board Legal Liability - New Jersey		
School Boards Association Insurance Group	5,000,000	5,000
Student Accident and Athletic Account -Zurich	1,000,000	
Fidelity Bond Insurance		
Selective Insurance Company:		
Board Secretary	200,000	
Treasurer of School Monies	n/a	
Crime - Employee Dishonesty - NJSIG	500,000	1,000
Excess Workers Comp - Chubb	After 7 Days	
Flood		
Deanne-Porter	10,000	1,000
Forrestdale	10,000	1,000
Cyber Liability	1,000,000	25,000

Source: District Records

SINGLE AUDIT SECTION



WIELKOTZ & COMPANY ^{LLC}

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Borough of Rumson School District, in the County of Monmouth, New Jersey, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 19, 2024.

Internal Control Over Financial Reporting

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



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

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

Compliance and Other Matters

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

The results of our test disclosed no instances of noncompliance or other matters that is required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance.

Purpose of this Report

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

Paul J. Cuva

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

Wielkottz & Company, LLC

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

November 19, 2024



WIELKOTZ & COMPANY^{LLC}
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE AS REQUIRED BY N.J. OMB CIRCULAR 15-08**

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

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Board of Education of the Borough of Rumson School District in the County of Monmouth, New Jersey, compliance with the types of compliance requirements described in the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Borough of Rumson Board of Education's major state program for the year ended June 30, 2024. The Borough of 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.

In our opinion, the Borough of Rumson Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2024.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and N.J. OMB Circular 15-08. Our responsibilities under those standards and N.J. OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.



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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

Honorable President and
Members of the Board of Education

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

Paul J. Cuva

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

Wielkotz & Company, LLC

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

November 19, 2024

Borough of Ramsey School District
Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2024

SCHEDULE A
Exhibit K-3

Federal Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	Federal FAN Number	Program or Award Amount	Grant Period		Balance at June 30, 2023	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2024		
				From	To							Accounts Receivable	Deferred Revenue	Due to Grantor
U.S. Department of Education														
Passed-through State Department of Education														
Special Revenue Fund:														
Title I, Part A	84.010	S010A220030	66,484	7/1/2022	9/30/2023	(15,238)		15,238						
Title I, Part A	84.010	S010A230030	36,511	7/1/2023	9/30/2024	(15,238)		29,424	(64,013)			(4,591)		
Sub-Total								74,562	(64,013)			(4,591)		
Title II, Part A Improving Teacher Quality	84.367A	S567A220029	13,838	7/1/2022	9/30/2023	(150)		150						
Title II, Part A Improving Teacher Quality	84.367A	S567A230029	14,960	7/1/2023	9/30/2024	(150)		18,024	(12,726)	(3,300)				
Sub-Total								18,174	(12,726)	(3,300)				
Title IV, Student Support and Academic Enrich.	84.424A	S424A220031	10,000	7/1/2022	9/30/2023	(5,904)		5,904	(8,360)			(6,960)		
Title IV, Student Support and Academic Enrich.	84.424A	S424A230031	10,000	7/1/2023	9/30/2024	(5,904)		7,304	(8,360)			(6,960)		
Sub-Total														
I.D.E.A. Part B, Basic Regular	84.027A	H027A200100	295,353	7/1/2022	9/30/2023	(42,594)		42,594						
I.D.E.A. Part B, Basic Regular	84.027A	H027A230100	296,990	7/1/2023	9/30/2024			265,880	(308,796)			(42,856)		
I.D.E.A. Part B, Preschool	84.173	H173A230114	12,290	7/1/2023	9/30/2024			22,439	(24,817)			(2,378)		
ARP IDEA BASIC	84.027X	H027X210100	63,648	7/1/2023	9/30/2024			1,235	(1,295)					
Sub-Total						(42,594)		332,206	(334,846)			(45,234)		
ESSER II														
ARP ESSER	84.425D	S425D210027	302,360	3/13/2020	9/30/2023	14,028		10,398	(2,073)	(21,333)				
ARP AFTER School	84.425U	S425U210027	679,395	3/13/2020	9/30/2024	100,316		147,689	(137,119)	(110,886)				
ARP Academics Learning	84.425U	S425U210027	40,000	3/13/2020	9/30/2024	(201)		8,042	(17,725)	9,884				
ARP Instruction	84.425U	S425U210027	16,100	3/13/2020	9/30/2024			52,717	(57,816)	5,099				
ARP Academics Learning	84.425U	S425U210027	45,000	3/13/2020	9/30/2024	(17,895)		20,731	(5,519)	2,623				
ARP Summer Learning	84.425U	S425U210027	40,000	3/13/2020	9/30/2024	(12,380)		12,380	(20,252)	(115,633)				
Sub-Total						85,228		221,337	(220,252)	(115,633)				
Total Special Revenue Fund														
						19,742		692,603	(640,197)	(118,993)		(56,785)		
Total Federal Financial Awards														
						19,742		692,603	(640,197)	(118,993)		(56,785)		

This schedule was not subjected to a Federal Single Audit.

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

Borough of Ramsey School District
 Schedule of Expenditures of State Financial Assistance
 for the Fiscal Year ended June 30, 2024

State Grants/Program Title	Grant or State Project Number	Program or Award Amount	Balance at June 30, 2023			Adjustments/ Repayment of Prior Years' Balances	Balance at June 30, 2024			MEMO							
			Grand Period From	To	Deferred Revenue (Accts Receivable)		Due to Grantor	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	(Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures		
State Department of Education																	
General Fund:																	
Special Education Categorical Aid	24-495-034-5120-089	851,942	7/1/2023	6/30/2024													
Transportation Aid	24-495-034-5120-014	112,978	7/1/2023	6/30/2024													
Security Aid	24-495-034-5120-084	77,327	7/1/2023	6/30/2024													
Extracurricular Aid	23-495-034-5120-044	280,583	7/1/2022	6/30/2023	(280,583)												
Extracurricular Aid	24-495-034-5120-044	270,745	7/1/2023	6/30/2024													
Non-Public Transportation Aid	24-495-034-5120-014	6,388	7/1/2023	6/30/2024	(6,388)												
Non-Public Transportation Aid	24-495-034-5120-124	5,888	7/1/2023	6/30/2024													
Secure Our Children Future Bond Aid	23-495-034-5120-003	52,482	7/1/2022	6/30/2023	(52,482)												
Reimbursed TPAF Social Security Contributions	24-495-034-5094-003	705,647	7/1/2023	6/30/2024	(34,737)												
On Behalf Teacher's Pension and Annuity Fund	24-495-034-5094-003	714,715	7/1/2023	6/30/2024													
On Behalf TPAF Post Retirement Medical	24-495-034-5094-002	3,356,237	7/1/2023	6/30/2024													
On Behalf TPAF Long-Term Disability Contributions	24-495-034-5094-004	923,862	7/1/2023	6/30/2024													
On-Behalf Non-contributory Insurance	24-495-034-5094-004	1,143	7/1/2023	6/30/2024													
		38,276	7/1/2023	6/30/2024													
Total General Fund					(374,190)											(102,083)	7,398,213
Special Revenue Fund:																	
N.J. Nonpublic Aid:																	
Textbook Aid	24-100-034-5120-064	8,903	7/1/2023	6/30/2024													
Textbook Aid	23-100-034-5120-064	11,484	7/1/2022	6/30/2023		12											
Auxiliary Services (Chapter 192):																	
Compensatory Education	24-100-034-5120-067	38,749	7/1/2023	6/30/2024													
Nonpublic Handicapped Aid (Chapter 192):																	
Supplementary Instructions	23-100-034-5120-066	15,694	7/1/2022	6/30/2023		1,553											
Supplementary Instructions	24-100-034-5120-066	12,803	7/1/2023	6/30/2024													
Examination & Classification	23-100-034-5120-065	19,334	7/1/2022	6/30/2023		4,097											
Examination & Classification	24-100-034-5120-066	16,730	7/1/2023	6/30/2024													
Corrective Speech	23-100-034-5120-066	14,880	7/1/2022	6/30/2023		5,245											
Corrective Speech	24-100-034-5120-066	10,230	7/1/2023	6/30/2024													
Nursing Services Aid	23-100-034-5120-070	19,488	7/1/2022	6/30/2023		1											
Nursing Services Aid	24-100-034-5120-070	18,480	7/1/2023	6/30/2024													
Security Aid	23-100-034-5120-509	35,670	7/1/2022	6/30/2023		1,604											
Security Aid	24-100-034-5120-509	31,570	7/1/2023	6/30/2024													
School Development Authority	24-495-034-5120-124	23,157	7/1/2023	6/30/2024		13											
Technology Initiative	23-100-034-5120-373	7,546	7/1/2022	6/30/2023													
Technology Initiative	24-100-034-5120-373	7,546	7/1/2023	6/30/2024													
Total Special Revenue Fund						12,525											
Debt Service Aid	24-495-034-5120-017	387,951	7/1/2023	6/30/2024													
Total Debt Service Fund																	
TOTAL STATE FINANCIAL ASSISTANCE					(374,190)	12,525											
Less On-Behalf TPAF Pension and Annuity Aid																	
On Behalf Teacher's Pension and Annuity Fund	24-495-034-5094-002	3,356,237	7/1/2023	6/30/2024													
On Behalf TPAF Post Retirement Medical	24-495-034-5094-001	923,862	7/1/2023	6/30/2024													
On Behalf TPAF Long-Term Disability Contributions	24-495-034-5094-004	1,143	7/1/2023	6/30/2024													
On-Behalf Non-contributory Insurance	24-495-034-5094-004	38,276	7/1/2023	6/30/2024													
TOTAL FOR STATE FINANCIAL ASSISTANCE DETERMINATION						\$										\$	(2,624,180)

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

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

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

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(8,882) for the general fund and \$(25,626) for the special revenue fund. See *Note A* [the Notes to Required Supplementary Information] for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$	\$6,344,231	\$6,344,231
Special Revenue Fund	614,571	146,667	761,238
Debt Service Fund		<u>443,926</u>	<u>443,926</u>
Total Financial Awards	<u>\$614,571</u>	<u>\$6,934,824</u>	<u>\$7,549,395</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2024. 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, 2024.

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

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

NOTE 7. INDIRECT COST RATE

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

NOTE 8. SCHOOLWIDE PROGRAM FUNDS

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

<u>Program</u>	<u>Total</u>
Title I, Part A: <i>Grants to Local Educational Agencies</i>	\$64,015
Title II, Part A: <i>Improving Teacher Quality State Grants</i>	12,724
Title IV: <i>Student Support and Academic Enrichment</i>	<u>8,360</u>
Total	<u>\$85,099</u>

**BOROUGH OF RUMSON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

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

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

Internal Control over major programs:

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

Type of auditor's report issued on compliance for major programs: N/A

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

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
_____ <u>N/A</u> _____	_____ <u>N/A</u> _____	_____ <u>N/A</u> _____

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

**BOROUGH OF RUMSON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(continued)**

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

State Awards

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

Internal Control over major programs:

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

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

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
<u>24-495-034-5094-003</u>	<u>Reimbursed TPAF Social Security Contributions</u>
<u>24-495-034-5120-044</u>	<u>Extraordinary Aid</u>
<u>24-495-034-5120-017</u>	<u>Debt Service Aid</u>
<u>24-495-034-5120-089</u>	<u>Special Education Categorical Aid</u>

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

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

**BOROUGH OF RUMSON SCHOOL DISTRICT
SCHEDULE OF FINANCIAL, FEDERAL AND STATE FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Section II - Financial Statement Findings

None

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

Not Applicable

**BOROUGH OF RUMSON SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Status of Prior Year Findings

There was one prior year finding that was corrected.